

UTAH OIL AND GAS CONSERVATION COMMISSION

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

891115 *Removed from Conf Status pu PA*

DATE FILED 03-17-88

LAND: FEE & PATENTED _____ STATE LEASE NO. _____ PUBLIC LEASE NO. U-53067 INDIAN _____

DRILLING APPROVED: 04-14-88 (EXCEPTION LOCATION)

SUDDEN IN: _____

COMPLETED: 11-15-89 PA PUT TO PRODUCING: _____

INITIAL PRODUCTION: _____

GRAVITY A.P.I. _____

GOR: _____

PRODUCING ZONES: _____

TOTAL DEPTH: _____

WELL ELEVATION: 5949' 6R

DATE ABANDONED: PA pu BM 11-15-89

FIELD: WILDCAT

UNIT: _____

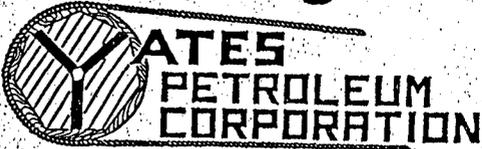
COUNTY: SAN JUAN

WELL NO. MAD DOG FEDERAL 1

API # 43-037-31407

LOCATION 660' FNL FT. FROM (N) (S) LINE. 660' FWL FT. FROM (E) (W) LINE. NW NW 1/4 - 1/4 SEC. 18

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
				<u>37S</u>	<u>24E</u>	<u>18</u>	<u>YATES PETROLEUM CORP.</u>



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. - TREAS.

December 1, 1987

To Whom It May Concern:

This letter authorizes Mr. Bryan Wood of Permits West to sign the Application for Permit to Drill, Sundry Notices and Right-of-Way Applications for Yates Petroleum Corporation.

Very truly yours,

YATES PETROLEUM CORPORATION

Randy G. Patterson
Land Manager

CC.

RGP:rj

MAR 17 1988
UNITED STATES
DEPARTMENT OF THE INTERIOR
DIVISION OF
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPlicate
Other instructions on
reverse side

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

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
Yates Petroleum Corporation (505) 748-1471

3. ADDRESS OF OPERATOR
105 South 4th Street, Artesia, NM 88210

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

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

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 660'

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

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5,949' ungraded ground

5. LEASE DESIGNATION AND SERIAL NO.
U-53067

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

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME
Mad Dog Federal

9. WELL NO.
#1

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
18-37s-24e SLBM

12. COUNTY OR PARISH San Juan

13. STATE Ut.

17. NO. OF ACRES ASSIGNED TO THIS WELL
80

20. ROTARY OR CABLE TOOLS
Rotary

22. APPROX. DATE WORK WILL START*
Apr. 1, 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 Brian Wood TITLE Consultant DATE 3-15-88

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE cc: Cowan (3), MDO (3), SJRA, UDOGM (2)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*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.

Yates Petroleum Corporation
Mad Dog Federal #1
660' FNL & 660' FWL
Sec. 18, T. 37 S., R 24 E.
San Juan County, Utah

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. Yates Petroleum 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	000'	12'	+5,949'
Morrison	170'	182'	+5,779'
Entrada	1,065'	1,077'	+4,884'
Navajo	1,275'	1,287'	+4,674'
Chinle	2,170'	2,182'	+3,779'
Shinarump	2,860'	2,872'	+3,089'
Cutler	2,960'	2,972'	+2,989'
Honaker Trail	4,800'	4,812'	+1,149'
Paradox	5,920'	5,932'	+ 29'
Upper Ismay	6,080'	6,092'	- 131'
Lower Ismay	6,275'	6,287'	- 326'
Upper Desert Creek	6,350'	6,362'	- 401'
Lower Desert Creek	6,405'	6,417'	- 456'
Akah Shale	6,445'	6,457'	- 496'
Total Depth (TD)	6,470'	6,482'	- 521'

* ungraded GL

2. NOTABLE ZONES

Yates Petroleum Corporation
Mad Dog Federal #1
660' FNL & 660' FWL
Sec. 18, T. 37 S., R 24 E.
San Juan County, Utah

PAGE 2

CONFIDENTIAL INFORMATION

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

Possible Fresh Water Zones

Morrison: 170'
Entrada: 1,065'
Navajo: 1,275'

Possible Salt Water Zones

Shinarump: 2,860'
Cutler: 2,960'

Possible Oil & Gas Zones

Honaker Trail: 4,800'
Upper Ismay: 6,080'
Lo. Desert Creek: 6,405'

Possible Uranium Zones

Morrison: 170'
Chinle: 2,170'

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)

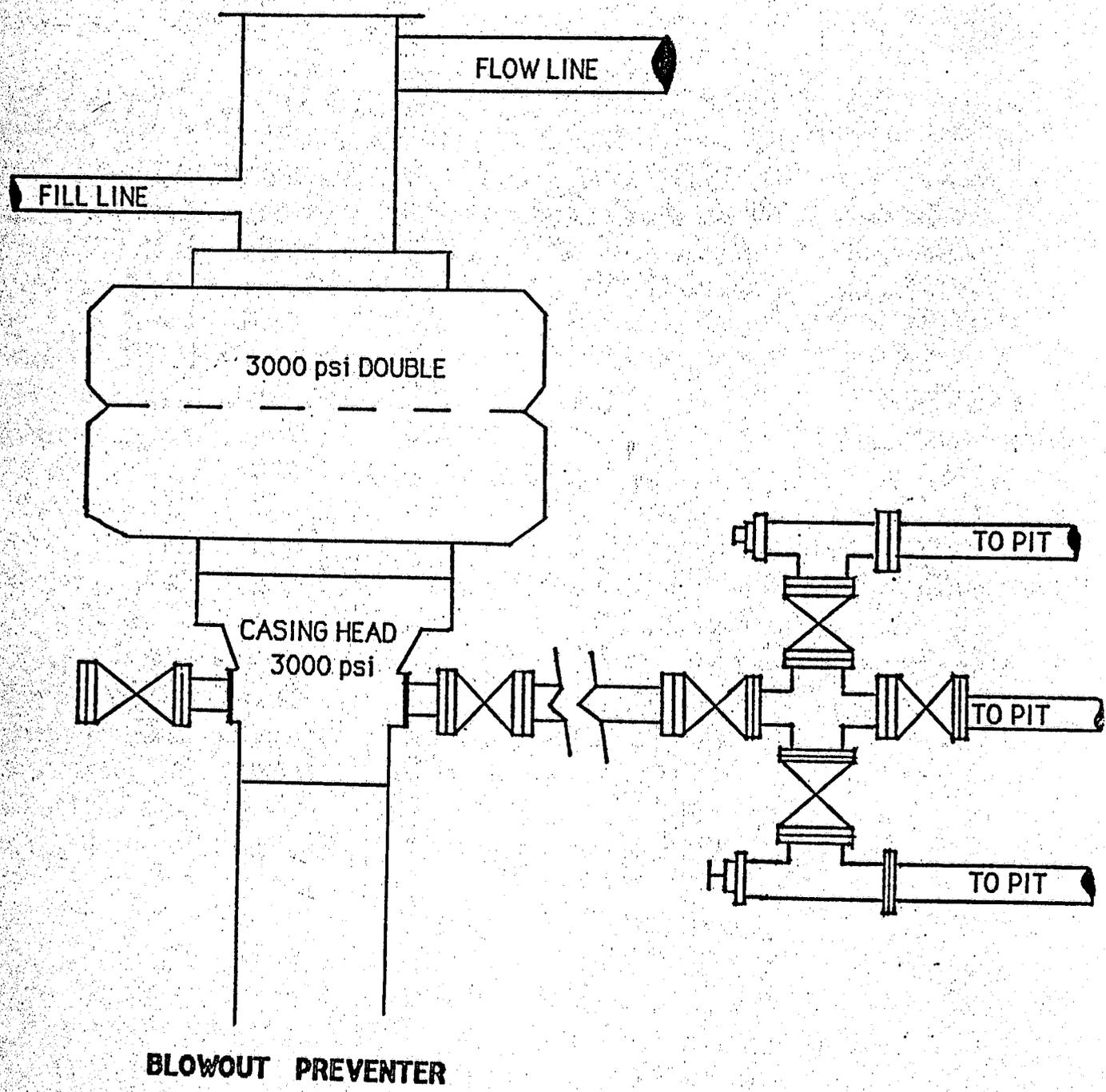
BOP systems will be consistent with API RP 53. A 10" x 3,000 psi double ram and annular preventer with a 3,000 psi choke manifold will be used. A diagram of a typical BOP is on Page 3. Actual model will not be known until bid is let. A kelly cock and sub with full opening valve will be on the floor.

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

Yates Petroleum Corporation
Mad Dog Federal #1
660' FNL & 660' FWL
Sec. 18, T. 37 S., R 24 E.
San Juan County, Utah

CONFIDENTIAL INFORMATION



Yates Petroleum Corporation
Mad Dog Federal #1
660' FNL & 660' FWL
Sec. 18, T. 37 S., R. 24 E.
San Juan County, Utah

PAGE 4

CONFIDENTIAL INFORMATION

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>
17-1/2"	13-3/8"	48#	H-40	ST&C	New	0-100'
12-1/4"	8-5/8"	24#	J-55	ST&C	New	0'-2,320'
7-7/8"	5-1/2"	15.5#	J-55	ST&C	New	0'-6,470'

Conductor Pipe (0'-100'): Cement to surface with 50 sx standard cement.

Surface Casing (0'-2,320'): Cement to surface in one stage with \approx 1,150 sx Class C cement with 2% CaCl₂. Casing shoe @ 2,320' with float @ 2,280'.

Production Casing (0'-6,470'): Cement across zones of interest in one stage, if warranted, with 350 sx Class C to reach estimated top at 5,000'. Float collar will be set \approx 40' above TD with casing shoe at TD (6,470').

The Resource Area will be notified one day before running casing strings and cement.

5. MUD PROGRAM

<u>Depth</u>	<u>Type</u>	<u>Weight (ppg)</u>	<u>Viscosity (sec/qt)</u>	<u>FL(cc)</u>
0'-5,500'	Fresh Water			
5,500'-6,470'	Fr. Water gel & starch	8.5-9.8	35-45	10-15

There will be a flow sensor and pit level indicator.

6. CORING, TESTING, & LOGGING

Yates Petroleum Corporation
Mad Dog Federal #1
660' FNL & 660' FWL
Sec. 18, T. 37 S., R. 24 E.
San Juan County, Utah

PAGE 5

CONFIDENTIAL INFORMATION

No cores are planned. Cuttings will be collected every 10' from the base of the surface casing (2,320') to TD (6,470'). Drill stem tests may be run in the Ismay, Desert Creek, and elsewhere if good shows are found. The following logs may be run from the base of the surface casing to TD:

CIL and CNL/LDT
Dipmeter and Sonic

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 Office.)

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 April 1, 1988. It is expected it will take ~20 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 Office within 24 hours after spudding. If the spud is on a weekend or holiday, the Sundry will be sent on

Yates Petroleum Corporation
Mad Dog Federal #1
660' FNL & 660' FWL
Sec. 18, T. 37 S., R. 24 E.
San Juan County, Utah

PAGE 6

CONFIDENTIAL INFORMATION

the following regular week 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 Office.

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 Office 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 Office. 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 Office's approval *per* NTL-4A.

A Sundry Notice will be sent to the District Office 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 installed. The following information will be beaded on with a welding torch: Yates Petroleum Corporation, Mad Dog Federal #1, NWNW 18-37s-24e, U-53067.

Yates Petroleum Corporation
Mad Dog Federal #1
660' FNL & 660' FWL
Sec. 18, T. 37 S., R. 24 E.
San Juan County, Utah

PAGE 7

CONFIDENTIAL INFORMATION

13 Point Surface Use Plan

1. DIRECTIONS & EXISTING ROADS (See PAGES 15 & 16)

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 10.4 mi., still on gravel County Road #204.
Then turn right and go west 0.5 mi. on a new road, crossing a Unocal oil line and Western gas line in route.

Existing roads are successively county and BLM. Roads will be maintained to a standard at least equal to their present condition. No upgrading is needed.

An Encroachment Permit has been approved by the San Juan County Road Department.

2. UPGRADED & NEW ROADS (See PAGE 16)

New construction will start at the county road. There will be 0.5 mi. of road to be built. It will be flat bladed with a maximum disturbed width not to exceed 30'. There will be no fence crossings. Turnouts will be built as needed. Maximum cut or fill will be 2'. Maximum grade will be 5%. An archaeologist approved by BLM and hired by Yates will monitor road and pad construction.

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.

Yates Petroleum Corporation
Mad Dog Federal #1
660' FNL & 660' FWL
Sec. 18, T. 37 S., R. 24 E.
San Juan County, Utah

PAGE 8

CONFIDENTIAL INFORMATION

The new road will be water barred or upgraded 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 that 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 BLM-Yates field inspection.

3. EXISTING WELLS

There are no water, producing, injection, or disposal wells within 1 mile.

4. PROPOSED PRODUCTION FACILITIES

The type and layout of the production facilities are not known now. A Sundry Notice will be submitted 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.

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.

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

Yates Petroleum Corporation
Mad Dog Federal #1
660' FNL & 660' FWL
Sec. 18, T. 37 S., R. 24 E.
San Juan County, Utah

PAGE 9

CONFIDENTIAL INFORMATION

or off-lease must have prior written approval from the District Office.

Any gas meter run will be within 500' of its wellhead. The gas line will be buried from the wellhead to the meter and downstream for the remainder of the pad. 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.

5. WATER SUPPLY (See PAGE 15)

Water will be trucked from an artesian well on Richard Perkins' land in SE 12-38s-24e. An Application to Appropriate Water has been approved by the State of Utah Div. of Water Rights.

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.

7. WASTE DISPOSAL

The reserve pit will not be lined. All of the capacity will be in cut. The pit will be fenced on 3 sides with 4 strands of barbed wire or woven wire

Yates Petroleum Corporation
Mad Dog Federal #1
660' FNL & 660' FWL
Sec. 18, T. 37 S., R. 24 E.
San Juan County, Utah

PAGE 9

CONFIDENTIAL INFORMATION

or off-lease must have prior written approval from the District Office.

Any gas meter run will be within 500' of its wellhead. The gas line will be buried from the wellhead to the meter and downstream for the remainder of the pad. 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.

5. WATER SUPPLY (See PAGE 15)

Water will be trucked from an artesian well on Richard Perkins' land in SE 12-38s-24e. An Application to Appropriate Water has been approved by the State of Utah Div. of Water Rights.

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.

7. WASTE DISPOSAL

The reserve pit will not be lined. 90% of the capacity will be in cut. The pit will be fenced on 3 sides with 4 strands of barbed wire or woven wire

**Yates Petroleum Corporation
Mad Dog Federal #1
660' FNL & 660' FWL
Sec. 18, T. 37 S., R. 24 E.
San Juan County, Utah**

PAGE 10

CONFIDENTIAL INFORMATION

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 George Kensley or the San Juan County Sheriff at (801) 587-2237. The road and pad will be kept litter free.

If a trash cage is used, it will be hauled to the Blanding dump or an approved landfill in or Montezuma County, Colorado.

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 and 18 for depictions of the well pad, cross sections, cut and fill diagrams, reserve pit, burn pit, access road onto the pad, parking, living facilities, soil stockpile, and rig orientation.

Yates Petroleum Corporation
Mad Dog Federal #1
660' FNL & 660' FWL
Sec. 18, T. 37 S., R. 24 E.
San Juan County, Utah

PAGE 11

CONFIDENTIAL INFORMATION

The top 6" of soil, kept separate from the trees and brush, will be removed from the location and stockpiled west and east of the pad. Topsoil along the access will be reserved by windrowing along the road.

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.

Yates' 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.

Stockpiled soil, trees, and brush 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.

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

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

Yates Petroleum Corporation
Mad Dog Federal #1
660' FNL & 660' FWL
Sec. 18, T. 37 S., R. 24 E.
San Juan County, Utah

PAGE 12

CONFIDENTIAL INFORMATION

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 OWNERS

BLM is the owner of the pad and new road.

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 that they are subject to prosecution for disturbing archaeological sites or picking up artifacts, including arrowheads.

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.

This permit will be valid for one year from the date of approval. After

**Yates Petroleum Corporation
Mad Dog Federal #1
660' FNL & 660' FWL
Sec. 18, T. 37 S., R. 24 E.
San Juan County, Utah**

PAGE 13

CONFIDENTIAL INFORMATION

permit expiration, a new permit 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 45 minute drive to Monticello. Monticello's hospital is 3 blocks northwest of the intersection of US 666 and US 191. Phone number is (801) 587-2116. The nearest medical 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

The field representative for Yates Petroleum Corporation will be either Tim Bussell or Jim Krogman. One will either be on location or at the Sands Motel in Cortez, Colorado ([303] 565-3761).

CERTIFICATION

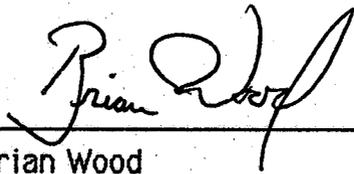
I hereby certify that I have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that

Yates Petroleum Corporation
Mad Dog Federal #1
660' FNL & 660' FWL
Sec. 18, T. 37 S., R. 24 E.
San Juan County, Utah

PAGE 14

CONFIDENTIAL INFORMATION

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

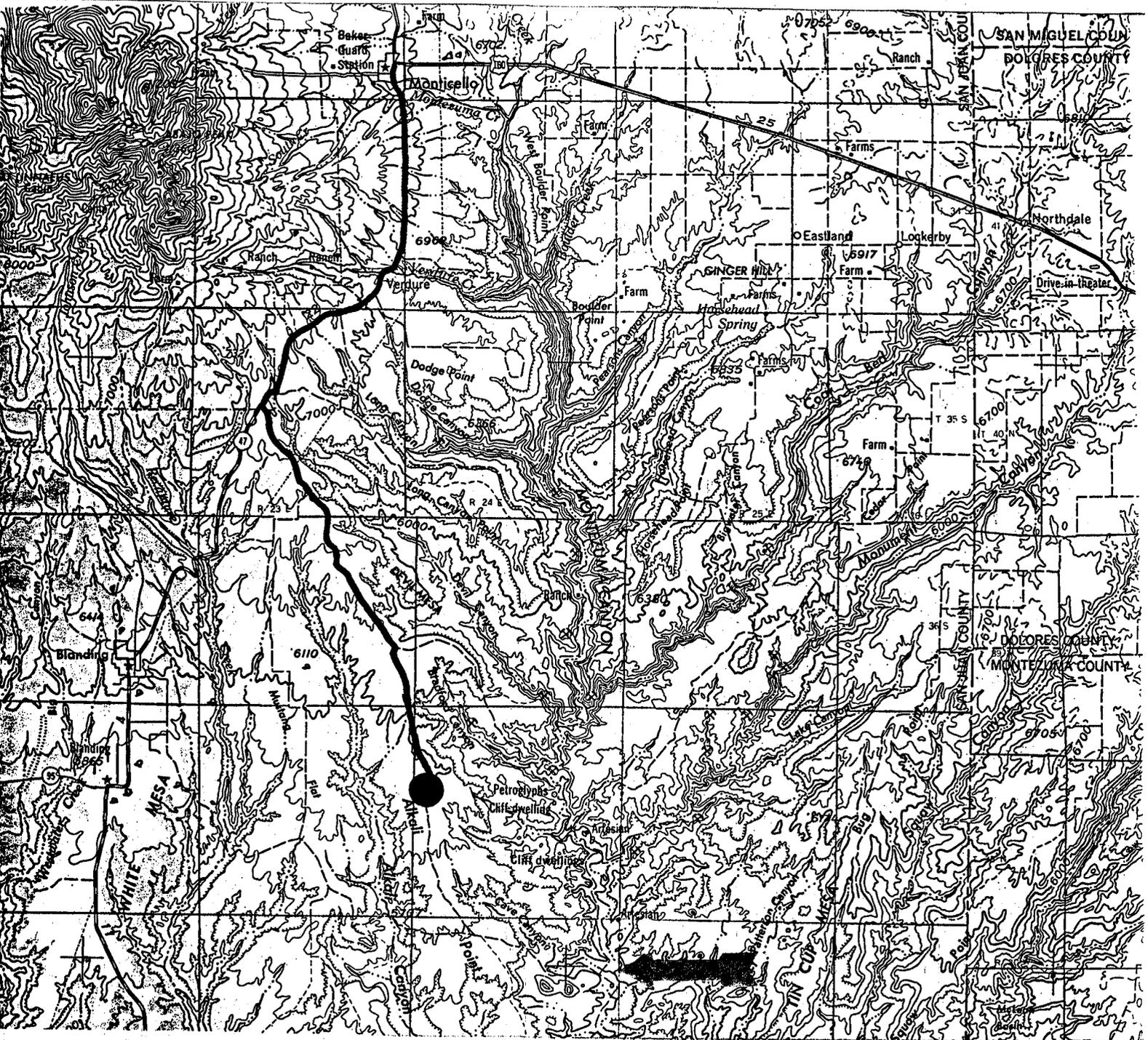


Brian Wood

March 15, 1988
Date

Yates Petroleum Corporation
Mad Dog Federal #1
660' FNL & 660' FWL
Sec. 18, T. 37 S., R. 24 E.
San Juan County, Utah

CONFIDENTIAL INFORMATION



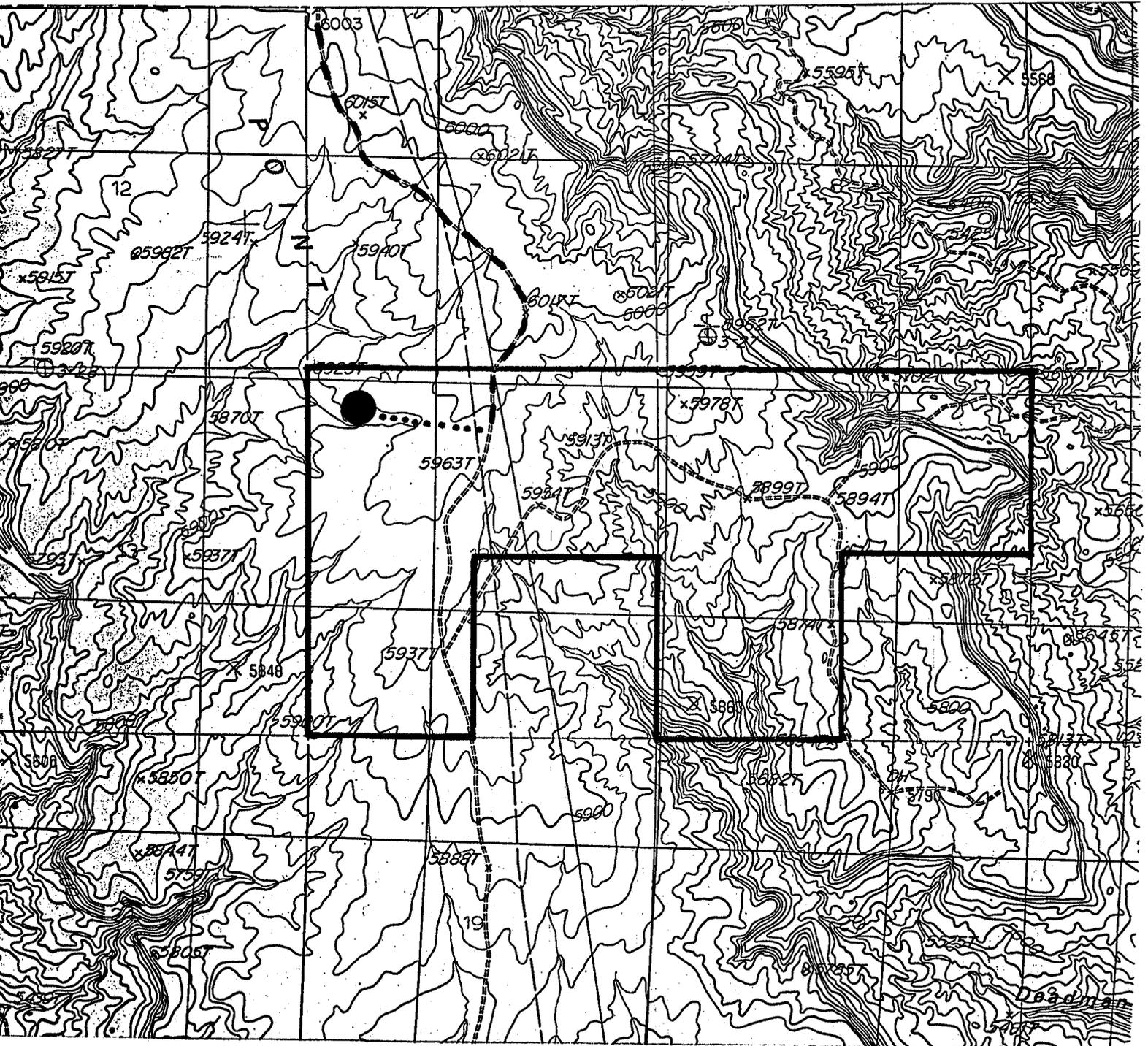
PROPOSED WELL: ●

ACCESS: ~

WATER SOURCE: ←

Yates Petroleum Corporation
Mad Dog Federal #1
660' FNL & 660' FWL
Sec. 18, T. 37 S., R. 24 E.
San Juan County, Utah

CONFIDENTIAL INFORMATION

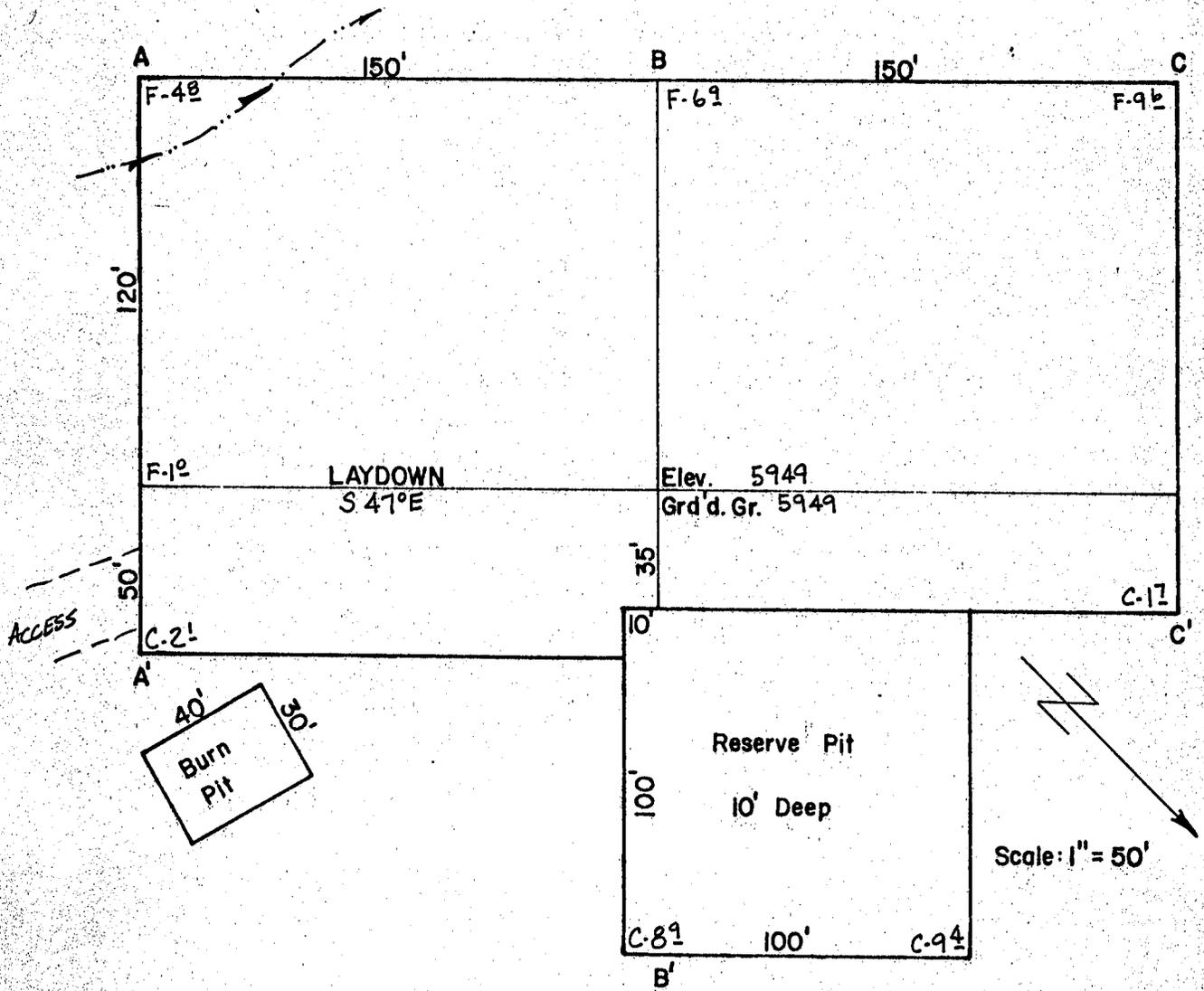


PROPOSED WELL: ●

EXISTING ROAD: - -

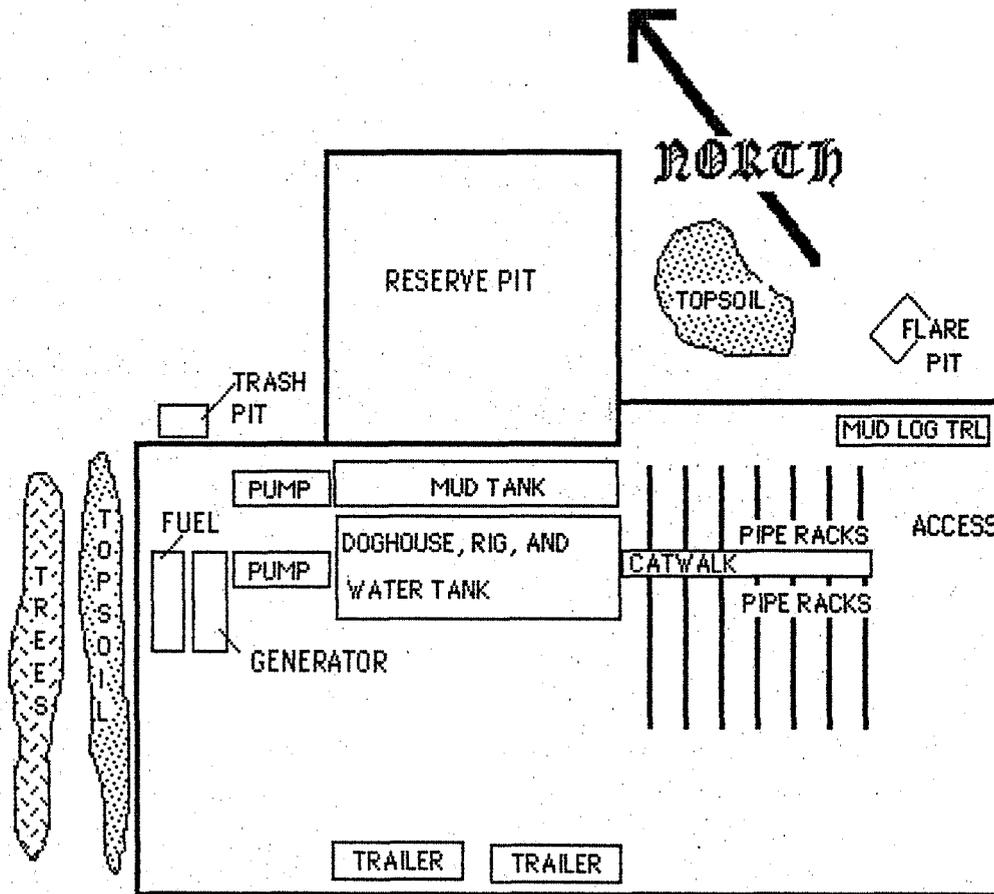
NEW ROAD: ...

LEASE U-53067: 



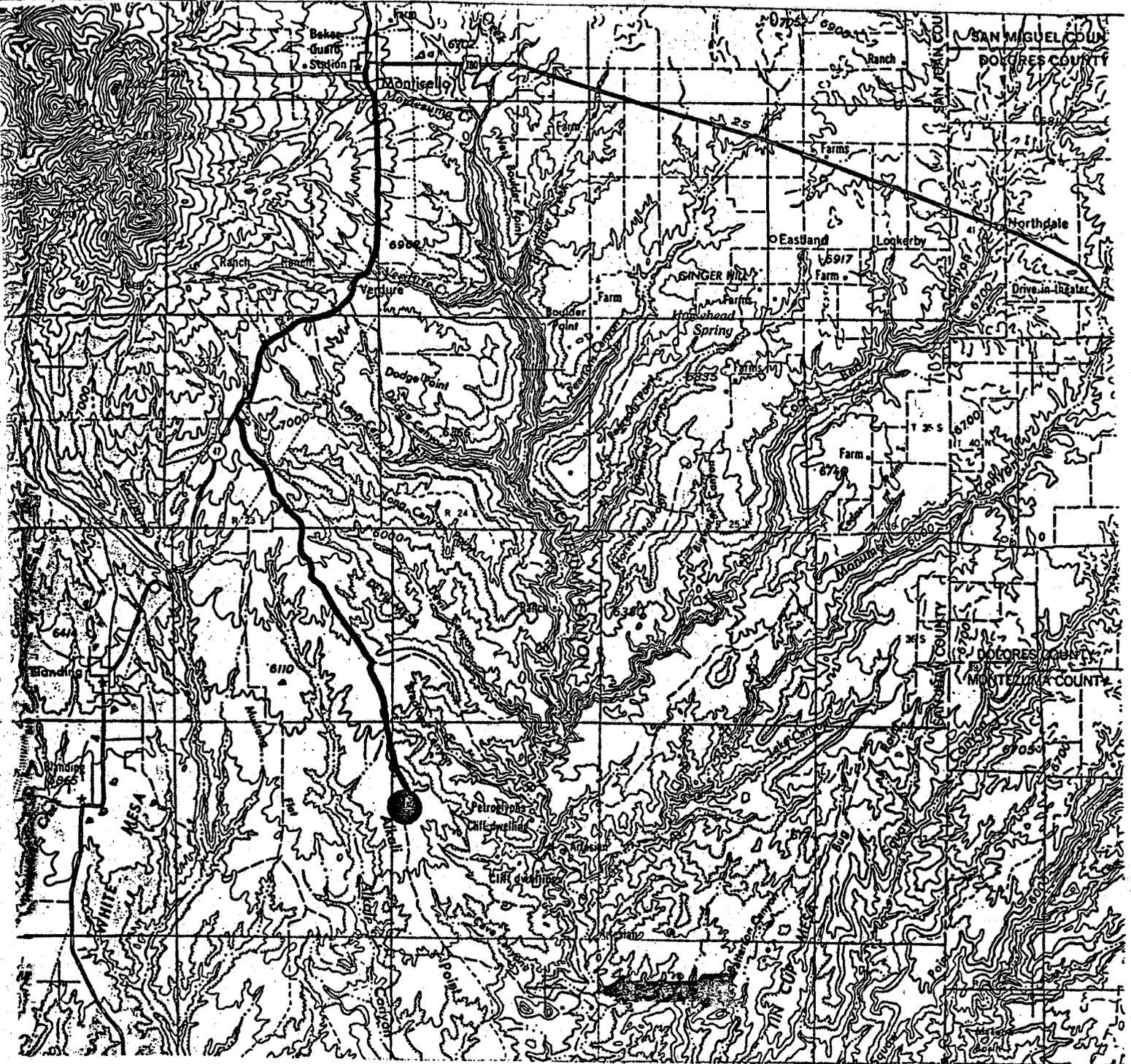
A-A'	Vert.: 1" = 30'	Horiz.: 1" = 100'	C/L
5950			
5940			
B-B'			
5950			
5940			
C-C'			
5950			
5940			

Yates Petroleum Corporation
Mad Dog Federal #1
660' FNL & 660' FWL
Sec. 18, T. 37 S., R. 24 E.
San Juan County, Utah



Yates Petroleum Corporation
Mad Dog Federal #1
660' FNL & 660' FWL
Sec. 18, T. 37 S., R. 24 E.
San Juan County, Utah

CONFIDENTIAL INFORMATION



PROPOSED WELL: 

WATER SOURCE: 

ACCESS: 

PERMITS WEST, INC.
PROVIDING PERMITS for the ENERGY INDUSTRY



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RIGHTS

Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Robert L. Morgan

State Engineer

1636 West North Temple, Suite 220

Salt Lake City, Utah 84116-3156

801-538-7240

MEMORANDUM

To: John Baza, Division of Oil, Gas & Mining
From: Bill Schlotthauer, Special Investigations *as*
Re: Shane Federal #1 (RDCC# UT880324-010)
Date: 5 April 1988

Our Price office indicates that Shane Federal #1 is covered by water right 09-1556. I noticed that this water right also covers Mad Dog Federal #1. It might be well to check if Mad Dog Federal #1 has a permit from your division.

encl: print-out of 09-1556
cc: Carolyn Wright, OPB

WRNUM: 09-1556 APPLICATION/CLAIM NO.: T63031 CERT. NO.:

OWNERSHIP*****

NAME: Yates Petroleum Corporation OWNER MISC: c/o Permits West Inc. Attn: Brian Wood
ADDR: 37 Verano Loop
CITY: Santa Fe STATE: NM ZIP: 87505 INTEREST: 100%

LAND OWNED BY APPLICANT? No

DATES, ETC.*****

Filing: 01/10/1988 Priority: 01/10/1988 Advertise Paper: Date: 00/00/0000 Protested? Appr/Rej: 12/21/1988
Proof Due: 00/00/0000 Ext Filed: 00/00/0000 Elec/Proof: Filed: 00/00/0000 Cert. or WUC Issued: 00/00/0000
Lap, Etc.: 12/21/1989

PD Book No. Type of Right: TEMP Status: APP Source of Info: APPL Map: Date Verified: 01/12/1988 Initials: MJK
PD REMARKS REFERENCE -- Name: Interest: Flow: Type of Right: Priority: Source:

LOCATION OF WATER RIGHT*****

FLOW: 6.0 acre-feet SOURCE: Perkins Water Hole
TRIBUTARY 1: TRIBUTARY 2:
COUNTY: San Juan COMMON DESCRIPTION: 7 mi. North Hatch Trading Post DRAINAGE AREA: San Juan River

POINT OF DIVERSION -- SURFACE:
(1) S 300 ft W 2000 ft from NE cor, Sec 12, T 38S, R 24E, SLBM
Diverting Works: Pump and tank trucks Source: Perkins Water Hole

PLACE OF USE OF WATER RIGHT*****

Table with 4 columns: NORTH-EAST4, NORTH-WEST4, SOUTH-WEST4, SOUTH-EAST4. Each column has sub-columns NE, NW, SW, SE. Rows show water rights for Sec 07 and Sec 18.

USES OF WATER RIGHT*****

CLAIMS USED FOR PURPOSE DESCRIBED: 1556
Referenced To: Claims Groups: Type of Reference -- Claims: Purpose: Remarks:
###OIL EXPLORATION Oil Well Drilling PERIOD OF USE: 01/20 TO 01/19

OTHER COMMENTS*****

Land is private and owned by Richard Perkins. Mr. Perkins has approved this use.
The wells to be drilled under this application are as follows:
1) Shane Federal #1: N. 1650 ft. & E. 1380 ft. from SW Cor. Sec. 7, T37S, R24E, SLB&M (NE4SW4).
2) Mad Dog Federal #1: S. 660 ft. & E. 660 ft. from NW Cor. Sec. 18, T37S, R25E, SLB&M (NW4NW4).

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:
Upon approval
-
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 Permit License Land Aquisition
 Land Sale Land Exchange Other _____
-
6. TITLE OF PROPOSED ACTION:
Application for Permit to Drill
-
7. DESCRIPTION:
Yates Petroleum Corp. proposes to drill a wildcat well, the Mad Dog Federal #1, on federal lease number U-53067 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)
NW/4, NW/4, Section 18, Township 37 South, Range 24 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: 3-18-88
Petroleum Engineer
-

MAR 17 1988
UNITED STATES
DEPARTMENT OF THE INTERIOR
DIVISION OF
BUREAU OF LAND MANAGEMENT
OIL, GAS & MINING

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

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

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
 Yates Petroleum Corporation (505) 748-1471

3. ADDRESS OF OPERATOR
 105 South 4th Street, Artesia, NM 88210

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

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

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) **660'**

16. NO. OF ACRES IN LEASE **921.12**

17. NO. OF ACRES ASSIGNED TO THIS WELL **80**

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

19. PROPOSED DEPTH **6,470'**

20. ROTARY OR CABLE TOOLS **Rotary**

21. ELEVATIONS (Show whether DF, RT, GR, etc.) **5,949' ungraded ground**

22. APPROX. DATE WORK WILL START* **Apr. 1, 1988**

5. LEASE DESIGNATION AND SERIAL NO.
 U-53067

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

7. UNIT AGREEMENT NAME
 N/A

8. FARM OR LEASE NAME
 Mad Dog Federal

9. WELL NO.
 #1

10. FIELD AND POOL, OR WILDCAT
 Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 18-37s-24e 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
17-1/2"	13-3/8"	48* (H-40, ST&C)	100'	50 sx or to surface
12-1/4"	8-5/8"	24* (J-55, ST&C)	2,320'	1,150 sx or to surface
7-7/8"	5-1/2"	15.5* (J-55 ST&C)	6,470'	350 sx or to 5,000'

TIGHT HOLE. PLEASE KEEP CONFIDENTIAL.

1. Lease is N2 and SW4 of Sections 17 & 18, T. 37 S., R. 24 E.
2. Request exception to R615-3-2 because of geology and non-standard section. Exception is to Yates' own quarter-quarter line, not to another well or lease.
 - a) Orthodox well could be drilled at 660' FNL & 498' FWL (=center of "quarter-quarter"), but it would be dry. Thus, Yates needs an exception.
 - b) Request permission to drill at 660' FNL & 660' FWL 18-37s-24e SLBM, San Juan County, Utah.
 - c) There are no existing wells which offset the proposed exception. Eight potential wells on the adjoining quarter-quarters could offset the proposed location.
 - d) Yates is the lessee of all lands within a 660' radius.
 - e) Yates is the lessee 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.

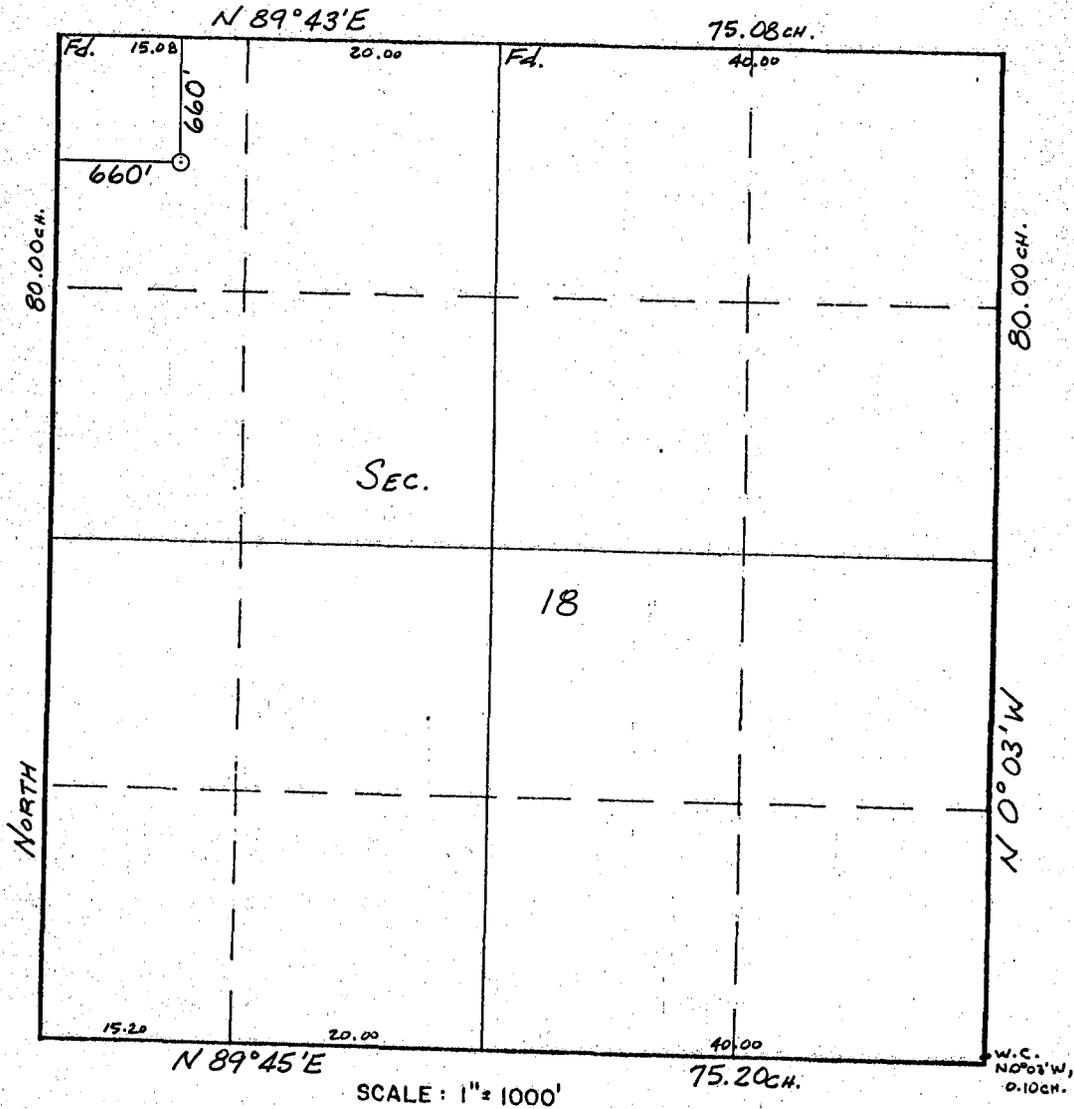
24. SIGNED Ryan Wood TITLE Consultant DATE 3-15-88

(This space for Federal or State office use)
 PERMIT NO. 43-037-31407 APPROVAL DATE APR 03 1988
 APPROVED BY _____ TITLE _____
 CONDITIONS OF APPROVAL, IF ANY: _____

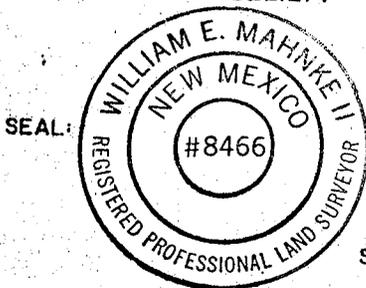
APPROVED BY THE STATE
 OF UTAH DIVISION OF
 OIL, GAS, AND MINING
 DATE: 4-14-88
 BY: John R. Dyer
 WELL SPACING: R615-3-3

*See Instructions On Reverse Side

COMPANY YATES PETROLEUM CORPORATION
 LEASE MAD DOG FEDERAL WELL NO. 1
 SEC. 18, T. 37 S, R. 24 E
 COUNTY SAN JUAN STATE UTAH
 LOCATION 660' FNL & 660' FWL
 ELEVATION 5949



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



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

SURVEYED JAN. 15, 19 88

CONFIDENTIAL

OPERATOR

United Petroleum

DATE

3-18-88

WELL NAME

Mad Dog Federal #1

SEC

*NW 1/8
Surg. Sec.*

T

375

R

24E

COUNTY

San Juan

43-037-31407

API NUMBER

Federal

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 - Rec'd #09-1556

Exception loc. requested

ROCC - R

APPROVAL LETTER:

SPACING:

R615-2-3

UNIT

R615-3-2

CAUSE NO. & DATE

R615-3-3

STIPULATIONS:

None



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 14, 1988

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

Gentlemen:

Re: Mad Dog Federal 1 - NW NW Sec. 18, T. 37S, R. 24E
660' FNL, 660' 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.

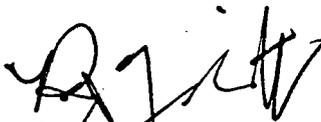
Page 2
Yates Petroleum Corporation
Mad Dog Federal 1
April 14, 1988

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 43-037-31407.

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

CALVIN BLACK
Chairman

WILLIAM D. HOWELL
Executive Director

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

AREAWIDE CLEARINGHOUSE A-95 REVIEW

14840

NOI ___ Preapp ___ App ___ State Plan ___ State Action X Subdivision ___ (ASP # 4032502)

Other (indicate) _____ SAI Number UT880324-010

Applicant (Address, Phone Number):

Federal Funds:
Requested: _____

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

Title:

APPLICATION FOR PERMIT TO DRILL (Yates Petroleum Corp.)

*Mad Dog Fed. #1
Sec. 18, T37S, R24E
San Juan Co.*

- 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:

Favorable.

RECEIVED
MAY 2 1988

DIVISION OF
OIL, GAS & MINING

4-28-88

Date

Yates Petroleum Corporation
Well No. Mad Dog Federal 1
NWNW Sec. 18, T. 37 S., R. 24 E., SLB&M
San Juan County, Utah
Lease U-53067

CONDITIONS OF APPROVAL

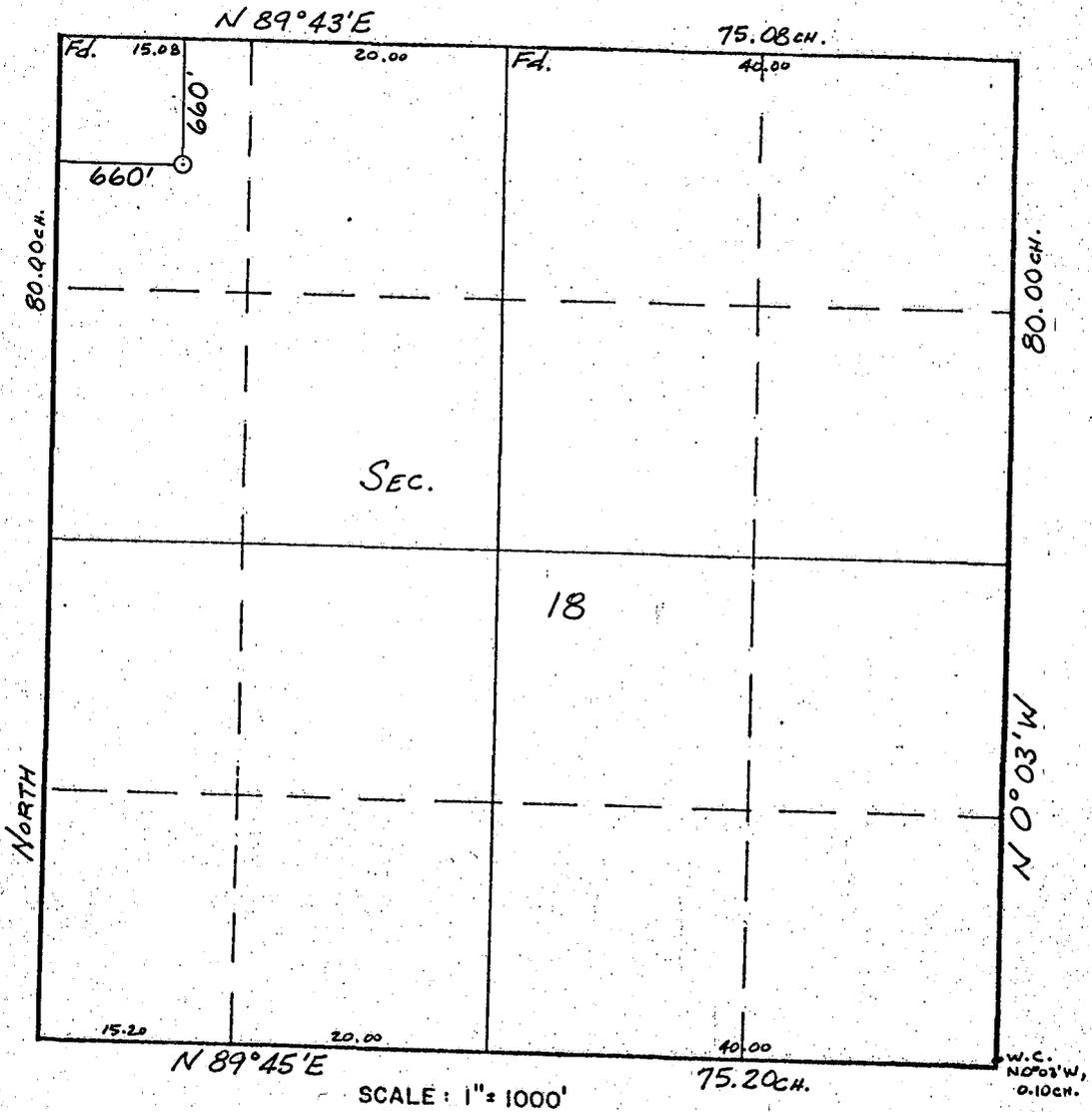
Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Yates Petroleum Corporation is considered to be the operator of the above well, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by Bond No. A-R-71373-49 (Principal - Yates Petroleum Corp.) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

COMPANY STATES PETROLEUM CORPORATION
 LEASE MAD DOG FEDERAL WELL NO. 1
 SEC. 18, T. 37 S, R. 24 E
 COUNTY SAN JUAN STATE UTAH
 LOCATION 660' FNL & 660' FWL
 ELEVATION 5949



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



William E. Mahnke II
 WILLIAM E. MAHNKE II
 NEW MEXICO P.L.S. N° 8466

SURVEYED JAN. 15, 19 88

B. SURFACE USE PLAN

1. All persons in the area who are associated with the project will be informed by the holder/operator that they will be subject to prosecution for disturbing archaeological sites or paleontological sites, or collecting artifacts or fossils.

Any cultural and/or paleontological resource discovered by the holder/operator, or any person working on his behalf, on public or federal land shall be immediately reported to the authorized officer (BLM-San Juan Resource Area Office (801) 587-2141). The holder/operator shall immediately suspend all operations in the area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder/operator will be responsible for the cost of evaluation of the discovery and of any required mitigation measures. Any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder/operator and other affected parties.

NOTIFICATIONS

Notify the San Juan Resource Area, at (801) 587-2144 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

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

Yates Petroleum Corporation (505) 748-1471

3. ADDRESS OF OPERATOR

105 South 4th Street, Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)

At surface

660' FNL & 660' FWL (NWNW)

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

9 air miles SE of Blanding, Utah

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

660'

16. NO. OF ACRES IN LEASE

921.12

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

N/A

19. PROPOSED DEPTH

6,470'

17. TOTAL ACRES ASSIGNED TO THIS WELL

80

20. ROTARY OR CABLE TOOLS

Rotary

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

5,949' ungraded ground

22. APPROX. DATE WORK WILL START*

Apr. 1, 1988

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48* (H-40, ST&C)	100'	50 sx or to surface
12-1/4"	8-5/8"	24* (J-55, ST&C)	2,320'	1,150 sx or to surface
7-7/8"	5-1/2"	15.5* (J-55 ST&C)	6,470'	350 sx or to 5,000'

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 [Signature] TITLE Consultant DATE 3-15-88

(This space for Federal or State office use)

PERMIT NO. 43-037-31407 APPROVAL DATE cc: Cowan (3), MDO (3), SJRA, UDOGM (2)

APPROVED BY /s/Gene Nodine TITLE District Manager DATE 10/14/88

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED

*See Instructions On Reverse Side

FLARING OR VENTING OF
GAS IS SUBJECT TO NTL-44
DATED 1/1/80

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.

RECEIVED

NOV 13 1989

3162 (U-065)
(U-53067)

DIVISION OF
OIL, GAS & MINING

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

NOV - 8 1989

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

Re: Rescinding Application for Permit to Drill
Well No. Mad Dog Federal 1
Sec. 18, T. 37 S., R. 24 E.
San Juan County, Utah
Lease U-53067

Gentlemen:

The Application for Permit to Drill the referenced well was approved on October 14, 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/ Kenneth V. Rhea

District Manager

Enclosure: Application for Permit to Drill **ACTING**

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:11/06/89



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

November 15, 1989

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

Gentlemen:

Re: Mad Dog Federal 1, Sec. 18, T. 37S, R. 24E, San Juan County, Utah
API No. 43-037-31407

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,

Don T. Staley
Administrative Supervisor

OIL AND GAS	
	RJF
	GLH
	SLS
1-TAS	✓
0- (unclear)	✓
3	FILE

TAS/lc

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

HO12/7