

UTAH OIL AND GAS CONSERVATION COMMISSION

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

DATE FILED 04-08-88

LAND: FEE & PATENTED _____ STATE LEASE NO. _____ PUBLIC LEASE NO. U-20024 INDIAN _____

DRILLING APPROVED: 04-15-88 (EXCEPTION LOCATION)

SPUDED IN: _____

COMPLETED: 11-13-89 O/A PUT TO PRODUCING: _____

INITIAL PRODUCTION: _____

GRAVITY A.P.I. _____

GOR: _____

PRODUCING ZONES: _____

TOTAL DEPTH: _____

WELL ELEVATION: _____

DATE ABANDONED: O/A per BVM 11-13-89

FIELD: MUSTANG FLAT

UNIT: _____

COUNTY: SAN JUAN

WELL NO. MUSTANG 4 API # 43-037-31405

LOCATION 660' FSL FT. FROM (N) (S) LINE. 2600' FWL FT. FROM (E) (W) LINE. SE SW 1/4 - 1/4 SEC. 26

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
				36S	23E	26	SAMEDAN OIL CORPORATION

RECEIVED
MAR 28 1988

FILING FOR WATER IN THE STATE OF UTAH

Rec. by 98
Fee Rec. 30.00
Receipt # 23909
Microfilmed _____
Roll # _____

DIVISION OF OIL, GAS & MINING

APPLICATION TO APPROPRIATE WATER

MAR 14 1988

TEMPORARY

RECEIVED

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 1988 accordance with the requirements of Title 73, Chapter 3 of the Utah Code Annotated (1953, as amended).

WATER RIGHTS PRICE

* WATER RIGHT NO. 09 — 1565 * APPLICATION NO. A T63122

1. *PRIORITY OF RIGHT: March 10, 1988 * FILING DATE: March 10, 1988

2. OWNER INFORMATION

Name(s): Samedan Oil Corporation 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 Nine ac-ft

4. SOURCE: Recapture Creek (Reservoir) * DRAINAGE: _____
which is tributary to San Juan River
which is tributary to Colorado River

POINT(S) OF DIVERSION: _____ COUNTY: San Juan
North 1100 feet and East 200 feet from the SW corner of Sec. 7, T. 36 S., R. 23 E., SLB1

Description of Diverting Works: Water will be pumped directly into 85 bbl tank trucks.
* COMMON DESCRIPTION: 3 1/2 mi. NE of Blanding Blanding 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 _____ cfs or 9.0 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

Appropriate

8. List any other water rights which will supplement this application _____
Application supplements 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 May 1, 1988	to Apr 30, 1989

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.

43-037-31404-DM (1-13)

11. PLACE OF USE

Legal description of place of use by 40 acre tract(s): _____
North 7240' and East 950' from the SW corner of Sec. 13, T. 36 S., R. 23 E. SLBM at the Big Pony 1-13
oil well (NWSE 13-36s-23e); South 1750' and West 1275' from the NE corner of Sec. 5, T. 37 S., R. 23
E. at the Lucky Lynn oil well (SENE 5-37s-23e); and North 660' and West 1500' from the SE corner of
Sec. 26, T. 36 S., R. 23 E. at the Mustang ~~26-36s-23e~~ well (SWSE 26-36s-23e).
#4 SE SW 43-037-31405-DM #4

new APD

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. Recapture Reservoir is administered by the San Juan Water Conservancy District. Norman Nielson has approved this use.

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).

Rina Loef
Signature of Applicant(s)

TEMPORARY

STATE ENGINEER'S ENDORSEMENT

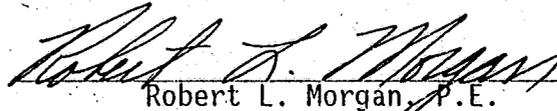
WATER RIGHT NUMBER: 09 - 1565

APPLICATION NO. T63122

1. March 10, 1988 Application received by MP.
 2. March 10, 1988 Application designated for APPROVAL by MP and KLJ.
 3. Comments:
-
-

Conditions:

This application is hereby APPROVED, dated March 25, 1988, subject to prior rights and this application will expire on March 25, 1989.


Robert L. Morgan, P.E.
State Engineer

APR 08 1988

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

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
 Samedan Oil Corporation (303) 534-0677

3. ADDRESS OF OPERATOR
 1616 Glenarm Pl., Suite 2550, Denver, Co. 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface
 660' FSL & 2600' FWL (SESW)
 At proposed prod. zone
 Same

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

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 40'

16. NO. OF ACRES IN LEASE
 320

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.
 1,802'

19. PROPOSED DEPTH
 6,520' *with*

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 6,051' ungraded ground

22. APPROX. DATE WORK WILL START*
 May 20, 1988

5. LEASE DESIGNATION AND SERIAL NO.
 U-20024

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

7. UNIT AGREEMENT NAME
 N/A

8. FARM OR LEASE NAME
 Mustang

9. WELL NO.
 #4

10. FIELD AND POOL, OR WILDCAT
 Mustang Flat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 26-36s-23e SLBM

12. COUNTY OR PARISH
 San Juan

13. STATE
 Ut.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
16"	13-3/8"	48* (H-40, ST&C)	120'	100 sx or to surface
11"	8-5/8"	24* (K-55, ST&C)	2,300'	950 sx or to surface
7-7/8"	5-1/2"	15.5* (K-55 ST&C)	6,520'	550 sx or to 3,000'

1. Lease is W2 Section 26, T. 36 S., R. 23 E.
2. Request exception to R615-3-2 because of geology. Exception is to Samedan's own quarter-quarter & lease line, not to another well nor other company's lease.
 - a) Orthodox well could be drilled at 660' FSL & 1980' FWL, but the well would be a dry hole (there is already a dry hole, the Mustang #2, to the west in the same quarter-quarter). Thus, Samedan needs an exception.
 - b) Request permission to drill at 660' FSL & 2600' FWL 26-36s-23e SLBM, San Juan County, Utah.
 - c) Two existing wells, both operated by Samedan, offset the proposed exception. Six potential wells on the adjoining quarter-quarters could offset the proposed location, 3 would be on leases operated by Samedan. See also PAGE 9.
 - d) Samedan is the lessee or operator of all lands within a 660' radius.
 - e) Samedan is the lessee or operator of all drilling units within a 660' 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 4-5-88

(This space for Federal or State office use)

PERMIT NO. 43-037-31405

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

APPROVAL DATE APPROVED BY THE STATE

APPROVED BY _____ TITLE _____

OF UTAH DIVISION OF OIL, GAS, AND MINING

DATE: 4-15-88

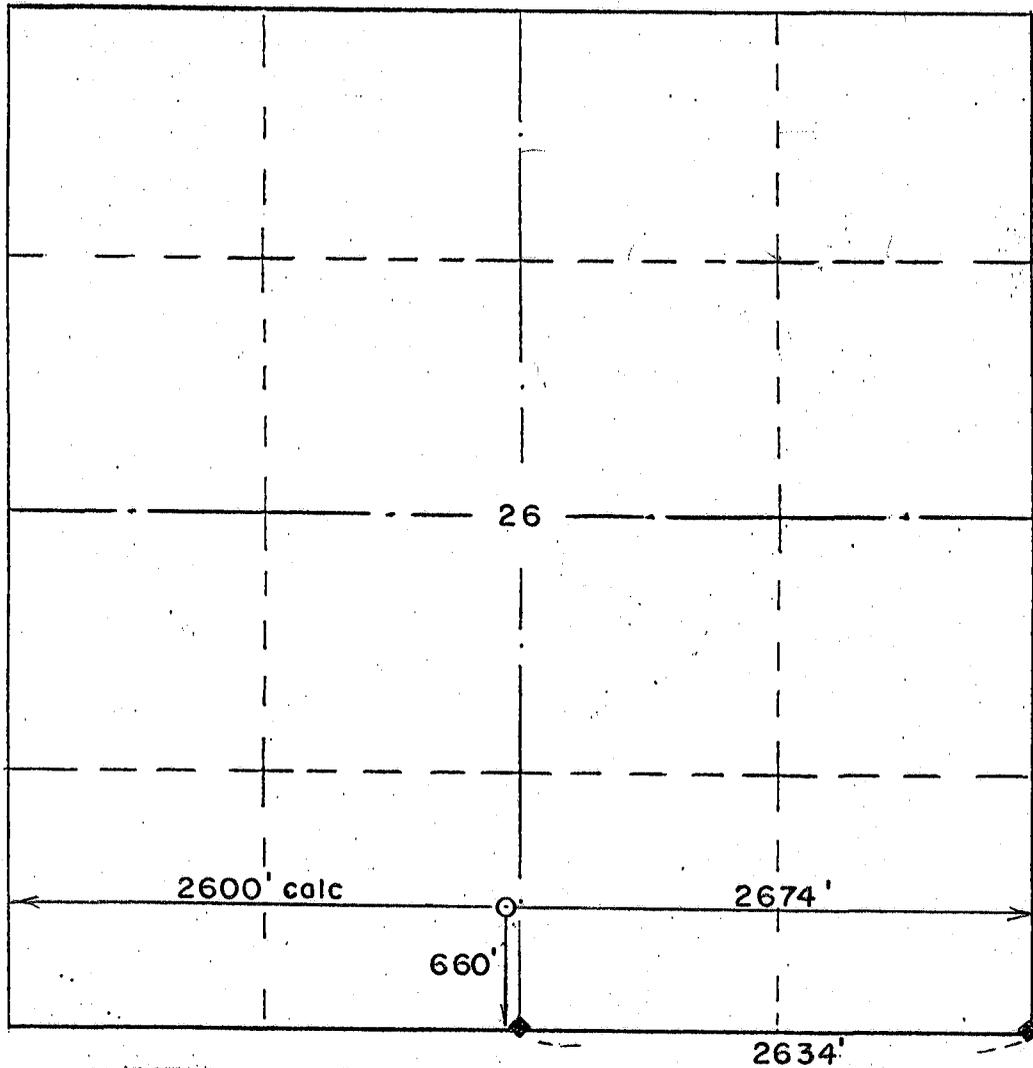
BY: John R. Bay

*See Instructions On Reverse Side WELL SPACING: R615-3-3

WELL LOCATION AND ACREAGE DEDICATION PLAT

Lease U-20024 is W2 26-36s-23e.
Samedan is operator.

Lease U-23352 is E2 26-36s-23e and
all of 25-36s-23e. Samedan is operator.

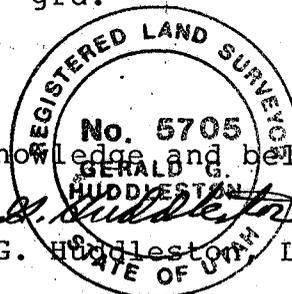


WELL LOCATION DESCRIPTION:
Samedan Oil, Mustang # 4
660'FSL & 2600'FWL
Section 26, T.36 S., R.23 E., SLM
San Juan County, Utah
6051'grd. elevation
Alternate: 660'FSL & 1500'FEL, 6066' grd.

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

30 March 1988

Gerald G. Huddleston, LS



Samedan Oil Corporation
 Mustang #4
 660' FSL & 2600' FWL
 Sec. 26, T. 36 S., R. 23 E.
 San Juan County, Utah

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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. Samedan Oil Corporation 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>
Dakota Ss	000'	12'	+6,051'
Morrison	100'	112'	+5,951'
Entrada Ss	1,150'	1,062'	+4,901'
Navajo Ss	1,250'	1,262'	+4,801'
Kayenta	1,600'	1,612'	+4,451'
Wingate	1,800'	1,812'	+4,251'
Chinle	2,150'	2,162'	+3,901'
Shinarump	2,855'	2,867'	+3,196'
Moenkopi	2,909'	2,921'	+3,142'
Cutler	3,176'	3,188'	+2,875'
Hermosa	4,753'	4,765'	+1,298'
Upper Ismay	6,131'	6,143'	- 80'
Lower Ismay	6,323'	6,335'	- 272'
Desert Creek	6,396'	6,408'	- 345'
Akah Shale	6,467'	6,479'	- 416'
Total Depth (TD)	6,520'	6,532'	- 469'

* Ungraded ground level.

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660' FSL & 2600' FWL
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2. NOTABLE ZONES

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

Possible Fresh Water Zones

Entrada: 1,150'

Navajo: 1,250'

Possible Uranium Zones

Morrison: 100'

Chinle: 2,150'

Possible Oil & Gas Zones

Upper Ismay: 6,131'

Desert Creek: 6,396'

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)

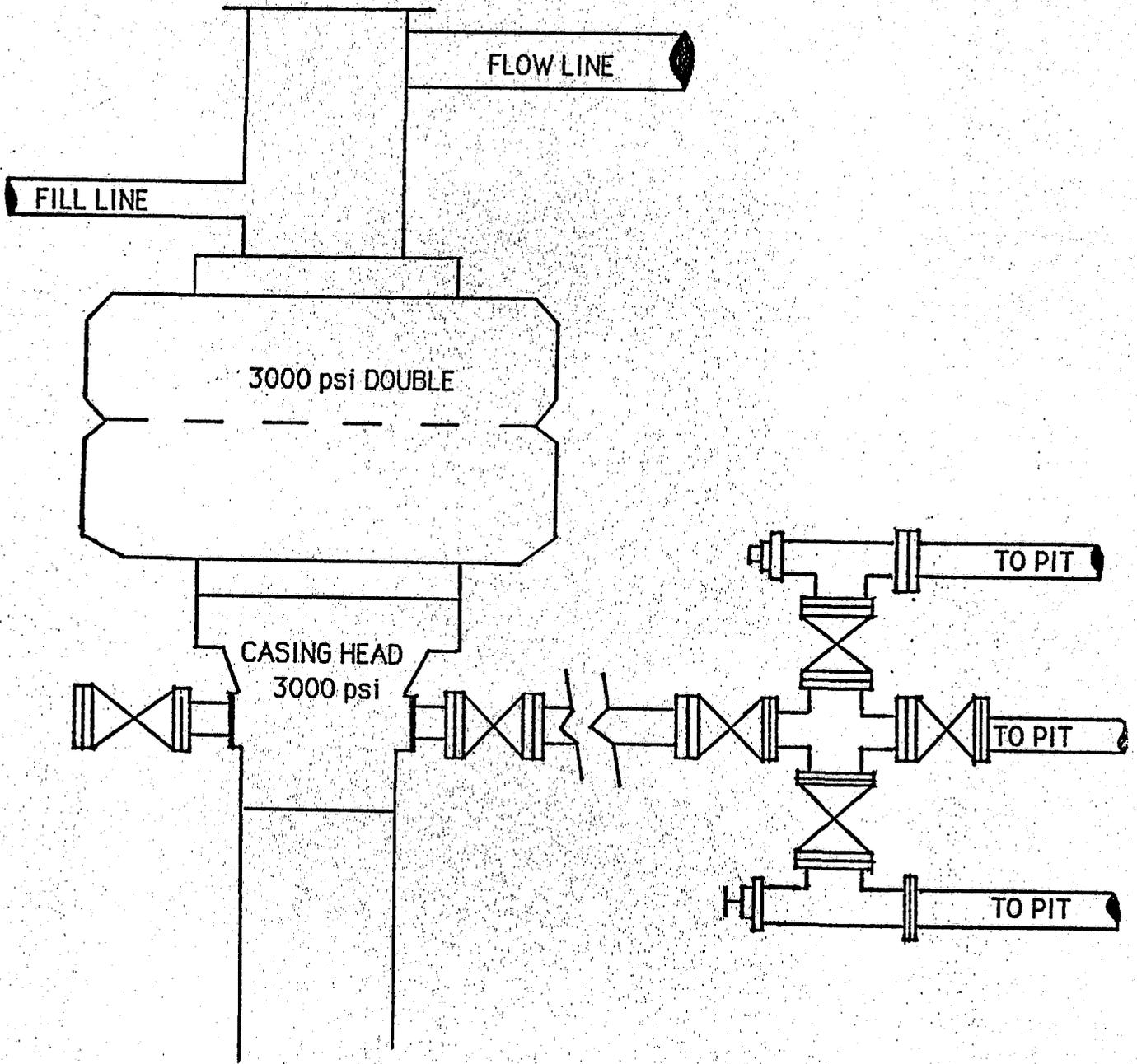
BOP systems will be consistent with API RP 53. An 11" 3,000 psi double ram and annular preventer with a 3,000 psi choke manifold will be used from the bottom of the surface casing (2,300') to T.D. (6,520'). A typical example of a 3,000 psi BOP is on Page 3. The actual model will not be known until the bid is let.

BOPs will be nipped up when intermediate casing is set. 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. The inspection will be recorded on the daily

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BLOWOUT PREVENTER

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drilling report.

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>
16"	13-3/8"	48#	H-40	ST&C	New	0'-120'
11"	8-5/8"	24#	K-55	ST&C	New	0'-2,300'
7-7/8"	5-1/2"	15.5#	K-55	ST&C	New	0'-6,520'

Conductor Pipe (0-120'): Cement to surface with ≈100 sx standard cement.

Surface Casing (0'-2,300'): Cement to surface with ≈950 sx "Neat" (tail) and "Light" (lead).

Production Casing (0'-6,520'): Cement from TD (6,520') to 3,000' in one stage with ≈550 sx. "Neat" will be used across producing zones and casing shoe. "Light" will be used for the remainder of the string.

5. MUD PROGRAM

<u>Depth</u>	<u>Type</u>	<u>Weight (ppg)</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0'-2,300'	Fresh water w/ floc & poly	8.3-8.7	26-29	NC
2,300'-5,500'	Fresh water w/ floc & poly	8.3-8.4	26-29	NC
5,500'-5,800'	Mud up as directed			
5,800'-6,520'	Fresh water polymer mud	8.8-9.2	34-40	<15 cc

6. CORING, TESTING, & LOGGING

No cores are planned. Cuttings will be collected every 30' from the surface

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to 4,500'. Cuttings will be collected every 10' from 4,500' to TD (6,520'). A two man mud logging unit will be on location from 4,500 to TD (6,520'). Drill stem tests may be run in the Upper Ismay and Desert Creek if good shows are found. The following logs may be run:

TD (6,520') to Surface (000'): DLL/GR
TD (6,520') to 5,000': MSFL
TD (6,520') to 4,000': FDC/CNL/GR
TD (6,520') to 2,300': BHC Sonic/GR

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 3162.4-1. 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 2,500 psi. No abnormal pressures, temperatures, or hydrogen sulfide are expected.

8. MISCELLANEOUS

The anticipated spud date is May 20, 1988. It is expected it will take 20 days to drill the well and 10 days to complete the well.

Samedan Oil Corporation, or its dirt contractor, will contact the Resource

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Area 48 hours before starting 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 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.

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.

A Sundry Notice will be filed for prior approval of the District Manager if a replacement rig is planned for completion. All conditions of this approved plan apply to all operations of the replacement rig. In emergencies, verbal approval can be given by the District Manager.

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

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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 regulation dry hole marker will be erected. The following legend will be beaded on with a welding torch: Samedan Oil Corporation, Mustang #4, SESW 26-36s-23e, U-20024.

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13 Point Surface Use Plan

1. EXISTING ROADS & DIRECTIONS (See PAGES 16-18)

From US 666 in Monticello, go south 11.6 mi. on US 191.

Then turn left and go southeast 2.9 mi. on gravel County Road #204 (Alkali Road).

Then turn left and go southeast 5.6 mi., still on gravel County Road #204.

Then turn right on a gravel road and go southwest 1.0 mi. to Samedan's Mustang 26-33 well, crossing a Unocal crude line and Western gas line in route.

Then turn left between the tank battery and pump jack and go southwest 0.25 mi. on a new road to the Mustang #4 well.

Existing roads are federal, county, and BLM. Samedan is applying for a BLM right-of-way for the last 1.25 mi of road (1.0 existing + 0.25 new) and the east half of the well pad.

Roads will be maintained to a standard at least equal to their present condition. No grade or alignment changes are needed since the road serves as access to the Mustang 26-33. An application for an Encroachment Permit has been approved by the San Juan County Road Department.

2. NEW ROAD (See PAGE 18)

Due to archaeological sites north of the road, an archaeologist hired by Samedan and approved by BLM will monitor road construction. The 0.25 mi. of new road will be flat bladed with a maximum disturbed width of 30'. Maximum cut or fill will be 3'. Maximum grade will be 5%. No cattleguards, gates, or culverts are needed. If the well is dry, then the new road will be reclaimed.

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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.

Access will be water barred or brought to Class 3 Road Standards within 60 days of dismantling the drill rig. If the deadline cannot be met, the Resource Area will be notified so temporary drainage control can be installed. Class 3 Road Standards control drainage by using topography, ditch turnouts, dips, outsloping, crowning, low water crossings, and culverts. Specific measures will be determined at a joint field inspection.

3. EXISTING WELLS (See PAGE 18)

There are no water, injection, or disposal wells within 1 mile. There are 5 producing wells within a mile. All are operated by Samedan. They are:

Mustang 26-33 is 1,314' away @ 1762' FSL & 1961' FEL 26-36s-23e
Mustang 26-23 is 1,802' away @ 2169' FSL & 1617' FWL 26-36s-23e
Mustang 27-43 is 3,517' away @ 2098' FSL & 609' FEL 27-36s-23e
Mustang #3 is 3,555' away @ 1675' FNL & 610' FWL 26-36s-23e
Mustang 27-42 is 4,545' away @ 1750' FNL & 925' FEL 27-36s-23e

4. PROPOSED PRODUCTION FACILITIES

The type and layout of the production facilities are not known now. A Sundry Notice will be submitted for approval before they are installed.

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.

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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 will be placed inside the dike.

Site security regulations in 43 CFR 3162.7-4 will be obeyed. All product lines entering or 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. To place production facilities in cut and away from the wellhead, storage and measurement facilities will be off-lease, but on location. That is, they will be located on the east half of the Mustang #4 well pad.

Any gas meter run will be within 500' of the wellhead. The gas flowline will be buried from the wellhead to the meter and 500' downstream of the meter and any production facilities. Meters will be housed and/or fenced.

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.

If at any time these facilities located on public lands authorized by the terms of the lease are no longer included in the lease, the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation determined by the authorized officer.

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5. WATER SUPPLY (See PAGE 17)

Water will be trucked \approx 12 miles from Recapture Reservoir on BLM administered land in SWSW Sec. 7, T. 36 S., R. 23 E.. An Application (T63122) to Appropriate Water has been approved by the State of Utah Div. of Water Rights. The water hauler will contract with the San Juan Water Conservancy District. This is casual use.

6. CONSTRUCTION MATERIALS

Pad construction materials will be on lease native soil in place on the well pad. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.1-3.

7. WASTE DISPOSAL

The reserve pit will be lined with sufficient commercial bentonite to prevent seeps or leaks. Over three-fifths 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 portable trash cage. When full, it will be hauled to an approved landfill in Montezuma County, Colorado, or the Blanding dump. A burning permit is required for burning trash between May 1 and October 31. Call the San Juan County Sheriff at (801) 587-2237 for a burning permit. 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.

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660' FSL & 2600' FWL
Sec. 26, T. 36 S., R. 23 E.
San Juan County, Utah

PAGE 12

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 19-21 for depictions of the well pad, cross sections, cut and fill diagrams, reserve pit, burn pit, access road onto the pad, parking, living facilities, and rig orientation. The top 6" of soil will be saved and stockpiled north of the pad. Trees and brush will be stockpiled separate from the topsoil and south of the pad. Beware of archaeology to the south.

10. RECLAMATION

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

An archaeologist hired by Samedan and approved by BLM will monitor all reclamation, except for the reserve pit. Samedan's dirt contractor will call the Resource Area 48 hours before starting reclamation that involves earth moving equipment, and upon completion of 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. This includes removing all berms and

Samedan Oil Corporation
Mustang #4
660' FSL & 2600' FWL
Sec. 26, T. 36 S., R. 23 E.
San Juan County, Utah

PAGE 13

refilling all cuts. All disturbed areas will be ripped 6" deep and 18" apart with the contour. Seed will be broadcast between October 1 and February 28 as follows:

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

After seeding is complete, stockpiled trees and brush will be scattered evenly over the disturbed area.

The reserve pit and that part of the pad not needed for production will be reclaimed as previously described.

11. SURFACE OWNER

Owner of the pad and new road is the U.S. Government, administered by the Bureau of Land Management. All of the new road (S2NW4 & NWSW 25-36s-23e and N2SE4 & SWSE 26-36s-23e) and east half of the pad will be authorized by a right-of-way. The remainder of the pad is on lease and will be authorized by this APD.

12. OTHER INFORMATION

An archaeologist hired by Samedan and approved by BLM will monitor construction along the new road and at the well pad. A single strand 150' long barbed wire fence will be built under the archaeologist's direction between the pad and archaeological site to the south.

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

Samedan Oil Corporation
Mustang #4
660' FSL & 2600' FWL
Sec. 26, T. 36 S., R. 23 E.
San Juan County, Utah

PAGE 14

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 3162.3-2.

Safe drilling and operating practices must be used. All wells, whether drilling, producing, suspended, or abandoned will be identified *per* 43 CFR 3162.3-2.

If subsurface cultural materials are exposed during construction, work in that spot will stop immediately and the Resource Area will be called. Anyone disturbing archaeological sites or collecting artifacts, including arrowheads, is subject to prosecution.

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

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

The Resource Area's mailing address is P.O. Box 7, Monticello, Utah 84535. The phone number is (801) 587-2141.

The nearest hospital is a 35 minute drive to Monticello, Utah. It is 3 blocks northwest of the intersection of US 666 and US 191. Hospital phone number is (801) 587-2116. Or dial 1-800-332-1911 from anywhere in San Juan County. The closest medically equipped helicopter is in Grand Junction, Colorado, at St. Mary's Hospital. Call (303) 244-2550.

13. REPRESENTATION AND CERTIFICATION

Samedan Oil Corporation
Mustang #4
660' FSL & 2600' FWL
Sec. 26, T. 36 S., R. 23 E.
San Juan County, Utah

PAGE 15

Anyone having questions concerning the APD should contact:

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

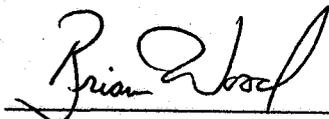
The field representative for Samedan Oil Corporation will be:

Gary Brune, Division Production Superintendent
Samedan Oil Corporation
1616 Glenarm Place, Suite 2550
Denver, Co. 80202-4371
(303) 534-0677

Home: (303) 779-5194

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 Samedan Oil 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.

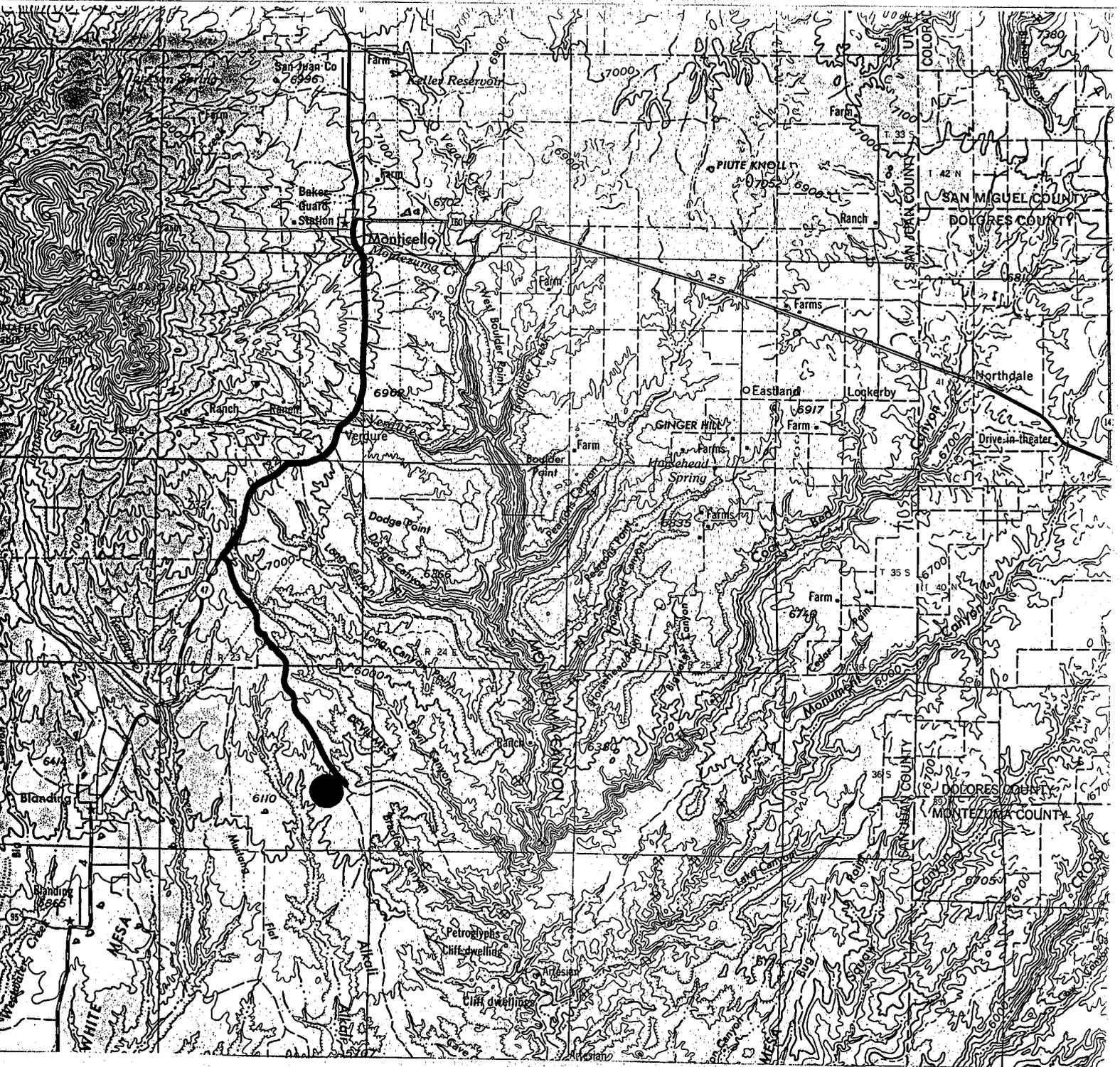


Brian Wood

April 5, 1988

Date

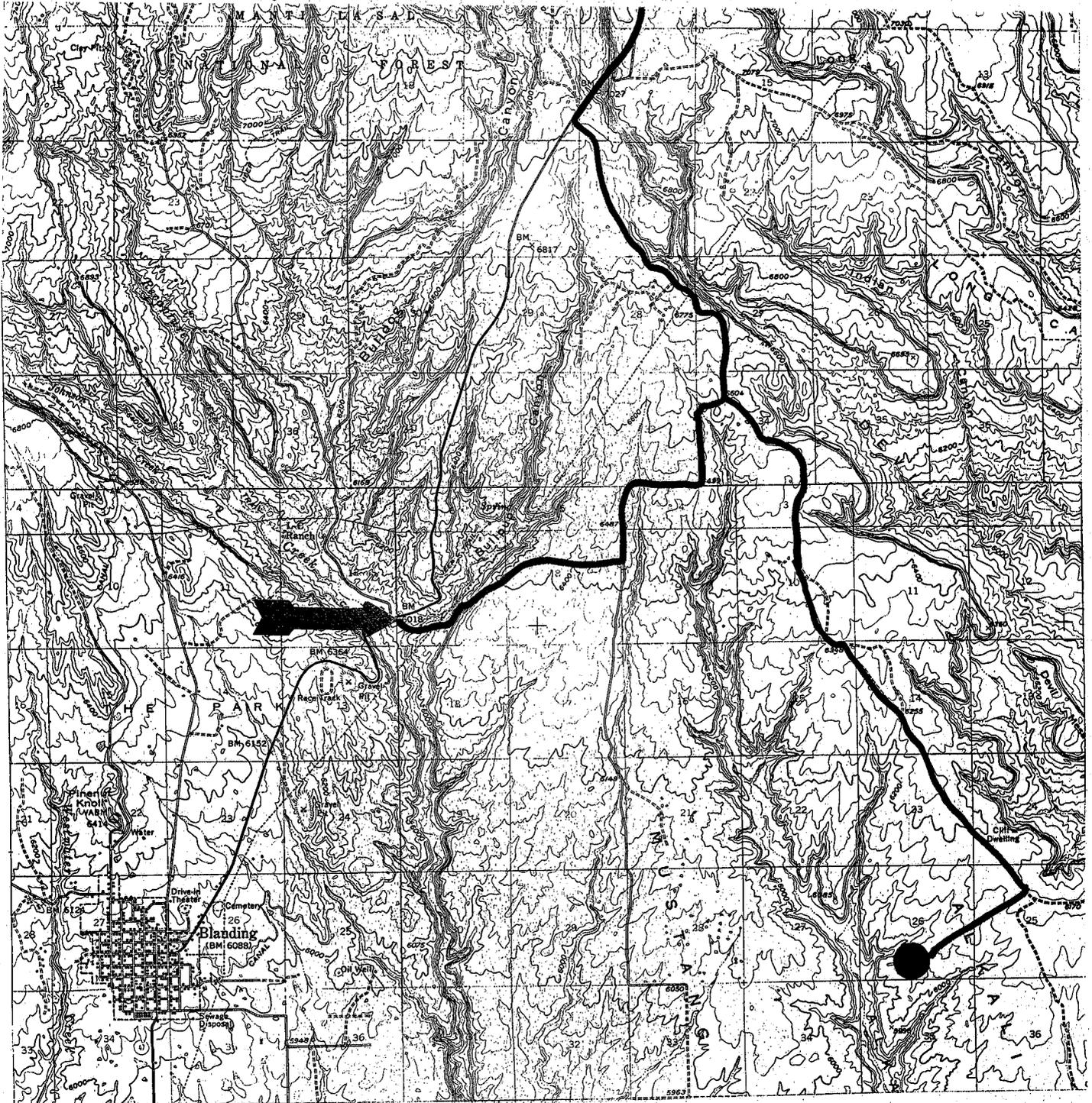
Samedan Oil Corporation
Mustang #4
660' FSL & 2600' FWL
Sec. 26, T. 36 S., R. 23 E.
San Juan County, Utah



Mustang #4 Well: ●

Access: ~~~~~

Samedan Oil Corporation
Mustang #4
660' FSL & 2600' FWL
Sec. 26, T. 36 S., R. 23 E.
San Juan County, Utah

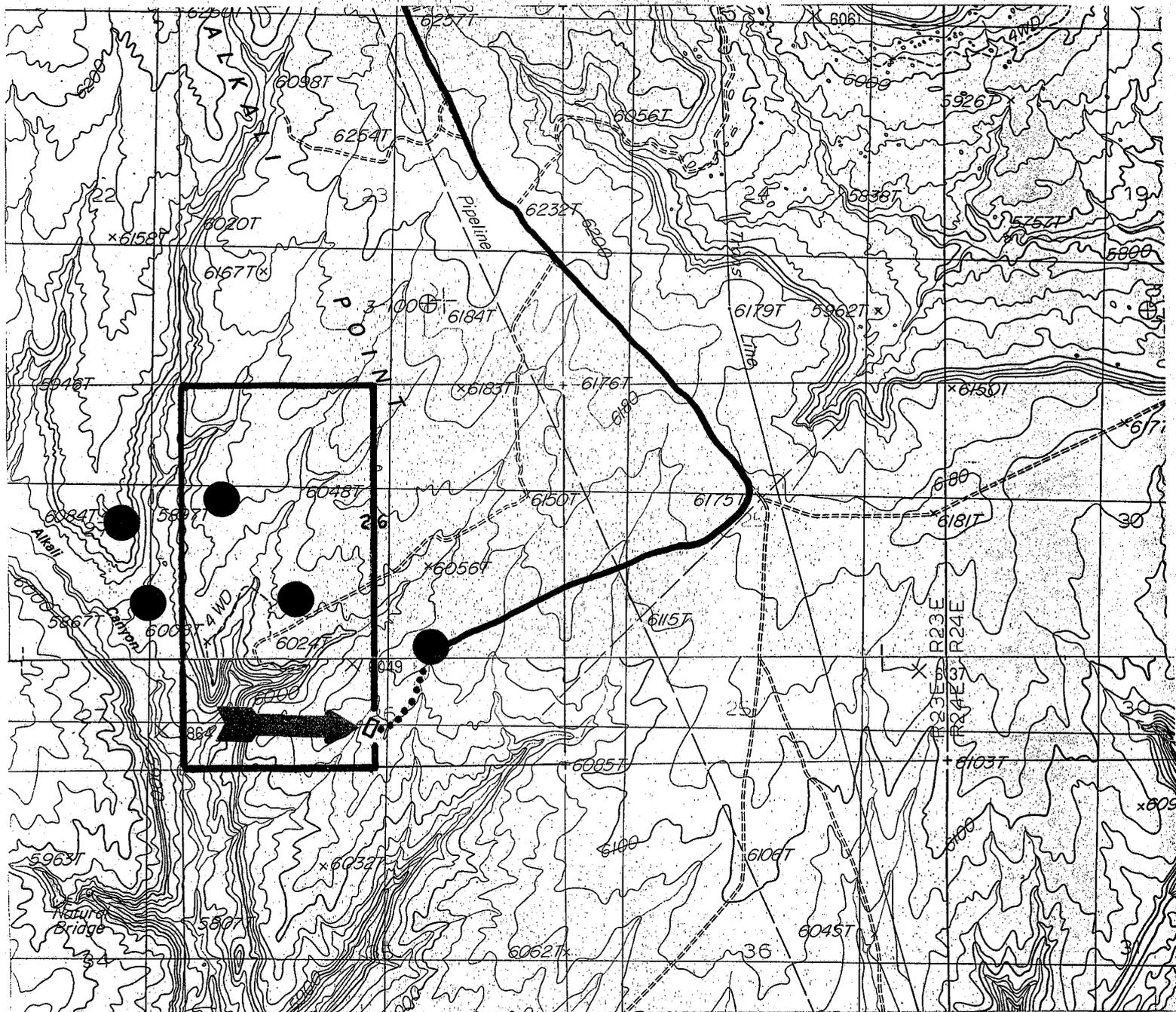


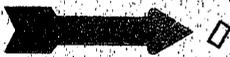
Mustang #4 Well. ●

Water Source: ➔

Access: ~~~~~

Samedan Oil Corporation
 Mustang #4
 660' FSL & 2600' FWL
 Sec. 26, T. 36 S., R. 23 E.
 San Juan County, Utah



Mustang #4 Well: 

Other Wells: 

Lease U-20024: 

Existing Road: 

New Road: 

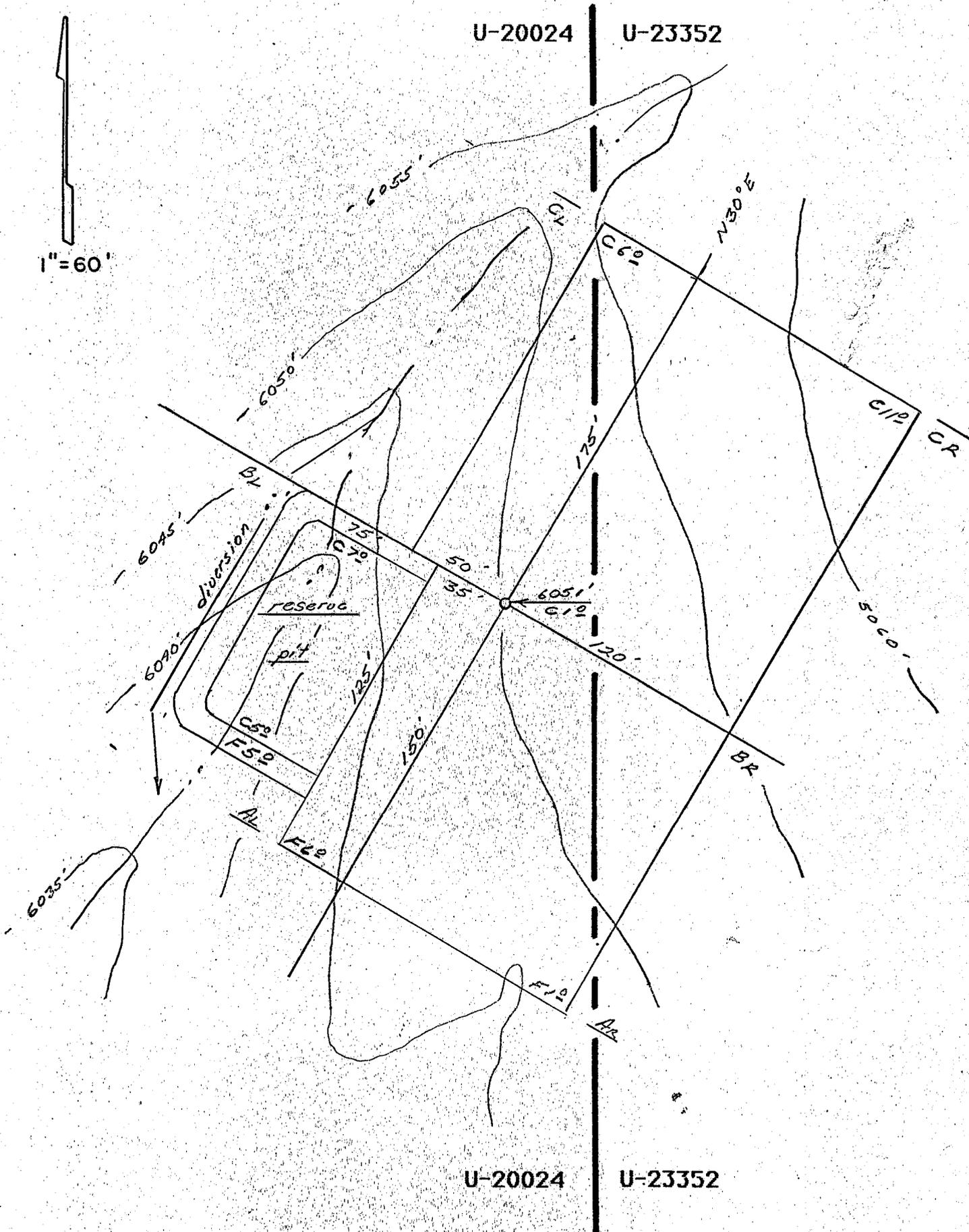
WELL PAD PLAN VIEW

Well Mustang #4

U-20024

U-23352

1" = 60'



U-20024

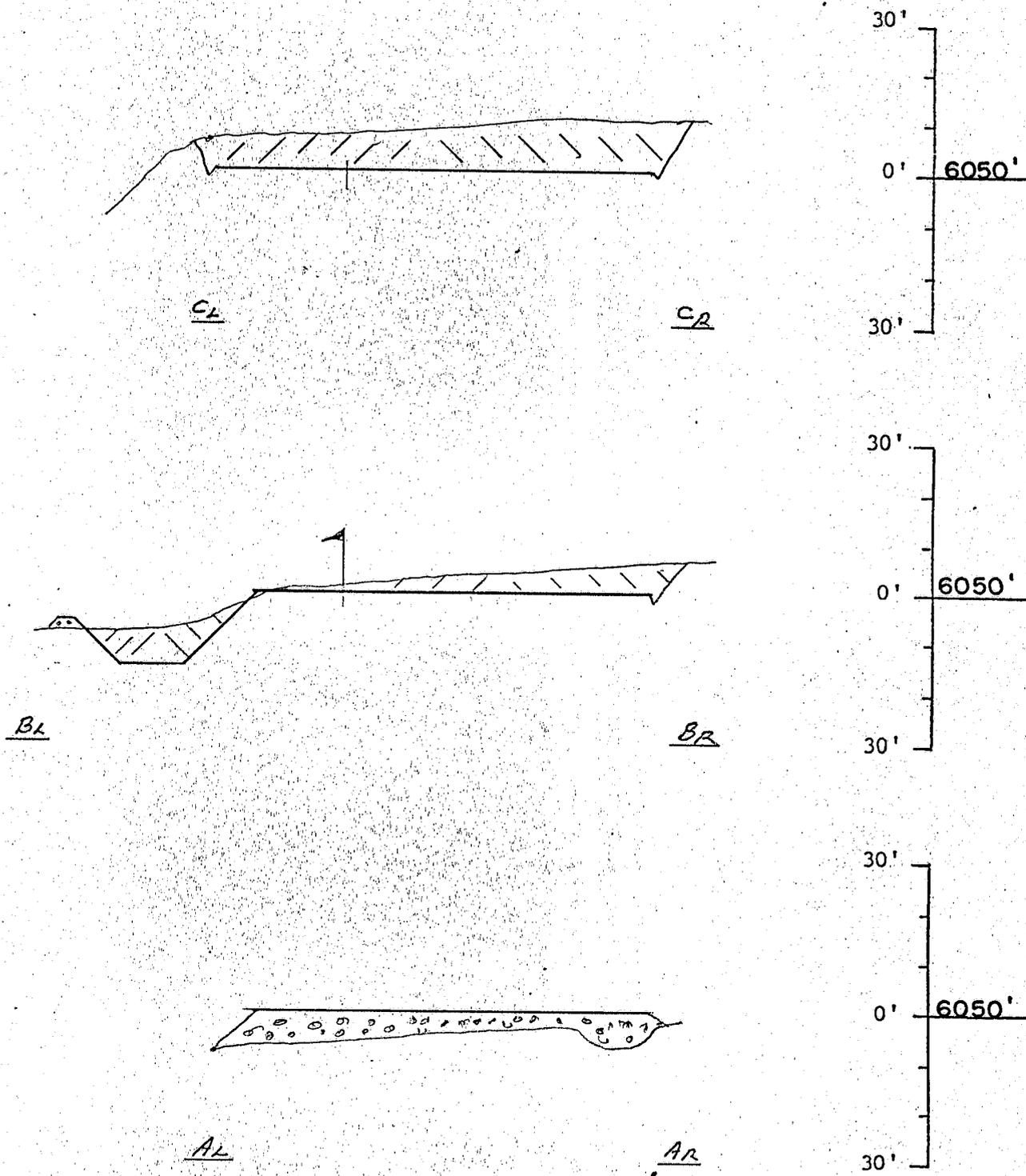
U-23352

WELL PAD CROSS-SECTION

Mustang #4

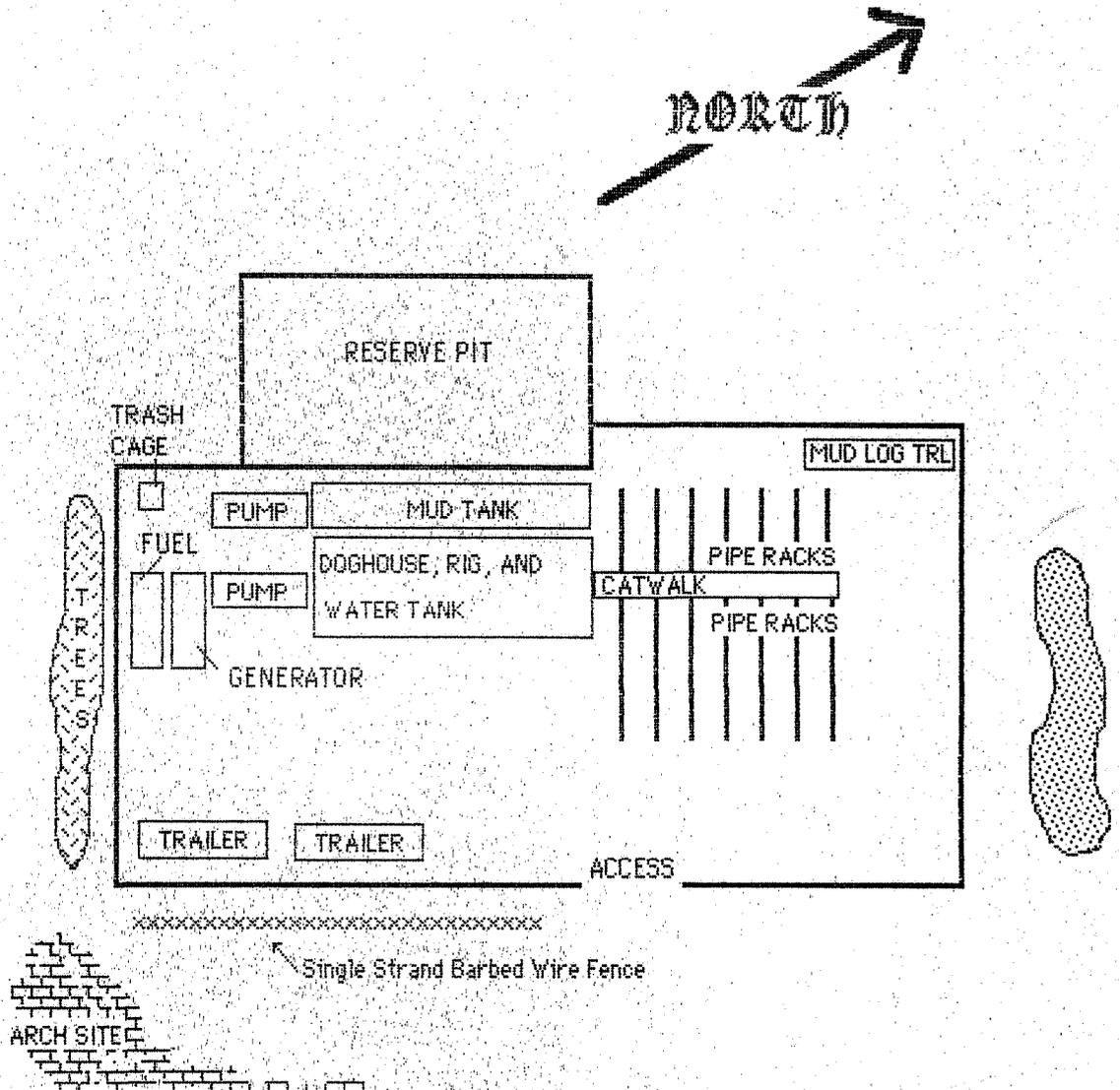
Cut 
Fill 

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



Samedan Oil Corporation
Mustang #4
660' FSL & 2600' FWL
Sec. 26, T. 36 S., R. 23 E.
San Juan County, Utah

PAGE 21



OPERATOR Samedan Corp. DATE 4-11-88

WELL NAME Mustang #4

SEC SE SW 26 T 36S R 23E COUNTY San Juan

43-037-31405
API NUMBER

Fed.
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

no other well within 920'
need water permit water 09-1565 (763/22)

APPROVAL LETTER:

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

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

STIPULATIONS:

water



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

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

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

April 15, 1988

Samedan Oil Corporation
1616 Glenarm Place, Suite 2550
Denver, Colorado 80202

Gentlemen:

Re: Mustang 4 - SE SW Sec. 26, T. 36S, R. 23E
660' FSL, 2600' FWL - San Juan County, Utah

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 within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form OGC-8-X.
4. Prompt notification if it is necessary to plug and abandon the well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or Jim Thompson, Lead Inspector, (Home) 298-9318.
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 facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations.

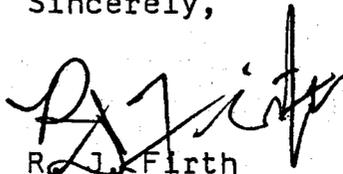
Page 2
Samedan Oil Corporation
Mustang 4
April 15, 1988

A list of 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 43-037-31405.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

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

MAY 9 1988

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

DIVISION OF OIL, GAS & MINING
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
 Samedan Oil Corporation (303) 534-0677

3. ADDRESS OF OPERATOR
 1616 Glenarm Pl., Suite 2550, Denver, Co. 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface: 660' FSL & 2600' FWL (SESW)
 At proposed prod. zone: Same

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

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 40'

16. NO. OF ACRES IN LEASE 320

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. 1,802'

19. PROPOSED DEPTH 6,520'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6,051' ungraded ground

22. APPROX. DATE WORK WILL START* May 20, 1988

5. LEASE DESIGNATION AND SERIAL NO.
 U-20024

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

7. UNIT AGREEMENT NAME
 N/A

8. FARM OR LEASE NAME
 Mustang

9. WELL NO.
 #4

10. FIELD AND POOL, OR WILDCAT
 Mustang Flat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 26-36s-23e SLBM

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

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
16"	13-3/8"	48* (H-40, ST&C)	120'	100 sx or to surface
11"	8-5/8"	24* (K-55, ST&C)	2,300'	950 sx or to surface
7-7/8"	5-1/2"	15.5* (K-55 ST&C)	6,520'	550 sx or to 3,000'

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 Risa [Signature] TITLE Consultant DATE 4-5-88

(This space for Federal or State office use)

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

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY /s/ A. Lynn Jackson TITLE Acting District Manager DATE 5/4/88

CONDITIONS OF APPROVAL, IF ANY:

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

CONDITIONS OF APPROVAL ATTACHED

*See Instructions On Reverse Side

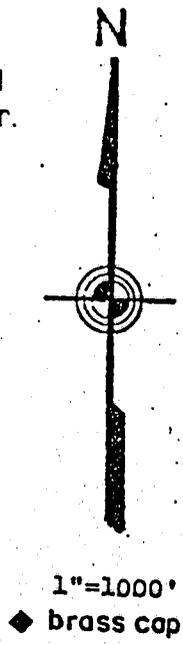
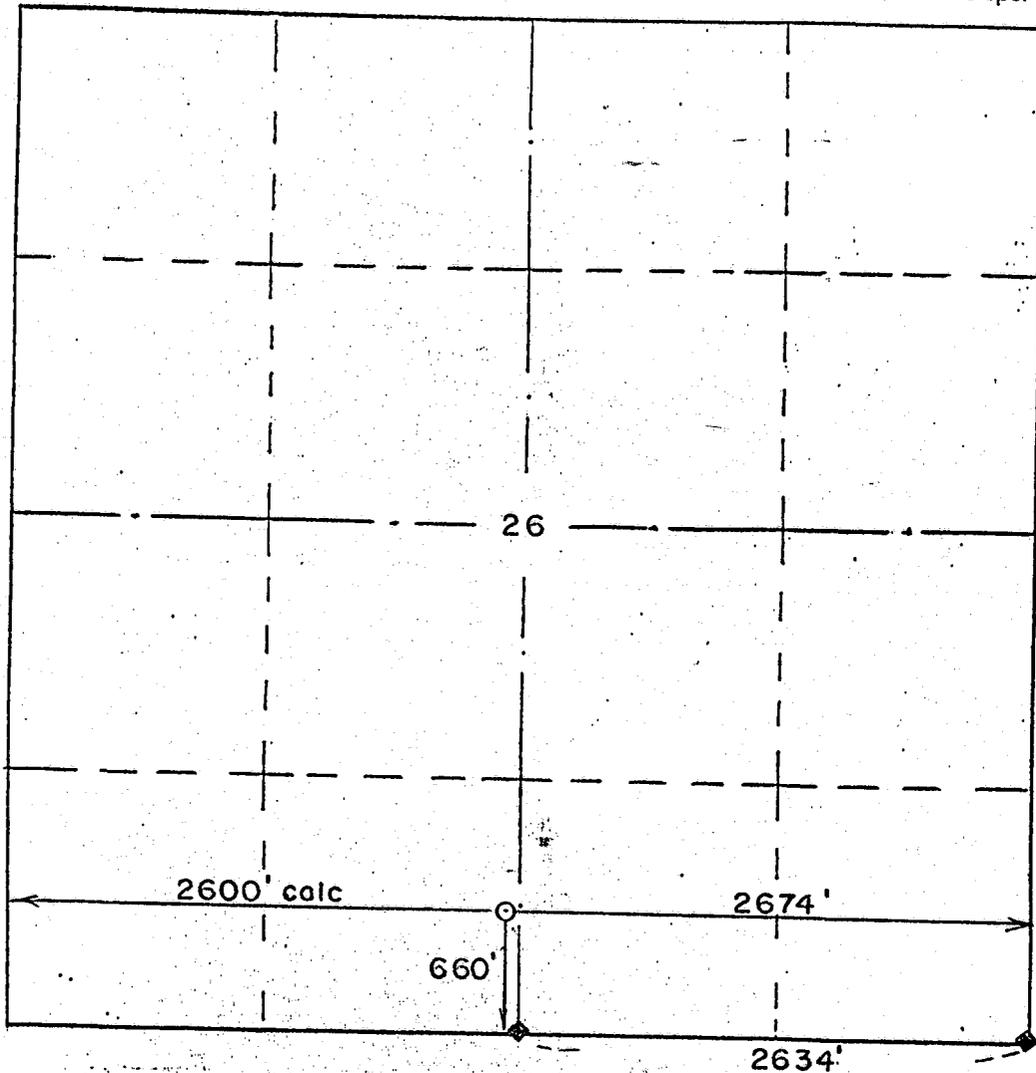
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

SUBJECT TO RIGHT OF WAY APPROVAL

WELL LOCATION AND ACREAGE DEDICATION PLAT

Lease U-20024 is W2 26-36s-23e.
Samedan is operator.

Lease U-23352 is E2 26-36s-23e and
all of 25-36s-23e. Samedan is operator.



WELL LOCATION DESCRIPTION:
Samedan Oil, Mustang # 4
660'FSL & 2600'FWL
Section 26, T.36 S., R.23 E., SLM
San Juan County, Utah
6051'grd. elevation
Alternate: 660'FSL & 1500'FEL, 6066' grd.

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

30 March 1988

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

Samedan Oil Corporation
Well No. Mustang 4
Sec. 26, T. 36 S., R. 23 E.
San Juan County, Utah
Lease U-20024

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.

Samedan Oil Corporation is the bonded entity on this application. Liability will remain with the bonded party named until we are formally notified by letter of the new bonded entity in reference to this Application for Permit to Drill.

B. THIRTEEN-POINT SURFACE USE PLAN

All persons in the area who are associated with the project will be informed by the operator that they will be subject to prosecution for disturbing archaeological sites or collecting artifacts. If subsurface cultural material is exposed during construction, work at that spot will stop immediately and the Bureau of Land Management, San Juan Resource Area office will be contacted (801) 587-2141. The operator will be responsible for the cost of evaluation of the discovery and proper mitigation measures. Any decision as to proper mitigation shall be made by the authorized officer after consulting with the operator.

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;

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) 259-6239

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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPlicate*
(Other instructions on re-
verse side)

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

5. LEASE DESIGNATION AND SERIAL NO.

U-20024

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

N/A

7. UNIT AGREEMENT NAME

N/A

8. FARM OR LEASE NAME

Mustang

9. WELL NO.

#4

10. FIELD AND POOL, OR WILDCAT

Mustang Flat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

26-36s-23e SLBM

12. COUNTY OR PARISH

San Juan

13. STATE

Utah

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug
Use "APPLICATION FOR PERMIT-" for such purposes.)

RECEIVED
JUN 27 1988

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR

Samedan Oil Corporation (303) 534-0677

3. ADDRESS OF OPERATOR

1616 Glenarm Pl., Suite 2550, Denver, Co. 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.
See also space 17 below.)
At surface

DIVISION OF
OIL, GAS & MINING

Surface: 660' FSL @ 2600' FWL (SESW) Bottom: Same

14. PERMIT NO.

43-037-31405

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

6,051' GR

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

(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.)

UD000M

327

Will delete conductor pipe from drilling program.

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

SIGNED

Brian [Signature]

TITLE

Consultant

DATE

6-25-88

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

cc: Brune, MDO (3), SJRA, UD00M (2)

*See Instructions on Reverse Side

(REVISED) 1/1/79

W. J. ...
...

OIL AND GAS	
DRN	RJF
JRB	GLH
DTS	SLS
1-TAS	
MICROFILM	
2-	FILE

Division of Oil, Gas and Mining
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

Well File Mustang #4
(Location) Sec 26 Twp 36S Rng 23E
(API No.) 43-037-31405

Suspense
(Return Date) _____
(To - Initials) _____

Other

1. Date of Phone Call: 8/17/89 Time: _____

2. DOGM Employee (name) Carlene S (Initiated Call)
Talked to:

Name Verlynn (Initiated Call) - Phone No. () _____

of (Company/Organization) BLM

3. Topic of Conversation: Re: Rescinding APD

4. Highlights of Conversation: She will rescind ASAP

RECEIVED
NOV 06 1989

3162 (U-065)
(U-20024)

DIVISION OF
OIL, GAS & MINING

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

NOV - 30 1989

Samedan Oil Corporation
1616 Glenarm Place, Suite 2550
Denver, Colorado 80202

Re: Rescinding Application for Permit to Drill
Well No. Mustang 4
Sec. 26, T. 36 S., R. 23 E.
San Juan County, Utah
Lease U-20024

Gentlemen:

The Application for Permit to Drill the referenced well was approved on May 4, 1988. Since that date, no known activity has transpired at the approved location.

Applications for permit to drill are effective for a period of one year. In view of the foregoing, this office is rescinding and returning the referenced application. Should you intend to drill at this location at a future date, a new application for permit to drill must be submitted.

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

Sincerely yours,

/S/ GENE NODINE

District Manager

Enclosure: Application for Permit to Drill

cc: San Juan Resource Area (w/o encl.)
State of Utah, Division of Oil, Gas & Mining (w/o encl.)
Brian Wood, Permits West, Inc. (w/o encl.)

bcc: USO, U-942 (w/o encl.)

KJones:kj:11/01/89



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

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

November 13, 1989

Samedan Oil Corporation
1616 Glenarm Place, Suite 2550
Denver, Colorado 80202

Gentlemen:

Re: Mustang #4, Sec. 26, T. 36S, R. 23E, San Juan County, Utah
API No. 43-037-31405

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 the commencement of any future work on 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 "Don T. Staley".

Don T. Staley
Administrative Supervisor

TAS/lhc

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

HOI2/3