

UTAH OIL AND GAS CONSERVATION COMMISSION

A

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

DATE FILED 4-14-87

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

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

SPUDDED IN:

COMPLETED: PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: *PA 7-7-88*

FIELD: MEXICAN HAT

UNIT:

COUNTY: SAN JUAN

WELL NO. J & L NO. 11 API #43-037-31320

LOCATION 2170' FSL FT. FROM (N) (S) LINE, 220' FWL FT. FROM (E) (W) LINE. NW SW 1/4 - 1/4 SEC. 6

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
				42S	19E	6	J & L OIL COMPANY

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. 11
10. Field and Pool, or Wildcat
Mexican Hat
11. Sec., T., R., M., or Blk. and Survey or Area
Sec 6 T42S R19E S1M
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
2170' F/SL 220' F/WL
At proposed prod. zone
Same
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 drig. line, if any) **220'**
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. **480'**
19. Proposed depth **430'**
20. Rotary or cable tools
Rotary
21. Elevations (Show whether DF, RT, GR, etc.)
4269'
22. Approx. date work will start*
May 15, 1987

NW/SE

Produced

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: Jerald L. Baum Title: Operator Date: April 10, 1987
(This space for Federal or State office use)

Permit No. _____ Approval Date _____
Approved by _____ Title _____
Conditions of approval, if any: _____

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 4-29-87
BY: John R. Bays
WELL SPACING: _____

*See Instructions On Reverse Side

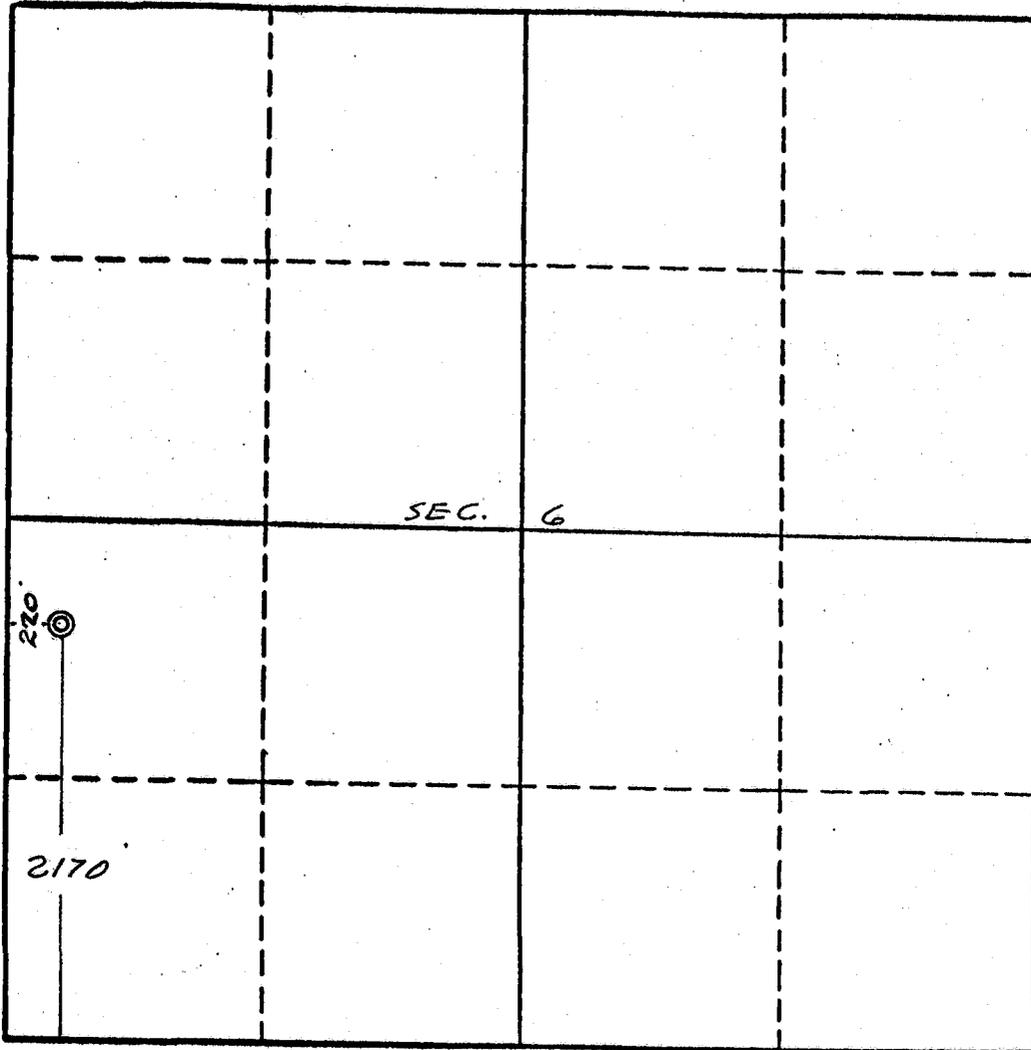
Company J & L Oil Company

Well Name & No. J & L No. 11

Location 2170' F/5L 220' F/WL

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

Ground Elevation 4269



Scale, 1 inch = 1,000 feet

Surveyed March 29, 19 87

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:

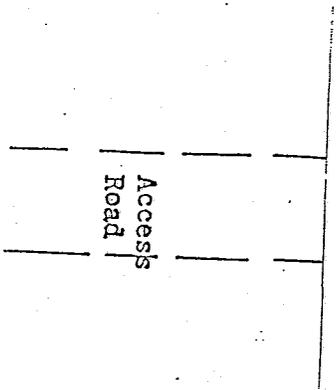
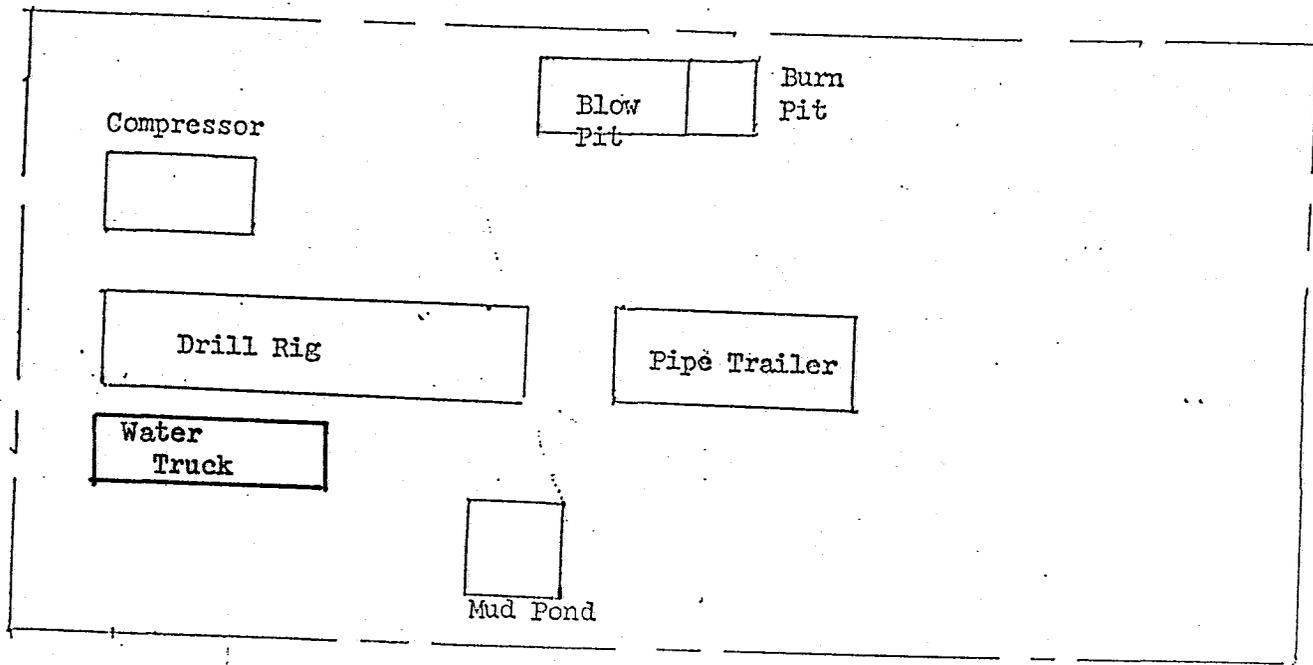


Edgar L. Risenhoover
Edgar L. Risenhoover
Registered Land Surveyor
New Mexico Reg. No. 5979

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 top 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, (~~its~~ ~~operator~~ or 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, Corp. Address RT 1 Box 52, Blythe City 92225
By Jack Williams (signature) Title Pres.

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

OPERATOR: J & L Oil Company WELL NAME: J & L #11
QTR/QTR: NW SW SECTION: 6 TWP: 42S RANGE: 19 E
COUNTY: San Juan FIELD: Mexican Hat 2170 F S L 220 F W L
SFC OWNER: ~~Private~~ PRIVATE LEASE #: FEE
SPACING: 50' F SECTION LINE 50' F QTR/QTR LINE — F ANOTHER WELL
INSPECTOR: Chip Hutchinson DATE & TIME: April 23, 1987 12:15 pm.
PARTICIPANTS: Ed Deputy (DOGm) & Jerry Baum (J & L Oil)

REGIONAL SETTING/TOPOGRAPHY: Monument Upward; Mesas, wash; & cliffs (30ft)
@ 15% easterly grade

LAND USE

CURRENT SURFACE USE: NONE.

PROPOSED SURFACE DISTURBANCE: 100 ft x 50 ft drill pad. 10 ft x 20 ft x 4 ft RESERVE
pit. @ 500 ft. of NEW ROAD from existing road.

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE.

FLORA/FAUNA: Daisy & sparse native grass - Lizards & small birds

ENVIRONMENTAL PARAMETERS

GEOLOGY

SOIL TYPE AND CHARACTERISTICS: cobbles, rock and Red sand (Blow sand); VERY
PERMEABLE.

SURFACE FORMATION & CHARACTERISTICS: Goodridge member of Paradox formation
thin bedded siltstones reddish sandstone & successio dolomite

EROSION/SEDIMENTATION/STABILITY: stable location with eolian ^{sand} deposition -
some water erosion.

SUBSURFACE GEOLOGY

OBJECTIVE(S)/DEPTH(S): Coonridge member @ 500 ft depth.

ABNORMAL PRESSURES - HIGH AND LOW: NONE anticipated

CULTURAL RESOURCES/ARCHAEOLOGY: uninvolved - Fee lease

WATER RESOURCES: small intermittent drainage east of location; No
drainage through location

RESERVE PIT

CHARACTERISTICS: @ 10ft x 20ft x 5ft deep east of location

LINING: no liner required due to minimal drilling fluids, mud program
and shallow cell

MUD PROGRAM: fresh water w/occasional soap.

DRILLING WATER SUPPLY: San Juan Service District - Mexican Hat

OTHER OBSERVATIONS: stripper field - shallow well,

STIPULATIONS FOR APD APPROVAL: NONE

ATTACHMENTS

photo.

043003

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

WELL NAME J & L # 11

SEC NWSW 6 T 42S R 19E COUNTY San Juan

43-037-31320
API NUMBER

Fee
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR GIL SHALE

*Bonded -
San Juan
Municipal*

PROCESSING COMMENTS:

Water R

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. 11 - NW SW Sec. 6, T. 42S, R. 19E - 2170' FSL, 220' 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

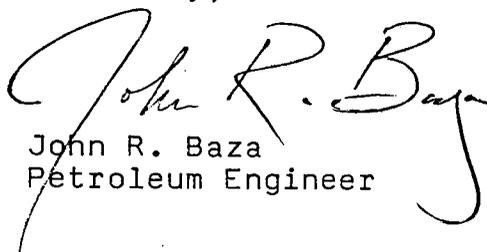
J & L No. 11

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 43-037-31320.

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:

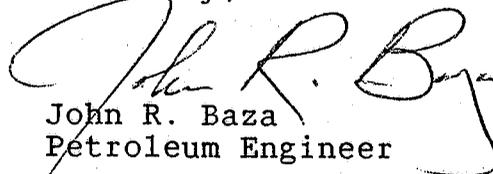
Re: J & L No. 11, Sec. 6, T. 42S, R. 19E, San Juan County, Utah,
API NO. 43-037-31320

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.

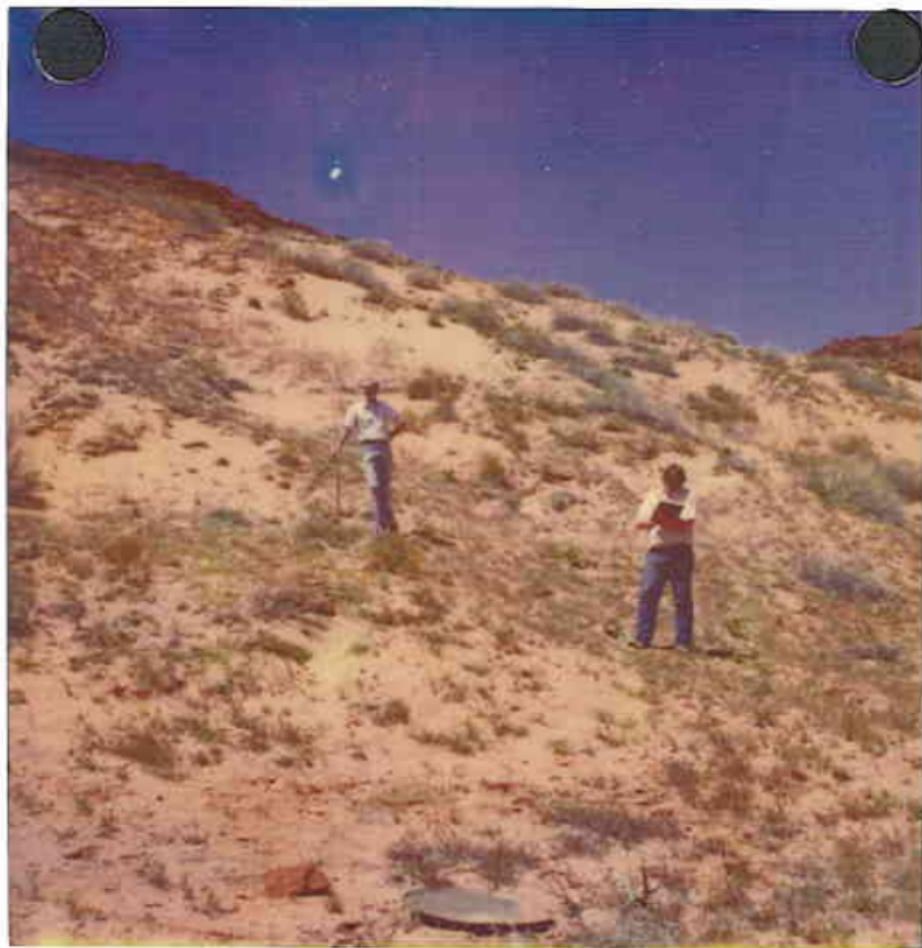
Sincerely,



John R. Baza
Petroleum Engineer

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

0327T



J & L Oil Co. / J & L # 11
Sec. 6 - 42 S - 19 E
San Juan Co.