

UTAH OIL AND GAS CONSERVATION COMMISSION

7

REMARKS: WELL LOG _____ ELECTRIC LOGS _____ FILE X WATER SANDS _____ LOCATION INSPECTED _____ SUB. REPORT/abd. _____

DATE FILED 4-14-87

LAND: FEE & PATENTED X STATE LEASE NO. _____ PUBLIC LEASE NO. _____ INDIAN _____

DRILLING APPROVED: 4-29-87 (Cause No. 156-3)

SPOUDED IN: _____

COMPLETED: _____ PUT TO PRODUCING: _____

INITIAL PRODUCTION: _____

GRAVITY A.P.I. _____

GOR: _____

PRODUCING ZONES: _____

TOTAL DEPTH: _____

WELL ELEVATION: _____

DATE ABANDONED OPA 7-7-88

FIELD: MEXICAN HAT

UNIT: _____

COUNTY: SAN JUAN

WELL NO. J & L NO. 7 API #43-037-31318

LOCATION 1830' FSL FT. FROM (N) (S) LINE. 930' FWL FT. FROM (E) (W) LINE. NW SW 1/4 - 1/4 SEC. 6

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
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42S	19E	6	J & L OIL COMPANY
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J & L Oil Co. / J & L #7
Sec. 6 - 42 S - 19 E
San Juan Co.

18940017014

POLAROID-2

#7

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

(Other instructions on reverse side)

12

5. Lease Designation and Serial No.

Fee

6. If Indian, Allottee or Tribe Name

None

7. Unit Agreement Name

None

8. Farm or Lease Name

None

9. Well No.

J & L No. 7

10. Field and Pool, or Wildcat

Mexican Hat

11. Sec., T., R., M., or Blk. and Survey or Area

Sec 6 T42S R19E SLM

12. County or Parrish 13. State

San Juan

Utah

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

DRILL

DEEPEN

PLUG BACK

b. Type of Well

Oil Well

Gas Well

Other

Single Zone

Multiple Zone

2. Name of Operator

J & L Oil Company

3. Address of Operator

P.O. Box 307 Mexican Hat, UT 84531

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface

1830' F/SL 930' F/WL

At proposed prod. zone

Same

NW/5W

14. Distance in miles and direction from nearest town or post office*

1 1/2 Miles NW

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. line, if any)

930'

16. No. of acres in lease

60

17. No. of acres assigned to this well

Unlimited

18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this lease, ft.

125'

19. Proposed depth

500'

20. Rotary or cable tools

Rotary

21. Elevations (Show whether DF, RT, GR, etc.)

4235'

22. Approx. date work will start*

23.

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
7"	5 1/2"	21 pd	100 ft	17 sacks neat

Drill hole with spud mud to set 7" surface casing. Drill 5 1/2" hole with mud to est depth - Goodridge - 450' more or less.

A Notification of Intent to Drill has been directed to each working interest in the drilling unit. An operating agreement is attached.

RECEIVED
APR 14 1987

DIVISION OF
OIL, GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. Phone: 683-2215

Signed: Harold G. Baum

Title: Operator

Date: April 10, 1987

(This space for Federal or State office use)

Permit No. 43-037-31318

Approval Date APPROVED BY THE STATE

OF UTAH DIVISION OF
OIL, GAS, AND MINING

Approved by

Title

Conditions of approval, if any:

DATE: 4-29-87

BY: John R. Baya

*See Instructions On Reverse Side

WELL SPACING:

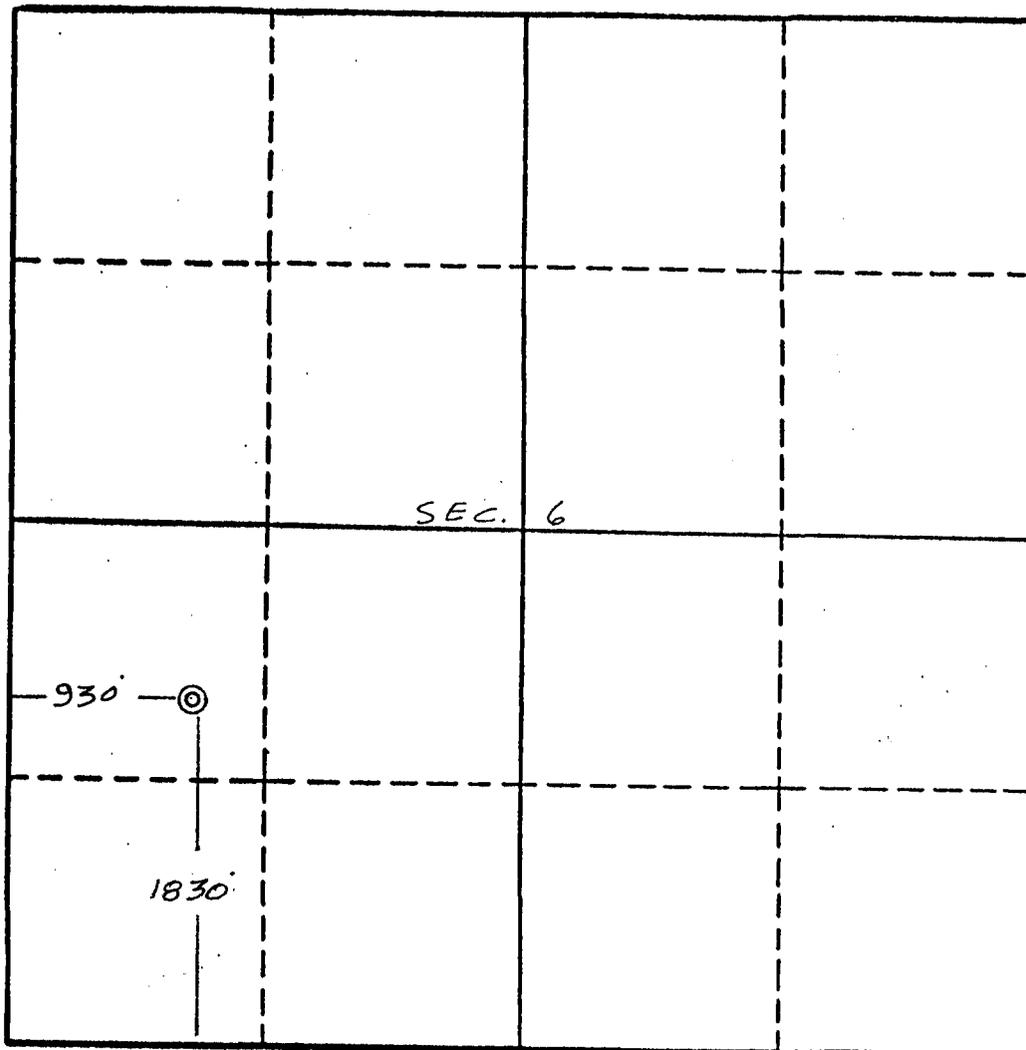
Company J & L Oil Company

Well Name & No. J & L No. 7

Location 1830' F/SL 930' F/WL

Sec. 6, T. 42 S., R. 19 E., S. L. M., County San Juan, Utah

Ground Elevation 4235



Scale, 1 inch = 1,000 feet

Surveyed March 29, 1987

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Seal:

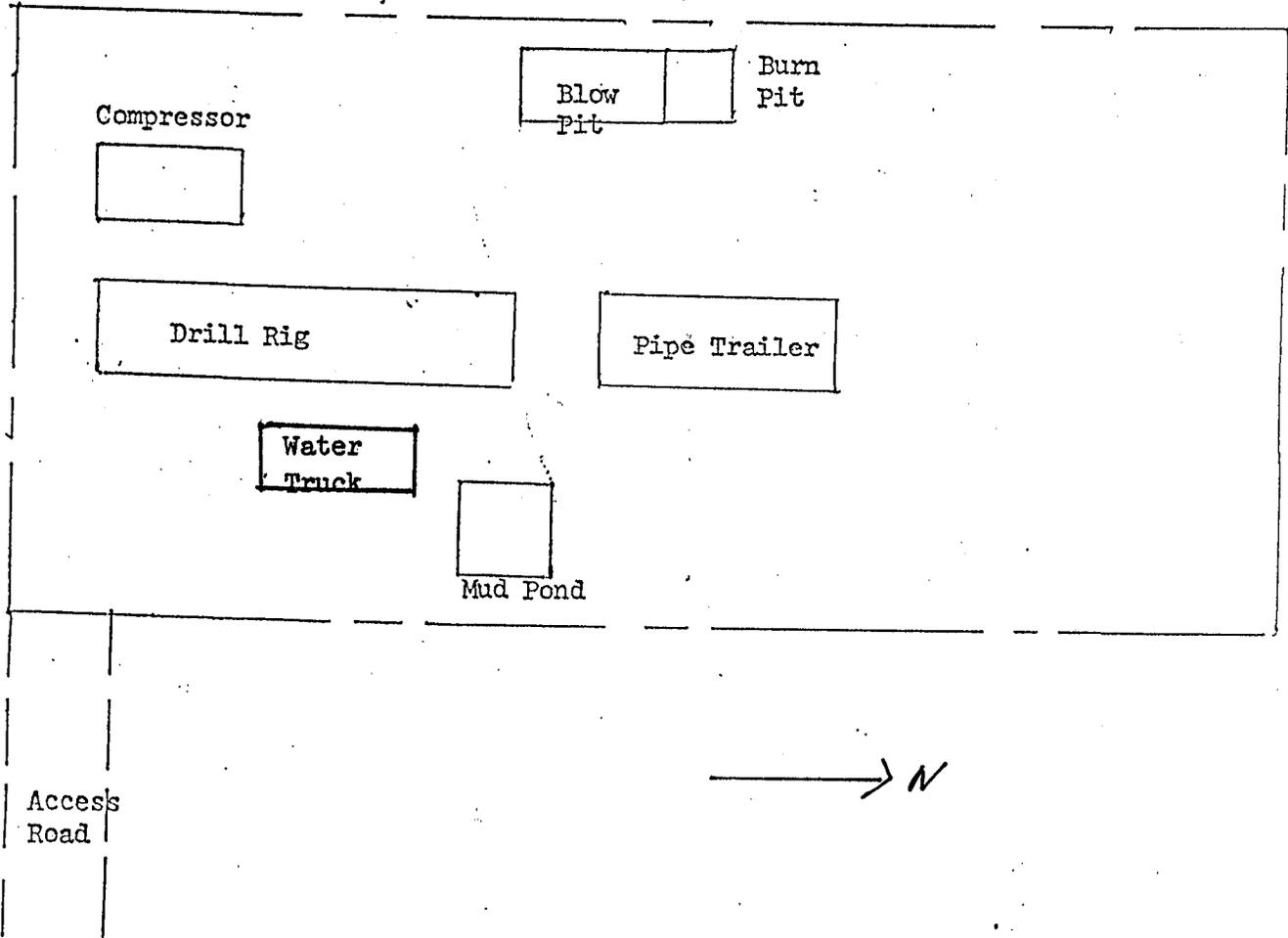


Edgar L. Risenhoover
Edgar L. Risenhoover
Registered Land Surveyor
New Mexico Reg. No. 5979

Non-resident certification as
authorized by Utah State Law
58-22-21(b)

EXHIBIT I

1. Important geologic markers is the Goodridge sand which stands 30' above the wash where the well will be drilled.
2. Estimated depths at which the tops and the bottom of anticipated, water, oil, gas, etc. is unknown as there has not been any other wells drilled in this location. All precautions will be taken to protect any resource of this type which is encountered.
3. This is known as a low pressure area. Adequate blowout prevention equipment will be used.
4. The type and characteristics of the proposed circulating medium or mediums to be employed in drilling, the quantities and types of mud and weighting material to be maintained is unknown until the drilling commences.
5. A sample will be taken every 5 feet.
6. It is anticipated that there will be no bottomhole, or abnormal pressures or temperatures or other hazards encountered.
7. Approved source of water: Approval for use per Ms. Dorothy Bolton, Utah Div. of Water Rights and San Juan Spec. Service Dist. #1.
Fresh water for surface hole, drilling and cement will be hauled from the town of Mexican Hat.
8. Cultural Resource clearance is not required as this is fee land.
9. Planned Access Roads - Roads already in existence.
10. Surface area of proposed location is rocky with very little vegetation - some Shadscale. Little dirt work is necessary to restore the area to it's original condition.
11. Source of Construction Materials - None required
12. Handling of Waste Materials:
 - Liquid waste to be retained in earthen pit.
 - Burnable waste, if any, to be placed in earthen pit and burned at appropriate times.
 - Non-burnable waste to be placed near burn pit and hauled off on completion
13. Well layout - See Exhibit II



August 12, 1985

Utah State Natural Resources
355 W. North Temple
3 Triad Center - Suite 350
Salt Lake City, UT 84180-1203

Subject: J & L Oil Company

Gentlemen:

J & L Oil Company, Mexican Hat, Utah, has requested and received authorization from the undersigned to use culinary water from the township of Mexican Hat, Utah, for the purpose of drilling oil wells.

Very truly yours,

SAN JUAN SPECIAL SERVICE DIST. #1

Luther P. Risenhoover

Luther Risenhoover, President

DIVISION OF OIL, GAS AND MINING
OF THE STATE OF UTAH

DESIGNATION OF OPERATOR

The undersigned producer, operator, transporter, refiner, gasoline of initial purchaser who is conducting oil and/or gas operations in the State of Utah, does, pursuant to the Rules and Regulations and Rules of Practice and Procedure of the Division of Oil, Gas and Mining of the State of Utah, hereby appoint J & L Oil Company, whose address is P.O. Box 307, Mexican Hat, UT 84531, (~~his or her~~ its) designated operator to accept and to be served with notices from said Board, or from other persons authorized under the Oil and Gas Conservation Act of the State of Utah.

The undersigned further agrees to immediately report in writing, all changes of address of the operator, and any termination of the operator's authority, and in the latter case, the designation of a new operator shall be immediately made. This designation of operator, however, shall remain in full force and effect until and unless a new designation of operator is filed in accordance with said statute and said regulations.

Effective date of designation August 12, 1985

Company San Juan Minerals, Inc. Address Box 52, Blythe, Calif 92225
By Jack Williams Title Pres.
(signature)

DRILLING LOCATION ASSESSMENT
State of Utah
Division of Oil, Gas & Mining

OPERATOR: J & L Oil Company WELL NAME: J & L #7
QTR/QTR: NW SW SECTION: 6 TWP: 42S RANGE: 19E
COUNTY: San Juan FIELD: Mexican Hat 1830 FSL 930 FWL
SFC OWNER: Private LEASE #: Fee
SPACING: 50 F SECTION LINE 50 F QTR/QTR LINE F ANOTHER WELL
INSPECTOR: Chip Hutchinson DATE & TIME: April 23, 1987 12:00 am
PARTICIPANTS: Chip Hutchinson, Ed Deputy, Jerry Baum
(DOGm) (DOGm) (J&L oil)

REGIONAL SETTING/TOPOGRAPHY: Monument Upwarps = Mesas, wash, and cliffs (30ft)
sandy relatively flat area with cliff to the east and
wash to the west - FAULT TRAP

LAND USE

CURRENT SURFACE USE: NONE - open Range

PROPOSED SURFACE DISTURBANCE: Drill pad of @ 100' x 100'. 10' x 20' RESERVE
pit. ~~200 ft of new road from existing road~~ existing
Road to location

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: very sparse scrub & native grasses. Lizards & small birds

ENVIRONMENTAL PARAMETERS

GEOLOGY

SOIL TYPE AND CHARACTERISTICS: Reddish fine sand (Blow sand) very permeable

SURFACE FORMATION & CHARACTERISTICS: Goodridge member of Paradox formation
thin bedded siltstones, sandstones, & reddish sand.

EROSION/SEDIMENTATION/STABILITY: stable appearance ~~due to~~ slight
erosion due to wind & water.

SUBSURFACE GEOLOGY

OBJECTIVE(S)/DEPTH(S): Good ridge member @ 500 ft.

ABNORMAL PRESSURES - HIGH AND LOW: NONE anticipated

CULTURAL RESOURCES/ARCHAEOLOGY: waived - Fee lease.

WATER RESOURCES: small intermittent drain west of location. No
drainage through location

RESERVE PIT

CHARACTERISTICS: approximately 10' x 20' rectangular about 5' deep
west of location

LINING: none required due to shallow well and mud program.

MUD PROGRAM: water (fresh) with occasional soap

DRILLING WATER SUPPLY: San Juan service District, Mexican Hat, Utah

OTHER OBSERVATIONS: Stripper field w/ shallow wells. Drilling time of
24 to 48 hrs.

STIPULATIONS FOR APD APPROVAL: NONE

ATTACHMENTS

photo

043005

OPERATOR J & L Oil Co DATE 4-16-87

WELL NAME J & L #7

SEC NW SW 6 T 42S R 19E COUNTY San Juan

43-037-31318
API NUMBER

Free
TYPE OF LEASE

CHECK OFF:

PLAT

Bonded by San Juan Minerals

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

Case No. 156-3
Water

APPROVAL LETTER:

SPACING: 203 _____ UNIT

302

156-3 4-15-80
CAUSE NO. & DATE

302.1

STIPULATIONS:



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

April 29, 1987

J & L Oil Company
P. O. Box 307
Mexican Hat, Utah 84531

Gentlemen:

Re: J & L No. 7 - NW SW Sec. 6, T. 42S, R. 19E - 1830' FSL, 930' FWL
San Juan County, Utah

Approval to drill the referenced well is hereby granted in accordance with the Order of Cause No. 156-3 dated April 15, 1980.

In addition, the following actions are necessary to fully comply with this approval:

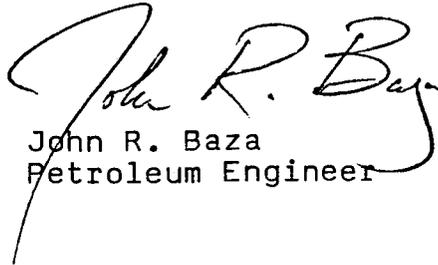
1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. All well operators are responsible for sending an Entity Action Form to the Division of Oil, Gas and Mining within five working days of the time that a new well is spudded or a change in operations or interests necessitates a change in Entity status.
3. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
4. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.
5. Compliance with the requirements and regulations of Rule 311.3, Associated Gas Flaring, Oil and Gas Conservation General Rules.

Page 2
J & L Oil Company
J & L No. 7
April 29, 1987

6. Prior to commencement of the proposed drilling operations, plans for toilet facilities and the disposal of sanitary waste at the drill site shall be submitted to the local health department having jurisdiction. Any such drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of all local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 533-6163.
7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-037-31318.

Sincerely,



John R. Baza
Petroleum Engineer

as
Enclosures
cc: Branch of Fluid Minerals
D. R. Nielson
8159T



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

June 7, 1988

J & L Oil Company
P.O. Box 307
Mexican Hat, Utah 84531

Gentlemen:

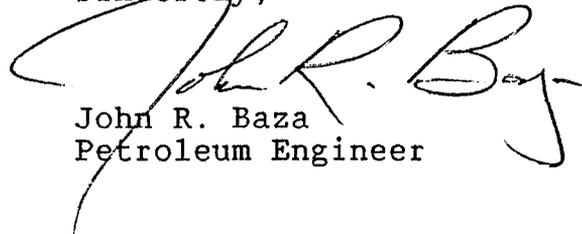
Re: J & L No. 7, Sec. 6, T. 42S, R. 19E, San Juan County, Utah,
API NO. 43-037-31318

Due to excessive time delay in commencing drilling operations, approval to drill the subject well is hereby rescinded, effective one calendar month from the date of this notice.

If it is your intent to proceed with operations on the well, you must submit a request for extension of the approval to drill within the one month grace period. After the grace period, a new Application for Permit to Drill must be filed with this office for approval, prior to future drilling of the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,



John R. Baza
Petroleum Engineer

tc
cc: BLM-Moab
Dianne R. Nielson
R. J. Firth
Well file

0327T