

UTAH OIL AND GAS CONSERVATION COMMISSION

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

**870804 chg sec from 13 to 11.**

DATE FILED **8-3-87**  
 LAND FEE & PATENTED STATE LEASE NO PUBLIC LEASE NO **U-55626** INDIAN

DRILLING APPROVED **8-5-87**

SPUDDED IN  
 COMPLETED PUT TO PRODUCING.

INITIAL PRODUCTION

GRAVITY A.P.I.

GOR

PRODUCING ZONES

TOTAL DEPTH

WELL ELEVATION:  
 DATE ABANDONED: **VA 11.01.88**

FIELD: **UNDESIGNATED**

UNIT: **WASH**

COUNTY: **SAN JUAN**

WELL NO **WASH UNIT FEDERAL 1-1** API #**43-037-31333**

LOCATION **650' FNL** FT FROM (N) (S) LINE. **500' FEL** FT FROM (E) (W) LINE. **NE NE** 1/4 - 1/4 SEC **13 11**

TWP	RGE	SEC	OPERATOR	TWP	RGE	SEC	OPERATOR
				<b>38S</b>	<b>23E</b>	<b>16</b>	<b>YATES PETROLEUM CORP.</b>

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**CONFIDENTIAL**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK  
 DRILL  DEEPEN  PLUG BACK   
 b. TYPE OF WELL  
 OIL WELL  GAS WELL  OTHER  TIGHT HOLE  SINGLE ZONE  MULTIPLE ZONE

2. NAME OF OPERATOR  
 Yates Petroleum Corporation

3. ADDRESS OF OPERATOR  
 105 South Fourth Street - Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
 At surface 650' FNL & 500' FEL  
 At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 Approximately 20 miles west of Hatch Trading Post

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 500'

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1 mile

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5350' GR

16. NO. OF ACRES IN LEASE 1200

19. PROPOSED DEPTH 6175' *ibk*

17. NO. OF ACRES ASSIGNED TO THIS WELL 80

20. ROTARY OR CABLE TOOLS Rotary

22. APPROX. DATE WORK WILL START\* ASAP

5. LEASE DESIGNATION AND SERIAL NO. U-55626  
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 7. UNIT AGREEMENT NAME WASH UNIT  
 8. FARM OR LEASE NAME Wash Federal  
 9. WELL NO. 1-1  
 10. FIELD AND POOL, OR WILDCAT UNDESIGNATED Wildcat  
 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 13-T38S-R23E  
 12. COUNTY OR PARISH San Juan  
 13. STATE Utah

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48# H-4C	Approx. 100'	50 sacks
12-1/4"	8-5/8"	24# J-55	" 2100'*	950 sacks
7-7/8"	5-1/2"	15.5# J-55	TD	310 sacks

\*approximately 100-150' into Chinle formation

Yates Petroleum Corporation proposes to drill and test the Akah and intermediate formations. Approximately 2100' of intermediate casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW to 5500'; fresh water gel to TD. MW 9.0-10.4, Vis 35-45, FL 10-15

BOP PROGRAM: BOP's will be nipped up when surface casing is set

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 Cy Cowan TITLE Regulatory Agent DATE July 23, 1987

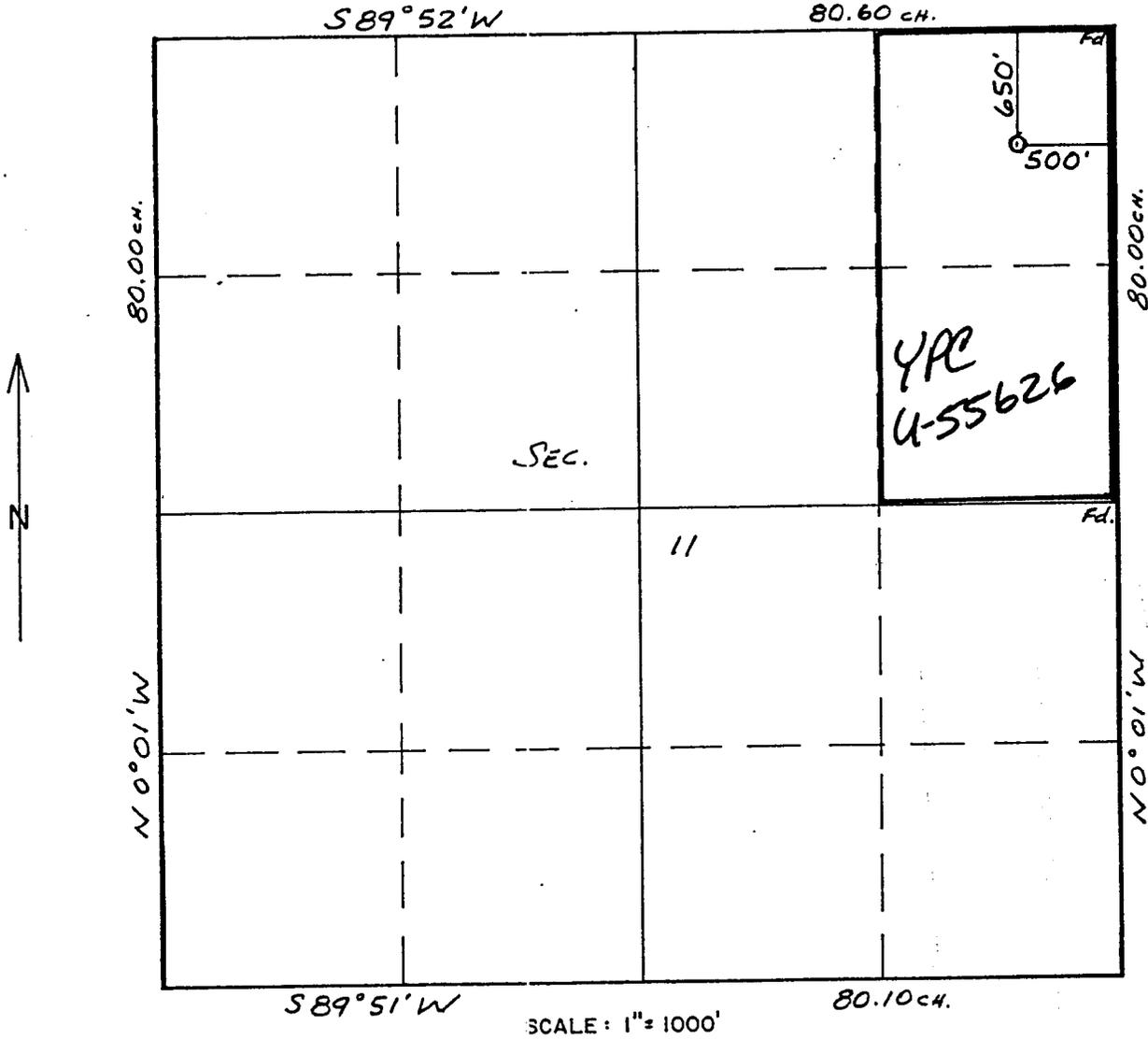
(This space for Federal or State office use)  
 APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING

PERMIT NO. 43-037-31333

APPROVED BY DATE 8-15-87  
 BY: John R. Baya  
 WELL SPACING: R615-2-3  
 \*See Instructions On Reverse Side

**RECEIVED**  
 DATE  
 AUG 3 1987  
 DIVISION OF OIL GAS & MINING

COMPANY YATES PETROLEUM CORPORATION  
 LEASE WASH UNIT WELL NO. 1-1  
 SEC. 11, T. 38 S, R. 23 E  
 COUNTY San Juan STATE Utah  
 LOCATION 650'FNL & 500'FEL  
 ELEVATION 5350



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.



WILLIAM E. MAHNKE II  
 NEW MEXICO P.L.S. No 8466

SURVEYED JULY 17, 1987

YATES PETROLEUM CORPORATION  
Wash Federal #1-1  
650' FNL and 500' FEL of  
Section 11-T38S-R23E  
San Juan County, Utah

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information with BLM Requirements.

1. The geologic surface formation is the Morrison formation.

2. The estimated tops of geologic markers are as follows:

Morrison	Surface	Paradox	5620'
Entrada	815'	Upper Ismay	5760'
Navajo	1010'	Lower Ismay	5955'
Chinle	1965'	Upper Desert Creek	6040'
Cutler	2775'	Lower Desert Creek	6100'
Honaker Trail	4700'	Akah	6150'
		TD	6175'

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered are:

Water: Approximately 1010'

Oil or Gas: Honaker Trail 4700'; Upper Ismay 5760'; Desert Creek 6100''

4. Proposed Cementing Program:

Surface Casing:

There will be one stage of cement. Cemented with 800 sacks of Class "C" 2% CaCl<sub>2</sub> (600 cubic feet of cement) circulated. Casing shoe will be set at 2100' with float equipment set at approximately 2060'.

Intermediate Casing:

There will be one stage or as warranted of cement. Cemented with enough Class "C" to equal 235 cubic feet or approximately 310 sacks to reach estimated top at 5000'. Float collar will be set at approximately 40' above TD with casing shoe set at TD.

NOTE: SAN JUAN RESOURCE AREA WILL BE NOTIFIED ONE (1) DAY PRIOR TO RUNNING CASING STRINGS AND CEMENT.

5. Pressure Control Equipment: BOP's will be installed. NOTE: San Juan Resource Area will be notified one (1) day prior to pressure testing.

6. Mud Program: Fresh water to 5500'; fresh water gel & starch from 5500-TD with a MW 9.0-10.4, Vis 35-45, FL 10-15 cc's.

7. Auxiliary Equipment: Kelly cock, pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connectors.
8. Testing, Logging & Coring Program:  
  
Samples: 10' samples out from under surface casing to TD  
DST's: Three possible. Will DST zones of interest.  
Coring: None  
Logging: CNL/LDT, DLL, BHC Sonic from TD to casing; possible dipmeter  
TD to casing; Gamma Ray to surface
9. Higher pressures are expected in Lower Desert Creek. Will increase mud weight to control.
10. Anticipated starting date: As soon as possible after approval.

MOAB DISTRICT

CONDITIONS OF APPROVAL FOR PERMIT TO DRILL

Company YATES PETROLEUM CORPORATION Well Name WASH FEDERAL #1-1  
Location: Section 11 Township 38S Range 23E  
County San Juan State Utah Lease No. U-55626  
650 FNL, 500 FWL

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

A. DRILLING PROGRAM:

1. Surface Formation and Estimated Formation Tops: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Estimated Depth at Which Oil, Gas, Water or Other Minerals Bearing Zones are Expected to be Encountered:

	<u>Formation</u>	<u>Zone</u>
Expected Oil Zones:	_____	_____
Expected Gas Zones:	_____	_____
Expected Water Zones:	_____	_____
Expected Minerals Zones:	_____	_____

All fresh water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth, cased and cemented. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. CONTINUED:

BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Preventors will be pressure tested before drilling casing cement plugs. The San Juan Resource Area (~~will~~/will not be notified \_\_\_\_\_ days before pressure testing.

4. Casing Program and Auxiliary Equipment: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Anticipated cements tops will be reported as to depth, not the expected number of sacks. The San Juan Resource Area (~~will~~/will not) be notified \_\_\_\_\_ days before running casing strings and cement.

5. Mud Program and Circulating Medium: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Coring, Logging and Testing Program: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analysis, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. If requested, samples (cuttings, fluids and/or gases) will be submitted to the District Manager.

7. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### 8. Anticipated Starting Dates and Notifications of Operations:

The operator will contact the San Juan Resource Area at 801-587-2001, 48 hours before beginning any dirt work.

No location will be constructed or moved, no well will be plugged and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the District Manager. If operations are to be suspended, prior approval of the District Manager will be obtained and notification given before resumption of operations.

The spud date will be reported orally to the San Juan Area Manager, a minimum of 24 hours before spudding. A Sundry Notice (Form 3160-5) will be sent within 24 hours after spudding, reporting the spud date and time. The Sundry will be sent to the District Manager. If the spudding is on a weekend or holiday, the Sundry will be submitted on the following regular work day.

In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 9-329 "Monthly Report of Operations," starting with the month in which operations begin and continue each month until the well is physically plugged and abandoned. This report will be sent to the BLM District Office, P. O. Box 970, Moab, Utah 84532.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported to the Resource Area in accordance with requirements of NTL-3A.

If a replacement rig is planned for completion operations, a Sundry Notice (Form 3160-5) to that effect will be filed, for prior approval of the District Manager. All conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergencies, verbal approval can be given by the District Petroleum Engineer.

If the well is successfully completed for production, then the District Manager will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than 5 business days following the date on which the well is placed on production.

No well abandonment operations will begin without the prior approval of the District Manager. In the case of newly drilled dry holes or failures, and in emergencies, oral approval will be obtained from the District Petroleum Engineer. A "Subsequent Report of Abandonment" (Form 3160-5), will be filed with the District Manager within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration.

Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the San Juan Area Manager, or the appropriate surface manager.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days or 50 MMCF gas. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The following information will be permanently beaded-on with a welding torch: Fed, Well number, location by 1/4 1/4 section, township and range, lease number.

A first production conference will be scheduled within 15 days after receipt of the first production notice. The San Juan Area Manager will schedule the conference.

Other: The following may be inspected and/or witnessed:

1. The cementing and testing of surface casing and testing BOP's.
2. (Dry Hole) Setting and testing of surface casing shoe plug.
3. (Depleted Producer) ~~The setting and testing of plugs across the producing horizon and if applicable the surface casing shoe plug and/or annulus (Casing to formation) squeeze jobs.~~

Notify the San Juan Resource Area (Mike Wade) one day or on dry hole as soon as possible prior to the above at 801-587-2201 (Home 801-587-2026 or if unable to reach Mike, call Moab District Office Greg Noble at 801-259-6111 (Home) 801-259-8811.

B. THIRTEEN POINT SURFACE USE PLAN

1. Existing Roads: Shown in Red

A. Location of proposed well in relation to town or other reference point:

Note Exhibit A Enclosed

B. Proposed route to location: Refer to Exhibit A

C. Plans for improvement and/or maintenance of existing roads: County  
maintained roads will be used

The maximum total disturbed width will be N/A feet.

D. An encroachment permit will be obtained from the San Juan County Road Department, 801-587-2231, ext. 43.

E. Other: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. PLANNED ACCESS ROADS

A. The maximum total disturbed width will be 30 feet. For Approx. 1/2 mile of off LEASE road tying into C.R. 296

B. Maximum grade: + or - 10%

C. Turnouts: N/A

D. Location (centerline): Flagged

E. Drainage: As needed

F. Surface Materials: Native

G. Other: If needed during wet weather, road may be upgraded,

Off lease R.O.W. will be obtained from BLM

~~Each fence which is crossed by the road will be braced as shown in Enclosure No. 1, and tied off before cutting to prevent slackening of the wire. A gate or cattleguard which must be approved by BLM, will be installed.~~

~~If road construction cuts through natural topography which serves as a livestock barrier, a fence shall be constructed as shown in Enclosure I.~~

Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance by the San Juan Area Manager.

The access road will be water barred or brought to Class III Road Standards within 60 days of dismantling of the drill rig. If this time frame cannot be met, the San Juan Area Manager will be notified so that temporary drainage control can be installed along the access road.

The Class III Road Standards which ensure drainage control over the entire road through the use of natural, rolling topography; ditch turnouts; drainage dips; outsloping; crowning; low water crossings; and culverts will be determined at the appropriate field inspection.

3. Location of Existing Wells: Note Exhibit E - one mile radius map

4. Location of Tank Batteries and Production Facilities: Note Exhibit F (TANK BATTERY Layout)

All permanent (on site for 6 months or longer) above ground facilities (including pump jacks) will be painted a flat, nonreflective, earthtone color to match the standard environmental colors, as determined by the Rocky Mountain 5-State Inter-agency Committee. All facilities will be painted within 6 months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The color will be Neutral.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1-1/2 times the storage capacity of the ~~battery~~.  
LARGEST TANK on the battery.

All loading lines will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place before any deliveries. Tests for meter accuracy will be conducted monthly for the first 3 months on new meter installations and at least quarterly thereafter. The San Juan Area Manager will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the San Juan Area Manager. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

5. LOCATION AND TYPE OF WATER SUPPLY

All water needed for drilling purposes will be obtained from: a private source

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Use of water for this operation will be approved by obtaining a temporary use permit from the Utah State Engineer (801) 637-1303 and by receiving permission from the land owner or surface management agency to use the land containing the water source.

6. SOURCE OF CONSTRUCTION MATERIALS

Pad construction material will be obtained from: Native materials will be used.

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The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3. Construction material (~~will~~/will not) be located on lease.

7. METHODS OF HANDLING WASTE DISPOSAL

The reserve pit (will/~~will not~~) be lined with <sup>NATIVE CLAY</sup> ~~commercial bentonite~~ sufficient to prevent seepage. At least half of the capacity will be in cut.

Three sides of the reserve pit will be fenced with four strands of barbed wire before drilling starts. The fourth side will be fenced as soon as the drilling is completed. The fence will be kept in good repair while the pit is drying.

7. CONTINUED:

A trash pit will be constructed near the mud tanks and dug at least six feet into solid undisturbed material. It will be totally enclosed with a fine wire mesh before the rig moves in. The road and pad will be kept litter free.

A burning permit is required for burning trash between May 1 and October 31. This can be acquired by contact the San Juan County Sheriff in Monticello, Utah.

Produced waste water will be confined to a (lined/~~unlined~~) pit for a period not to exceed 90 days after initial production. During the 90 day period an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to Onshore Oil and Gas Order No. 3 (NTL-2B).

8. ANCILLARY FACILITIES

Camp facilities (~~will~~/will not) be required. They will be located: \_\_\_\_\_

9. WELL SITE LAYOUT

The reserve pit will be located: APROX South EAST (DIAGRAM B)

The top 3-4 inches of soil material will be removed from the location and stockpiled ~~separate from the trees on the~~ PIT/PAD side. Topsoil along the access will be reserved in place.

Access to the well pad will be from: Northeast

10. RECLAMATION

- A. Immediately on completion of drilling, all trash and debris will be collected from the location and surrounding area. All trash and debris will be disposed of in the trash pit and will then be compacted and buried under a minimum of two feet of compacted soil.
- B. The operator/holder or his contractor will contact the San Juan Resource Area office in Monticello, Utah, 801-587-2201, 48 hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.
- C. Before any dirt work to restore the location takes place, the reserve pit must be completely dry.
- D. All disturbed areas will be recontoured to blend as nearly as possible with the natural topography. This includes removing all berms and refilling all cuts.
- E. The stockpiled topsoil will be spread evenly over the disturbed area. All disturbed areas will be ripped 12 inches deep with the contour.
- F. Water bars will be built as follows to control erosion.

10. CONTINUED

GRADE

SPACING

2%

every 200 feet

2-4%

every 100 feet

4-5%

every 75 feet

5+%

every 50 feet

G. Seed will be broadcast between October 1 and February 28 with the following prescription. A harrow or similar implement will be dragged over the area to assure seed cover.

- 2 lbs/acre Indian ricegrass (Oryzopsis hymenoides)
- \_\_\_\_\_ lbs/acre Galleta (Hilaria jamesii)
- \_\_\_\_\_ lbs/acre crested wheatgrass (Agropyron desertorum)
- \_\_\_\_\_ lbs/acre Western wheatgrass (Agropyron smithii)
- \_\_\_\_\_ lbs/acre Alkali sacaton (Sporobolus airoides)
- \_\_\_\_\_ lbs/acre Sand dropseed (Sporobolus cryptandrus)
- 3 lbs/acre Fourwing saltbush (Atriplex canescens)
- \_\_\_\_\_ lbs/acre Shadscale (Atriplex confertifolia)
- \_\_\_\_\_ lbs/acre Green ephedra (Ephedra viridis)
- \_\_\_\_\_ lbs/acre Cliffrose (Cowania mexicana)
- \_\_\_\_\_ lbs/acre Desert bitterbrush (Purshia glandulosa)
- \_\_\_\_\_ lbs/acre Winterfat (Eurotia lanata)
- \_\_\_\_\_ lbs/acre Globemallow (Sphaeralcea ambigua)
- \_\_\_\_\_ lbs/acre Wild sunflower (Helianthus annuus)
- 1/2 lbs/acre **SWEET CLOVER**

H. After seeding is complete, the stockpiled trees will be scattered evenly over the disturbed areas. The access will be blocked to prevent vehicular access.

I. The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed as described in the reclamation section. Enough topsoil will be kept to reclaim the remainder of the location at a future date. This remaining stockpile of topsoil will be seeded in place using the prescribed seed mixture.

11. Surface Ownership: Federal

Minerals Ownership: Federal

12. Other Information: \_\_\_\_\_

\_\_\_\_\_

12. CONTINUED:

There will be no change from the proposed drilling and/or workover program without prior approval from the District Manager. Safe drilling and operating practices must be used. All wells, whether drilling, producing, suspended or abandoned will be identified in accordance with 43 CFR 3162.2.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3164.

The dirt contractor will be provided with an approved copy of the surface use plan.

If subsurface cultural materials are exposed during construction, work in that spot will stop immediately and the San Juan Resource Area Office will be contacted. All people who are in the area will be informed by the operator/holder that they are subject to prosecution for disturbing archaeological sites or picking up artifacts. Salvage or excavation of identified archaeological sites will be done by a BLM approved archaeologist only if damage occurs.

This permit will be valid for a period of one year from the date of approval. After permit termination a new application will be filed for approval for any future operations.

Your contact with the District Office is: Steve Jones

Office Phone: (801) 259 6111 Address: PO Box 970, Moab, Ut 84532

Resource Area Manager's address and contacts: Rich McClure  
Address: PO Box 7, Montecello Ut 84532

Your contact is: Rich McClure

Office Phone: (801) 587-2141

13. LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION  
Representative:

Name: Cy Cowan

Address: 105 So. 4th St. - Artesia, NM 88210

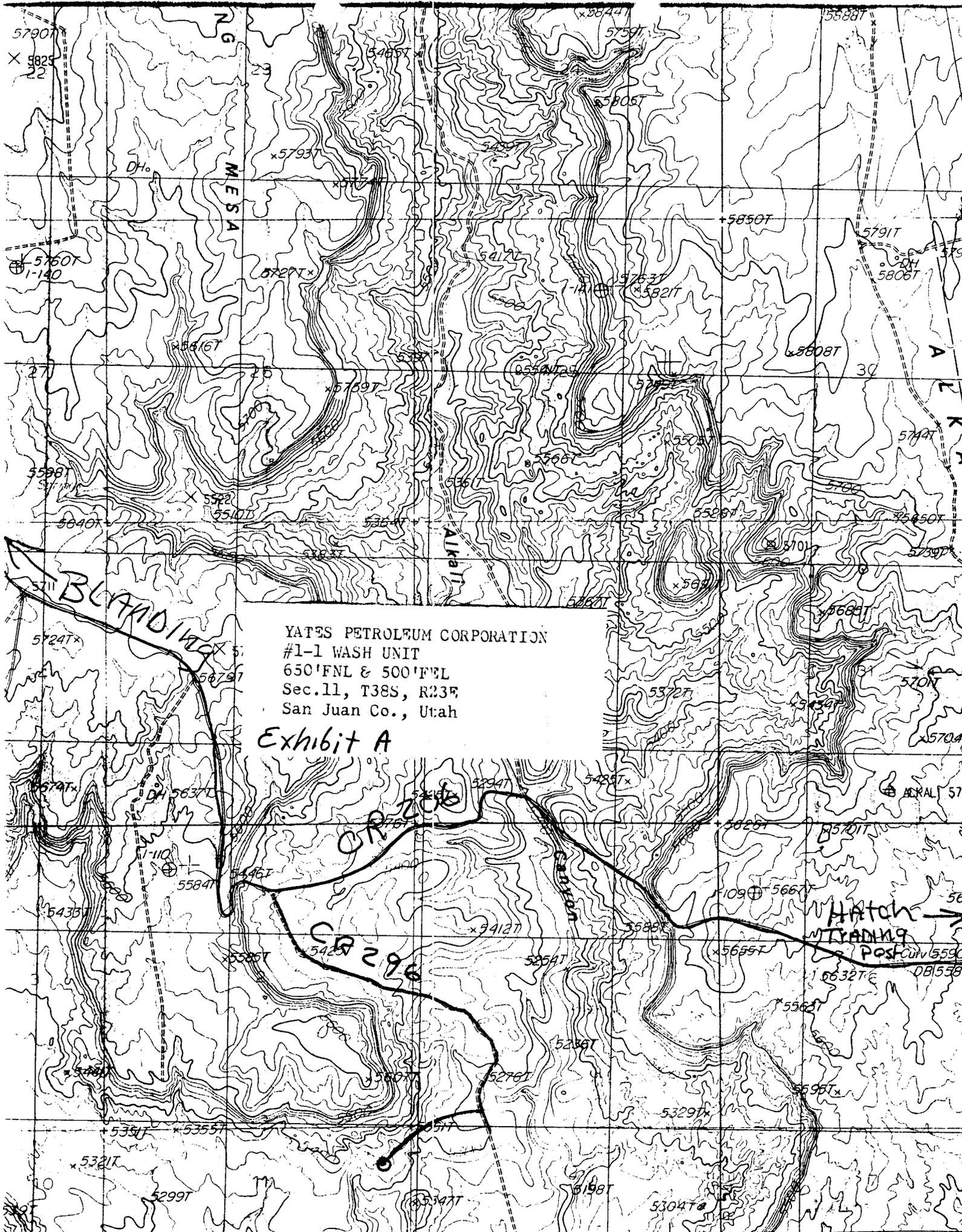
Phone No. 505-748-1471

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 currently 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 YATES PETROLEUM CORPORATION and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

7/23/87  
Date

Cy Cowan  
Cy Cowan  
Regulatory Agent



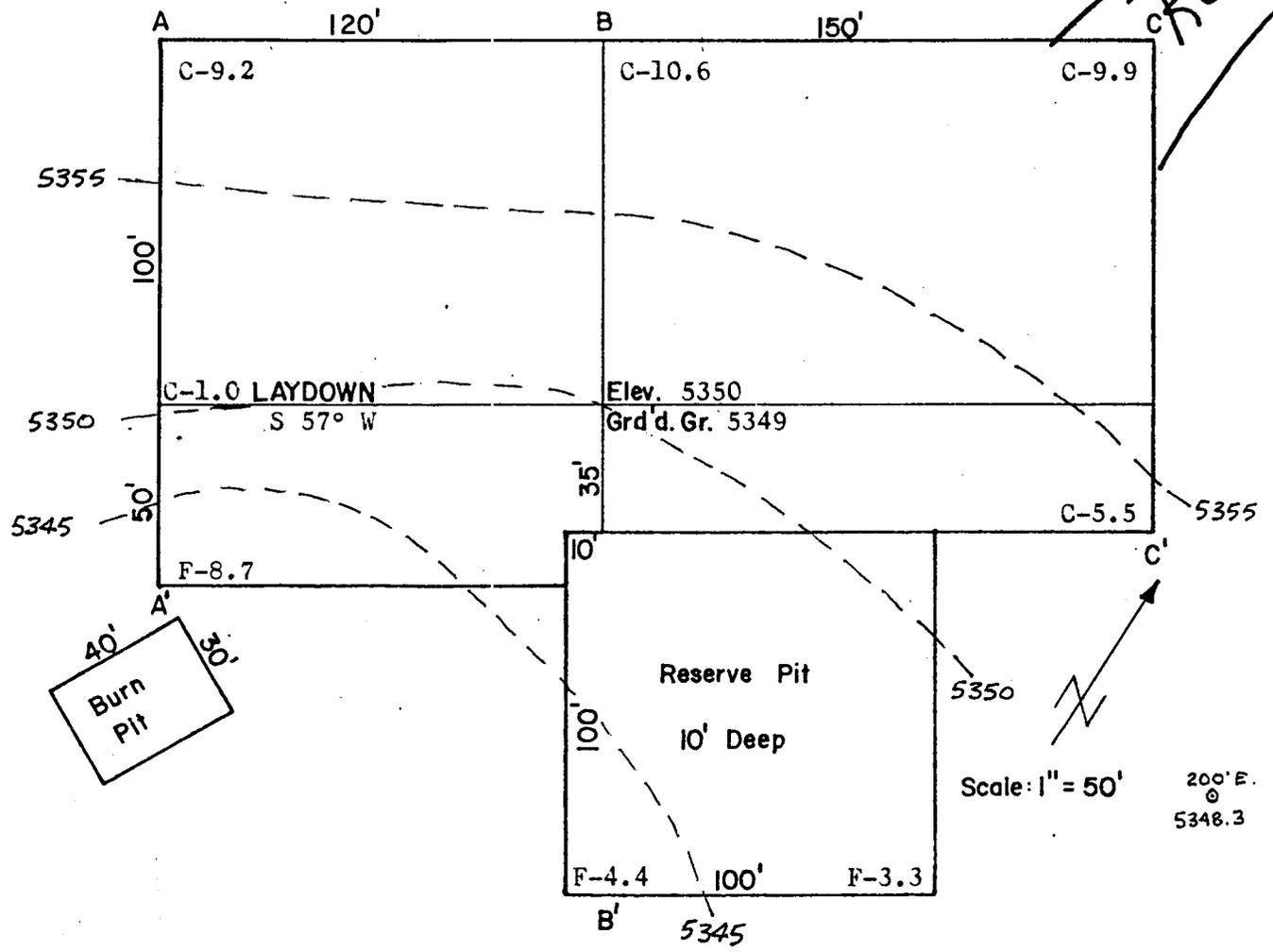
YATES PETROLEUM CORPORATION  
#1-1 WASH UNIT  
650' FNL & 500' FEL  
Sec. 11, T38S, R23E  
San Juan Co., Utah

Exhibit A

Hatch  
TRADING  
Post Office 55907  
DB15584

YATES PETROLEUM CORPORATION  
 #1-1 WASH UNIT  
 650'FNL & 500'FEL  
 Sec.11, T38S, R23E  
 San Juan Co., Utah  
**Exhibit B**

*ROAD*

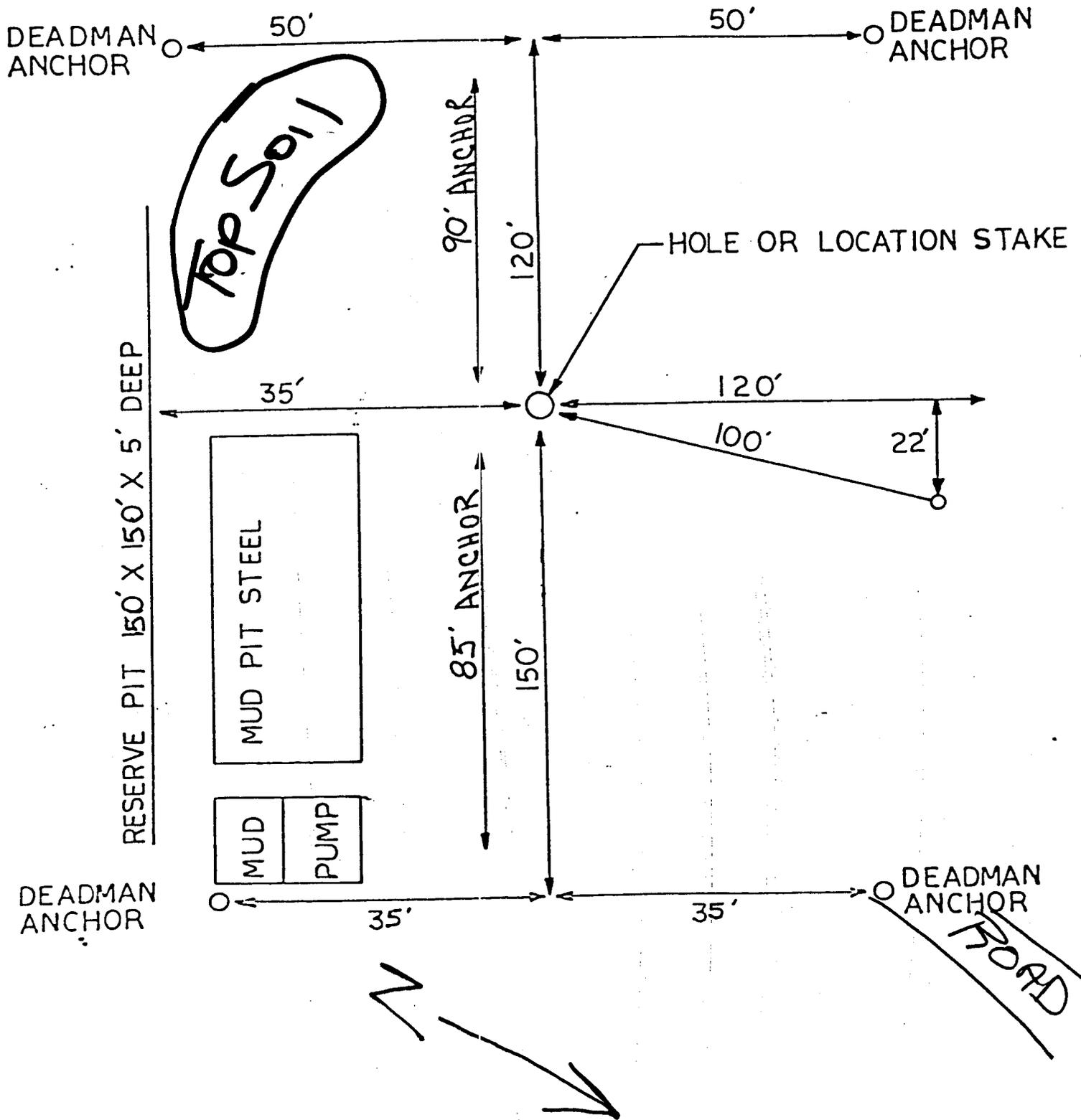


A-A'	Vert: 1" = 30'	Horiz.: 1" = 100'	C/L
5350	200' S. 5344.7		
5340			
B-B'			
5350			
5340			
C-C'			
5350			
5340			

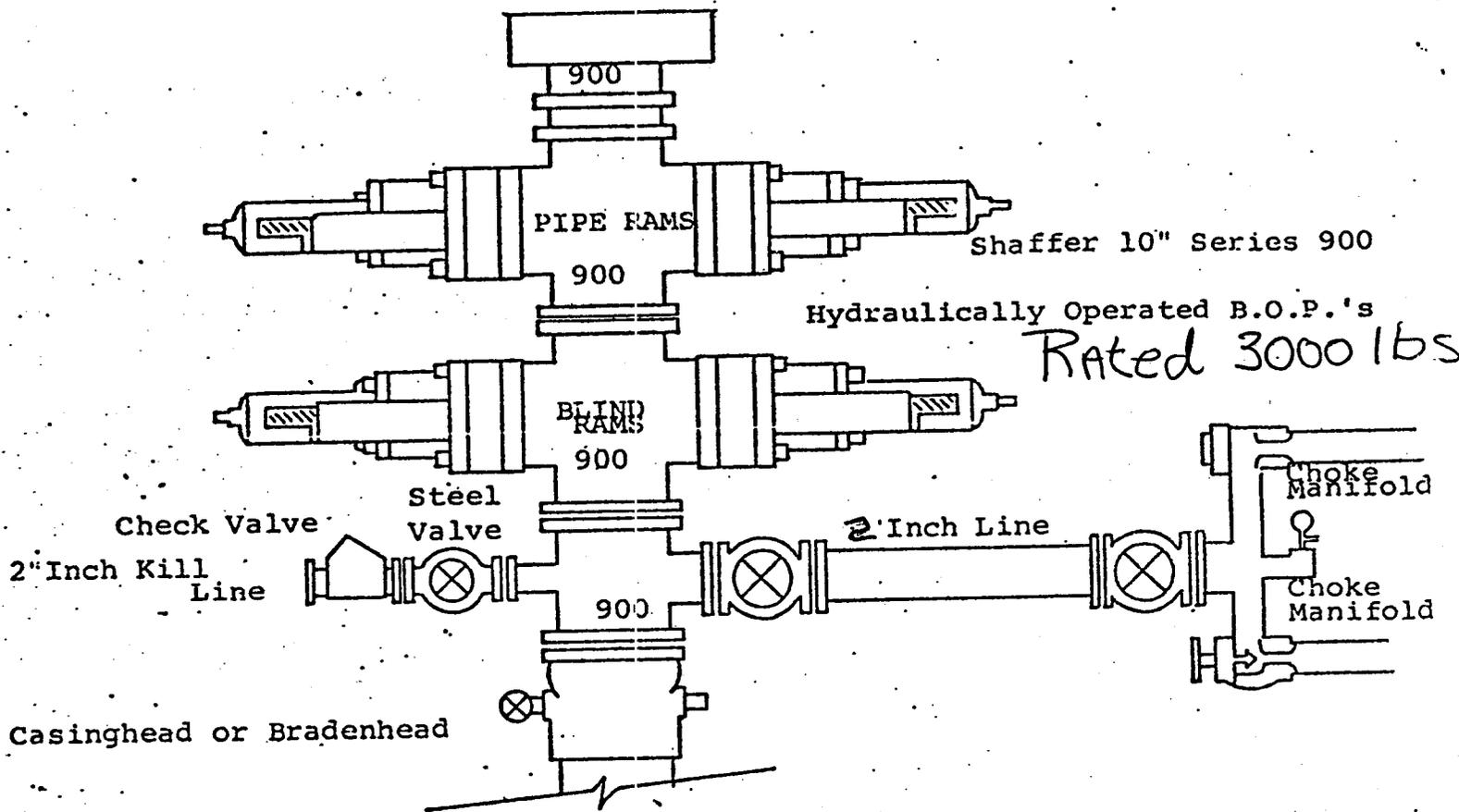
200° E.  
 5348.3

# Exhibit C

## COLEMAN DRILLING CO. FRONT OF RIG NO. 3

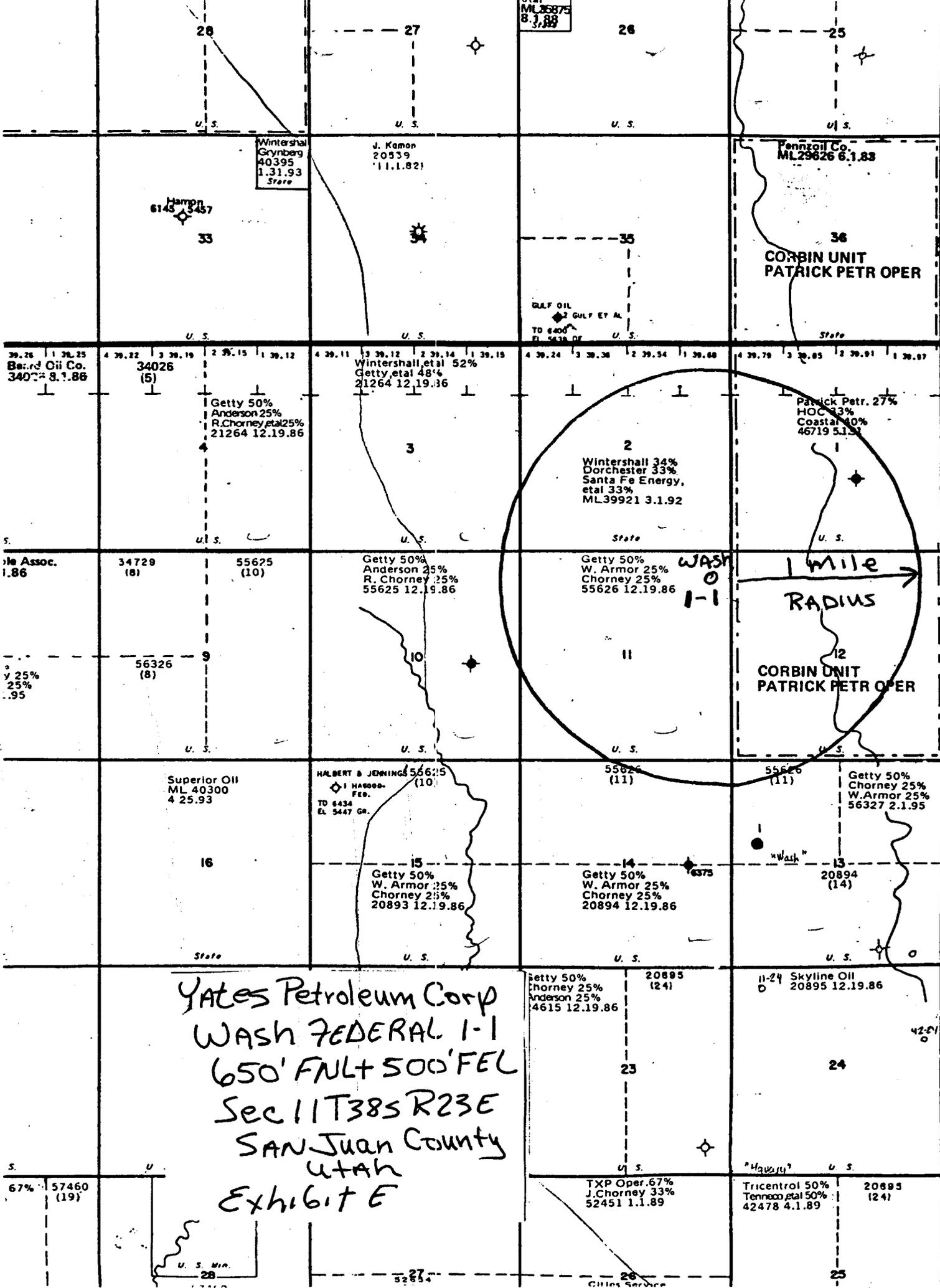


# Exhibit D



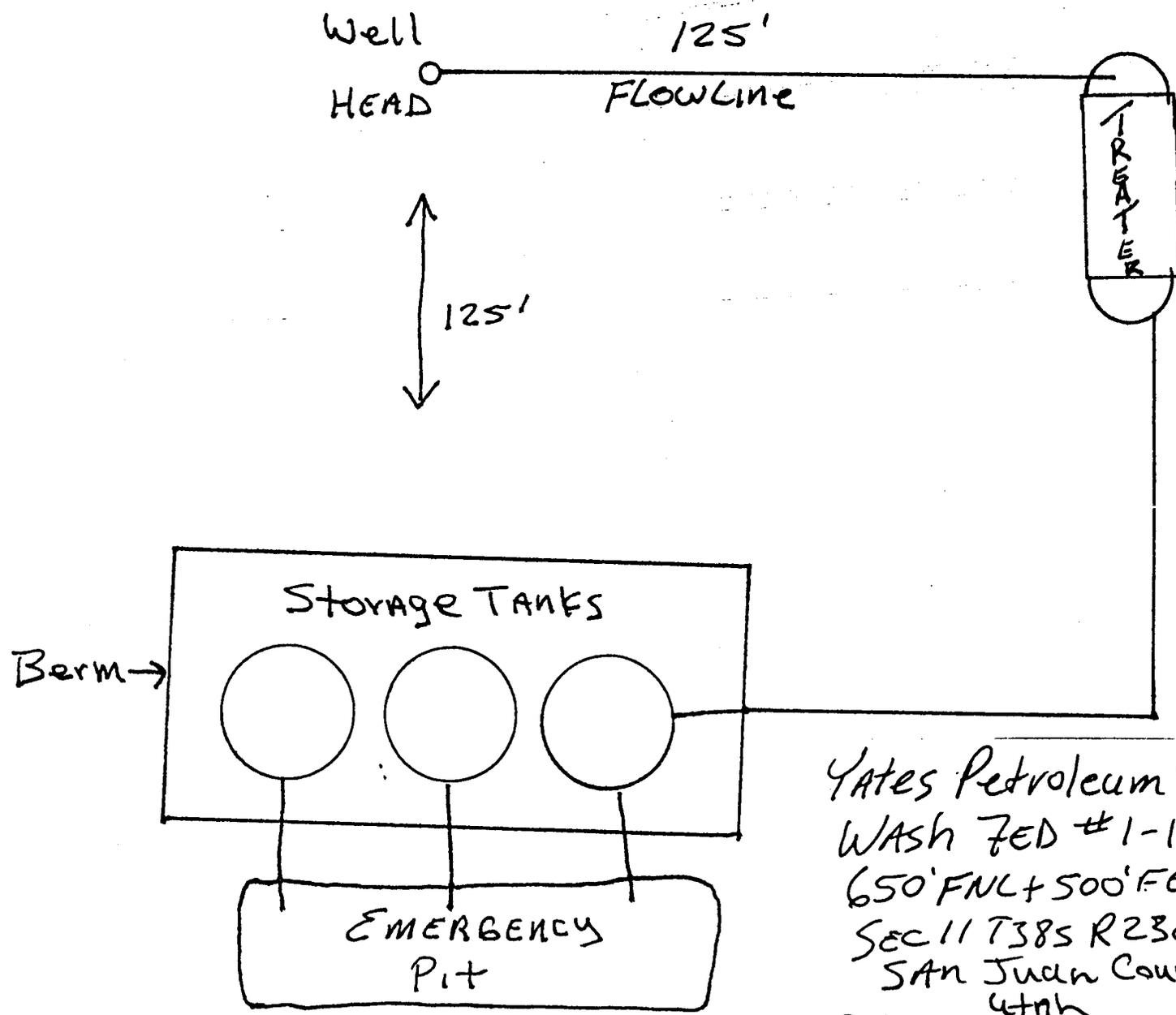
## THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 2" diameter.
3. Kill line to be of all steel construction of 2" minimum diameter.
4. All connections from operating manifolds to preventers to be all steel. hole or tube a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
7. Inside blowout preventer to be available on rig floor.
8. Operating controls located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.
10. D. P. float must be installed and used below zone of first gas intrusion.



SEE MA  
UT5-  
SAN

T  
38  
S



Yates Petroleum Corp  
WASH FED #1-1  
650' FNL + 500' FEL  
SEC 11 T385 R23E  
SAN JUAN County  
Utah  
EXHIBIT F

CONFIDENTIAL

080708

OPERATOR Upton Petroleum Corp DATE 8-4-87

WELL NAME Wash Unit Fed. 1-1

SEC NE NE 13 T 38 S R 23 E COUNTY San Juan

43-037-31333  
API NUMBER

Fed.  
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

Unit well - Bond not needed  
Need water permit

APPROVAL LETTER:

SPACING:  R615-2-3

Wash  
UNIT

R615-3-2

CAUSE NO. & DATE

R615-3-3

STIPULATIONS:

1- Water



August 5, 1987

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

Gentlemen:

Re: Wash Unit Federal 1-1 - NE NE Sec. 13, T. 38S, R. 23E  
650' FNL, 500' FEL - San Juan County

Approval to drill the referenced well is hereby granted in accordance with Section 40-6-18, Utah Code Annotated, as amended 1983; and predicated on Rule R615-2-3, Oil and Gas Conservation General Rules, subject to the following stipulations:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Chapter 3, Title 73, Utah Code Annotated.

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  
Yates Petroleum Corporation  
August 5, 1987

5. Compliance with the requirements of Rule R615-3-22, Gas Flaring or venting, 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 43-037-31333.

Sincerely,



R. J. Firth  
Associate Director, Oil & Gas

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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       TIGHT HOLE       SINGLE ZONE       MULTIPLE ZONE

2. NAME OF OPERATOR  
 Yates Petroleum Corporation

3. ADDRESS OF OPERATOR  
 105 South Fourth Street - Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
 At surface 650' FNL & 500' FEL  
 At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 Approximately 20 miles west of Hatch Trading Post

5. LEASE DESIGNATION AND SERIAL NO.  
 U-55626

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME  
 082414

8. FARM OR LEASE NAME  
 Wash Federal

9. WELL NO.  
 1-1

10. FIELD AND POOL, OR WILDCAT  
 Wildcat

11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA  
 Section 13-T38S-R23E

12. COUNTY OR PARISH  
 San Juan

13. STATE  
 Utah

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)  
 500'

16. NO. OF ACRES IN LEASE  
 1200

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.  
 1 mile

19. PROPOSED DEPTH  
 6175'

20. ROTARY OR CABLE TOOLS  
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 5350' GR

22. APPROX. DATE WORK WILL START\*  
 ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48# H-40	Approx. 100'	50 sacks
12-1/4"	8-5/8"	24# J-55	" 2100'*	950 sacks
7-7/8"	5-1/2"	15.5# J-55	TD	310 sacks

\*approximately 100-150' into Chinle formation

Yates Petroleum Corporation proposes to drill and test the Akah and intermediate formations. Approximately 2100' of intermeidate casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented with adequate cover, perofracted and stimulated as needed for production.

MUD PROGRAM: FW to 5500'; fresh water gel to TD. MW 9.0-10.4, Vis 35-45, FL 10-15

BOP PROGRAM: BOP's will be nipped up when surface casing is set

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 Cy Cowan TITLE Regulatory Agent DATE July 23, 1987

(This space for Federal or State office use)

PERMIT NO. 43-037-31333 APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

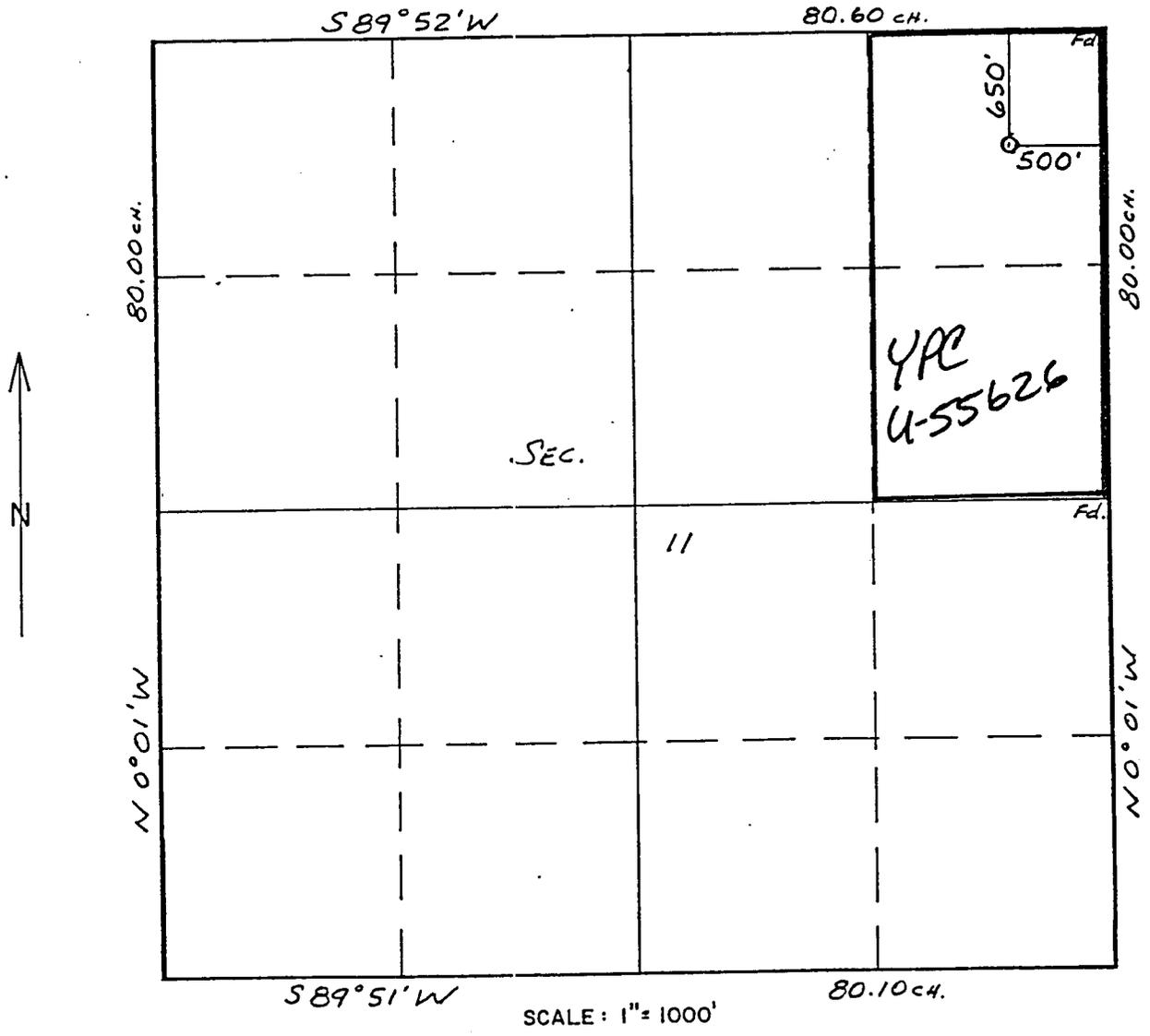
CONDITIONS OF APPROVAL, IF ANY:

RECEIVED  
AUG 20 1987

DIVISION OF OIL  
GAS & MINING

\*See Instructions On Reverse Side

COMPANY YATES PETROLEUM CORPORATION  
 LEASE WASH UNIT WELL NO. 1-1  
 SEC. 11, T. 38 S, R. 23 E  
 COUNTY San Juan STATE Utah  
 LOCATION 650' FNL & 500' FFL  
 ELEVATION 5350



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.



*William E. Mahnke II*  
 WILLIAM E. MAHNKE II  
 NEW MEXICO P.L.S. NO 8466

SURVEYED July 17, 19 87

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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 TIGHT HOLE SINGLE ZONE  MULTIPLE ZONE

2. NAME OF OPERATOR  
 Yates Petroleum Corporation

3. ADDRESS OF OPERATOR  
 105 South Fourth Street - Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*)  
 At surface 650' FNL & 500' FEL  
 At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 Approximately 20 miles west of Hatch Trading Post

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16. NO. OF ACRES IN LEASE 1200

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. 1 mile

19. PROPOSED DEPTH 6175'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5350' GR

5. LEASE DESIGNATION AND SERIAL NO.  
 U-55626

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME  
 082606

8. FARM OR LEASE NAME  
 Wash Federal

9. WELL NO.  
 1-1

10. FIELD AND POOL, OR WILDCAT  
 Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 Section 11-T38S-R23E

12. COUNTY OR PARISH 13. STATE  
 San Juan Utah

22. APPROX. DATE WORK WILL START\*  
 ASAP

AUG 24 1987  
DIVISION OF OIL  
GAS & MINING

24. SIGNED Cy Cowan TITLE Regulatory Agent DATE July 23, 1987

(This space for Federal or State office use)

PERMIT NO. 43-037-31311 APPROVAL DATE Aug 13 1987  
 Acting [Signature]

APPROVED BY /s/ Kenneth V. Rhea TITLE \_\_\_\_\_ DATE \_\_\_\_\_

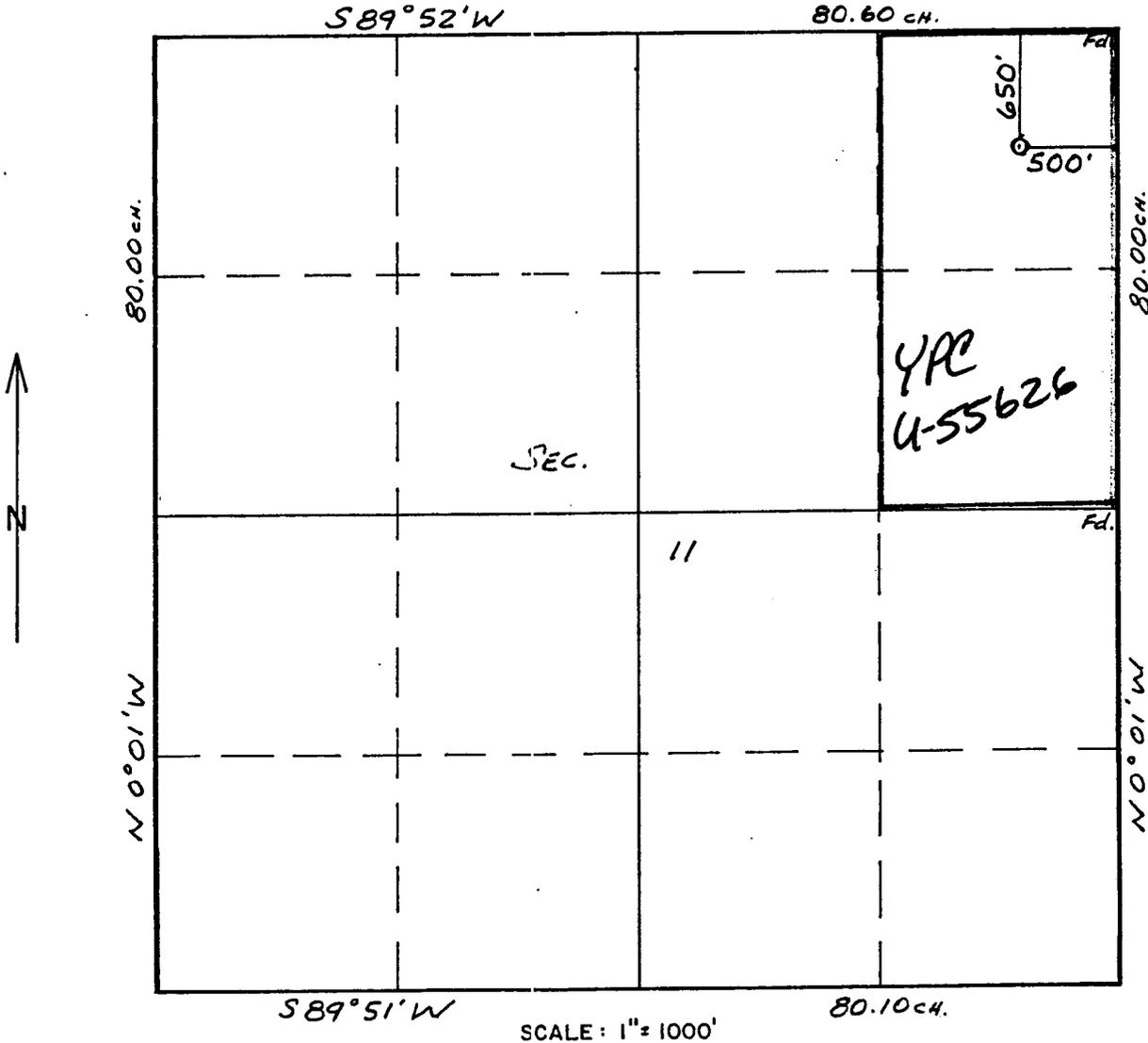
CONDITIONS OF APPROVAL, IF ANY:

BLADING OR VENTING OF CONDITIONS OF APPROVAL ATTACHED SUBJECT TO RIGHT OF WAY  
 GAS IS SUBJECT TO NTL 4-A  
 DATED 1/1/80  
 \*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DOBm

COMPANY YATES PETROLEUM CORPORATION  
 LEASE WASH UNIT WELL NO. 1-1  
 SEC. 11, T. 38 S, R. 23 E  
 COUNTY San Juan STATE Utah  
 LOCATION 650'FNL & 500'FEL  
 ELEVATION 5350



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.



  
 WILLIAM E. MAHNKE II  
 NEW MEXICO P.L.S. No 8466

SURVEYED July 17, 1987

# FILING FOR WATER IN THE STATE OF UTAH

*file*  
 Rec. by \_\_\_\_\_  
 Fee Rec. \_\_\_\_\_  
 Receipt # \_\_\_\_\_  
 Microfilmed \_\_\_\_\_  
 Roll # \_\_\_\_\_

030708

## APPLICATION TO APPROPRIATE WATER

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, 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.

**WATER USER CLAIM NO. 09 - 1527**

**APPLICATION NO. 162740**

**1. PRIORITY OF RIGHT:** July 29, 1987 **FILING DATE:** July 29, 1987

**2. OWNER INFORMATION**

Name: Yates Petroleum Corporation Interest: 100 %  
 Attn: Cy Cowan  
 Address: 105 South Fourth Street, Artesia, NM 88210

The land is not owned by the applicant(s), see explanatory.

**3. QUANTITY OF WATER:** 5.0 acre feet (Ac. Ft.)

**4. SOURCE:** Artesian Well - R. Perkins Property **DRAINAGE:** San Juan River  
**POINT(S) OF DIVERSION:** **COUNTY:** San Juan

(1) N. 50 feet, W. 480 feet, from the E $\frac{1}{4}$  Corner of Section 12,  
 Township 38 S, Range 24 E, SLB&M

**COMMON DESCRIPTION:** 7.5 mi.No. Hatch Trading Post

**5. STORAGE**

Water is to be stored in Unnamed Pond reservoir from January 1 to December 31.  
 Capacity 5.0 ac.ft. Innundating 0.25 acres. Height of dam 4 feet.  
 The area innundated by the reservoir includes all or part of each of the following legal subdivisions.

TOWN RANGE SEC	North East Quarter				North West Quarter				South West Quarter				South East Quarter				
	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	
38 S 24 E 12	X																

All locations in Salt Lake Base and Meridian

**6. NATURE AND PERIOD OF USE**

Oil Exploration From September 1 to September 1.

**7. PURPOSE AND EXTENT OF USE**

Oil Exploratio: Oil Well Drilling

**8. PLACE OF USE**

The water is used in all or parts of each of the following legal subdivisions.

TOWN RANGE SEC	North East Quarter				North West Quarter				South West Quarter				South East Quarter				
	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	NE $\frac{1}{4}$	NW $\frac{1}{4}$	SW $\frac{1}{4}$	SE $\frac{1}{4}$	
38 S 23 E 11	X																

All locations in Salt Lake Base and Meridian

43-037-31333 *Orl.*

EXPLANATORY

RECEIVED  
SEP 8 1987

The land is owned by Richard Perkins.  
The well to be drilled is the Wash Federal #1-1 located: S. 650 ft. & W. 500 ft. from NE Cor. Sec. 11, T38S, R23E, SLB&M (NE4NE4).

\*\*\*\*\*

The applicant hereby acknowledges he/they are a citizen(s) of the United States or intends to become such a citizen.

\*\*\*\*\*

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

\*\*\*\*\*

The undersigned hereby acknowledges that even though he/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained therein, at the time of filing, rests with the applicant(s).

\_\_\_\_\_  
Signature of Applicant

STATE ENGINEER'S ENDORSEMENT

WATER RIGHT NUMBER: 09 - 1527

APPLICATION NO. T62740

1. July 29, 1987            Application received by MP.
  2. August 10, 1987        Application designated for APPROVAL by MP and SG.
  3. Comments:
- 
- 

Conditions:

This application is hereby APPROVED, dated September 4, 1987, subject to prior rights and this application will expire on September 4, 1988.

  
Robert L. Morgan, P.E.  
State Engineer

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

RECEIVED NOV 15 1988  
NOV 17 1988

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

DIVISION OF  
OIL, GAS & MINING

Re: Rescinding Application for  
Permit to Drill  
Well No. Wash Federal 1-1  
Sec. 11, T. 38 S., R. 23 E.  
San Juan County, Utah  
Lease U-55626

43-037-31333

Gentlemen:

The Application for Permit to Drill the above well was approved August 18, 1987. Since that date, no known activity has transpired at the approved location.

This permit was valid for a period of one year from the date of approval. In view of the foregoing, we are rescinding your Application for Permit to Drill. After permit termination, a new application will be filed for approval of any further operations at this location.

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

Sincerely yours,

W/ WILLIAM C. STRINGER  
District Manager

cc: San Juan Resource Area

State of Utah, Division of Oil, Gas and Mining ✓  
Salt Lake City, Utah 84180-1203

ACTING

bcc: USO, U-942

CFreudiger/cf 11/14/88

OIL AND GAS	
DRM	RJF
JRB	GLH
DTC	SLS
1-TAS:	
2-	MICROFILM ✓
3-	FILE



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter  
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 21, 1988

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

Gentlemen:

Re: Wash Federal 1-1, Sec. 11, T. 38S, R. 23E, San Juan County, Utah  
API NO. 43-037-31333

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,

A handwritten signature in black ink, appearing to read 'John R. Baza', written over a printed name and title.

John R. Baza  
Petroleum Engineer

tc  
cc: D. R. Nielson  
R. J. Firth  
BLM-Moab  
Well file  
WE16/83