

UTAH OIL AND GAS CONSERVATION COMMISSION

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

DATE FILED 1-19-88

LAND: FEE & PATENTED _____ STATE LEASE NO. _____ PUBLIC LEASE NO. U-61526 INDIAN _____

DRILLING APPROVED: 2-11-88 (Exception Location)

SPOUDED IN: _____

COMPLETED: _____ PUT TO PRODUCING: _____

INITIAL PRODUCTION: _____

GRAVITY A.P.I. _____

GOR: _____

PRODUCING ZONES: _____

TOTAL DEPTH: _____

WELL ELEVATION: _____

DATE ABANDONED: JA 5-4-88

FIELD: WILDCAT

UNIT: _____

COUNTY: SAN JUAN

WELL NO. CEDAR MESA #1 API #43-037-31389

LOCATION 330' FNL FT. FROM (N) (S) LINE. 1980' FWL FT. FROM (E) (W) LINE. NE NW 1/4 - 1/4 SEC. 31

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
37S	19E	31	TEB INC.				

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK			5. LEASE DESIGNATION AND SERIAL NO. U-61526	
1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>			7. UNIT AGREEMENT NAME N/A	
2. NAME OF OPERATOR TEB, Inc.			8. FARM OR LEASE NAME Cedar Mesa	
3. ADDRESS OF OPERATOR Route 1, Box 82, Toronto, Kansas 66777			9. WELL NO. #1	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 330' FNL & 1980' FWL (NENW)			10. FIELD AND POOL, OR WILDCAT Wildcat	
At proposed prod. zone Same			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 31-37s-19e SLBM	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 21 air miles WSW of Blanding, Utah			12. COUNTY OR PARISH 13. STATE San Juan Ut.	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)		330'	16. NO. OF ACRES IN LEASE 640	17. NO. OF ACRES ASSIGNED TO THIS WELL 40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		N/A	19. PROPOSED DEPTH 3,350'	20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6,651' ungraded ground			22. APPROX. DATE WORK WILL START* Feb. 7, 1988	

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 *Ryan Wood* TITLE Consultant DATE 1-16-88

(This space for Federal or State office use) cc: Bird (3), MDO (2), SJRA (1), UDOGM (2)

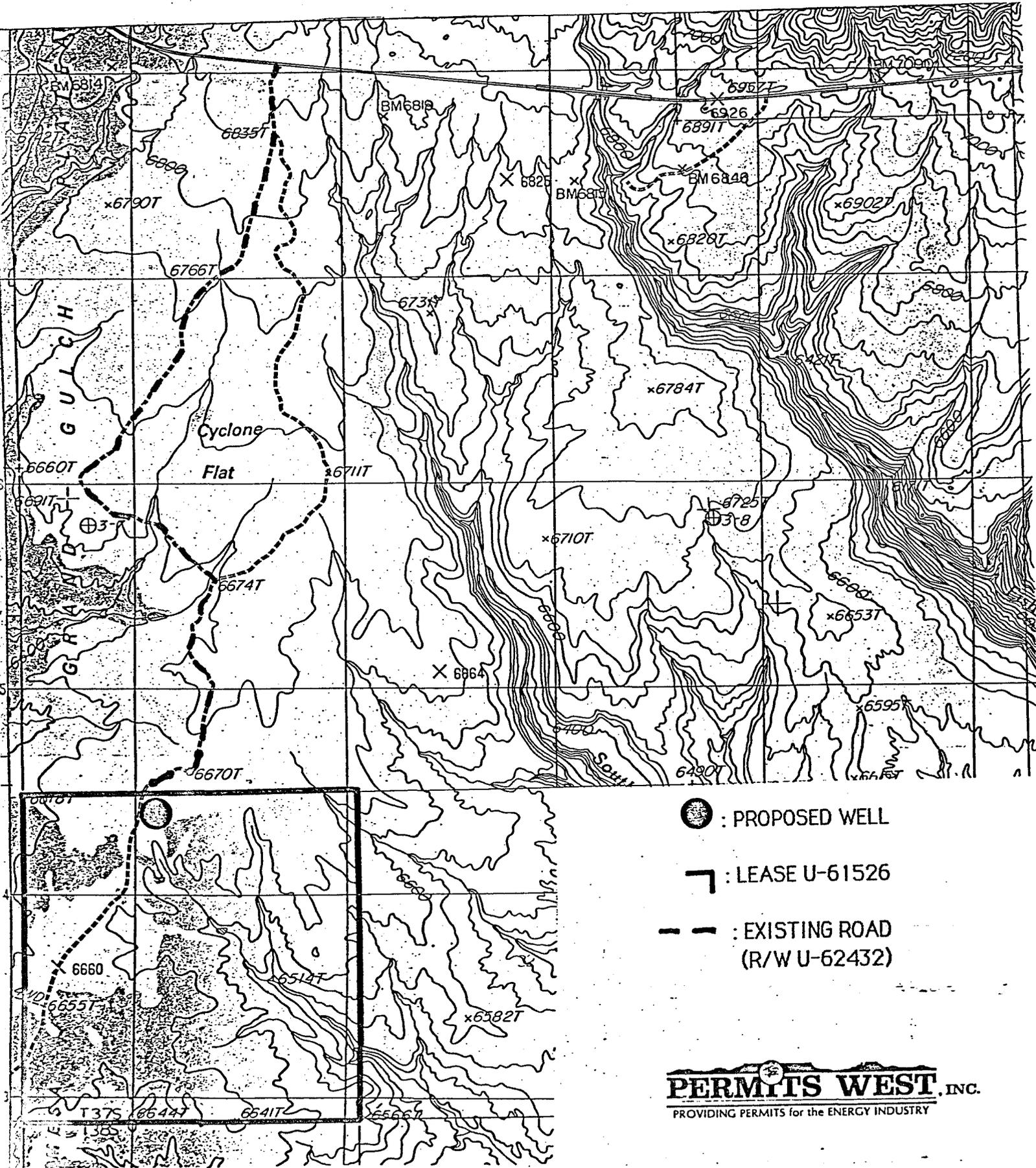
PERMIT NO. _____ APPROVAL DATE _____

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

*See Instructions On Reverse Side

TEB, Inc.
Cedar Mesa #1
330' FNL & 1980' FWL
Sec. 31, T. 37 S., R. 19 E.
San Juan County, Utah

CONFIDENTIAL INFORMATION



- : PROPOSED WELL
- └ : LEASE U-61526
- - : EXISTING ROAD (R/W U-62432)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.
U-61526

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME
Cedar Mesa

9. WELL NO.
#1

10. FIELD AND POOL, OR WILDCAT
 Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
31-37s-19e SLBM

12. COUNTY OR PARISH | 13. STATE
San Juan | Ut.

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**

2. NAME OF OPERATOR
TEB, Inc.

3. ADDRESS OF OPERATOR
 DIVISION OF **(316) 637-2340**
OIL, GAS & MINING

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface **330' FNL & 1980' FWL (NENW)**
 At proposed prod. zone **Same**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
21 air miles WSW of Blanding, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
330'

16. NO. OF ACRES IN LEASE
640

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
N/A

19. PROPOSED DEPTH
3,350'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6,651' ungraded ground

22. APPROX. DATE WORK WILL START*
Feb. 7, 1988

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"	32.3* (H-40 ST&C)	500'	300 sx or to surface
8-3/4"	5-1/2"	15.5* (J-55 ST&C)	3,350'	925 sx or to surface

TIGHT HOLE. PLEASE KEEP CONFIDENTIAL.

- Lease is all of Section 31, T. 37 S., R. 19 E.
- Request exception to Rule 302 because of geology. Exception is to TEB's own lease line, not to another well, nor to another operator's lease.
 - Orthodox well could be drilled at 660' FNL & 1980' FWL, but the well could be a dry hole. Thus, TEB needs an exception.
 - Request permission to drill at 330' FNL & 1980' FWL 31-37s-19e SLBM, San Juan County, Utah.
 - There are no existing wells which offset the proposed exception. Eight potential wells on the adjoining quarter-quarters could offset the proposed location, all would be on TEB, Inc. leases.
 - TEB, Inc. is the lessee of all lands within a 1,980' radius.
 - TEB, Inc. is the lessee of all drilling units within a 1,980' radius.

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 Brian Wood TITLE Consultant DATE 1-16-88

(This space for Federal or State office use) cc: Bird (3), MDO (2), SJRA (1), UDOGM (2)

PERMIT NO. 43-037-31389 APPROVAL DATE APPROVED BY THE STATE

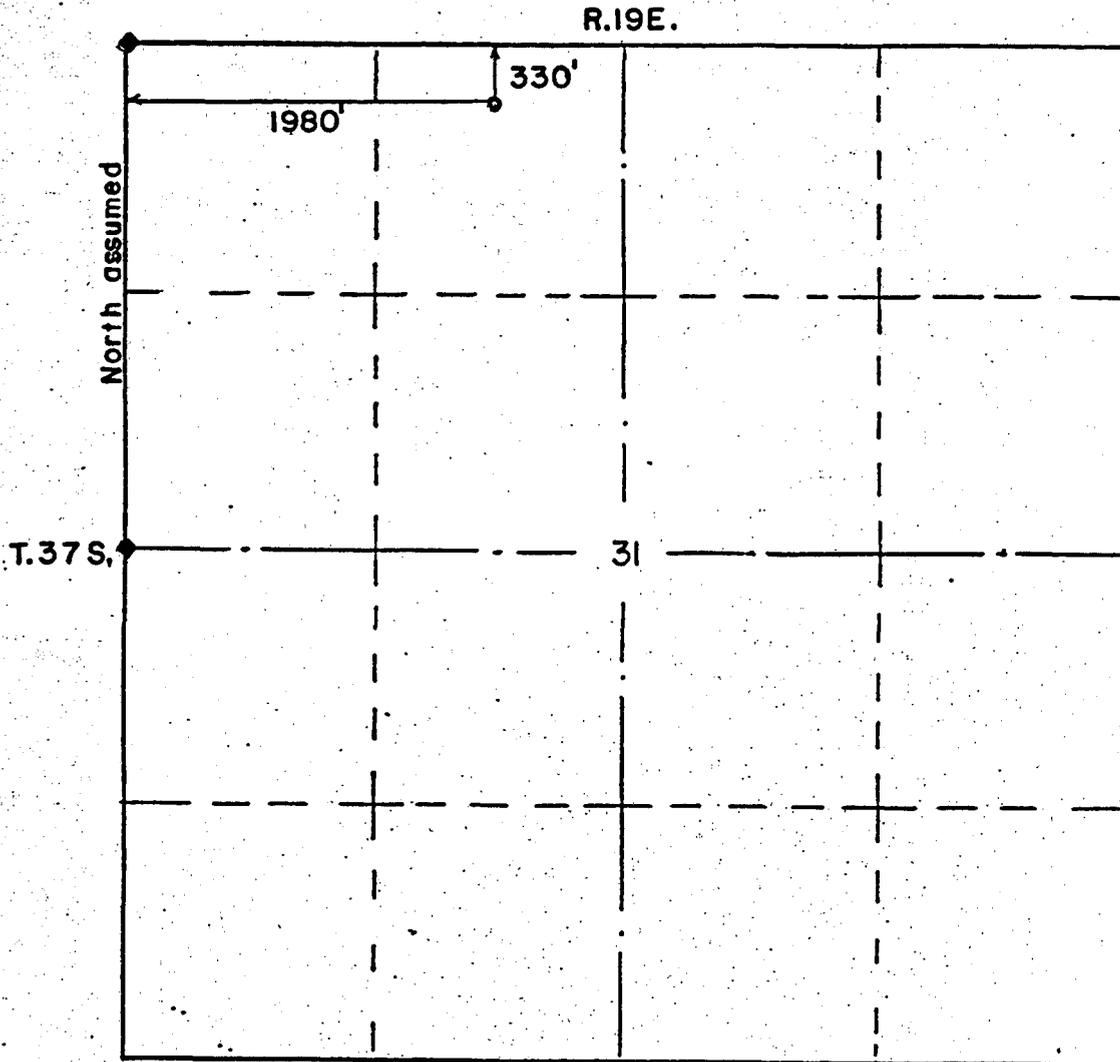
APPROVED BY _____ TITLE OF UTAH DIVISION OF

CONDITIONS OF APPROVAL, IF ANY: OIL, GAS AND MINING

DATE 2-11-88
BY John R. Day

*See Instructions On Reverse Side WELL SPACING: RV15-3-3

WELL LOCATION AND ACREAGE DEDICATION PLAT



1"=1000'

◆ brass cap

WELL LOCATION DESCRIPTION:

TEB, INC., Cedar Mesa #1
330' FNL & 1980' FWL,
Section 31, T.37 S., R.19 E., SLM
San Juan County, Utah
6651' grd elevation
Reference: 306' FN & 1852' FW , 6653' grd.

The above plat is true and correct to my knowledge and belief.

12 January 1988

REGISTERED LAND SURVEYOR
No. 5705
GERALD G. HUDDLESTON
Gerald G. Huddleston
Gerald G. Huddleston, LS
STATE OF UTAH

T. E. BIRD
ROUTE 1, BOX 82
TORONTO, KANSAS 66777
316-637-2340

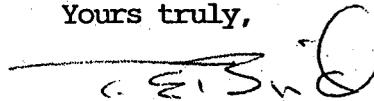
November 6, 1987

Re: Right-of-Way Application

TO WHOM IT MAY CONCERN:

This letter authorizes Mr. Brian Wood, Permits West, Inc., Santa Fe, New Mexico, to accept or sign for road right-of-way application or any other papers pertaining thereto on behalf of TEB, Inc.

Yours truly,

A handwritten signature in dark ink, appearing to read 'T. E. Bird', with a large, stylized flourish at the end.

T. E. Bird, President
TEB, Inc.

TEB:mb

TEB, Inc.
Cedar Mesa #1
330' FNL & 1980' FWL
Sec. 31, T. 37 S., R. 19 E.
San Juan County, Utah

PAGE 1

CONFIDENTIAL INFORMATION

All lease operations will be conducted in full compliance with applicable laws, regulations (43 CFR 3100), Onshore Oil & Gas Order #1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. TEB, Inc. will furnish a copy of these conditions to its field representative to assure compliance.

8 Point Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>Depth from GL*</u>	<u>Depth from KB</u>	<u>Subsea Depth</u>
Cedar Mesa Ss	000'	12'	+6,651'
Elephant Canyon	838'	840'	+5,813'
Halgaito Shale	1,044'	1,056'	+5,607'
Honaker Trail	1,294'	1,306'	+5,357'
Hermosa	1,444'	1,456'	+5,207'
Upper Ismay	2,390'	2,402'	+4,261'
Lower Ismay	2,488'	2,500'	+4,163'
Desert Creek	2,612'	2,624'	+4,039'
P-40 Shale	2,659'	2,671'	+3,992'
Salt Cycle 6	2,740'	2,752'	+3,911'
Salt Cycle 7	2,825'	2,837'	+3,826'
Salt Cycle 9	2,904'	2,916'	+3,747'
Salt Cycle 13	3,106'	3,118'	+3,545'
Salt Cycle 15	3,200'	3,212'	+3,451'
Pinkerton Trail	3,310'	3,322'	+3,341'
Total Depth (TD)	3,350'	3,362'	+3,301'

* ungraded GL

TEB, Inc.
Cedar Mesa #1
330' FNL & 1980' FWL
Sec. 31, T. 37 S., R. 19 E.
San Juan County, Utah

CONFIDENTIAL INFORMATION

2. NOTABLE ZONES

The estimated formation top depths from ungraded GL at which water, oil, gas, or other mineral bearing zones are expected to be encountered are:

<u>Possible Fresh Water Zone</u>	<u>Possible Salt Water Zones</u>	<u>Possible Oil & Gas Zones</u>
Cedar Mesa: 000'	Upper Ismay: 2,390'	Upper Ismay: 2,390'
	Lower Ismay: 2,488'	Lower Ismay: 2,488'
	Desert Creek: 2,612'	Desert Creek: 2,612'
	Salt Cycles: 2,740'	Pinkerton Tr'l.: 3,310'

Water bearing zones will be protected with weighted mud. All fresh water 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 (Also see "5." on PAGE 4)

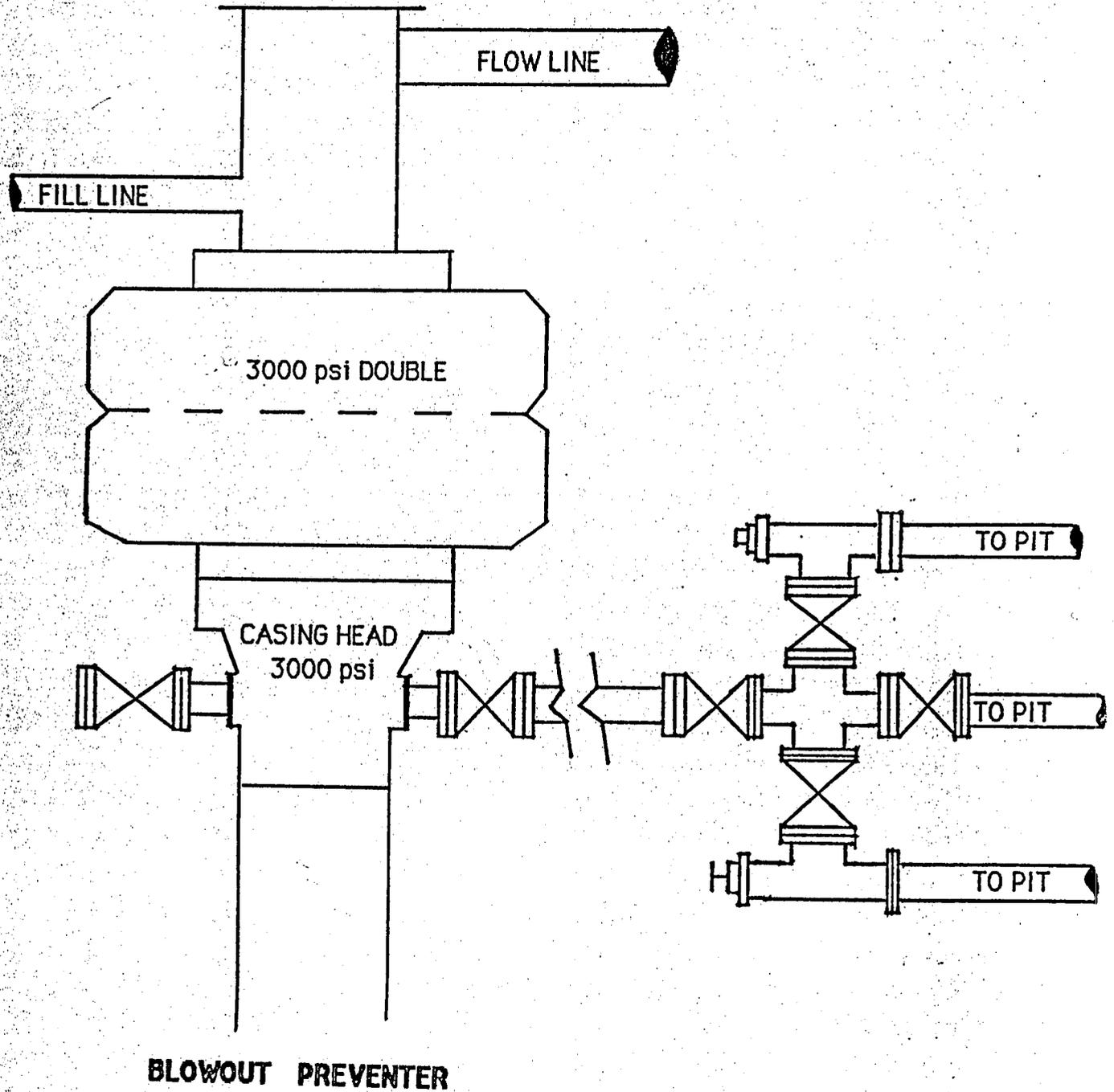
BOP systems will be consistent with API RP 53. A 10" x 3,000 psi double ram and annular preventer with a 3,000 psi choke manifold will be used. A diagram of a typical BOP is on Page 3. Actual model will not be known until bid is let.

Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. BOP controls will be installed before drilling the surface casing plug, and will stay in use until the well is completed or abandoned. Preventers will be pressure tested before drilling casing cement plugs. All BOP mechanical and pressure tests will be recorded on the drillers log.

BOPs will be inspected and operated at least daily to assure good mechanical working order. This inspection will be recorded on the daily drilling report.

TEB, Inc.
Cedar Mesa #1
330' FNL & 1980' FWL
Sec. 31, T. 37 S., R. 19 E.
San Juan County, Utah

CONFIDENTIAL INFORMATION



TEB, Inc.
Cedar Mesa #1
330' FNL & 1980' FWL
Sec. 31, T. 37 S., R. 19 E.
San Juan County, Utah

PAGE 4

CONFIDENTIAL INFORMATION

4. CASING & CEMENTING

<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>Age</u>	<u>Setting Depth (GL)</u>
12-1/4"	9-5/8"	32.3*	H-40	ST&C	New	0'-500'
8-3/4"	5-1/2"	15.5*	J-55	ST&C	New	0'-3,350'

Surface Casing (0'-500'): Cement to surface with 300 sx (100% excess) Class B cement with 2% CaCl₂ and 1/4 lb/sk Flocele.

Production Casing (0'-3,350'): Cement to surface with 925 sx Class H 50/50 Poz with 2% total gel and 5 lb/sk Cal-seal with 18% salt.

The San Juan Resource Area will be notified one day before running casing strings and cement. Six centralizers and 10 scratchers will also be used.

5. MUD PROGRAM

<u>Depth</u>	<u>Type</u>	<u>Weight (ppg)</u>	<u>Viscosity (sec/qt)</u>	<u>FL(cc)</u>
0'-500'	Spud Mud w/ Agua Gel & lime	9.0	45	NL
500'-2,740'	Fr. Water w/ EZ Mud & lime	9.4	28-45	0-15
2,740'-3,350'	Brine w/ Veogel & starch	10.6	36-45	10

Lost circulation material (walnut shells, cedar bark, *etc.*) will be on location. An oxygen scavenger (ammonium biosulfite) will be used below 2,740'.

6. CORING, TESTING, & LOGGING

No cores are planned. Drill stem tests may be run in the Ismay, Desert Creek, and elsewhere if good shows are found. The following logs may be run:

TEB, Inc.
Cedar Mesa #1
330' FNL & 1980' FWL
Sec. 31, T. 37 S., R. 19 E.
San Juan County, Utah

PAGE 5

CONFIDENTIAL INFORMATION

GR: Total Depth to Surface
FDC/CNL/DLL/BHC: Total Depth to 500'

Whether the well is completed as a dry hole or producer, "Well Completion or 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, *per* 43 CFR 3164. Two copies of all logs, core descriptions & analyses, well test data, geologic summaries, sample descriptions, and all other data obtained during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. (If requested, sample cuttings, fluids, and/or gases will be submitted to the District Manager.)

7. DOWNHOLE CONDITIONS

The maximum anticipated bottom hole pressure is 2,200 psi. No abnormal pressures or temperatures are expected. Hydrogen sulfide may be found upon drilling below 2,740'. A hydrogen sulfide contingency plan has been prepared and is attached at the end. It will be implemented at 2,500'.

8. MISCELLANEOUS

The anticipated spud date is February 7, 1988. It is expected it will take 10 days to drill the well and 10 days to complete the well.

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

TEB, Inc.
Cedar Mesa #1
330' FNL & 1980' FWL
Sec. 31, T. 37 S., R. 19 E.
San Juan County, Utah

PAGE 6

CONFIDENTIAL INFORMATION

Starting with the month in which operations begin, and continuing each month until the well is physically plugged and abandoned, a "Monthly Report of Operations" (Form 3160-6) will be sent to the District Manager.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual events will be promptly reported to the Resource Area *per* NTL-3A.

If the well is successfully completed for production, then the District Manager will be notified. Written notification will be sent not later than 5 business days following the date on which the well is placed on production. The Resource Area will schedule a first production conference within 15 days after receipt of the first production notice.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Manager. This preliminary approval will not exceed 30 days or 50 MMcf of gas. Approval to vent/flare beyond this initial period will require the District Manager's approval *per* NTL-4A.

No well abandonment operations will begin without the prior approval of the District Manager. With a newly drilled dry hole, failure, or emergency, oral approval will be obtained from the District Manager. A Sundry Notice will be sent to the District Manager within 30 days following completion of the well for abandonment. The Sundry will note where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until reclamation required by the approved APD or abandonment notice has been completed to the satisfaction of the Area Manager.

Once plugged, a flat metal plate will be welded to the top of the casing \approx 1 foot above ground level. The following information will be beaded on with a welding torch: TEB, Inc., Cedar Mesa #1, NENW 31-37s-19e, U-61526.

TEB, Inc.
Cedar Mesa #1
330' FNL & 1980' FWL
Sec. 31, T. 37 S., R. 19 E.
San Juan County, Utah

PAGE 7

CONFIDENTIAL INFORMATION

13 Point Surface Use Plan

1. EXISTING ROADS (See PAGES 15 & 16)

From the junction of U-95 and US 191 (*aka*, Shirttail Corner) south of Blanding, Utah, go west 25.3 mi. on U-95.

Then turn left and go southwest 2.6 mi. on a dirt road.

Then turn left and go 100 yards east to the well across an old well pad.

Existing roads are state and BLM. Roads will be maintained to a standard at least equal to their present condition. No upgrading is needed. Maximum disturbed width will not exceed 30'.

An amendment to right-of-way U-62432 has been filed for the 2.6 mi. of road between U-95 and the lease boundary. An Encroachment Permit has been approved by the San Juan County Road Department for part of the water haul route.

2. NEW ROADS (See PAGE 16)

There will be 100 yards of new road. It will be flat bladed with a maximum disturbed width not to exceed 30. There will be no turnouts or fence crossings. Maximum cut or fill will be 3'. Maximum grade will be 4%.

Surface disturbance and vehicle travel will be limited to the approved location and road. Any additional area needed will be approved in advance by the Area Manager. If access is used during wet winter weather, road surfacing may be required.

The access will be water barred or brought to Class 3 Road Standards within 60 days of dismantling the drill rig. If this deadline cannot be met,

TEB, Inc.
Cedar Mesa #1
330' FNL & 1980' FWL
Sec. 31, T. 37 S., R. 19 E.
San Juan County, Utah

PAGE 8

CONFIDENTIAL INFORMATION

the Resource Area will be notified so temporary drainage control can be installed. Class 3 Road Standards control drainage through the use of topography, ditch turnouts, dips, outsloping, crowning, low water crossings, and culverts. Specific measures will be determined at a joint TEB-BLM field inspection.

3. EXISTING WELLS

There are no water, producing, injection, or disposal wells within 1 mile. TEB may re-enter (Cyclone Flat #1) or drill (Cyclone Flat #2 - #4) 4 other wells within a one mile radius, they are:

Cyclone Flat #1 is 990' away at 660' FSL & 1980' FWL 30-37s-19e
Cyclone Flat #2 is 2,310' away at 1980' FSL & 1980' FWL 30-37s-19e
Cyclone Flat #3 is 3,821' away at 1790' FNL & 2020' FWL 30-37s-19e
Cyclone Flat #4 is 4,950' away at 660' FNL & 1950' FWL 30-37s-19e

4. PROPOSED PRODUCTION FACILITIES

The type and layout of the production facilities are not known now. An on-site with BLM, TEB, and the dirt contractor will be held before they are installed. All production equipment will be muffled.

All permanent (on site for 6 or more months) surface facilities will be painted a flat, neutral, earthtone color. Painting will be completed within 6 months of installation. Parts required to comply with OSHA colors will be excluded. Specific color will be determined by BLM after an on-site.

The tank battery will be surrounded by a dike of sufficient capacity to contain 150% of the storage capacity of the largest tank in the battery. All loading lines and valves will be placed inside the dike.

TEB, Inc.
Cedar Mesa #1
330' FNL & 1980' FWL
Sec. 31, T. 37 S., R. 19 E.
San Juan County, Utah

PAGE 9

CONFIDENTIAL INFORMATION

All site security guidelines in 43 CFR 3162.7-4 will be obeyed. 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 must have prior written approval from the District Manager.

Any gas meter run will be within 500' of its wellhead. The gas flowline will be buried from the wellhead to the meter and downstream for the remainder of the pad. Meters will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well pad. Meters will be calibrated in place before delivery begins. Meter accuracy tests will be conducted monthly for the first 3 months on new meters, and at least quarterly thereafter. The Resource Area 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 sent to the Resource Area. All meters will conform with the API standards for liquid hydrocarbons and AGA standards for natural gas measurement.

5. WATER SUPPLY (See PAGE 15)

Water will be trucked 13 mi. from Comb Wash on BLM administered land in NE Sec. 13, T. 38 S., R. 20 E. An Application to Appropriate Water has been filed with the State of Utah Div. of Water Rights. This is casual use.

6. CONSTRUCTION MATERIALS

Pad construction materials are native *in situ* soils on lease. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.1-3.

TEB, Inc.
Cedar Mesa #1
330' FNL & 1980' FWL
Sec. 31, T. 37 S., R. 19 E.
San Juan County, Utah

PAGE 10

CONFIDENTIAL INFORMATION

7. WASTE DISPOSAL

The reserve pit will not be lined. Half of the capacity will be in cut.

The pit will be fenced on 3 sides with 4 strands of barbed wire or woven wire topped with barbed wire. The 4th side will be fenced once the rig moves off. The fence will be kept in good repair while the pit dries.

All trash will be placed in a burn pit. It will be built near the mud tanks and dug at least 6' into cut. It will be totally enclosed with a fine wire mesh before the rig moves in. A burning permit is required for burning trash between May 1 and October 31. A burning permit can be obtained by calling the San Juan County Sheriff at (801) 587-2237. The road and pad will be kept litter free.

Human waste will be disposed of in 20' deep ratholes or chemical toilets. The ratholes will be immediately filled when the trailers are removed.

Produced water will be confined to the reserve pit for a period not to exceed 90 days after initial production. During the 90 day period an NTL-2B application will be submitted for the District Manager's approval of a permanent disposal method and site.

8. ANCILLARY FACILITIES

There will be no airstrip or formal camp. Three camper trailers may be on site for the company man, mud logger, and tool pusher.

9. WELL SITE LAYOUT

See PAGES 17-19 for depictions of the well pad, cross sections, cut and

TEB, Inc.
Cedar Mesa #1
330' FNL & 1980' FWL
Sec. 31, T. 37 S., R. 19 E.
San Juan County, Utah

PAGE 11

CONFIDENTIAL INFORMATION

fill diagrams, reserve pit, burn pit, access road onto the pad, parking, living facilities, soil stockpile, and rig orientation.

The top 8" of soil will be removed from the location and stockpiled northwest of the pad and away from the DOE well marker. Topsoil along the access will be reserved by windrowing along the road. An archaeologist approved by BLM and hired by TEB will monitor topsoil removal at the well.

10. RECLAMATION

Immediately upon completion of drilling, all trash and debris will be collected from the pad and surrounding area and placed in the burn pit.

TEB's dirt contractor will call the Resource Area 48 hours before starting reclamation that involves earth moving equipment, and upon completion of reclamation. An onsite will be held with TEB, the dirt contractor, and BLM before starting reclamation. The reserve pit must be completely dry before it is backfilled.

All disturbed areas will be recontoured to blend as nearly as possible with the natural topography. The natural contours of Comb Wash will be restored when water hauling is complete.

Stockpiled topsoil will be spread evenly over the disturbed area. All disturbed areas will be ripped 6" deep with the contour. Rippers will be 18" apart.

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

TEB, Inc.
Cedar Mesa #1
330' FNL & 1980' FWL
Sec. 31, T. 37 S., R. 19 E.
San Juan County, Utah

PAGE 12

CONFIDENTIAL INFORMATION

<u>Species</u>	<u>Rate (pounds/acre)</u>
Crested wheatgrass (<i>Agropyron desertorum</i>)	10

After seeding is complete, the stockpiled trees will be scattered evenly over the disturbed area. The new access will be blocked to prevent vehicle access.

The reserve pit and that part of the pad not needed for production will be reclaimed as previously described. Enough topsoil will be kept to reclaim the remainder of the pad at a future date. The remaining topsoil stockpile will be seeded in place using the prescribed seed mix.

11. SURFACE OWNER

The surface owner of the pad and access road is the U.S. Government.

12. OTHER INFORMATION

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

There will be no change from the proposed drilling and/or workover plan without prior approval from the District Manager. A Sundry Notice will be filed for approval for all changes of plans and other operations *per* 43 CFR 3164.

All wells, whether drilling, producing, suspended, or abandoned will be identified *per* 43 CFR 3162.3-2.

All people who are in the area will be informed by TEB that they are subject to prosecution for disturbing archaeological sites or picking up artifacts, including arrowheads. If subsurface cultural material is

TEB, Inc.
Cedar Mesa #1
330' FNL & 1980' FWL
Sec. 31, T. 37 S., R. 19 E.
San Juan County, Utah

PAGE 13

CONFIDENTIAL INFORMATION

exposed during construction, work in that spot will stop immediately and the Resource Area will be called. The operator will be responsible for the cost of evaluation of the discovery and proper mitigation measures. Any decision as to proper mitigation will be made by the BLM after consulting with the operator.

If at any time facilities located on public lands authorized by the lease terms are no longer included in the lease (due to unit contraction or other lease or unit boundary change), BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rent, or other financial obligation determined by BLM.

The District Office's mailing address is P.O. Box 970, Moab, Utah 84532. The phone number is (801) 259-6111. Ask for Dale Manchester.

The Resource Area's mailing address is P.O. Box 7, Monticello, Utah 84535. The phone number is (801) 587-2141. Ask for Rich McClure for surface problems. Ask for Mike Wade for subsurface problems.

The nearest hospital is a 70 minute drive to Monticello, Utah. It is 3 blocks northwest of the intersection of US 666 and US 191. Phone number is (801) 587-2116. The nearest medically equipped helicopter is in Grand Junction, Colorado, at St. Mary's Hospital. Call (303) 244-2550.

13. REPRESENTATION AND CERTIFICATION

Anyone having questions concerning the APD should contact:

Brian Wood
Permits West, Inc.
37 Verano Loop
Santa Fe, NM 87505
(505) 984-8120

TEB, Inc.
Cedar Mesa #1
330' FNL & 1980' FWL
Sec. 31, T. 37 S., R. 19 E.
San Juan County, Utah

PAGE 14

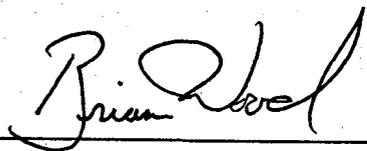
CONFIDENTIAL INFORMATION

The field representative for TEB, Inc. will be:

Tom Bird
TEB, Inc.
Rt. 1, Box 82
Toronto, Ks. 66777
(316) 637-2340

CERTIFICATION

I hereby certify that I have inspected the proposed drill site 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 operations proposed herein will be performed by TEB, Inc. 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.



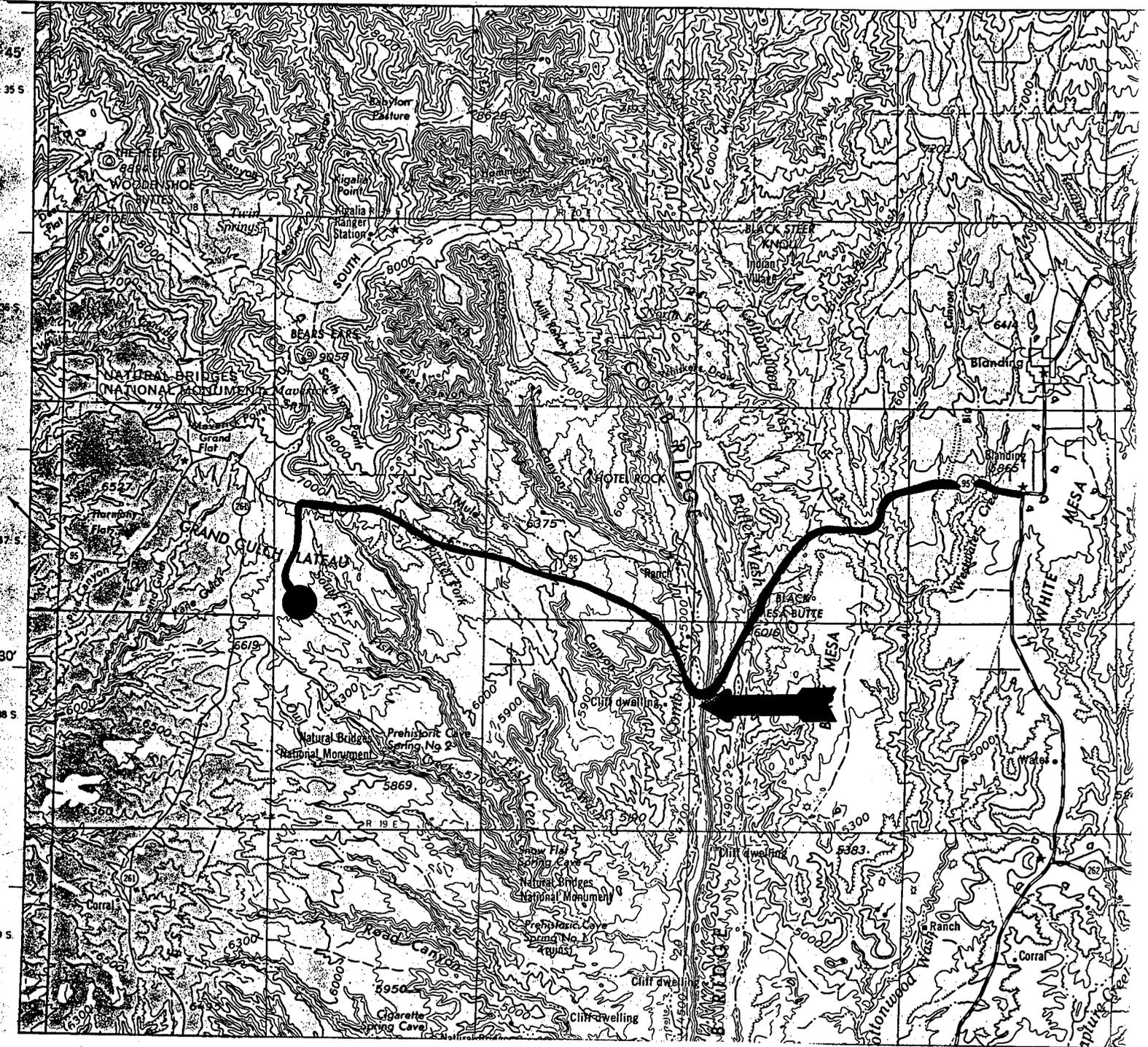
Brian Wood

January 16, 1988

Date

TEB, Inc.
Cedar Mesa #1
330' FNL & 1980' FWL
Sec. 31, T. 37 S., R. 19 E.
San Juan County, Utah

CONFIDENTIAL INFORMATION



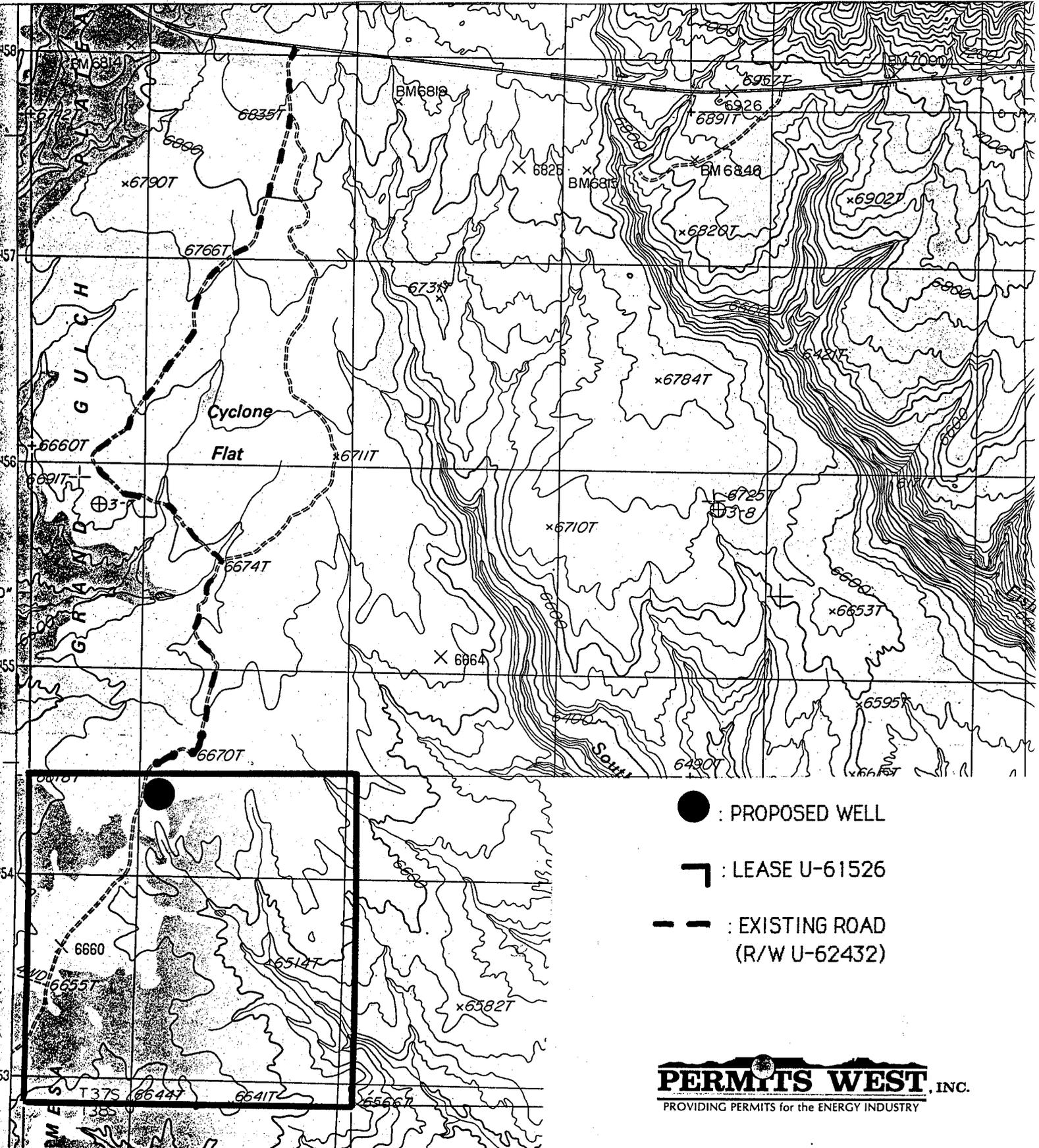
PROPOSED WELL: ●

WATER SOURCE: ←

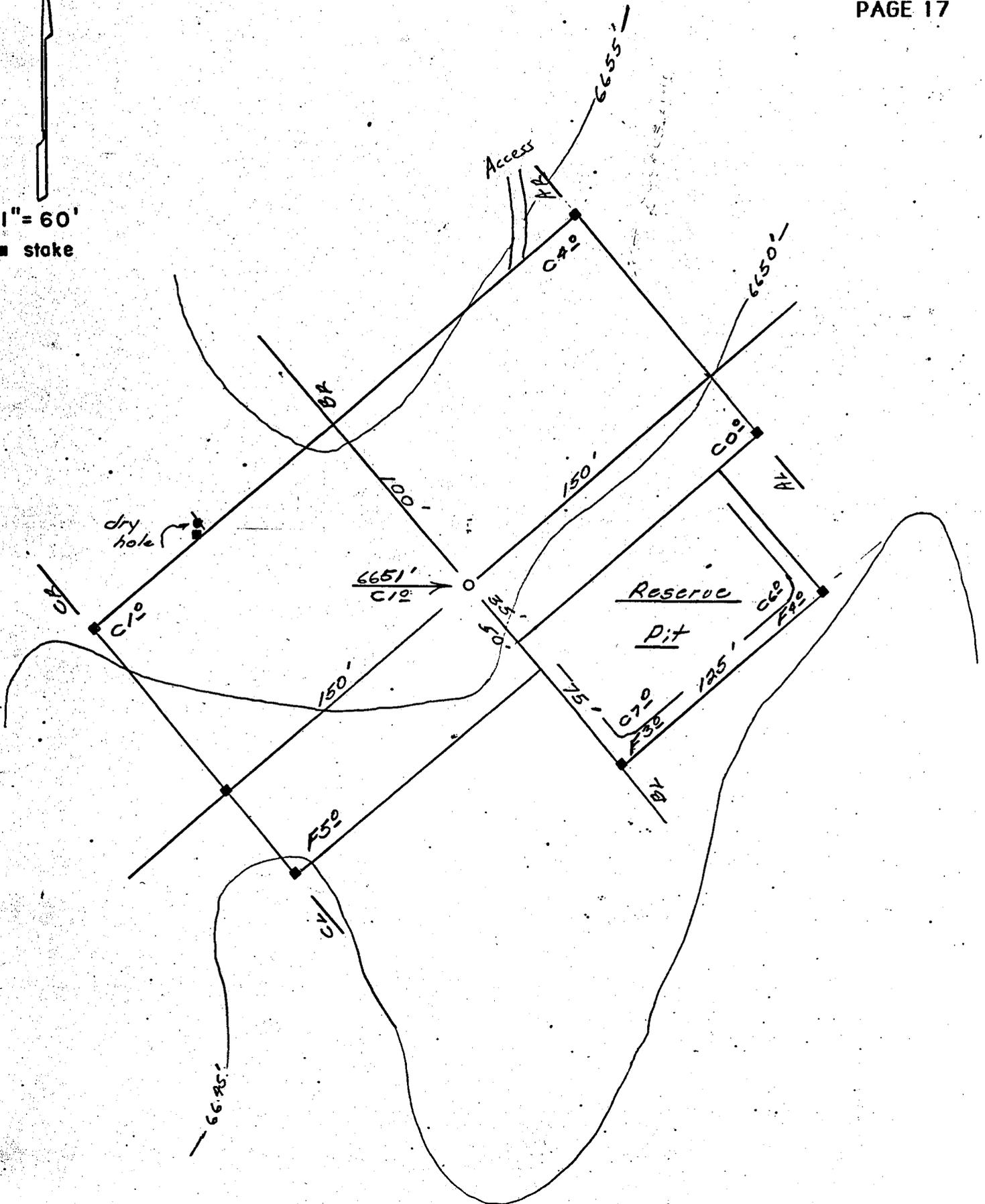
ACCESS ROAD: —

TEB, Inc.
 Cedar Mesa #1
 330' FNL & 1980' FWL
 Sec. 31, T. 37 S., R. 19 E.
 San Juan County, Utah

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1" = 60'
■ stake

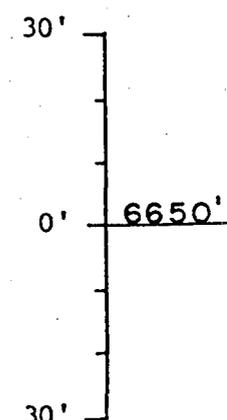
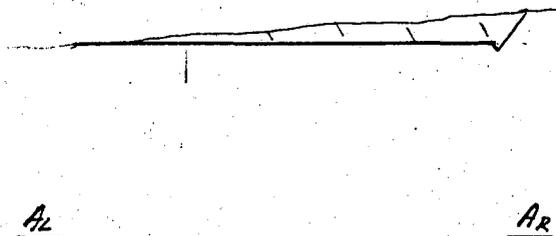
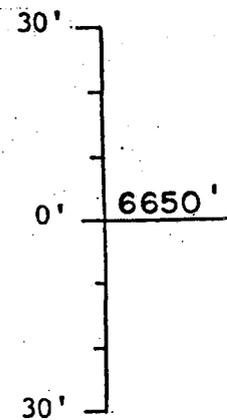
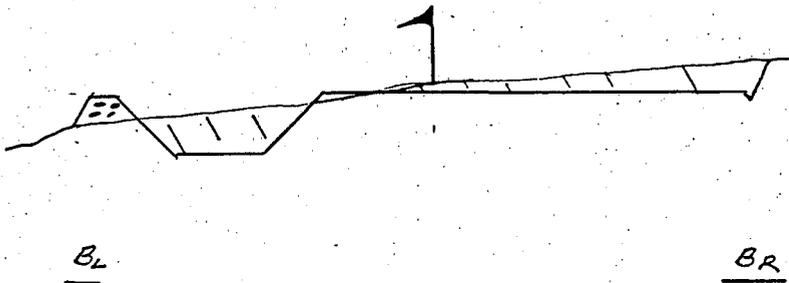
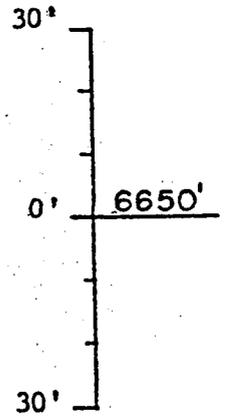
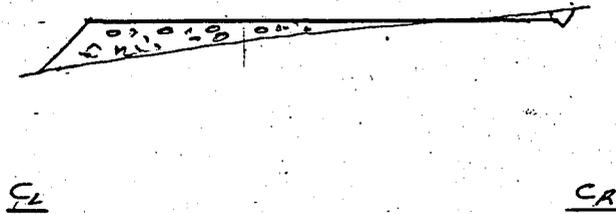


WELL PAD CROSS-SECTION

Cedar Mesa

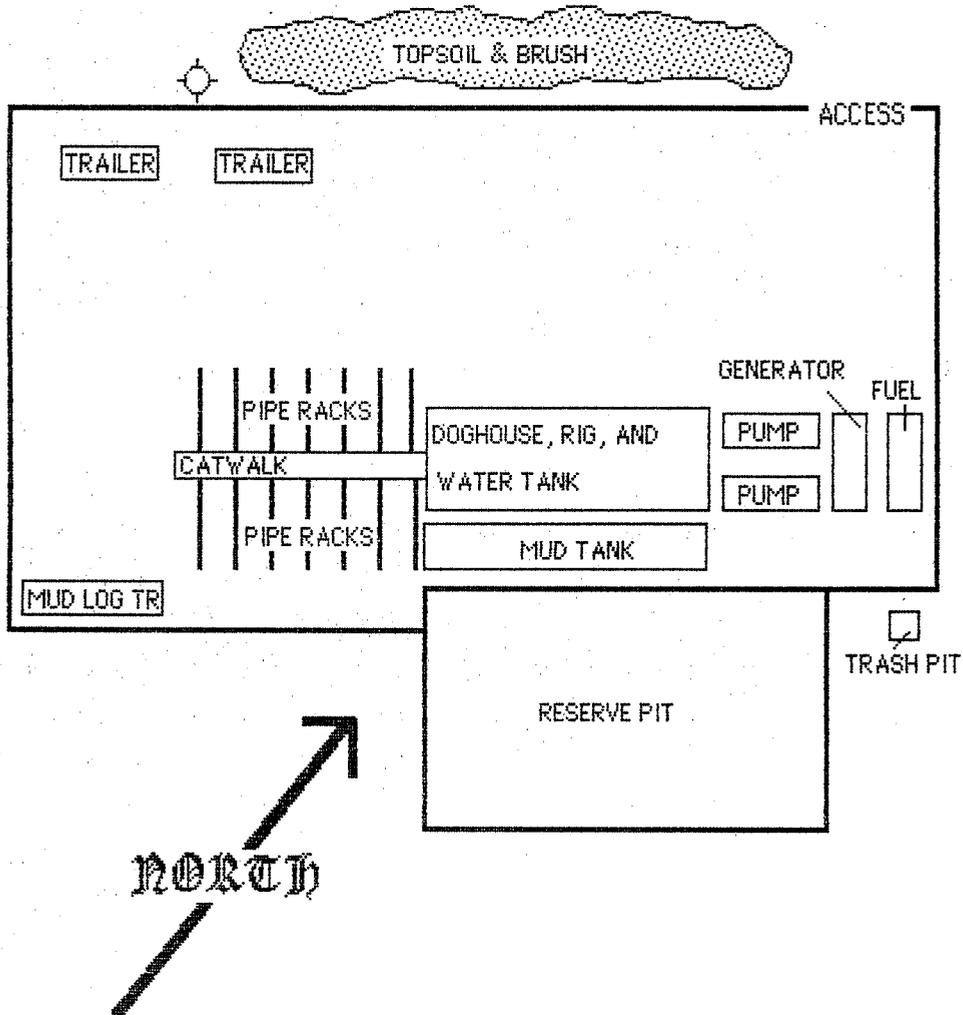
Cut 
Fill 

Scales: 1" = 60' H.
1" = 30' V.



TEB, Inc.
Cedar Mesa #1
330' FNL & 1980' FWL
Sec. 31, T. 37 S., R. 19 E.
San Juan County, Utah

CONFIDENTIAL INFORMATION





STANDBY SAFETY SERVICES, INC.

P.O. Box 1407 • Cortez, CO 81321 • (303) 565-6391

H2S CONTINGENCY PLAN

DATE: 1/8/88

WELL NAME: Cedar Mesa #1 T.D. 3350

LOCATION: 330' FNL & 1980' FWF Sec. 31, T.37S, Range 19E

San Juan County, Utah

FIELD NAME: Cedar Mesa

H2S FORMATION: Salt Cycles DEPTH: 2,742'

CONTRACTOR:

Unknown RIG NAME: _____ RIG PHONE: _____

DRILLING SUPERINTENDENTS:

Unknown MOBILE PHONE: _____ HOME PHONE: _____

MOBILE PHONE: _____ HOME PHONE: _____

OPERATIONS SUPERINTENDENT:

Tom Bird OFFICE PHONE: (316) 637-2340 HOME PHONE: _____

DRILLING ENGINEER:

John Norris OFFICE PHONE: (303) 468-5418 HOME PHONE: _____

GEOLOGIST:

Unknown OFFICE PHONE: _____ HOME PHONE: _____

I. Introduction. H₂S is a toxic, poisonous gas that could cause death or injury. The objective of this contingency plan is to provide an organized plan of action for alerting and protecting the public from H₂S exposure in the event a potentially hazardous volume is accidentally released to the atmosphere. This plan should be activated immediately if any such release occurs. The Drilling Superintendent is responsible for initiating and carrying out the plan.

II. Individual Responsibilities. It is the responsibility of all personnel on the location to familiarize themselves with the procedures outlined in this contingency plan.

A. All personnel:

1. Responsible for his assigned safety equipment.
2. Responsible for familiarizing himself with the location of all safety equipment.
3. Responsible for reporting any indications of H₂S to those in the area and to a supervisor.

B. Drilling Superintendent:

1. Responsible for thoroughly understanding and seeing that all aspects of this contingency plan are enforced.
2. Responsible for implementing all phases of this contingency plan.
3. Responsible for keeping a minimum of personnel on the location during expected hazardous operations.
4. Responsible for coordinating all wellsite operations and communications in the event that an emergency condition develops.
5. Responsible for ensuring that all visitors receive an H₂S safety orientation. A visitor's log will be maintained as well as a list of all personnel on the location after drilling has progressed to the suspected H₂S formation.
6. Responsible for notifying the drilling office, public safety personnel, regulatory agencies, and the general public of the existence and location of an H₂S release.

III. Location Layout

- A. The location of at least two pre-determined safe areas to assemble at in the event of an emergency. These locations should be located 180° to one another, and in the direction of the prevailing winds.

The pre-determined safe areas for this well are:

Area #1: Safety Trailer

Area #2: 180° from area #1

- B. The location and type of all H2S detectors. One located at the bell nipple, one located at the shale shaker, and a third one on the rig floor. Indicate here any other additional H2S detector locations for this well:

TYPE: Gastec LOCATION: _____

Gastec Hand Detector Safety Trailer

Gastec Hand Detector Dog House

- C. The location and type of all air masks. Self-contained breathing apparatus for use by rig personnel for this well will be kept in the following locations:

TYPE: Escape Units LOCATION: Rig Floor

work units Safety Trailer

Rescue Units Area #1 and Area #2

If a cascade system is utilized, indicate the location(s):

TYPE: 10-300 cu ft cylinder LOCATION: Safety Trailer

system

- D. The location of wind socks or streamers. The wind direction indicators for this well will be located at:

TYPE: Wind sock LOCATION: Safety Trailer

Wind sock Mud Pits

- E. The location of any other safety equipment used, such as flare guns or buy blowers:

TYPE: Flare Gun LOCATION: Safety Trailer

F. The location of all telephones and /or means of communications. The communications for this well will be located at:

TYPE: Unknown LOCATION: _____

G. Warning Signs:

1. "NO SMOKING" signs should be strategically located around the rig and rig location. The following locations are appropriate.
 - a. Doghouse
 - b. Rig floor
 - c. Substructure
 - d. lower landing of all stairs leading to rig floor
 - e. Mud pits
 - f. Shale shaker
2. "POISON GAS" signs should also be placed at strategic points on the locations. The following locations are appropriate.
 - a. All entrances leading to the location.
 - b. Lower landing of all stairs leading to rig floor.
 - c. All areas around substructure, including mud pits and shale shaker.
 - d. Various points along the perimeter of the radius of exposure.

NOTE: All warning signs should be black and yellow in color and of readable size at a reasonable distance.

IV. Operating Procedures. The following operating procedures will be utilized for drilling in areas with H₂S.

- A. Plan of operation for handling gas kicks and other drilling problems. Any gas kick will be controlled by using approved well control techniques. Upon evidence that ambient H₂S concentrations have reached 20 ppm, all non-essential personnel will be evacuated to pre-designated safe areas. Personnel remaining on the rig floor will continue to control the well as the situation dictates until the area is safe to re-enter.

B. Proposed mud program.

DEPTH INTERVAL (ft)	TYPE	(ppg) WEIGHT	FUNNEL VISC. (sec/Qt)	MEAS. AT 120°F		(cc)	SOLIDS (%)	pH	Cl- (ppm)
				PV (cp)	YP (lb/100ft ²)				
		(UNKNOWN)							

Note: If necessary, approved H₂S scavengers may be used.

C. Special Operations

1. Drill Stem Tests. All drill stem tests must be closed chamber and conducted during daylight hours.
2. Coring. After a core has been cut, circulate bottoms up and monitor for H₂S. If hole conditions (and/or detectors) indicate potentially hazardous conditions, put breathing equipment on 10 stands before core barrel reaches the surface. Breathing equipment will be worn by all personnel while core barrel is pulled, broken out, and opened up, and until a safe atmosphere is indicated.

V. Operating conditions. Operating conditions are defined in three categories. A description of each of these conditions and the required action to take are given below.

A. CONDITION I - NORMAL OPERATING CONDITIONS, POTENTIAL DANGER, OPERATIONS UNDER CONTROL

Characterized by: Normal drilling operations and test operations in zones which contain or may contain H₂S.

Warning flag: Yellow

ALARM: None

Probable occurrence; No detectable gas present at surface.

General action: (1) Know location of safety equipment.

(2) Check safety quipment for proper functioning. Keep it available.

(3) Be alert for a condition change.

(4) Follow instructions of supervisor.

B. CONDITION II - POTENTIAL TO MODERATE DANGER TO LIFE

Characterized by: H₂S gas present. Concentrations less than 20 ppm.

Warning flag: Orange

Alarm: Flashing light at 10 ppm H₂S. Intermittent blasts on horn at 20 ppm H₂S.

Probable occurrence:

- (1) As drill gas
- (2) As trip gas when circulating bottoms up.
- (3) When a core barrel is pulled.
- (4) When a well kick is circulated out
- (5) Surface pressure, well flow or lost returns problems.
- (6) Equipment failure during testing operations.

General action:

- (1) Follow instructions of supervisor
- (2) Put on breathing equipment if directed, or if conditions warrant it.
- (3) Stay in "SAFE BRIEFING AREA" if instructed and not working to correct the problem.
- (4) The Drilling Superintendent will initiate action to reduce the H₂S concentration to zero.

C. CONDITION III - MODERATE TO EXTREME DANGER TO LIFE

Characterized by: H₂S present in concentrations at or above 20 ppm. Critical well operations or well control problems. In the extreme, loss of well control.

Warning flag: Red

Alarm: Flashing light and continuous blast on horn at 20 ppm H₂S.

Probable occurrence:

- (1) As drill gas
- (2) As trip gas when circulating bottoms up.

- (3) When a core barrel is pulled
- (4) When a well kick is circulated out
- (5) Surface pressure, well flow or lost returns problems.
- (6) Equipment failure during testing operations

General action:

- (1) Put on breathing equipment. Move to "SAFE BRIEFING AREA" and remain there if not working to correct or control problems.
- (2) Follow instructions of Drilling Superintendent or other supervisor.
- (3) The Drilling Superintendent will initiate emergency action as provided in the contingency plan and as appropriate to the actual conditions. If testing operations are in progress, well will be shut-in.
- (4) The Drilling Superintendent will conduct any necessary operations with an absolute minimum of personnel. All persons in the immediate area will wear a breathing apparatus. All other personnel will restrict their movements to those directed by the Superintendent.
- (5) If gas containing hydrogen sulfide is ignited, the burning hydrogen sulfide will be converted to sulfur dioxide which is poisonous.

VI. Emergency Procedures. The procedures listed below apply to drilling and testing operations.

A. If at any time during Condition I, the mud logger, mud engineer, or any other person detects H₂S, he will notify the Drilling Superintendent. All personnel should keep alert to the Drilling Superintendent's orders. He will:

- 1. Immediately begin to ascertain the cause or the source of the H₂S and take steps to reduce the H₂S concentration to zero. This should include having the mud engineer run a sulfide and pH determination on the flowline mud if water-base mud is in use. If an oil-base mud is in use, the mud engineer should check the lime content of the mud.

2. Order non-essential personnel out of the potential danger area.
 3. Order all personnel to check their safety equipment to see that it is working properly and in the proper location. Persons without breathing equipment will not be allowed to work in a hazard area.
 4. Notify the Contract Supervisor of condition and action taken.
 5. Increase gas monitoring activities (portable H₂S detectors) and continue operations with caution.
 6. Display the orange warning flag.
- B. If the H₂S concentration exceeds 20 ppm, the following steps will be taken.:
1. Put on breathing equipment
 2. Display red flag
 3. Driller - prepare to shut the well in.
 - a. Pick up pipe to get kelly out BOP's
 - b. Close BOP's if necessary.
 4. If testing operations are in progress, the well will be shut-in.
 5. Help anyone who may be affected by gas.
 6. Evacuate quickly to the "SAFE BRIEFING AREA" if instructed or conditions warrant.
- C. In the event a potentially hazardous volume of H₂S is released to the atmosphere, the following steps must be taken to alert the public:
1. Remove all rig personnel from the danger area and assemble at a pre-determined safe area, preferably upwind from the well site.
 2. Alert the drilling office, public safety personnel, regulatory agencies, and the general public of the existence and location of an H₂S release. See List of Emergency Telephone Numbers.
 3. Assign personnel to block any public road (and access road to location) at the boundary of the area of exposure. Any unauthorized people within the area should be informed

that an emergency exists and be ordered to leave immediately.

4. Request assistance from public safety personnel to control traffic and/or evacuate people from the threatened area.

VII. Training Program. All personnel associated with the drilling operations will receive training to insure efficient and correct action in all situations. This training will be in the general areas of: (1) personnel safety, (2) rig operations, and (3) well control procedures.

- A. Personnel Safety Training. All personnel shall have received H₂S training in the following areas;
 1. Hazards and characteristics of H₂S.
 2. Effect on metal components of the system.
 3. Safety precautions.
 4. Operation of safety equipment and life support systems.
 5. Corrective action and shutdown procedures.

B. Rig Operations. All rig personnel shall have received training in the following areas:

1. Well control procedures.
2. Layout and operations of the well control equipment.

NOTE: Proficiency will be developed through BOP drills which will be documented by the Drilling Superintendent.

C. Service Company Personnel. All service personnel shall have been trained by their employers in the hazards and characteristics of H₂S and the operation of safety equipment and life support systems.

D. Visitors. All first time visitors to the location will be required to attend a safety orientation. The Drilling Superintendent shall be responsible for this orientation, and he shall see that every visitor is logged in correctly.

E. Public. The public within the area of exposure shall be given an advance briefing by the Drilling Superintendent. This briefing must include the following elements:

1. Hazards and characteristics of hydrogen sulfide. It is an extremely dangerous gas. It is normally detectable by its "rotten-egg" odor, but odor is not a reliable

means of detection because the sense of smell may be dulled or lost due to intake of the gas. It is colorless, transparent, and flammable. It is heavier than air and may accumulate in low places.

2. The necessity of an emergency action plan. Due to the danger to persons exposed to hydrogen sulfide and the need for expeditious action should an emergency occur, this action plan will be put into effect if and when a leak occurs.
3. The location of hydrogen sulfide within the area of exposure. At the drilling location.
4. The manner in which the public will be notified of an emergency. By telephone or personal contact.
5. Steps to be taken in case of an emergency.
 - a. Abandon danger area.
 - b. Notify necessary agencies and request assistance for controlling traffic and evacuating people.

EMERGENCY PHONE NUMBERS LIST

A. MEDICAL PERSONNEL

1. Ambulance(s): Dispatched by (801) 587-2237
or (801) 678-2334
2. Hospital (s): Monticello (801) 587-2116

3. Doctors: Nichols & MacNeil
(801) 678-2254

B. FIREFIGHTING AND PUBLIC SAFETY PERSONNEL

1. Fire department(s): (801) 678-2313
2. Police Department(s): (801) 678-2334

3. County Sheriff: (801) 587-2237
4. State Police: (801) 587-2237

C. GOVERNMENT AGENCIES:

1. County Health Department: (801) 587-2231
2. OSHA (801) 533-6401
3. USGS (801) 259-5495
4. BLM (801) 259-6111 or 259-8193
5. _____ _____

D. PERSONNEL

1. Drilling Superintendents: Unknown

2. Drilling Office: _____
3. Drilling Operations Superintendents: _____

EMERGENCY PHONE LIST

PAGE 2

3. Drilling Operations Superintendents
(continued):

4. Division Drilling Manager:

5. Drilling Engineer:

E. SERVICE COMPANIES:

1. Pump trucks:

Halliburton

Cortez, (303) 565-6521

2. Dirt Contractor(s):

Perry McDonald

Cortez, (303) 565-3659

3. Roustabout Crew(s):

4. H2S Service Company:

Standby Safety Service, INC.

Cortez, CO (303) 565-6391

5. Others:

NOTE: All entries should be made in the following manner:
NAME - PHONE - LOCATION

021904
CONFIDENTIAL

OPERATOR TEB Inc DATE 1-21-88

WELL NAME Cedar Mesa #1

SEC NE NW 31 T 37S R 19E COUNTY San Juan

43-037-31389
API NUMBER

Fed.
TYPE OF LEASE

CHECK OFF:

- PLAT
- BOND
- NEAREST WELL
- LEASE
- FIELD
- POTASH OR OIL SHALE

PROCESSING COMMENTS:

No other well in Sec. 31 or within 920'

Near water permit of 09-1554-(T 63024)

Exception requested

RDCC - OK

APPROVAL LETTER:

SPACING: R615-2-3 _____ UNIT _____ R615-3-2

_____ CAUSE NO. & DATE _____ R615-3-3

STIPULATIONS:

Water

TEMPORARY RECEIPT
FILING FOR WATER IN THE STATE OF UTAH

Rec. by JS
Fee Rec. 30.00
Receipt # 23568
Microfilmed _____
Roll # _____

RECEIVED
JAN 22 1988

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 Title 73, Chapter 3 of the Utah Code Annotated (1953, as amended).
RECEIVED
JAN 28 1988

* WATER RIGHT NO. 1554

* APPLICATION NO. A T63024 WATER RIGHT PRICE

1. *PRIORITY OF RIGHT: December 28, 1987 * FILING DATE: Dec. 28, 1987

2. OWNER INFORMATION

Name(s): TEB, Inc. c/o Permits West, Inc. * Interest: _____ %
Address: 37 Verano Loop (505) 984-8120
City: Santa Fe State: NM Zip Code: 87505
Is the land owned by the applicant? Yes _____ No xxx
(If "No", please explain in EXPLANATORY section.)

3. QUANTITY OF WATER: _____ cfs and/or Four ac-ft

4. SOURCE: Comb Wash * DRAINAGE: _____
which is tributary to San Juan River
which is tributary to Colorado River

POINT(S) OF DIVERSION: _____ COUNTY: San Juan
South 1200 feet and West 150 feet from the NE corner of Sec. 13, T. 38 S., R. 20 E., SLB1

Description of Diverting Works: Water will be pumped directly into 85 bbl tank trucks.

* COMMON DESCRIPTION: 12.5 miles SW of Blanding Bluff NW Quad

5. POINT(S) OF REDIVERSION

The water will be rediverted from N/A at a point: _____

Description of Rediverting Works: _____

6. POINT(S) OF RETURN

The amount of water consumed will be N/A cfs or _____ ac-ft

The amount of water returned will be _____ cfs or _____ ac-ft

The water will be returned to the natural stream/source at a point(s): _____

7. STORAGE

Reservoir Name: _____ N/A Storage Period: from _____ to _____

Capacity: _____ ac-ft. Inundated Area: _____ acres

Height of dam: _____ feet

Legal description of inundated area by 40 acre tract(s): _____

* These items are to be completed by the Division of Water Rights

TEMPORARY

Appropriate

8. List any other water rights which will supplement this application _____
Application supplements our right (09-1542 T62944) and other entities' water rights for stockwatering, irrigation, etc.

9. NATURE AND PERIOD OF USE

Irrigation:	From _____ to _____
Stockwatering:	From _____ to _____
Domestic:	From _____ to _____
Municipal:	From _____ to _____
Mining:	From _____ to _____
Power:	From _____ to _____
Other:	From <u>Jan. 15, 1988</u> to <u>Jan. 14, 1989</u>

10. PURPOSE AND EXTENT OF USE

Irrigation: _____ acres. Sole supply of _____ acres.
Stockwatering (number and kind): _____
Domestic: _____ Families and/or _____ Persons
Municipal (name): _____
Mining: _____ Mining District in the _____ Mine
Ores mined: _____
Power: Plant name: _____ Type: _____ Capacity: _____
Other (describe): Water will be used for oil well drilling mud, dust control, compaction, etc.

11. PLACE OF USE

Legal description of place of use by 40 acre tract(s):
South 330' and East 1980' from the NW corner of Sec. 31, T. 37 S., R. 19 E., SLBM at the Cedar Mesa #1
oil well (NENW 31-37s-19e) and South 660' and West 1980' from the NE corner of Sec. 31, T. 37 S., R.
19 E., SLBM at the Cedar Mesa #2 oil well (NWNE 31-37s-19e).

12. EXPLANATORY

The following is set forth to define more clearly the full purpose of this application. (Use additional pages of same size if necessary):
From #2: Land is public (federal) and administered by Bureau of
Land Management, Monticello, Utah.

The applicant(s) hereby acknowledges that he/she/they are a citizen(s) of the United States of America or intends to become such a citizen(s). The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purposes herein described. The undersigned hereby acknowledges that even though he/she/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 herein, at the time of filing, rests with the applicant(s).

Brian R. [Signature]
Signature of Applicant(s)

STATE ENGINEER'S ENDORSEMENT

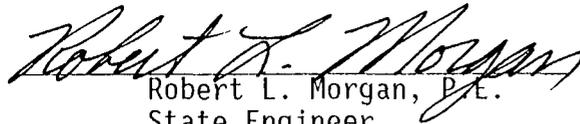
WATER RIGHT NUMBER: 09 - 1554

APPLICATION NO. T63024

1. December 28, 1987 Application received by MP.
 2. January 7, 1988 Application designated for APPROVAL by MP and KLJ.
 3. Comments:
-
-

Conditions:

This application is hereby APPROVED, dated December 21, 1988, subject to prior rights and this application will expire on December 21, 1989.


Robert L. Morgan, P.E.
State Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPL
(Other instructions
verse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

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.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. U-61526
2. NAME OF OPERATOR TEB, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
3. ADDRESS OF OPERATOR Route 1, Box 82, Toronto, Kansas 66777		7. UNIT AGREEMENT NAME N/A
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface Surface: 330' FNL & 1980' FWL (NENW) Bottom: Same		8. FARM OR LEASE NAME Cedar Mesa
14. PERMIT NO. 43-037-		9. WELL NO. #1
15. ELEVATIONS (Show whether OF, TO, OR, etc.) 6,651' ungraded ground		10. FIELD AND POOL, OR WILDCAT Wildcat
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 31-37s-19e SLBM
		12. COUNTY OR PARISH San Juan
		13. STATE Utah

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"/>	PULL 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 checked="" type="checkbox"/>	(Other) <input type="checkbox"/>	(Other) <input type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion 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.)

**Surface casing will change to 8-5/8" 24# J-55 ST&C @ 500'.
Long string will change to 5-1/2" 15.5# ST&C @ 2,700'.
Change TD from 3,350' (as stated in APD dated 1-16-88) to 2,700'. This will avoid hydrogen sulfide-salt zone and eliminate need for brine based mud and hydrogen sulfide protection.**

TIGHT HOLE. CONFIDENTIAL INFORMATION.

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

DATE: 2-5-88
BY: [Signature]

18. I hereby certify that the foregoing is true and correct
SIGNED [Signature] TITLE Consultant DATE 1-25-88

(This space for Federal or State office use)
APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

cc: MDO (3), SJRA (1), UDOGM (2)

Federal approval of this action
is required before commencing
operations.

*See Instructions on Reverse Side

STATE ACTIONS

Mail to:
RDCC Coordinator
116 State Capitol
Salt Lake City, Utah 84114

1. ADMINISTERING STATE AGENCY
OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203
2. STATE APPLICATION IDENTIFIER NUMBER:
(assigned by State Clearinghouse)
3. APPROXIMATE DATE PROJECT WILL START:
February 7, 1988
4. AREAWIDE CLEARING HOUSE(S) RECEIVING STATE ACTIONS:
(to be sent out by agency in block 1)
Southeastern Utah Association of Local Governments
5. TYPE OF ACTION: // Lease /X/ Permit // License // Land Aquisition
/ / Land Sale / / Land Exchange / / Other
6. TITLE OF PROPOSED ACTION:
Application for Permit to Drill
7. DESCRIPTION:
TEB, Inc. proposes to drill a wildcat well, the Cedar Mesa #1, on federal lease number U-61526 in San Juan County, Utah. This action is being presented to RDCC for consideration of resource issues affecting state interests. The U.S. Bureau of Land Management is the primary administrative agency in this case and must issue approval to drill jointly with DOGM before operations can commence.
8. LAND AFFECTED (site location map required) (indicate county)
NE/4, NW/4, Section 31, Township 37 South, Range 19 East, San Juan County, Utah
9. HAS THE LOCAL GOVERNMENT(S) BEEN CONTACTED?
Unknown
10. POSSIBLE SIGNIFICANT IMPACTS LIKELY TO OCCUR:
Degree of impact is based on the discovery of oil or gas in commercial quantities.
11. NAME AND PHONE NUMBER OF DISTRICT REPRESENTATIVE FROM YOUR AGENCY NEAR PROJECT SITE, IF APPLICABLE:
Chip Hutchinson, Moab, 259-8151
12. FOR FURTHER INFORMATION, CONTACT: 13. SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL
John Baza
PHONE: 538-5340
DATE: 1-20-88 Petroleum Engineer



State of Utah

Division of State History
(Utah State Historical Society)
Department of Community and Economic Development

Norman H. Bangertter
Governor
Max J. Evans
Director

300 Rio Grande
Salt Lake City, Utah 84101-1182

RECEIVED
FEB 02 1988

29 January 1988

John Baza
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RE: TEB, Inc., Cedar Mesa #1 Wildcat Well, San Juan County, Utah - Federal
Lease U-61526

In Reply Please Refer to Case No. K845

Dear Mr. Baza:

The staff of the Utah State Historic Preservation Office has reviewed the State Actions form for the above referenced project. Our records indicate that we know of no surveys for historic or prehistoric resources at the site of this proposed wildcat well, and consequently know of no sites listed on or eligible for the National Register in the project area. However, the potential for additional cultural resources in this area is high, and their presence should be evaluated prior to any land disturbing activities. We understand that the Bureau of Land Management is the primary administrative agency for this case, and a copy of these comments will be provided to the Resource Area archeologist.

The above is provided on request as outlined by 36 CFR 800 or Utah Code, Title 63-18-37. If you have questions or need additional assistance, please contact Charles Shepherd at (801) 533-7039, or 533-6017.

Sincerely,

A. Kent Powell
Deputy State Historic Preservation Officer

CMS:jrc:K845/5116V SCR

cc: Dale Davidson, San Juan Resource Area Bureau of Land Management, P. O.
Box 7, Monticello, Utah 84535
cc: Chairperson, Resource Development Coordinating Committee, State Planning
Office, 118 State Capitol, Salt Lake City, UT 84114 (SAI# UT880121-020)

3

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 SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 TEB, Inc. (316) 637-2340

3. ADDRESS OF OPERATOR
 Route 1, Box 82, Toronto, Kansas 66777

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface: 330' FNL & 1980' FWL (NENW)
 At proposed prod. zone: Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 21 air miles WSW of Blanding, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
 330'

16. NO. OF ACRES IN LEASE
 640

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 N/A

19. PROPOSED DEPTH
 3,350'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 6,651' ungraded ground

22. APPROX. DATE WORK WILL START*
 Feb. 7, 1988

5. LEASE DESIGNATION AND SERIAL NO.
 U-61526

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 N/A

7. UNIT AGREEMENT NAME
 N/A

8. FARM OR LEASE NAME
 Cedar Mesa

9. WELL NO.
 #1

10. FIELD AND POOL, OR WILDCAT
 Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 31-37s-19e SLBM

12. COUNTY OR PARISH
 San Juan

13. STATE
 Ut.

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"	32.3* (H-40 ST&C)	500'	300 sx or to surface
8-3/4"	5-1/2"	15.5* (J-55 ST&C)	3,350'	925 sx or to surface

TIGHT HOLE. PLEASE KEEP CONFIDENTIAL.

RECORDED
FEB 11 1988

DIVISION OF
OIL, GAS & MINING

24. SIGNED *Ris Roel* TITLE Consultant DATE 1-16-88

(This space for Federal or State office use) cc: Bird (3), MDO (2), SJRA (1), UDOGM (2)

PERMIT NO. _____ APPROVAL DATE Feb 08 1988

APPROVED BY /s/ Kenneth V. Rhea TITLE Acting District Manager

FLARING OR VENTING OF GAS IS SUBJECT OF NTL 4-A DATED 1/1/80

CONDITIONS OF APPROVAL ATTACHED

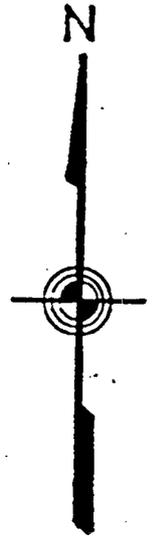
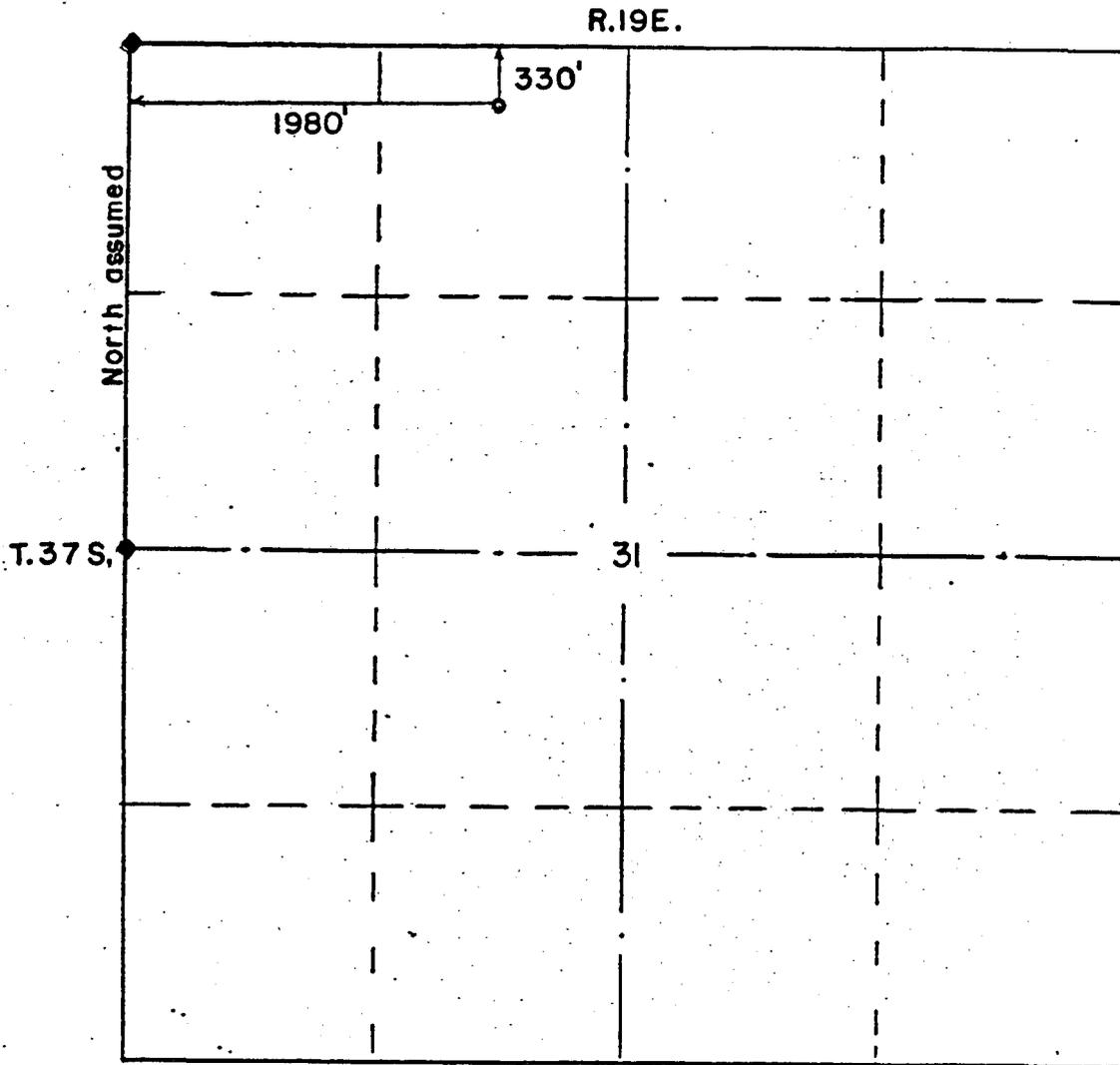
*See Instructions On Reverse Side

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.

SUBJECT TO RIGHT OF WAY APPROVAL

3160-3 11-83 505110

WELL LOCATION AND ACREAGE DEDICATION PLAT



1"=1000'
◆ brass cap

WELL LOCATION DESCRIPTION:
TEB, INC., Cedar Mesa #1
330' FNL & 1980' FWL,
Section 31, T.37 S., R.19 E., SLM
San Juan County, Utah
6651' grd elevation
Reference: 306' FN & 1852' FW , 6653' grd.

The above plat is true and correct to my knowledge and belief.

12 January 1988

REGISTERED LAND SURVEYOR
No. 5705
GERALD S. HUDDLESTON
Gerald S. Huddleston
Gerald S. Huddleston, LS
STATE OF UTAH

TEB, Inc.
Well No. Cedar Mesa 1
Sec. 31, T. 37 S., R. 19 E.
San Juan County, Utah
Lease U-61526

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

B. SURFACE USE PLAN

To reduce conflicts with recreational users, drilling will only be allowed from November 1 through February 28 and June 16 through September 14. This stipulation does not affect production activities.

The reserve pit will be lined with commercial bentonite to reduce the possibility of the pit leaking.

All fluids will be removed from reserve pit after the well is completed or plugged to allow total completion of reclamation by February 28.

NOTIFICATIONS

Notify the San Juan Resource Area, at (801) 587-2141 for the following:

2 days prior to commencement of dirt work, construction or reclamation;

1 day prior to spudding;

1 day prior to running and cementing surface casing;

1 day prior to pressure testing of BOPE and/or surface casing.

Notify the Moab District Office, Branch of Fluid Minerals at (801) 259-6111 for the following:

No well abandonment operations will be commenced without the prior approval of the District Manager. In the case of newly drilled dry holes, and in emergency situations, verbal approval can be obtained by calling the following individuals, in the order listed:

Dale Manchester, Petroleum Engineer Office Phone: (801) 259-6111

Home Phone: (801) 259-6038

Lynn Jackson, Chief, Branch of Fluid Minerals

Office Phone: (801) 259-6111

Home Phone: (801) 259-7990

Paul Brown, I&E Coordinator

Office Phone: (801) 259-6111

Home Phone: (801) 259-7018

24 hours advance notice is required for all abandonments.



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangertter, 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

February 11, 1988

TEB, Incorporated
Route 1 Box 82
Toronto, Kansas 66777

Gentlemen:

N0725

Re: Cedar Mesa #1 - NE NW Sec. 31, T. 37S, R. 19E - San Juan County
330' FNL, 1980' FWL

Approval to drill the referenced well is hereby granted in accordance with Rule R615-3-3, Oil and Gas Conservation General Rules.

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. Submittal of an Entity Action Form to the Division within five working days of the time that the well is spudded or a change in operations or interests necessitates a change in entity status.
3. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
4. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.
5. Compliance with the requirements of Rule R615-3-22, Gas Flaring or Venting, Oil and Gas Conservation General Rules.

Page 2
TEB, Incorporated
Cedar Mesa #1
February 11, 1988

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) 538-6121.
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 43-037-31389.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

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

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS

HAROLD JACOBS
Chairman

P.O. Drawer A1 • Price, Utah 84501 • Telephone 637-5444

WILLIAM D. HOWELL
Executive Director

030725

AREAWIDE CLEARINGHOUSE A-95 REVIEW

NOI ___ Preapp ___ App ___ State Plan ___ State Action X Subdivision ___ (ASP # 2-125-2)

Other (indicate) _____ SAI Number UT880121-020

Applicant (Address, Phone Number):

Federal Funds:
Requested: _____

Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

CONFIDENTIAL
O.G.M.

Orl.

43-037-31389

Title:

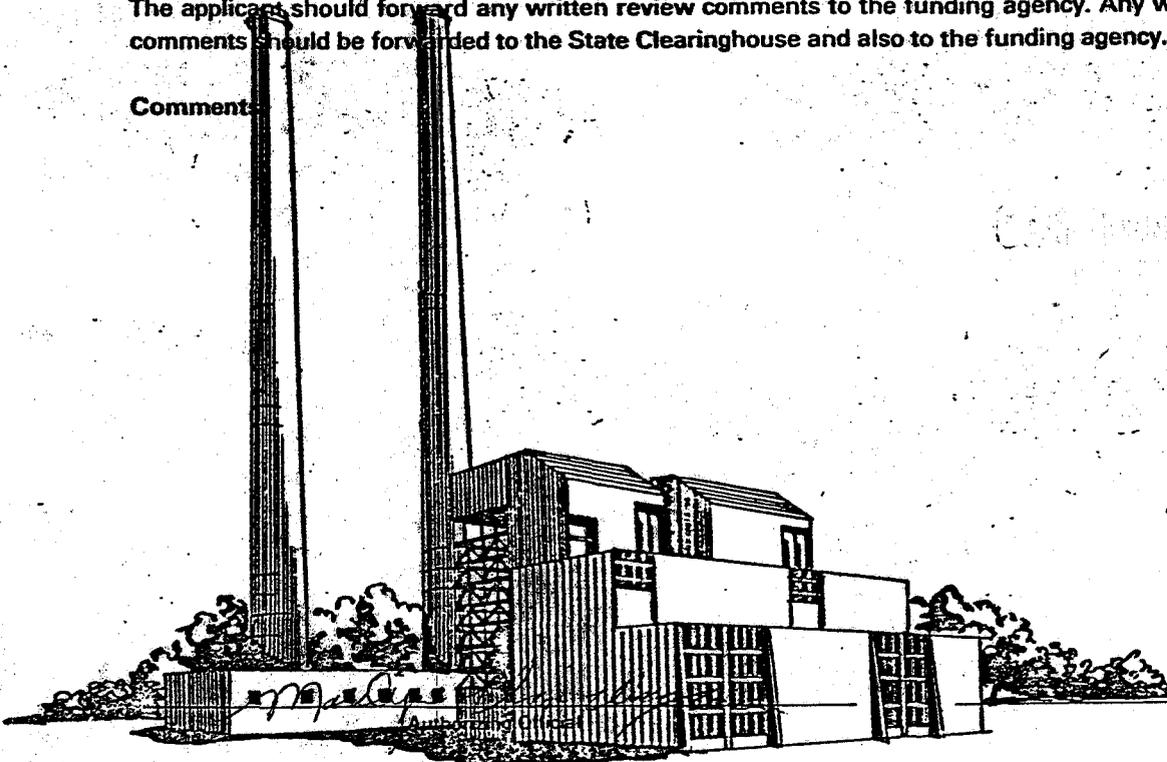
APPLICATION FOR PERMIT TO DRILL

*TEB Inc.
Cedar Mesa #1
531, 375 195 - SAN JUAN*

- No comment
- See comments below
- No action taken because of insufficient information
- Please send your formal application to us for review. Your attendance is requested

The applicant should forward any written review comments to the funding agency. Any written response to those comments should be forwarded to the State Clearinghouse and also to the funding agency.

Comments:



2-25-88

Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS
(Do not use this form for proposals to drill or to deepen a well or to recomplete a different reservoir. Use "APPLICATION FOR PERMIT" for such proposals.)

RECEIVED
APR 29 1988

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR: **TEB, Inc. (316) 637-2340**

3. ADDRESS OF OPERATOR: **Route 1, Box 82, Toronto, Ks. 66777**
DIVISION OF OIL, GAS & MINING

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.)
At surface
Surface: 330' FNL & 1980' FWL (NENW) Bottom: Same

14. PERMIT NO. **43-037-31389**

15. ELEVATIONS (Show whether DE, RT, OR, etc.)
6,651 ungraded ground

5. LEASE DESIGNATION AND SERIAL NO.
U-61526

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME
Cedar Mesa

9. WELL NO.
#1

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
31-37s-19e SLBM

12. COUNTY OR PARISH **San Juan** 13. STATE **Utah**

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"/>	PULL 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 checked="" type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	
(Other) <input type="checkbox"/>		(NOTE: Report results of multiple completion on Well Completion or Recompletion 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.)*

Location has been abandoned, with no further plans to drill this location. No drilling occurred. No construction occurred. Please rescind approval of APD.

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

SIGNED *Rian [Signature]* TITLE **Consultant** DATE **4-27-88**

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

cc: Bird (3), MDO (3), SJRA (1), UDOGM (2)

*See Instructions on Reverse Side



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

May 4, 1988

TEB Inc.
Route 1, Box 82
Toronto, KS 66777

Gentlemen:

Re: Cedar Mesa #1, Sec. 31, T.37S, R.19E, San Juan County, Utah
API No. 43-037-31389

Per your request, approval to drill the subject 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 cursive script that reads "John R. Baza".

John R. Baza
Petroleum Engineer

tc
cc: BLM-Moab
D. R. Nielson
R. J. Firth
Well file
0327T

RECEIVED
MAY 18 1988
DIV. OIL, GAS, MINING

AL

3162 (U-065)
(U-61526)

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

MAY 16 1988

TEB, Inc.
Route 1, Box 82
Toronto, Kansas 66777

43-237-31329/31424

Re: Application for Permit to Drill
Well No. Cedar Mesa 1
330' FNL and 1980' FWL
Sec. 31, T. 37 S., R. 19 E.
San Juan County, Utah
Lease U-61526

Gentlemen:

The Application for Permit to Drill (APD) the referenced well was approved on February 8, 1988. Since that date no known activity has transpired at the approved location.

A new application has been received from your company bearing the same well name but having a different footage location. This new APD is presently being processed. In view of the foregoing, this office is rescinding the approval of the application dated February 8, 1988.

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

Sincerely yours,
/S/ GENE NODINE

District Manager

cc: San Juan Resource Area
State of Utah, Division of Oil, Gas and Mining ✓

File

bcc: USO, U-942

CFreudiger/cf 5/16/88

*5/20/88
FCR*