

UTAH OIL AND GAS CONSERVATION COMMISSION

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

DATE FILED 7-6-87

LAND: FEE & PATENTED _____ STATE LEASE NO. _____ PUBLIC LEASE NO. U-01058B INDIAN _____

DRILLING APPROVED: 7-17-87 (Exception Location)

SPUDED IN: _____

COMPLETED: _____ PUT TO PRODUCING: _____

INITIAL PRODUCTION: _____

GRAVITY A.P.I. _____

GOR: _____

PRODUCING ZONES: _____

TOTAL DEPTH: _____

WELL ELEVATION: _____

DATE ABANDONED OPA 11-1-88

FIELD: RECAPTURE CREEK

UNIT: _____

COUNTY: SAN JUAN

WELL NO. RECAPTURE CREEK FEDERAL A-3 API #43-037-31331

LOCATION 1665' FNL FT. FROM (N) (S) LINE. 2114' FEL FT. FROM (E) (W) LINE. SW NE 1/4 - 1/4 SEC. 20

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
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40S	23E	20	DYCO PETROLEUM CORP.
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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

<p>SUNDRY NOTICES AND REPORTS ON WELLS (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)</p>		<p>5. LEASE DESIGNATION AND SERIAL NO. 01058</p>
<p>1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/></p>		<p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME</p>
<p>2. NAME OF OPERATOR Dyco Petroleum Corporation</p>		<p>7. UNIT AGREEMENT NAME</p>
<p>3. ADDRESS OF OPERATOR 7130 S. Lewis, Ste. 300</p>		<p>8. FARM OR LEASE NAME Shell Government B</p>
<p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface SE NW 1980' FNL & 1985' FEL</p>		<p>9. WELL NO. 2</p>
<p style="text-align: center;">DIVISION OF OIL, GAS & MINING</p>		<p>10. FIELD AND POOL, OR WILDCAT Recapture Creek</p>
<p>14. PERMIT NO.</p>		<p>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 20-40S-23E</p>
<p>15. ELEVATIONS (Show whether DT, AT, GR, etc.) 4492 DF</p>		<p>12. COUNTY OR PARISH San Juan</p>
<p>18. STATE UT</p>		

RECEIVED
APR 03 1987

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	FULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) _____	
(Other) See below		(NOTE: Report results of multiple completion on Well Completion or Refrill Report and Log form.)	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) *

According to the attached Sundry Notice, Dyco attempted to get the "B2" well on production, we have been unsuccessful. We have carefully reviewed our options and feel that a replacement well is the best choice. The location of the replacement well would be chosen in order to achieve the most optimum geologic position. Our most logical location is spotted on the attached map. The proposed location would cause there to be two wells in the west half of the NE/4. According to CD# 85-3, all of section 20-40S-23E is spaced on 80 acre units with the wells to be drilled 1 well per E/2 and 1 well per W/2 of each quarter section. The existing well for the W/2 of NE/4 of section 20 is the A-1. The proposed well would be in the S/2 of the W/2 of NE/4 of section 20.

This Sundry Notice is to serve as a request for exception to CD #85-3. The existing B2 well would be plugged and abandoned if we were allow to drill a replacement well at the proposed location. Dyco Petroleum operates and owns the same working interest percentage in all the wells inside the outlined area. Our new location would not be infringing upon another operator.

18. I hereby certify that the foregoing is true and correct

SIGNED Ray A. [Signature] TITLE Production Engineer DATE April 1, 1987

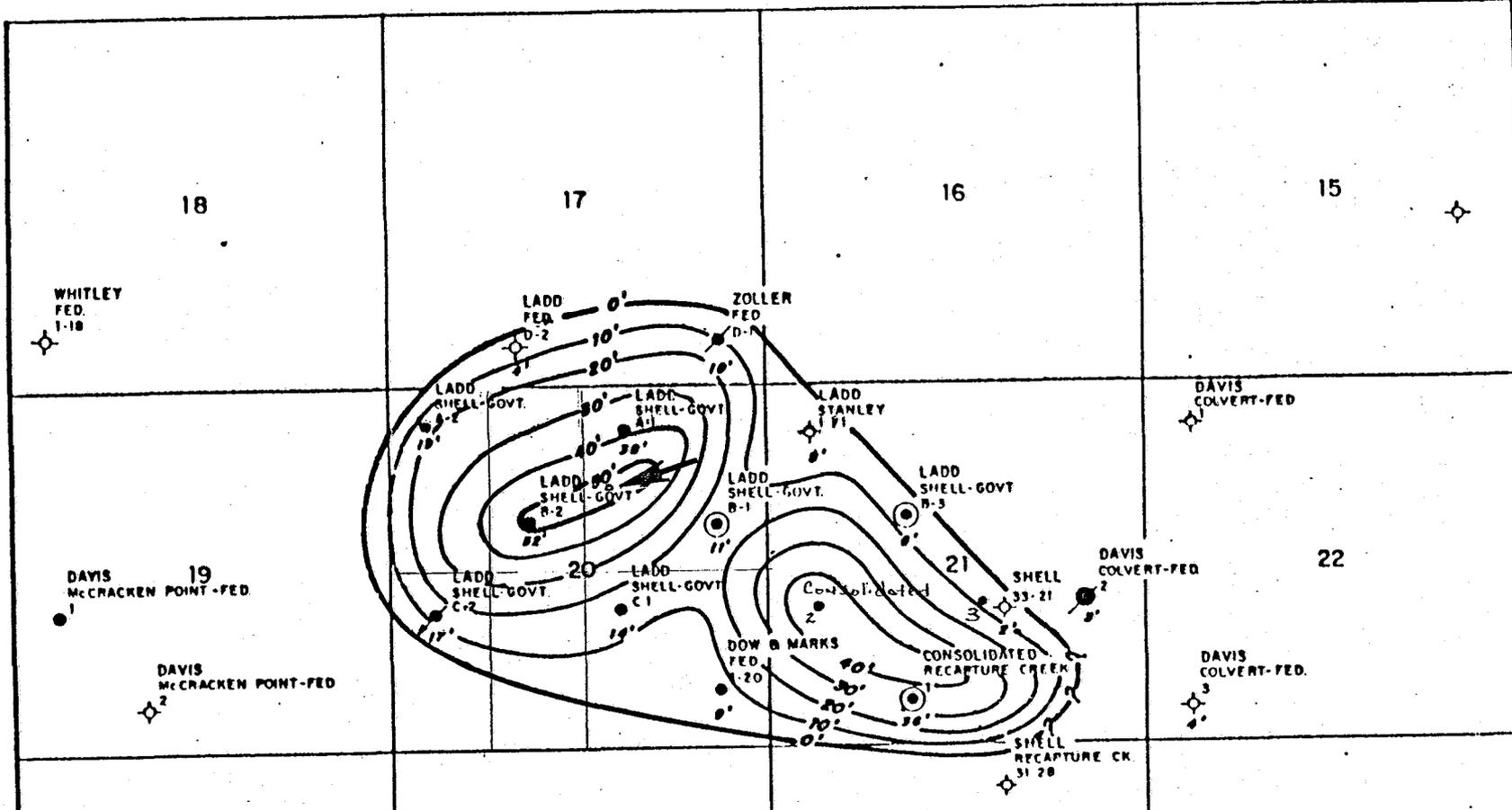
(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

APR 08 1987

DIVISION OF
OIL, GAS & MINING

R. 23 E.



Dyco Petroleum purchases
Ladd Petroleum interest
and took over as
operator 10-1-85.

- LEGEND:
- ISMAY COMPLETION
 - DESERT CREEK COMPLETION
 - ⊙ ISMAY & DESERT CREEK COMINGLED
 - ↘ SWD (ISMAY)

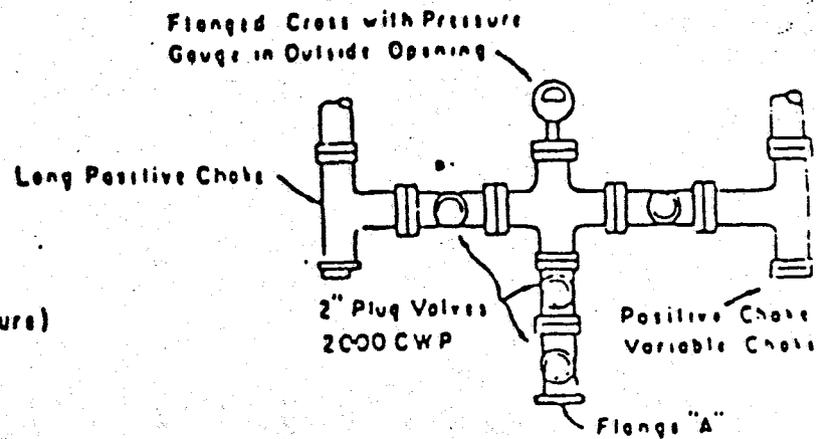
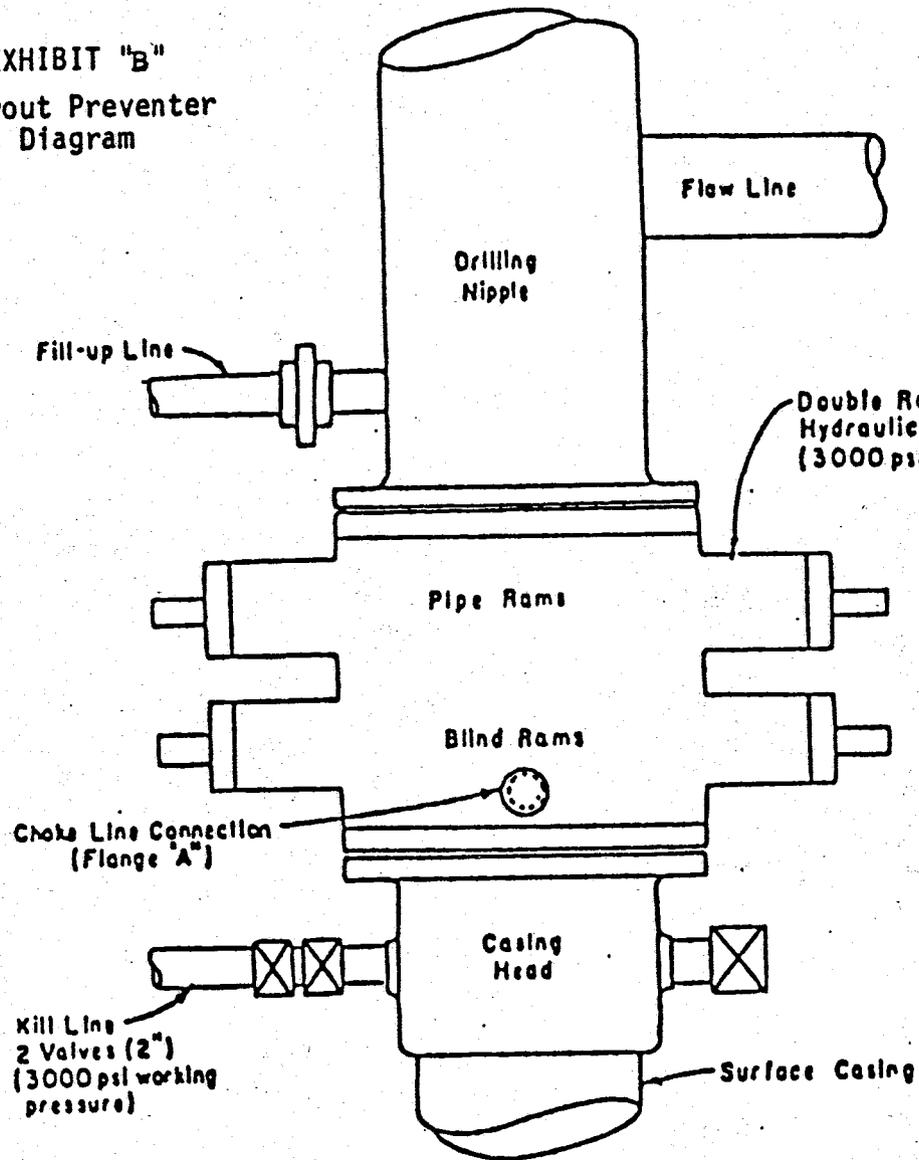
FIGURE 4
ISOPACH NET OIL PAY
LOWER ISMAY
RECAPTURE CREEK FIELD
SAN JUAN COUNTY, UTAH

0 1/4 1/2 3/4 1
SCALE OF 1 MILE

Vance Hester, P.E. Sept., 1981

T. 40 S.

EXHIBIT "B"
Blowout Preventer
Diagram



PLAN VIEW-CHOKE MANIFOLD

EXHIBIT "C"
MULTI-POINT REQUIREMENTS TO ACCOMPANY APD

DYCO PETROLEUM CORPORATION
Federal #A-3
San Juan County, Utah

1. Existing Roads

- A. Plat #1 is the proposed well site as staked by Energy Surveys & Engineering Corp.; staking included two 200' reference points with elevations and elevation of location.
- B. Map #1 is the Access Road and the Topo Map. The location is a total of 7.6 miles northwesterly of Montezuma Creek, Utah. To reach the location, travel northwesterly from Montezuma Creek, Utah 6.8 miles on Utah Highway No. 162 turn right onto a gravel road, travel 0.7 mile, turn left at tank battery, travel 0.1 mile to the beginning of the flagged access road as shown on Map #1.
- C. Map #1 is a copy of a portion of the Montezuma Creek, Utah Quadrangle. It shows the access roads into the location. The green color shows the existing roads; the red color indicates flagged route for new construction required to reach the location.
- D. All known existing roads appear on Maps #1 and #2.
- E. All roads to the beginning of the access to be constructed are in good condition and are carrying truck traffic regularly. Occasional maintenance blading will keep roads in good condition.

2. Planned Access Roads

The proposed access to be constructed is 200 ft in length and will be 16' in width. The proposed road goes southwesterly past tank battery to location. Existing surface production lines will be padded over with dirt.

- (1) The typical section if the proposed access road will be 16' in width.
- (2) Maximum grade will be 7% or less.
- (3) No turnouts will be required.
- (4) No culverts are required.
- (5) Drainage will be carried in bar ditches to natural

- drainage courses.
- (6) Road surface material will be that native to the area.
 - (7) No gates will be required. This is an open range area.
 - (8) The proposed access road was flagged at the time the location was staked.

The operator or his contractor will notify B.L.M. office in Monticello, Utah (phone 801/587-2141) at least 48 hours prior to commencement of any work on this location or roadway.

3. Location of Existing Wells

For all existing wells within a one-mile radius of this development well, see Map #1.

- (1) There are no water wells.
- (2) There are no abandoned wells.
- (3) There are 3 temporarily abandoned wells, A-2, B-2, C-2.
- (4) There is one disposal well.
- (5) There are no drilling wells.
- (6) There are producing wells: (as shown on Map #1).
- (7) There are no shut-in wells.
- (8) There are no injection wells.
- (9) There are no monitoring wells or observation wells.

4. Location of Existing and/or Proposed Facilities

- A. Within a one-mile radius of this location are the following existing facilities owned or controlled by lessee/operator.
 - (1) Tank batteries two.
 - (2) Production facilities - two.
 - (3) Oil gathering lines - same.
 - (4) Gas gathering lines - none.
 - (5) Injection lines - none.
 - (6) Disposal lines - none.
- B. Separators, heater/treaters and meter houses, if required, will be placed on gravel pads or concrete bases, and will be painted the same color as the existing tanks.

Pump-jacks will be placed on concrete bases, or on raised earthen mounds covered with gravel.

- C. Rehabilitation, whether the well is productive or not, will be made on the unused areas as soon as practical in accordance with the restoration plans presented in Item 10 following.

5. Location and Type of Water Supply

Water will be supplied and hauled by Hay Hot Oil - Utah Water Permit attached.

6. Source of Construction Materials

A., B., C., D.

No construction materials are needed for drilling operations. In the event of production, the small amount of gravel needed for facilities will be hauled in by truck from a local gravel pit over existing access roads from the area. No special access other than for drilling operation is needed.

7. Methods for Handling Waste Disposal

- (1) Drill cuttings will be buried in the reserve pit when covered.
- (2) Drilling fluids will be contained in steel mud pits and the reserve pit.
- (3) Any hydrocarbon liquids produced while drill stem testing or production testing will be contained in a test tank set near the pipe baskets or near the wellhead. Any unavoidable spills of oil or other adverse substances or materials will be covered or removed immediately during drilling progress or during completion operations.
- (4) Portable chemical toilets will be provided and serviced by a local commercial sanitary service.
- (5) Garbage and trash will be collected in a trash cage and its contents hauled to a sanitary landfill.
- (6) Previous to commencement of drilling, the reserve pit will be fenced on three sides using 36" woven wire with one strand of barbed-wire above. When drilling activities are completed it will be fenced on the fourth side and allowed to dry (if liquids are present). Otherwise, reclamation procedures will commence to rehabilitate and reseed the disturbed areas outside of the area needed for production. See

Item 10 for other rehabilitation requirements.

8. Ancillary Facilities

No air strips, camps, or other living facilities will be built off the location. Housing and office trailers will be on the location as seen on Plat #4.

9. Well Site Layout

(1) Plat #2 is the Drill Pad Layout as staked by Energy Surveys & Engineering Corp. Cut and fill contours have been drawn on this plat. Surplus material, trees and brush to be stockpiled have been shown.

Plat #3 shows the cut/fill cross-sections as taken from Plat #2.

(2) (3) The mud tanks, reserve pit, trash cage, chemical toilet, pipe racks, living facilities, rig orientation, parking areas and access road are all shown on Plat #4.

(4) The reserve pit will be lined with natural clay or commercial bentonite as necessary.

10. Plans for Restoration

(1) Backfilling, leveling, and recontouring will be accomplished as soon as possible after plugging of the well, or on those unused areas if production is obtained. Rehabilitation work will commence as soon as practical. Waste disposal and spoils materials will be buried or hauled away.

(2) All disturbed areas will be scarified with the contour to a depth of 2 inches. A seed mixture stipulated by the Monticello Resource Area will be broadcast over the rehabilitated areas. A harrow-type implement will be drug over the seed bed to insure seed cover.

(3) Three sides of the reserve pit will be fenced prior to drilling. Upon completion the fourth side will be fenced until rehabilitation necessitates removal.

(4) Any oil spills will be immediately reported, and cleaned up or flagged.

(5) Rehabilitation operations will commence as soon as practical and in no event will commence later than 90 days after completion of the well. All recontouring, rehabilitation, reseeding will continue until completed

unless so directed by the B.L.M.

- (6) The Resource Area in Monticello, Utah will be called at least 48 hours before work begins on the rehabilitation program.

11. Other Information

- (1) Topographic and Geologic Features of the area (reference Topographic Map #1):
The area is typical Morrison desert terrain, highly eroded, with drainage southwesterly into San Juan River. The fauna of the area consists of cattle, goats, sheep, coyotes, rabbits, rodents, raptors and songbirds. The flora of the area consists of Indian Rice Grass, Shadscale, prickly pear cactus, rabbit brush, greasewood, desert trumpet, four wing saltbush.
- (2) The surface ownership is Federal. The surface use is grazing and petroleum production.
- (3) (a) The nearest live water is San Juan River 1000' southerly of the location, as shown on Map #1.
- (b) No dwellings of any kind exist in the area and no archeological, historical or cultural sites are known to be present.
- (c) An archeological report by ABAJO Archaeology has been sent under separate cover.
- (4) There are no reported restrictions or reservations noted on the oil and gas lease.

12. Lessee's or Operator's Representative

Dyco Petroleum Corporation
7130 South Lewis, Suite 300
Tulsa, Oklahoma 74136
918/496-7600

Mr. J. N. Burkhalter
Burkhalter Engineering
715 Horizon Dr., #330
Grand Junction, Colorado
81506
303/242-8555

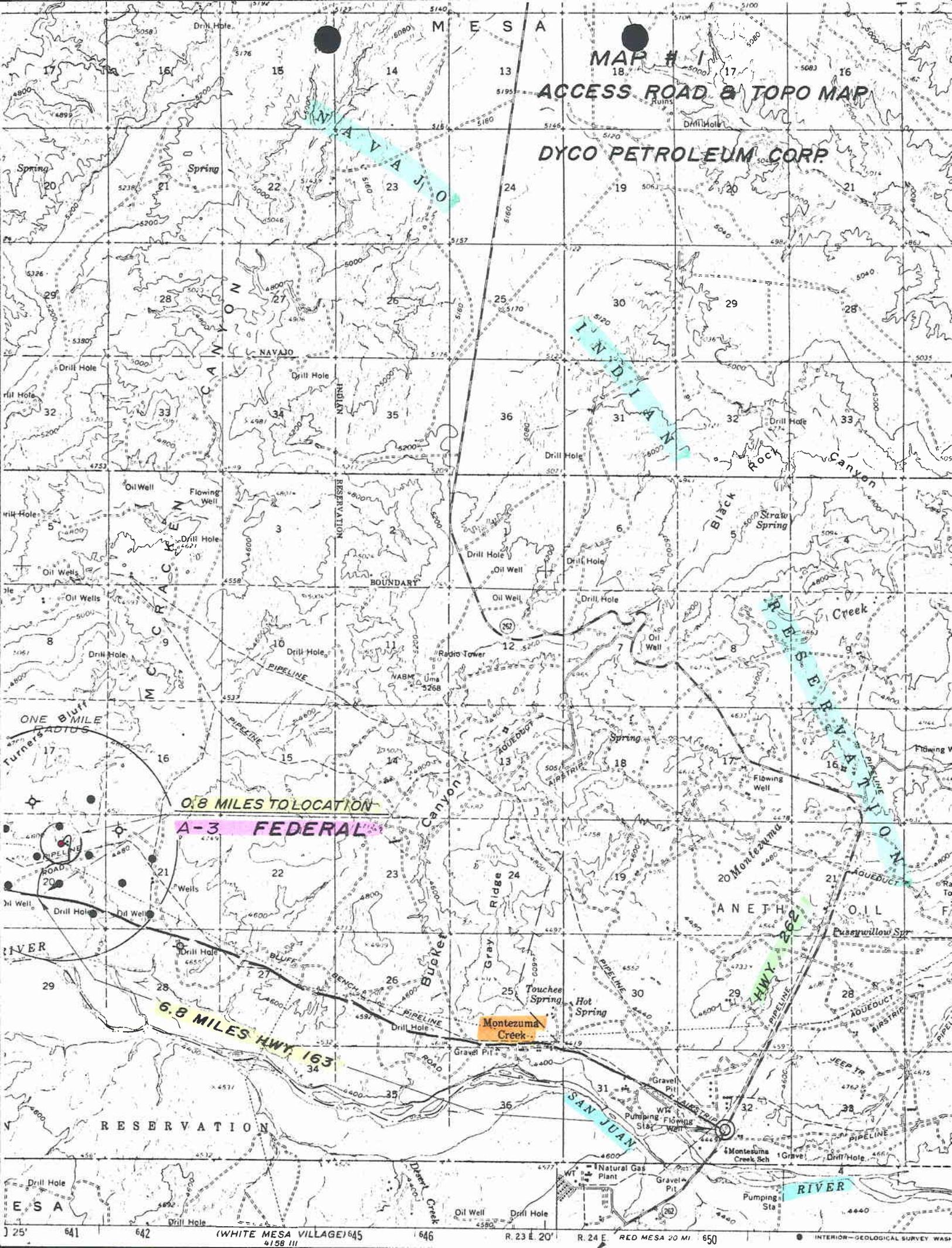
EXHIBIT "C"
Page 6
Federal A-3

13. Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Dyco Petroleum and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

6/29/87
Date

J. N. Burkhardt
Representative



MAP # 1
ACCESS ROAD & TOPO MAP

DYCO PETROLEUM CORP.

0.8 MILES TO LOCATION

A-3 FEDERAL

6.8 MILES HWY 163

RESERVATION

(WHITE MESA VILLAGE) 645

R. 23 E. 20'

R. 24 E

RED MESA 20 MI. 650

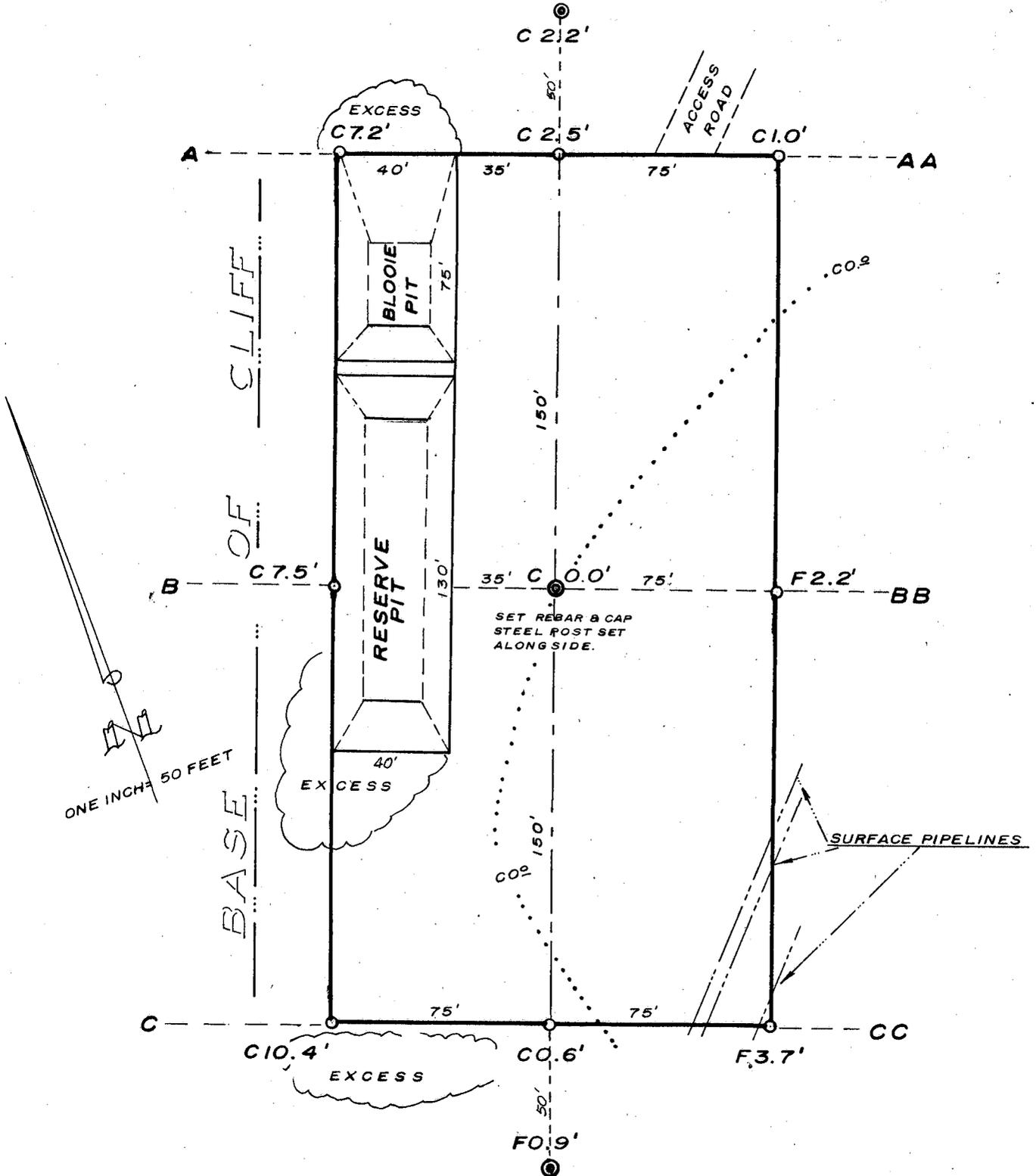
INTERIOR- GEOLOGICAL SURVEY WAS

MAP # 2
VICINITY MAP



PLAT # 2 PIT & PAD LAYOUT

SET REBAR & CAP WITH
STEEL POST SET ALONGSIDE.

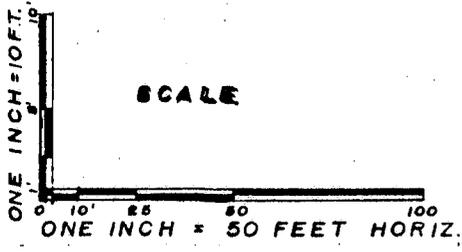
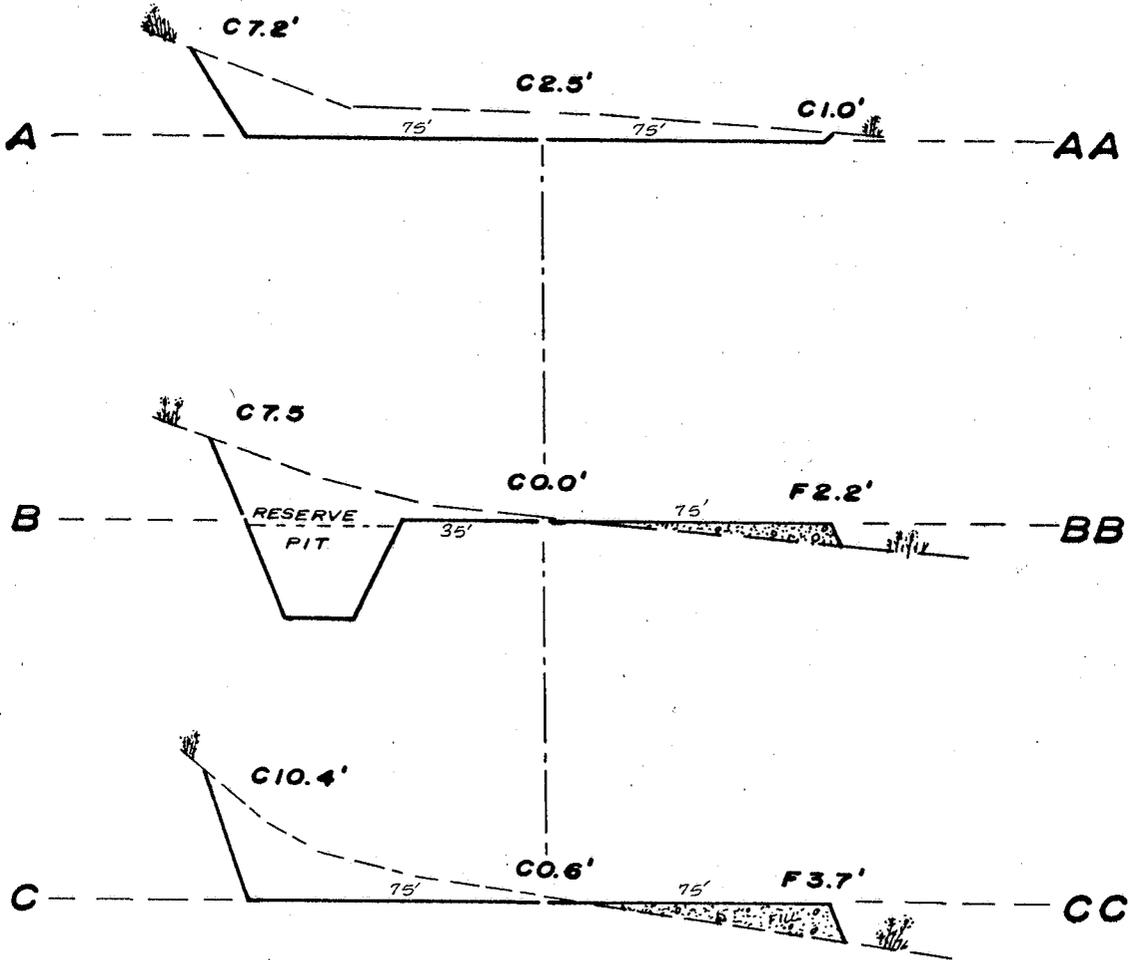


SET REBAR & CAP WITH
STEEL POST SET ALONGSIDE.

DYCO PETROLEUM

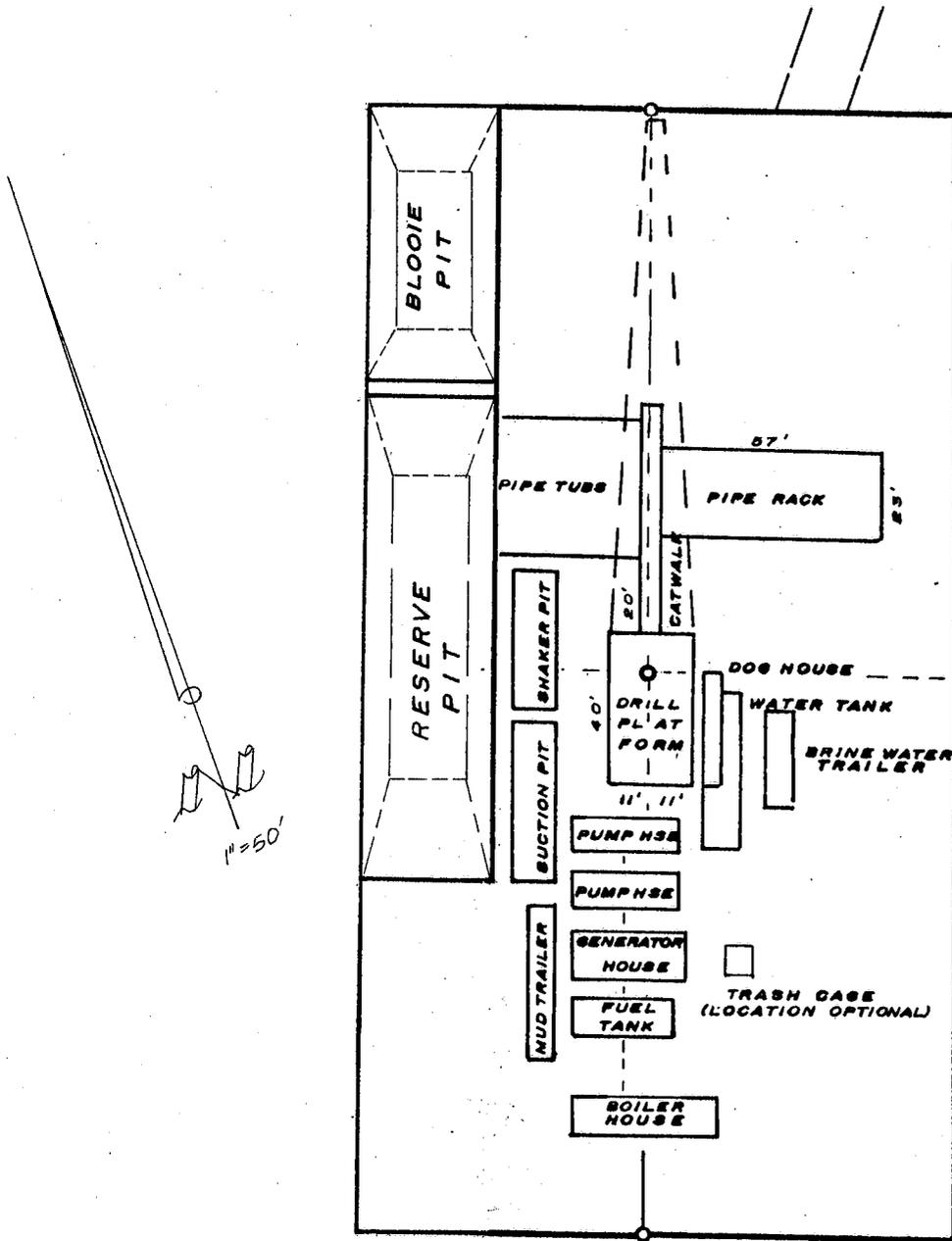
A-3 FEDERAL

PLAT # 3
 CROSS-SECTIONS
 PIT & PAD



DYCO PETROLEUM CORP.
 A - 3 FEDERAL LOC.

PLAT # 4
RIG LAYOUT



DYCO PETROLEUM
A-3 FEDERAL



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 • 801-539-5340

May be permitted as an
exception as per rule 302.1,
with concurrence of offsetting
operators -
April 20, 1987

Mr. Gary Green
Dyco Petroleum Corporation
7130 South Lewis
Suite 300
Tulsa, Oklahoma 74136

Dear Mr. Green:

RE: Request for Proposed Replacement Well, Section 20, Township 40
South, Range 23 East, San Juan County, Utah

We received your Sundry Notices and Reports on Wells dated April 1, 1987, regarding the Shell Government B 2 Well and a proposed replacement well. As indicated, the B 2 Well, SE1/4 NW1/4, Section 20, is the approved well for the 80-acre drilling unit for the E1/2 NW1/4 of Section 20 in Cause No. 85-1, dated February 14, 1963. Also, you have been unsuccessful in your attempts to obtain further production from the B 2 Well and desire to drill a replacement well. The most optimum geological location for a replacement well appears to be in the SW1/4 NE1/4, Section 20. The proposed replacement well would be located in the 80-acre drilling unit for the W1/2 NE1/4 of Section 20. The A 1 Well located in the NW1/4 NE1/4 of the section is the approved well for this drilling unit. Therefore, your request for a replacement well within the W1/2 NE1/4 of Section 20, implies that two wells would be located within that 80-acre drilling unit.

The administrative approval modification to the Order in Cause No. 85-1 for handling exception drilling locations, as expressed in the Findings of Cause No. 85-3, dated June 26, 1979, does not apply in this particular situation. The administrative approval capability as indicated in Cause No. 85-3 would apply in those situations where the original well and a proposed replacement well are to be located in the same drilling unit.

Page 2
Mr. Gary Green
April 20, 1987

If it is your continuing desire to permit the drilling of a replacement well in the W1/2 NE1/4 of Section 20, it will be necessary to submit a Petition to the Board of Oil, Gas and Mining for a hearing on the matter. Enclosed is a copy of the Board's Procedural Rules for your reference in preparing and submitting such a Petition.

Please feel free to call this office if you care to discuss this matter.

Sincerely,



R. J. Firth
Associate Director, Oil and Gas

vb
Enclosure
cc: D. R. Nielson
M. L. Anderson
0266V-46-47

T. KEITH MARKS

Oil and Gas Producer

1580 LINCOLN STREET, SUITE 600 • DENVER, COLORADO 80203

PHONE (303) 861-1974

RECEIVED
JUN 01 1987

DIVISION OF
OIL, GAS & MINING

May 29, 1987

Mr. R. J. Firth
Utah Oil & Gas Commission
Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: Dyco Petroleum Replacement Well
SWNE Sec. 20, T40S-R23E
San Juan County, Utah

Dear Mr. Firth:

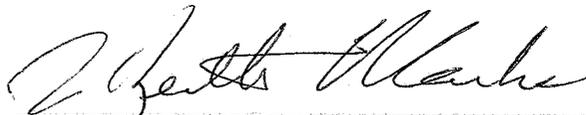
In order that Dyco Petroleum can obtain Administrative Approval from the Utah Oil & Gas Commission to drill the above-described replacement well, this letter is to inform you that Dow and Marks, Operators of the Federal #1-20 well in San Juan County, Utah approve Dyco Petroleum's replacement well as described above.

Should you require any further information please do not hesitate to contact me at the above address.

Thank you.

Sincerely,

DOW AND MARKS

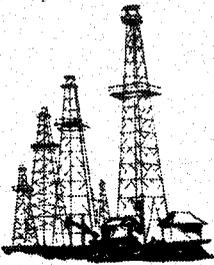


T. Keith Marks

TKM:mah

cc: Mr. Glenn A. Dow
P. O. Box 769
Geyserville, California 95441

Mr. J. N. Burkhalter
Burkhalter Engineering, Inc.
715 Horizon Drive, Suite 330
Grand Junction, Colorado 81506



Petroleum and Energy Consultants
Registered in Rocky Mountain States

BURKHALTER ENGINEERING, INC.
715 Horizon Drive, Suite 330
Grand Junction, CO 81506
Telephone (303) 242-8555

June 28, 1987

RECEIVED
JUL 06 1987

DIVISION OF
OIL, GAS & MINING

Utah Oil, Gas & Mining
355 West North Temple Street
3 Triad Center, Ste 350
Salt Lake City, Utah 84180

Re: APD for Dyco Petroleum Well Fed ~~B-4~~ A-3
SWNE Sec 20, T40S, R23E, SLM
San Juan County, Utah

Gentlemen:

Transmitted herewith is the above referenced APD. A copy of the Water Permit from Hay Hot Oil at Montezuma Creek, Utah, is included for your records. Hay Hot Oil will furnish water for the drilling and completion of the Federal ~~B-4~~ A-3 well.

Also included is a copy of the Archaeology Report although I think you should have gotten one from Abajo Archaeology.

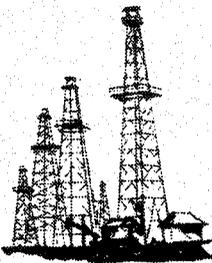
You will recall Mr. Keith Marks letter dated May 29, 1987 informing your Mr. Firth of Dow & Marks approval of the referenced Dyco location. This was so that Dyco could obtain Administrative Approval for the referenced location.

If you have questions, or require further information, please call at your earliest convenience.

Very truly yours,

J. N. Burkhalter, PE-PLS

Enc.



BURKHALTER ENGINEERING, INC.
 715 Horizon Drive, Suite 330
 Grand Junction, CO 81506
 Telephone (303) 242-8555

*Petroleum and Energy Consultants
 Registered in Rocky Mountain States*

EXHIBIT "A"
TEN - POINT COMPLIANCE PROGRAM OF NTL-6
APPROVAL OF OPERATIONS

DYCO PETROLEUM CORPORATION
 FEDERAL #A-3
 SAN JUAN COUNTY, UTAH

1. Geologic Surface Formation
 The surface formation is Morrison.

2. Important Geologic Markers

<u>Formation</u>	<u>Depth</u>
Chinle	1409'
Shinarump	2190'
Moenkopi	2265'
DeChelly	2485'
Organ Rocks	2555'
Hermosa	4405'
Ismay Shale	5159'
Ismay Carbonate	5184'
Paradox Shale	5334'
Desert Creek	5365'
"C" Shale	5464'
Est. TD	5650'

3. Estimated Depths of Anticipated Water, Oil, Gas or Minerals

<u>Formation</u>	<u>Depth</u>	<u>Fluid or Minerals</u>
DeChelly	2485'	Water
Hermosa	4405'	Water
Ismay Carbonate	5184'	Oil & Gas
Desert Creek	5365'	Oil & Gas

4. Proposed Casing Program

Surface Casing:

- (a.) Drill 12 1/4" hole to 1450' and set 8 5/8" 24.0-lb. cemented to surface.
- (b.) Drill 8 3/4" hole to TD and set 5 1/2" 15.5-lb. with 250 sx 1st. stage, 400 sx 2nd stage.

5. Operator's Minimum Specifications for Pressure Control
 Exhibit 'B' is a schematic diagram of the blowout preventer equipment planned for use in this well. The

BOP's will be hydraulically tested to 1000 psi after nipling up and after any use under pressure. Pipe rams will be operationally checked each trip. All tests will be recorded in the daily drilling report. Accessories to BOP's include Kelly Cock, safety valve, drill string BOP and choke with pressure rating equivalent to the BOP stack.

6. Type and Characteristics of Proposed Muds

The well will be drilled with Gel Chemical Mud. Water loss will be maintained at a low enough figure to prevent swelling and sloughing of clays. Weight will be adjusted to values necessary to maintain good hole conditions.

7. Auxiliary Equipment to be Used

- (a) Kelly Cock will be kept in the string.
- (b) A full opening stabbing valve will be on the floor for use, when the Kelly is not in the string.
- (c) A float will be run at the bit.
- (d) Monitoring equipment will be installed and used on the mud system.

8. (a) Drill stem tests are not planned at this time.
(b) The logging program will consist of a Dual-Induction-Laterolog, Formation Density Log, and a Compensated Neutron Porosity Log will be run.
(c) No coring is planned.
(d) Drilling samples will be caught at 30' intervals BSC to 4000'; from 4000 to TD samples at 10' intervals.

9. Any Anticipated Abnormal Pressures or Temperatures Expected

No abnormal gas pressures or temperatures are expected. No hydrogen sulfide or other hazardous gasses or fluids have been encountered in the area and none are anticipated.

10. Anticipated Starting Date and Duration of Operations

The anticipated starting date is July 15, 1987. Drilling operations should be completed 20 to 30 days after spudding.

APPLICATION TO APPROPRIATE WATER STATE OF UTAH

NOTE:--The information given in the following blanks should be free from explanatory matter, but when necessary, a complete supplementary statement should be made on the following page under the heading "Explanatory."

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah; for uses indicated by (X) in the proper box or boxes, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of the Laws of Utah.

- 1. Irrigation [] Domestic [] Stockwatering [] Municipal [] Power [] Mining [] Other Uses [X]
2. The name of the applicant is HAY HOT OIL, INC.
3. The Post Office address of the applicant is P.O. BOX 9, MONTEZUMA CREEK, UT. 84534
4. The quantity of water to be appropriated N/A second-feet and/or 250 acre-feet
5. The water is to be used for DRILLING MUD from JAN. 1 to DEC. 31
other use period DUST CONTROL from JAN. 1 to DEC. 31
and stored each year (if stored) from N/A to N/A
6. The drainage area to which the direct source of supply belongs is (Leave Blank)

7. The direct source of supply is UNDERGROUND WATER (Name of stream or other source)
which is tributary to N/A, tributary to N/A

*Note.--Where water is to be diverted from a well, a tunnel, or drain, the source should be designated as "Underground Water" in the first space and the remaining spaces should be left blank. If the source is a stream, a spring, a spring area, or a drain, so indicate in the first space, giving its name, if named, and in the remaining spaces, designate the stream channels to which it is tributary, even though the water may sink, evaporate, or be diverted before reaching said channels. If water from a spring flows in a natural surface channel before being diverted, the direct source should be designated as a stream and not a spring.

8. The point of diversion from the source is in SAN JUAN County, situated at a point A FLOWING WATER WELL DRILLED BY EL PASO NATURAL GAS CO. AT 1050 FNL & 1575 FWL, SEC. 27, T. 40 S., R. 23 E., SLBM. EL PASO HAS ABANDONED THE WELL TO BLM. BLM USES IT FOR LIVESTOCK WATERING.

*Note.--The point of diversion must be located definitely by course and distance or by giving the distances north or south, and east or west with reference to a United States land survey corner or United States mineral monument, if within a distance of six miles of either, or if at a greater distance, to some prominent and permanent natural object. No application will be received for filing in which the point of diversion is not defined definitely.

9. The diverting and carrying works will consist of WATER WILL BE CARRIED BY TANK TRUCK. THERE WILL BE NO OTHER DIVERSION OR CARRYING WORKS.

10. If water is to be stored, give capacity of reservoir in acre-feet _____ height of dam _____ area inundated in acres _____ legal subdivision of area inundated _____ NO STORAGE PLANNED

11. If application is for irrigation purposes, the legal subdivisions of the area irrigated are as follows: N/A

12. Is the land owned by the applicant? Yes _____ No XXX If "No," explain on page 2. Total _____ Acres

13. Is this water to be used supplementally with other water rights? Yes XXX No _____ If "yes," identify other water rights on page 2.

14. If application is for power purposes, describe type of plant, size and rated capacity. N/A

15. If application is for mining, the water will be used in N/A Mining District at the _____ mine, where the following ores are mined _____

16. If application is for stockwatering purposes, number and kind of stock watered N/A

17. If application is for domestic purposes, number of persons N/A, or families _____

18. If application is for municipal purposes, name of municipality N/A

19. If application is for other uses, include general description of proposed uses: WATER WILL BE USED FOR OIL & GAS DRILLING, DUST CONTROL, ETC.

20. Give place of use by legal subdivision of the United States Land Survey for all uses described in paragraphs 14 to 19, incl. THROUGHOUT GREATER ANETH FIELD AND OTHER OIL FIELDS OF THE PARADOX BASIN

21. The use of water as set forth in this application will consume 250 second-feet and/or acre-feet of water and 0 second feet and/ or acre feet will be returned to the natural stream or source at a point described as follows: _____

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DIVISION OF OIL, GAS & MINING

The following additional facts are set forth in order to define more clearly the full purpose of the proposed application:

12. Land is Federally owned and managed by BLM.

13. Will supplement BLM's livestock watering rights. See attached letter of authorization from BLM.

Lined area for additional facts or notes.

(Use page 4 if additional explanatory is needed.)

The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purpose herein described

Ben Wood for Permits Unit, 7
Signature of Applicant
Agent for ~~Ben~~ Hay Hot Oil Inc.

*If applicant is a corporation or other organization, signature must be the name of such corporation or organization by its proper officer, or in the name of the partnership by one of the partners, and the names of the other partners shall be listed. If a corporation or partnership, the affidavit below need not be filled in. If there is more than one applicant, a power of attorney, authorizing one to act for all, should accompany the Application.

DECLARATION OF CITIZENSHIP

STATE OF UTAH, }
County of..... } ss

On the day of, 19....., personally appeared before me, a notary public for the State of Utah, the above applicant who, on oath, declared that he is a citizen of the United States, or has declared his intention to become such a citizen.

My commission expires:

(SEAL)

Notary Public

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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
 Dyco Petroleum Corporation

3. ADDRESS OF OPERATOR
 7130 South Lewis, Suite 300, Tulsa, Oklahoma 74136

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
 1665 FNL, 2114 FEL, Sec.20,40S-23E
 At proposed prod. zone
 Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 7.6 Mi N.W. of Montezuma Creek, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
 1223'

16. NO. OF ACRES IN LEASE
 880 ±

17. NO. OF ACRES ASSIGNED TO THIS WELL
 80

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 1180' to A-1

19. PROPOSED DEPTH
 5650

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 4520 GRND

22. APPROX. DATE WORK WILL START*
 Soon as Possible

5. LEASE DESIGNATION AND SERIAL NO.
 U-01058 B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 NA

7. UNIT AGREEMENT NAME
~~Recapture Creek Unit~~

8. FARM OR LEASE NAME
 Federal

9. WELL NO.
~~4~~ A-3

10. FIELD AND POOL, OR WILDCAT
 Recapture Creek

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 SW NE Sec.20-40S-23E
 SLM

12. COUNTY OR PARISH
 San Juan

13. STATE
 Utah

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8"	24 lb.	1450	Circulate
8 3/4	5 1/2"	15.5 lb.	5650	1st.stg 250,2nd stg 400 sx

EXHIBITS ATTACHED

- Plat #1 Location & Elevation Plat
- 'A' Ten Point Compliance Program
- 'B' Blowout Preventer Diagram
- 'C' Multi-Point Requirements for APD.
- Map #1 Access Road & Radius Map of Wells in area
- Map #2 Vicinity Map
- Plat #2 Drill Pad Layout with Contours
- Plat #3 Cross - Sections of Drill Pad
- Plat #4 Drill Rig Layout

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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. SIGNED J. N. Burkhardt TITLE Consulting Engineer DATE June 29, 1987

(This space for Federal or State office use)

PERMIT NO. 43-037-31331

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

APPROVED BY _____ TITLE _____

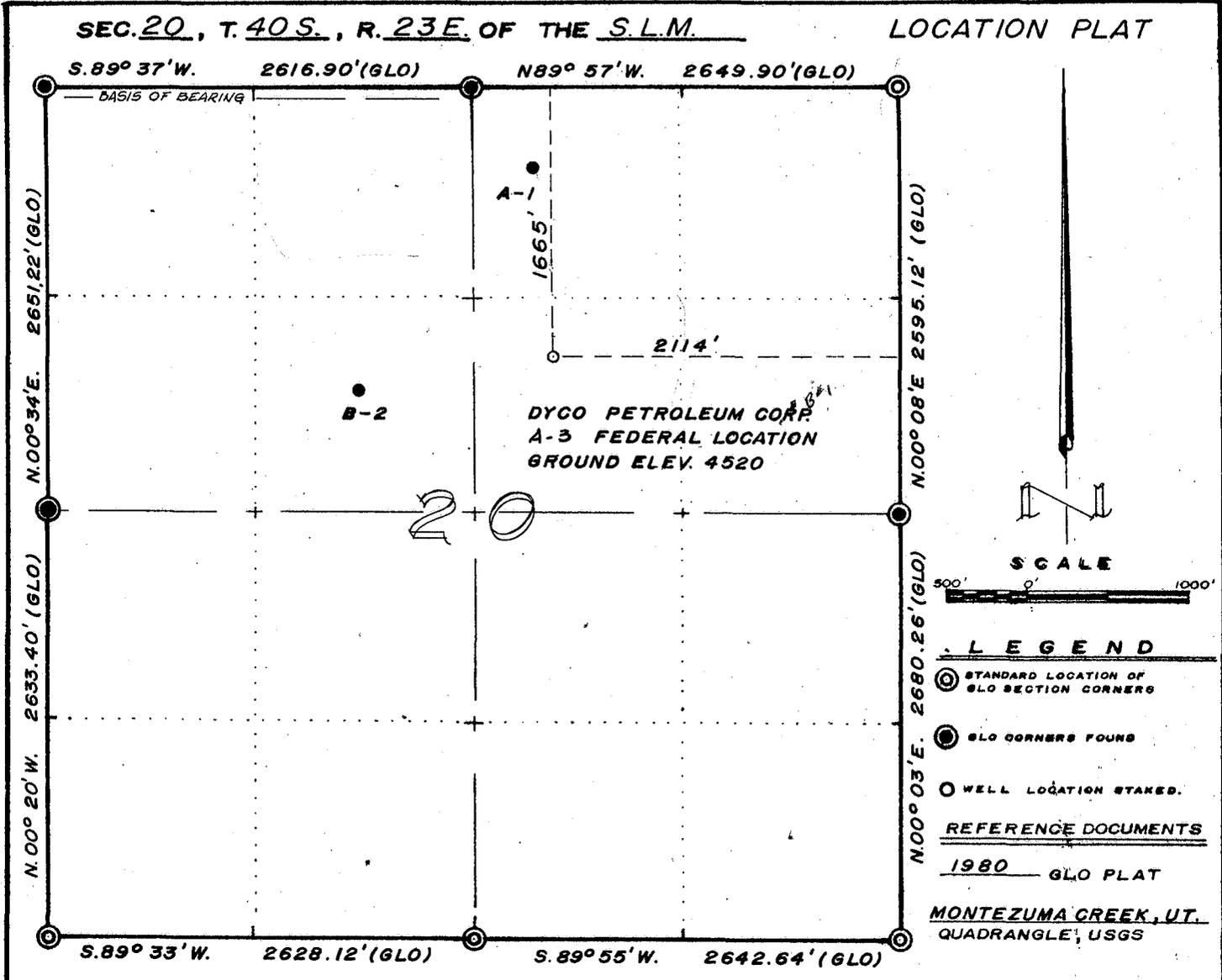
CONDITIONS OF APPROVAL, IF ANY:

DATE 7-17-87
 BY John R. Baya
 WELL SPACING: 302.1

*See Instructions On Reverse Side

SEC. 20, T. 40S., R. 23E. OF THE S.L.M.

LOCATION PLAT



THIS WELL LOCATION PLAT WAS PREPARED FOR DYCO PETROLEUM
 TO LOCATE THE A-3 FEDERAL LOCATION, 1665 F.N.L. &
2114' F.E.L. IN THE SW 1/4 NE 1/4, OF SECTION 20, T.40S, R.23E.
 OF THE S.L.M. SAN JUAN COUNTY, UTAH



SURVEYOR'S CERTIFICATE

I, LARRY D. BECKER A REGISTERED LAND SURVEYOR IN THE STATE OF UTAH DO HEREBY CERTIFY THAT THIS SURVEY WAS MADE UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT REPRESENTS SAID SURVEY.

Larry D. Becker

SURVEYED	6/13/87
DRAWN	6/15/87
CHECKED	6/16/87

ENERGY SURVEYS & ENGINEERING CORP.

715 HORIZON DRIVE, SUITE 330
 GRAND JUNCTION, CO 81501
 (303) 245-7221

SCALE 1" = 1000'
JOB NO.
SHEET OF

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CULTURAL RESOURCE INVENTORY OF DYCO PETROLEUM
CORPORATION'S PROPOSED ~~B-4~~ FEDERAL WELL LOCATION
AND ACCESS ROAD, SAN JUAN COUNTY, UTAH

DIVISION OF
OIL, GAS & MINING

Prepared For:

Utah Bureau of Land Management
Moab District - San Juan Resource Area

Prepared Under Contract With:

Energy Surveys and Engineering Corporation
Grand Junction, Colorado

Prepared and Submitted By:

William E. Davis, Director
Abajo Archaeology
Bluff, Utah

June 1987

U.S. Department of the Interior Antiquities Permit
No. (FLPMA) 86-UT-56323
State of Utah Antiquities Project (Survey)
Permit No. U-87-AS-354B

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MANAGEMENT RECOMMENDATIONS..... 5
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2. DYCO Petroleum ~~2-4~~ Federal Pad Layout..... 4
 ~~2-3~~

INTRODUCTION

On June 23, 1987, a cultural resource inventory was performed by Abajo Archaeology, Bluff, Utah for the proposed DYCO Petroleum Corporation B-4 Federal Well Location and Access Road located west of Montezuma Creek, San Juan County, Utah (Figure 1). The archaeological survey was conducted by William E. Davis at the request of Mr. Larry Becker, Energy Surveys and Engineering Corporation, Grand Junction, Colorado.

The objectives of the cultural resource inventory were to locate and document any cultural resources occurring within the proposed well location and associated access road and to recommend appropriate procedures for the management of such resources. The accomplishment of these objectives fulfills compliance requirements set forth in the Antiquities Act of 1906, the Historic Preservation Act of 1966, Executive Order No. 11593 of 1971, the Archaeological and Historic Conservation Act of 1980, the Utah State Antiquities Act of 1973, and the Archaeological Resources Protection Act of 1979.

The fieldwork was conducted under authority of U.S.D.I. Federal Antiquities Permit No. (FLPMA) 86-UT-56323 and Utah State Antiquities Project Permit (Survey) No. U-87-AS-354B, issued to Abajo Archaeology, Bluff, Utah. The day before the fieldwork was performed, resource personnel were notified at the Utah Bureau of Land Management, San Juan Resource Area Office, Monticello, Utah. Searches of the prehistoric and historic site files were conducted at this time by Deborah Westfall, Archaeological Consultant, Abajo Archaeology. The purpose of these reviews were to determine the presence of known cultural resources in the project area.

The results of these file searches indicate that numerous cultural resource inventories relating to oil and gas exploration (O'Neil 1980a, b; 1983), gravel quarrying activities (Cartwright 1983; 1984), and construction of Utah State Highway 163 between Bluff and Montezuma Creek (Nielson 1982) have been conducted in the general vicinity of the project area. All of these inventories have taken place on the arid mesa upland .5 to 2 miles north of the San Juan River floodplain. These past projects have documented no significant archaeological resources in the immediate region of the current project area and only a few isolated lithic artifacts have been noted. No sites in the vicinity are currently listed on, or pending nomination to the National Register of Historic Places.

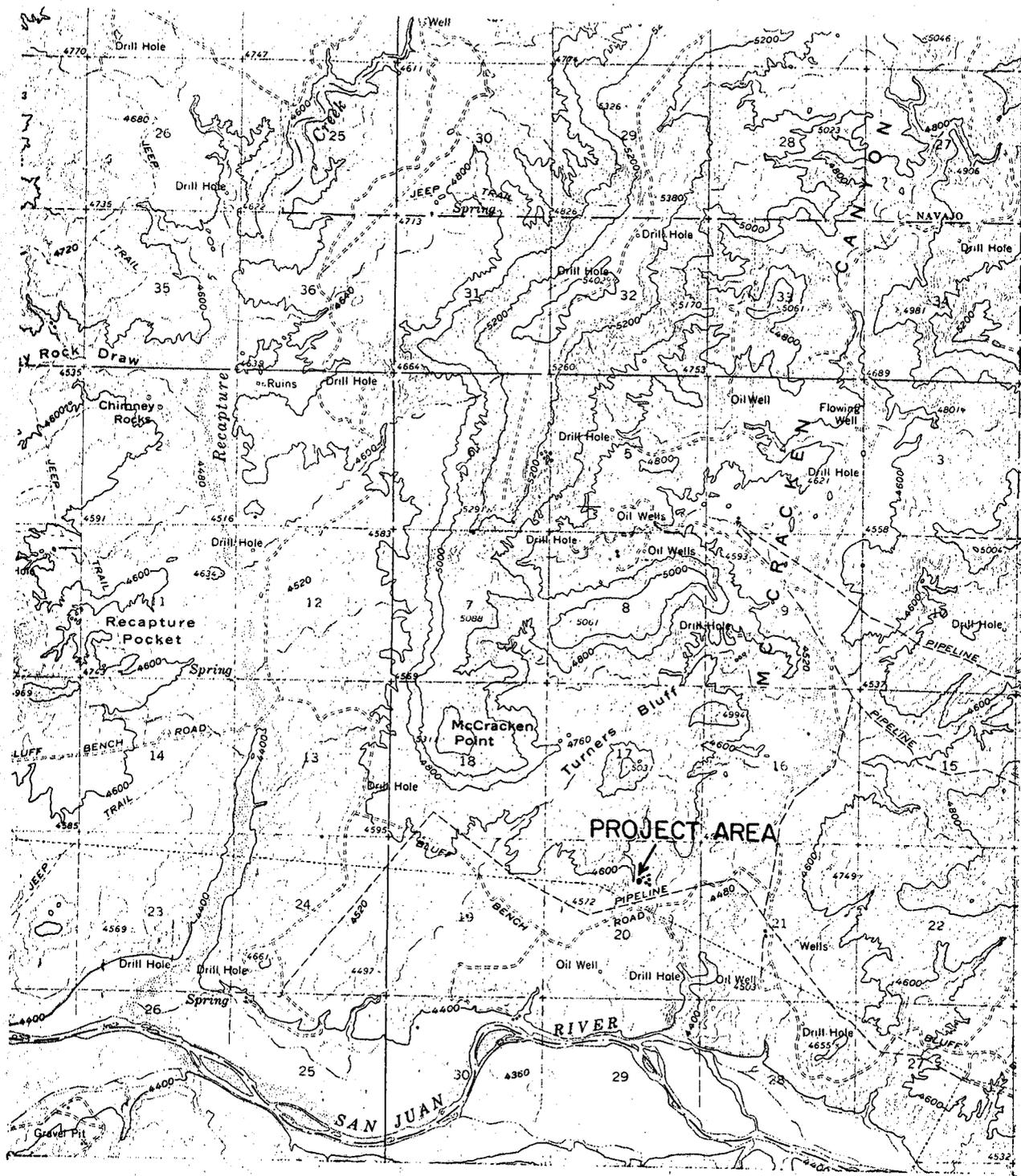


FIGURE 1. Project Location; 1665 Feet from the North Section Line and 2114 Feet from the East Section Line in the SW of the NE Quarter of Section 20, Township 40 South, Range 23 East (USGS Montezuma Creek Quadrangle, 15', 1962).

ENVIRONMENTAL SETTING

The proposed DYCO Petroleum Corporation's B-4 Federal Well Location is located on the lower eastern slope and base of a south trending finger ridge of Turners Bluff situated 5000 feet (1524 meters) north of the San Juan River. The Brushy Basin Member of the Morrison Formation, a dinosaur-bearing fluvial and lacustrine mudstone and sandstone is evident on over 70% of the surface of the proposed well location. The remainder of the ground surface is composed of thin Quaternary deposits of lag cobbles, eolian sediments and tabular sandstone talus. Average depth to underlying bedrock is 5 centimeters.

The vegetation in the project area is dominated by heavily grazed grassland and blackbrush communities, with occasional juniper breaks along sandstone rims and other relief in the generally flat uplands north of the San Juan River. This general region comprising the eastern section of the Bluff Bench was probably dominated by grassland and high desert shrubs prehistorically, as it is today, but the ecotone between this more arid zone and pinyon-woodland communities could be expected to have fluctuated in response to significant variability in effective moisture during the past.

PROJECT LOCATION AND METHODOLOGY

The proposed DYCO Petroleum Corporation's ^{A-3}~~B-4~~ Federal Well Location is situated approximately 1665 feet from the north section line and 2114 feet from the east section line in the SW quarter of the NE quarter of Section 20, Township 40 South, Range 23 East (U.S.G.S. Montezuma Creek Quadrangle, 15', 1962). Two existing oil storage batteries labeled DYCO Petroleum Corp. Shell Government B1-B2 and C1-C2 occur 200 feet to the east of the proposed well location.

The proposed well location encompasses an area measuring 300 feet north-south by 150 feet east-west, totaling a little over one acre (Figure 2). The access road approaches from the north and is approximately 200 feet in length. This proposed access road will connect with an existing bladed and graveled utility road which provides access to the numerous producing oil well sites in the immediate area.

The cultural resource inventory was performed by the author walking parallel transects spaced no more than 10 meters apart in the well locality. The short access route was examined by walking a close zig-zag

pattern so that a 100 foot (30 meter) wide corridor was surveyed. Both the access road and corners of the well location had been staked and marked with surveyor's ribbon prior to the cultural resource inspection.

RESULTS

No prehistoric or historic cultural resources were located within the confines of the proposed well location and access road. In addition, it is felt to be highly unlikely that any subsurface deposits would occur due to the bedrock nature of the site.

MANAGEMENT RECOMMENDATIONS

No cultural resources were observed during the archaeological inspection of DYCO Petroleum Corporation's proposed B-4 Federal Well Location and Access Road. It is recommended that archaeological clearance be granted for this proposed project.

REFERENCES

Cartwright, Chas

1983 Cultural Resource Inventory of Torpedo Nose Gravel Pit, San Juan County, Utah. BLM Inventory Report No. 495, Monticello, Utah.

1984 Cultural Resource Inventory of Monkey Man Gravel Pit, San Juan County, Utah. BLM Inventory Report No. 550, Monticello, Utah.

Nielson, Asa S.

1982 A Cultural Resource Inventory of the Bluff-Montezuma Creek Road. CRMS-BYU. BLM Report No. 358.

O'Neil, Brian

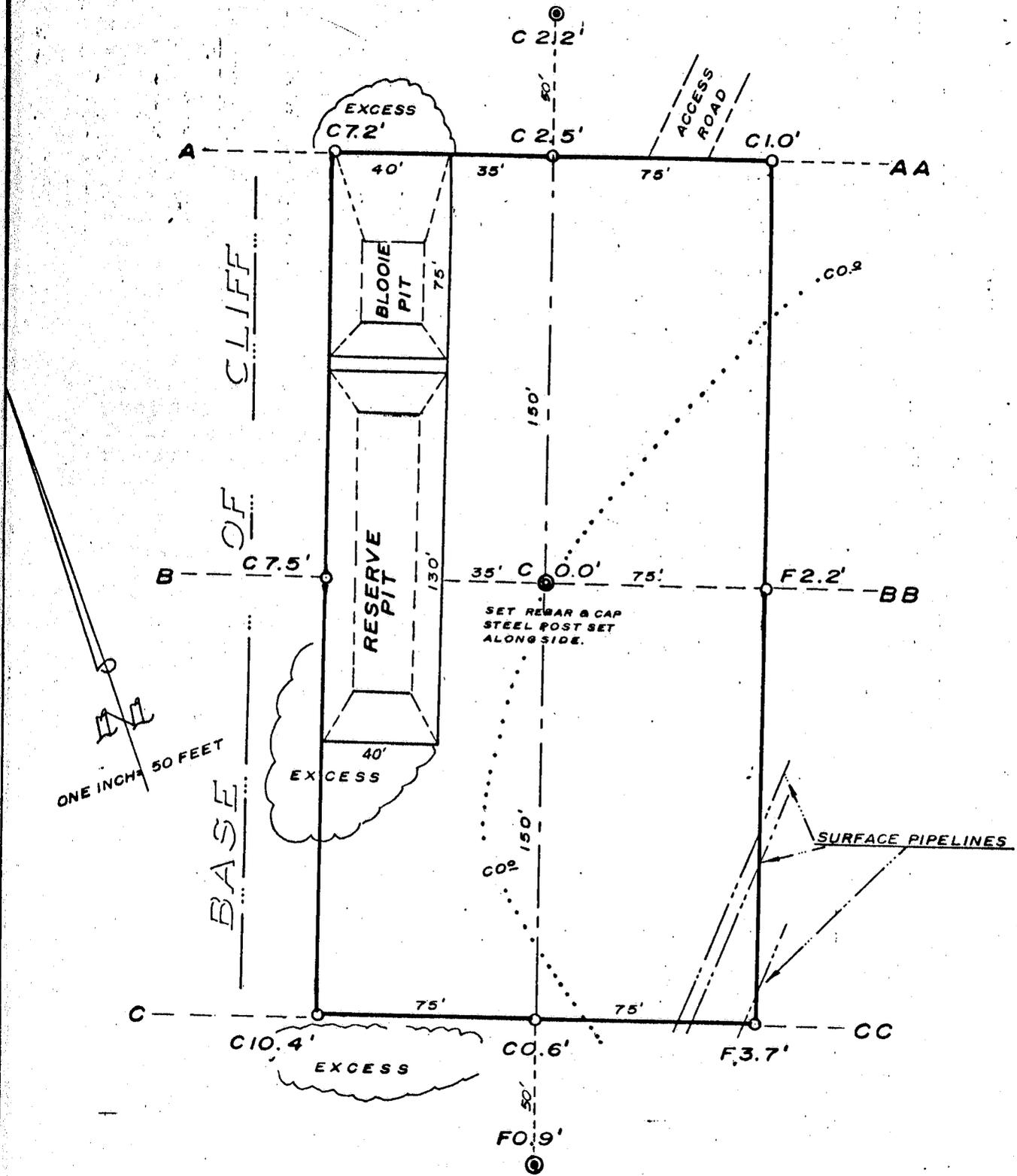
1980a An Archaeological Survey for Ladd Petroleum Federal D-1A, San Juan County, Utah. Powers Elevation, Denver, Colorado. BLM Report No. 140.

1980b An Archaeological Survey for Ladd Petroleum Federal D#2 Well Pad and Access Road, San Juan County, Utah. Powers Elevation, Denver, Colorado. BLM Report No. 141.

1983 Cultural Resource Inventory of Mountain States Resources Borrow and Rip-Rap Pits Federal 25-1, San Juan County, Utah. Powers Elevation, Denver, Colorado. BLM Report No. 499.

PIT & PAD LAYOUT

SET REBAR & CAP WITH STEEL POST SET ALONGSIDE.



SET REBAR & CAP WITH STEEL POST SET ALONGSIDE.

ONE INCH = 50 FEET

SET REBAR & CAP WITH STEEL POST SET ALONGSIDE.

DYCO PETROLEUM

FEDERAL

FIGURE 2. DYCO Petroleum ^{A-3} Federal Pad Layout.

^{B-4}
A-3



July 16, 1987

MEMO TO FILE

FROM: John Baza

Re: Recapture Creek Federal Well No. A-3, Sec. 20, T. 40S,
R. 23E, San Juan County, Utah

This memo describes the evaluation and review of an Application for Permit to Drill the referenced well.

On April 3, 1987, the Division of Oil, Gas and Mining received a sundry notice requesting approval of an exception to a Board of Oil, Gas and Mining order spacing certain lands within San Juan County. Specifically, Dyco Petroleum Corporation requested approval to locate a replacement well in such a manner that two wells would exist within a stand-up 80 acre drilling unit established by the Board in Cause No. 85-3.

After consideration of Dyco's request, the Division responded in letter dated April 20, 1987, signed by R. J. Firth, Associate Director (see attached copy). The letter indicated that the Division could not approve Dyco's request under the exception conditions allowed in the Board order. Dyco was instructed to file a petition with the Board requesting notice and hearing of an exception to the original Board order.

Following the April 20th letter, additional discussion occurred between Dyco and Mr. Firth in which Rule 302.1, which allows Division approval of exceptions to Board orders, was pointed out. Based on this discussion, Dyco submitted an Application for Permit to Drill the replacement well on July 6, 1987 for consideration by the Division under Rule 302.1.

After reviewing the submitted application and the original sundry notice of last April, I have discussed the matter with Mr. Firth and determined that Dyco has submitted an appropriate and technically adequate application. Included with the application is a letter of consent from Dow and Marks, the only other offset drilling unit operator, which approves of Dyco's proposal to drill the A-3 well. It is my opinion that the requirements of Rule 302.1 have been met and that Dyco should be allowed to drill in accordance with their application.

Page 2
Memo to file
July 16, 1987

In order to consider the possibility that 80 acre spacing is no longer appropriate for the area, a stipulation will be included in the approval of the application which will require Dyco to petition the Board for a modification to the order in Cause No. 85-3 based on the drilling and completion of the A-3 well. A time frame will be specified for submittal of the petition requiring that Dyco will address this issue with the Board within six months after Dyco begins producing and transporting oil or gas from the well.

Attachment
0314T-77-78



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

July 17, 1987

Dyco Petroleum Corporation
7130 South Lewis, Suite 300
Tulsa, Oklahoma 74136

Gentlemen:

Re: Recapture Creek Federal A-3 - SW NE Sec. 20, T. 40S, R. 23E
1665' FNL, 2114' FEL - San Juan County, Utah

Approval to drill the referenced well is hereby granted in accordance with Rule 302.1, Oil and Gas Conservation General Rules, subject to the following stipulations:

1. The operator shall file a petition for the Board of Oil, Gas and Mining to consider modification of the order in Cause No. 85-3 based on the drilling and completion of the A-3 well. Such petition shall be filed within six months after the well begins producing and oil or gas is transported from the well.

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

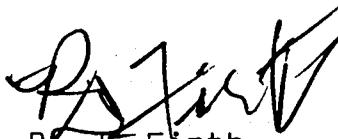
1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. All well operators are responsible for sending an Entity Action Form to the Division of Oil, Gas and Mining within five working days of the time that a new well is spudded or a change in operations or interests 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.

Page 2
Dyco Petroleum Corporation
Recapture Creek Federal A-3
July 17, 1987

5. Compliance with the requirements and regulations of Rule 311.3, Associated Gas Flaring, Oil and Gas Conservation General Rules.
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 43-037-31331.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

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

RECEIVED
OCT 26 1988

3162 (U-065)
(U-01058-B)

Moab District
P. O. Box 970
Moab, Utah 84532

DIVISION OF
OIL, GAS & MINING

OCT 24 1988

Dyco Petroleum Corporation
7130 S. Lewis, Suite 300
Tulsa, Oklahoma 74136

250 CMA JIO	
FILE	FILE
HJD	FILE
250	FILE
MICROFILM	
FILE	

Re: Returning Application for Permit
to Drill
Well No. Federal A-3
Sec. 20, T. 40 S., R. 23 E.
San Juan County, Utah
Lease U-01058-B

Gentlemen:

43-037-31331

The Application for Permit to Drill the above well was received July 6, 1987.

Your company was advised that your application was deficient on July 8, 1987. The deficiency was not corrected/or the additional required information was not submitted. According to our San Juan Resource Area office, there has been no surface disturbance at this location. In view of the foregoing, we are returning your application unapproved.

If you have any questions, please contact the Branch of Fluid Minerals (801) 259-6111.

Sincerely yours,
/s/ Kenneth V. Rhea

District Manager

ACTING

Enclosure
Application for Permit to Drill

cc: San Juan Resource Area (w/o encl.)

State of Utah, Division of Oil, Gas and Mining (w/o encl.) ✓
Salt Lake City, Utah 84180-1203

CFreudiger/cf 10/21/88



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangertter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

November 1, 1988

Dyco Petroleum Company
7130 S. Lewis, Suite 300
Tulsa, Oklahoma 74136

Gentlemen:

Re: Federal A-3, Sec. 20, T. 40S, R. 23E, San Juan County, Utah
API NO. 43-037-31331

In concert with action taken by the U.S. Bureau of Land Management, approval to drill the above referenced well is hereby rescinded. 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: D. R. Nielson

R. J. Firth

BLM-Moab

Well file

0327T