

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPlicate  
(Other instructions  
verse side)

Budget: Bureau No. 1004-0125  
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

**RECEIVED**  
MAR 02 1988

DIVISION OF  
OIL, GAS & MINING

1. OIL WELL  GAS WELL  OTHER

2. NAME OF OPERATOR  
Marathon Oil Company

3. ADDRESS OF OPERATOR  
P. O. Box 2690, Cody, Wyoming 82414

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*  
See also space 17 below.)  
At surface  
NW SE 1000' FNL & 2600' FEL

14. PERMIT NO.  
43-037-31417

15. ELEVATIONS (Show whether DT, RT, G., etc.)  
6025' Ungraded GI

5. LEASE DESIGNATION AND SERIAL NO.  
U-59910

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
---

7. UNIT AGREEMENT NAME  
---

8. FARM OR LEASE NAME  
Lightning Draw

9. WELL NO.  
1

10. FIELD AND POOL, OR WILDCAT  
Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
Sec 35, T30S, R23E

12. COUNTY OR PARISH (S. STATE)  
San Juan Utah

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input checked="" type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANE <input type="checkbox"/>	(Other) <u>See Below</u>	

(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.)\*

Attached please find an as built facility diagram showing the site security at the above referenced well.

BIM-Orig & 3--cc: SUDOGM-2 WRF FMK, TKS, Title & Contract (Houston)

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

SIGNED R P Mealen TITLE Regulatory Coordinator DATE February 8, 1989

(This space for Federal or State office use)

APPROVED BY NOTED TITLE Branch of Fluid Minerals Moab District DATE FEB 23 1989

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

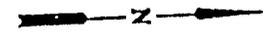
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CC: ENG, FMK, JLV, TRS, WPH, THB, DBS, WEF

MOC-OPERATOR  
 SUBJECT TO MOC'S SITE SECURITY  
 PLAN LOCATED AT THE SUPT. OFFICE.

LEGEND

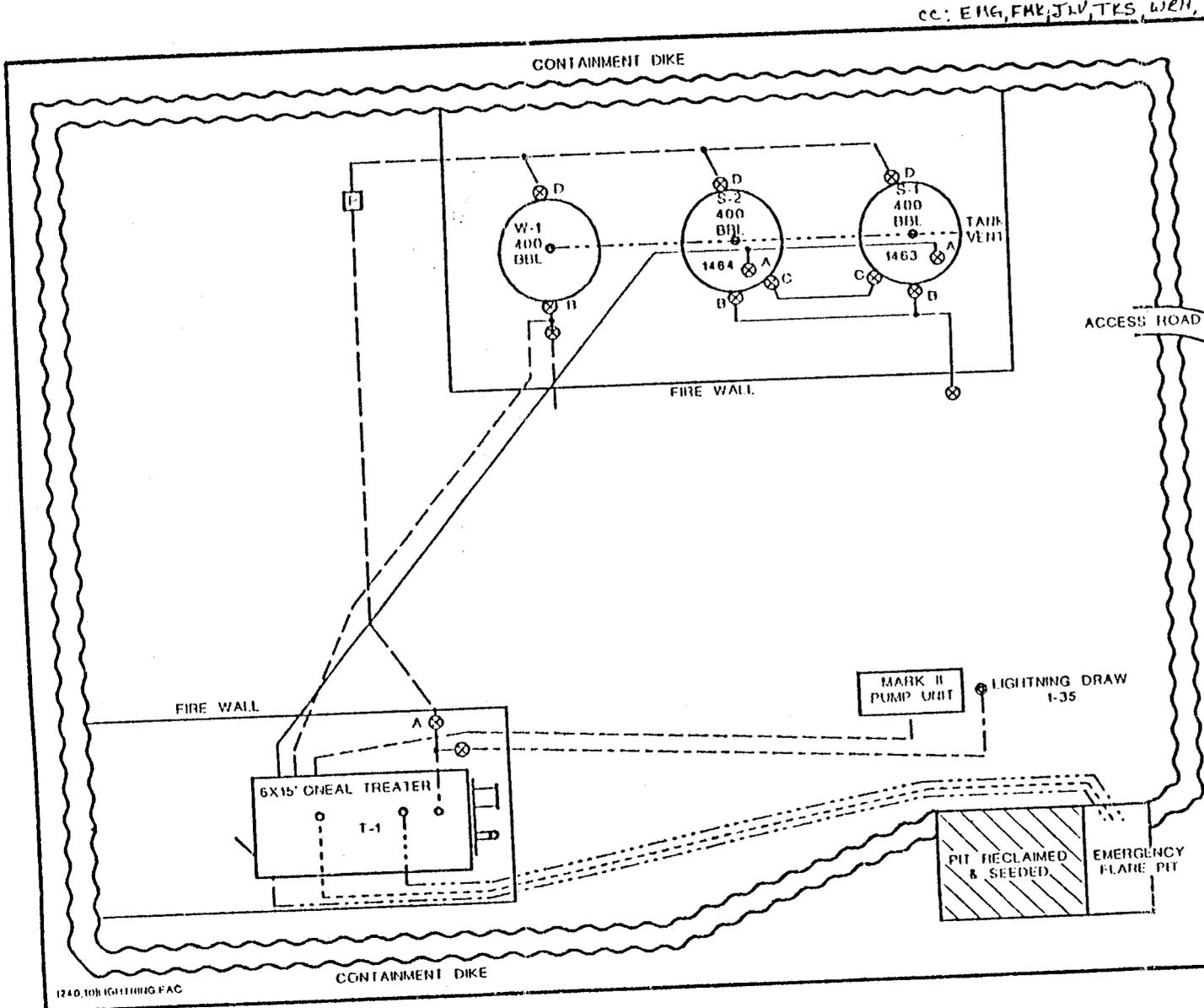
- OIL/CONDENSATE
- RUPTURE
- - - - - EMULSION
- · - · - RECYCLE/REJECT
- · - - - GAS OFF
- · - - - GAS FUEL
- · - - - POP OFF
- · - - - WATER OFF & DRAIN
- ⊗ VALVE
- PUMP
- A,B,C, etc. SEALED VALVES
- CLOSED SYSTEM



Approval:

*J.P. VanSicklin* - Production Foreman  
*TR Skinner* - Production Supt.

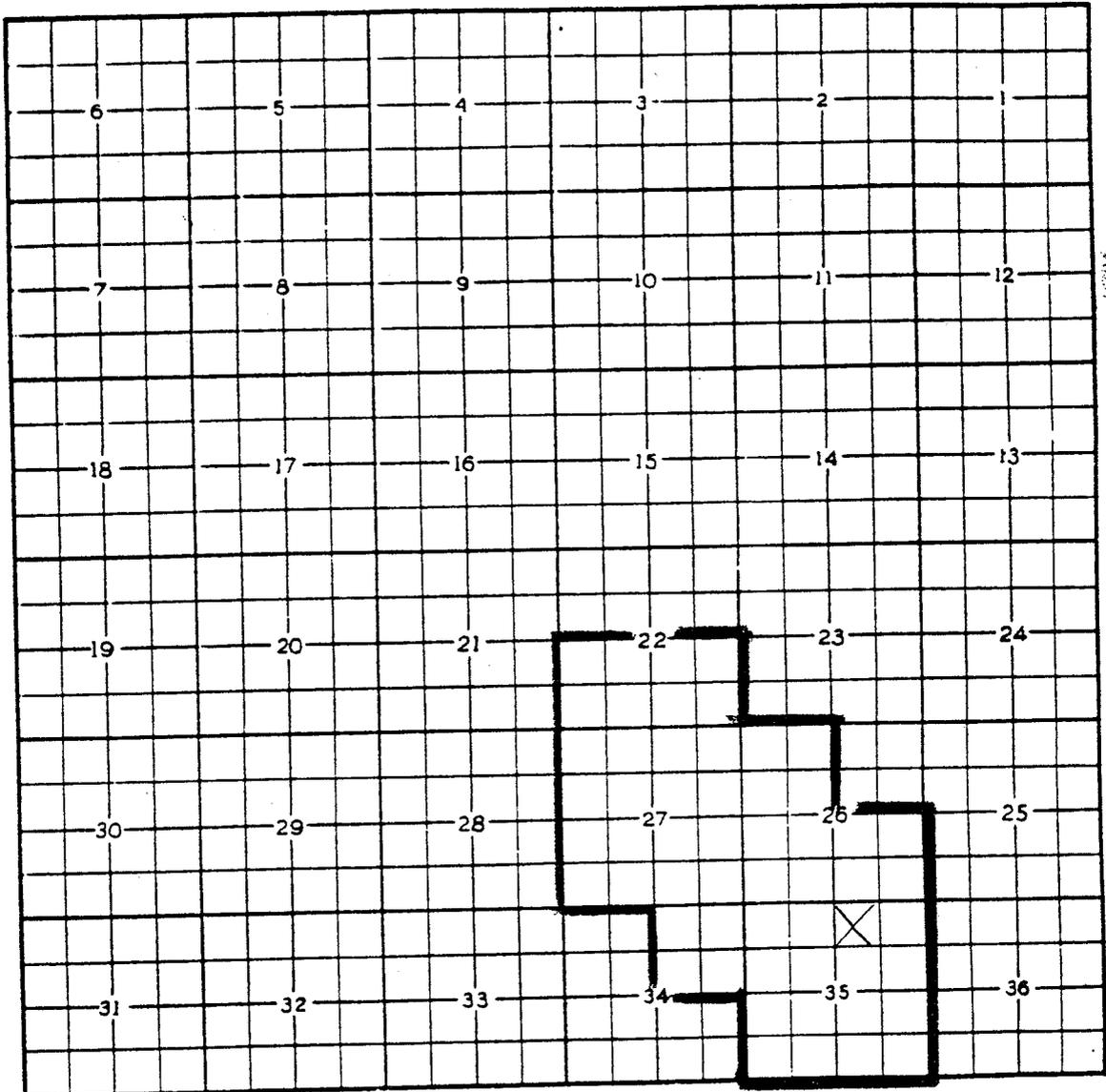
MARATHON OIL COMPANY  
 ROCKY MOUNTAIN REGION  
**LIGHTNING DRAW #1-35**  
 SAN JUAN COUNTY, UTAH  
  
**FACILITY INSTALLATION**  
**LEASE #U-59910**  
  
 NOT TO SCALE 1-89



1240, 100 LIGHTNING FAC

# LIGHTNING DRAW UNIT

## San Juan County, Utah



30S

23E

**RECORDED**  
MAR 09 1988

DIVISION OF  
OIL, GAS & MINING

SAN JUAN COUNTY ROAD DEPARTMENT

Application for Right-of-Way Encroachment Permit

DATE: March 29, 1988

TO: Road Supervisor  
San Juan County Road Department

Application is hereby made by: (1) Marathon Oil Company

Address (2) P. O. Box 2690, Cody, Wyoming 82414

Telephone Number: (307) 587-4961 for permission to do the following:

(3) To utilize San Juan County Roads and rights-of-way during the construction, drilling and maintenance of our proposed Lightning Draw #1 well, Section 35, T30S, R23E, San Juan County, Utah.

(4) Location: From Monticello, Utah travel 20 miles North on U.S. Highway #191, turn east onto County Road #106, travel 0.3 mile to the access road. Turn South and travel approximately 3/4 mile to location (See attached map).

City \_\_\_\_\_ County San Juan State Utah

or U. S. Highway No. 191 Milepost No. \_\_\_\_\_

in accordance with the attached plan. (5)

(6) Construction will begin on or about May 1, 19 88

and will be completed on or before October 1, 19 88

If the proposed installation requires breaking of the pavement, give the following information:

a. Type of pavement: N/A

b. The opening to be made will be N/A feet long

by N/A feet wide and N/A feet deep.

c. A bond in the amount of \$ N/A has been posted with

Telephone No. \_\_\_\_\_

to run of a term of three (3) years after completion of work to guarantee satisfactory performance.

(7) If this permit is granted, we agree to comply with all conditions, restriction, and regulations as contained in the "Regulations for the Control and Protection of State Highway Rights-of-Way", approved by the Utah State Road Commission on October 9, 1962, and all revisions thereto or Regulations adopted by the San Juan County Commission.

(8) In approving this application and locations of utilities, and effort will be made to approve only locations that will not be effected in the event that San Juan County changes the roadway. But, in situations in which the utility has to be moved, this moving shall be done by the utility company or paid for by the company.

(9) For any and all applications requesting authority to Vibroseise, applicants shall:

- Provide map showing where vibroseising will take place.
- Agree to repair any damages or replace any property damaged.
- Take full responsibility of proper flagging and traffic control.

d. Agree that Vibroseising done in the area of dirt roads shall done on the dirt road rather than in the bar ditch to minimize damage.

e. Provide a schedule of the planned work and estimated dates of completion.

f. Attach written permission form all adjacent fee-title owners.

g. The San Juan County Commission has authorized the San Juan County Road Superintendent (or his Assignees) to issue permits.

(10) San Juan County can only grant permission to the extent that the County has the auroharity to do so and the permission granted hereunder is limited to the interest of authority actually owned by San Juan County and no warranties of ownership or authority to grant permission is expressed or implied by the granting of this permit.

Randal P Mealon

BY:

Regulatory Coordinator

TITLE

To be filled in by Road Supervisor.

(1) Permit should be granted  \_\_\_\_\_

Permit should not be granted  \_\_\_\_\_

(2) Additional requirements which should be imposed.

M. H. [Signature]  
ROAD SUPERVISOR

#### INSTRUCTIONS

(1) \*Application for this permit should be made in duplicate by whoever will actually do the work whether it be the owner or a contractor.

(2) Mailing address of applicant.

(3) State fully and completely the type or installaion, type of construction, width, thickness, drainage data, etc., where applicable. If pole line, give the following information: number of poles, total length of line, type of wire, character of service, vertical clearance over roadway, and voltage of power line.

(4) If pipe line or buried cable, give the follwing information: Type of service, size and length of line, depth of trench, kind of pipe, (sewer, gas, oil, water supply, etc.) or conduit, and if pipe is to be driven or if pavement will be broken. All fluid lines requires encasement with suitable material. The size and length of encasement shall be satisfactory to the State Department of Transportation, San Juan County Road Supervisor or his agent.

(5) Give distance from some geographical point such as intersecting highways, city, or coporate limits. Give city, county, and state or U. S. route number.

(6) Attach two (2) copies of a plan showing proposed location of structures with reference ot pavement and right-of-way lines. If installation crosses the highway, show cross section of present roadway and proposed installation.

(7) Give anticipated dates for beginning and for completion of proposed installation.

Note: A fee of five (5) dollars will be charged for all Right-of-Way Encroachments Permits, except those obtained for pole lines, and buried cable lines. This Permit fee, where applicable, should be submitted with the application. The costs of inspection are included in the Right-of-Way Encroachment Permit fee, except for pole lines, pipe lines, and buried cable lines which shall be billed for the inspection.

Rocky Mountain Region  
Production United States



P.O. Box 2690  
Cody, Wyoming 82414  
Telephone 307/587-4961

April 15, 1988

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

RE: Exception to Location for the Proposed Exploratory Well Lightning Draw #1, Surface and Bottom Hole Located NWNE 1000' FNL, 2600' FEL, of Section 35, T30S, R23E, San Juan County, Utah. Lease #U-59910.

Gentlemen:

Marathon Oil Company requests administrative approval from the Division for an exception to the location and siting requirements of R615-3-2 in association with the above referenced well.

The well, Lightning Draw #1, is proposed to be drilled with the surface and bottom hole being in the NW $\frac{1}{4}$  NE $\frac{1}{4}$  of Section 35, T30S, R23E. This location is being chosen due to geological interpretation.

Marathon Oil Company is the owner and operator of all lands within a 2600' radius of the proposed Lightning Draw #1 well. Because of this, administrative approval is being requested as set forth in R615-3-3. Please refer to Attachment '1' for further clarification. Your continued cooperation is greatly appreciated.

Sincerely

MARATHON OIL COMPANY

A handwritten signature in cursive script that reads 'R. P. Meabon'.

R. P. Meabon  
Regulatory Coordinator  
Rocky Mountain Region

RPM/FMK/rrm

Attachment



P.O. Box 2690  
Cody, Wyoming 82414  
Telephone 307/587-4961

April 15, 1988

**RECEIVED**  
APR 19 1988

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

**DIVISION OF  
OIL, GAS & MINING**

RE: Exception to Location for the Proposed Exploratory Well Lightning Draw #1, Surface and Bottom Hole Located NWNE 1000' FNL, 2600' FEL, of Section 35, T30S, R23E, San Juan County, Utah. Lease #U-59910.

Gentlemen:

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Sincerely

MARATHON OIL COMPANY

A handwritten signature in cursive script that reads 'R P Meabon'.

R. P. Meabon  
Regulatory Coordinator  
Rocky Mountain Region

RPM/FMK/rrm

Attachment



P.O. Box 2690  
Cody, Wyoming 82414  
Telephone 307/587-4961

RECEIVED  
APR 20 1988

DIVISION OF  
OIL, GAS & MINING

April 18, 1988

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

RE: Confidential Status - Lightning Draw #<sup>1</sup>/<sub>4</sub>, Section 35, T30S, R23E,  
San Juan County, Utah

Gentlemen:

It is requested that all information pertaining to the above refer-  
enced well be kept in a "Confidential Status".

Your continued cooperation is greatly appreciated.

Sincerely,

MARATHON OIL COMPANY

A handwritten signature in cursive script that reads 'R. P. Meabon'.

R. P. Meabon  
Regulatory Coordinator  
Rocky Mountain Region

RPM/FMK/rrm

cc: Fred W. Taylor  
Mark E. Peterson

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

2. NAME OF OPERATOR  
 Marathon Oil Company

3. ADDRESS OF OPERATOR  
 P.O. Box 2690 Cody, Wyoming 82414

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)  
 At surface: NW SE 1000' FNL & 2600' FEL NWNE

At proposed prod. zone: NW SE 1000' FNL & 2600' FEL NWNE

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 Approximately 15 miles North of Monticello, Utah

10. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.  
 (Also to nearest drilg. unit line, if any)  
 2600'

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

16. NO. OF ACRES IN LEASE  
 2487.56

19. PROPOSED DEPTH  
 5100' *Desert Creek*

17. NO. OF ACRES ASSIGNED TO THIS WELL  
 160

20. ROTARY OR CABLE TOOLS  
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 6025' Ungraded GL

5. LEASE DESIGNATION AND SERIAL NO.

U- 59910

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Lightning Draw

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Wildcat

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

Sec. 35, T30S, R23E

12. COUNTY OR PARISH

San Juan

13. STATE

Utah

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	36#	1000'	Sufficient to surface
7 7/8"	5 1/2"	15.5#	5100'	Suff. to Surface Csg. shoe

Marathon Oil Company proposes to drill the above referenced well to an estimated total depth of 5100'. A 12 1/4" hole will be drilled to 1000' and 1000' of 9 5/8", 36#, K-55, ST&C casing will be run and cemented to surface. A 7 7/8" hole will then be drilled to an estimated TD of 5100' and 5100' of 5 1/2", 15.5#, K-55, ST&C casing will be run and cemented to the surface casing shoe. The productive zone will then be perforated, treated as necessary and placed on production.

BLM-Orig.+3, SUDOGM-2, WRF FMK, WTR, TKS, Drilling-3, Exploration-2, Title & Contracts  
 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 R.P. Meador TITLE Regulatory Coordinator DATE April 15, 1988

(This space for Federal or State office use)

PERMIT NO. 43-037-31417

APPROVAL DATE APPROVED BY THE STATE

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_  
 CONDITIONS OF APPROVAL, IF ANY:

OF DIVISION OF

OIL, GAS, AND MINING

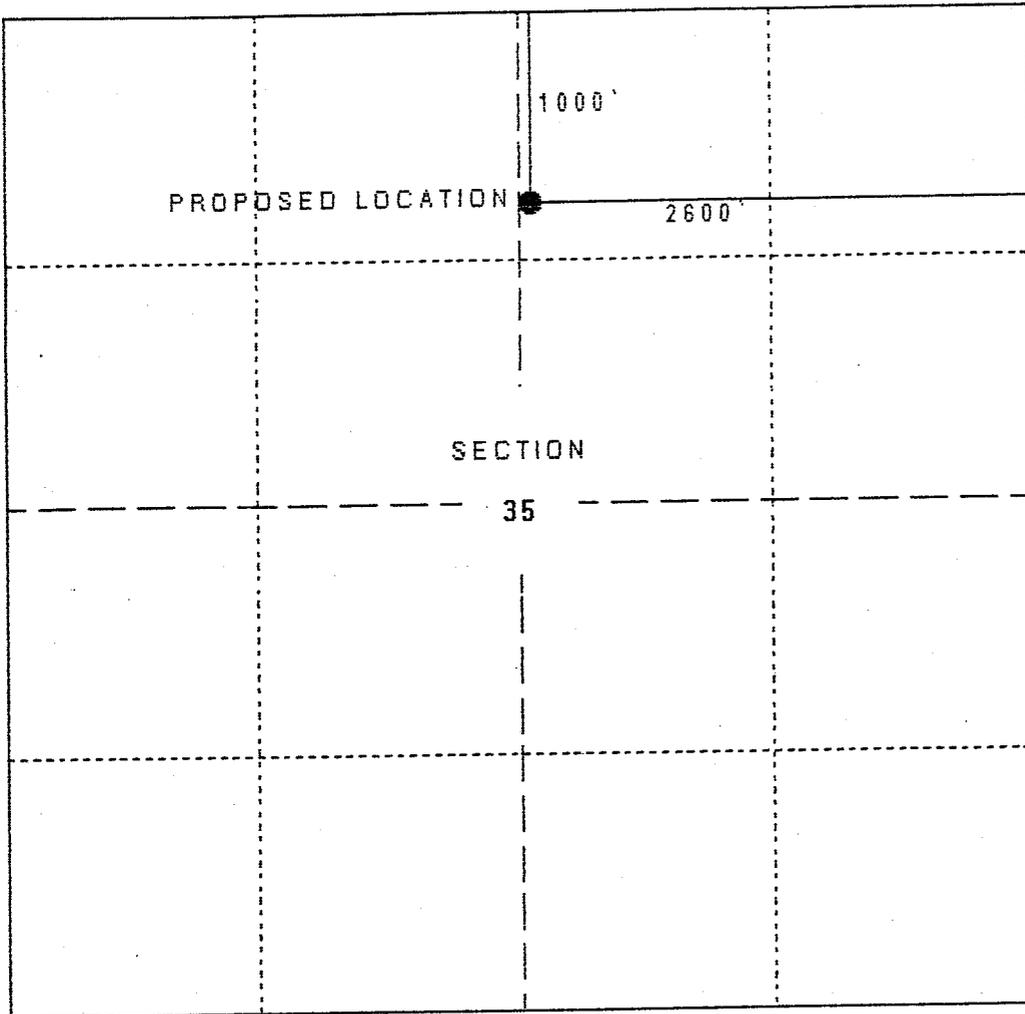
DATE 5-6-88

BY [Signature]

\*See Instructions On Reverse Side

WELL SPACING: [Signature]

# WELL LOCATION PLAT



Scale 1"=1000'

## WELL LOCATION: MARATHON LIGHTNING DRAW NO. 1

Located 1000 feet South from the North line and 2600 feet West from the East line of Section 35, Township 30 South, Range 23 East, Salt Lake Meridian.

Existing ground elevation determined at 6025 feet based on USC&G datum.

This is to certify that this plat represents a survey made by me or under my supervision and that it is correct to the best of my belief and knowledge.

MARATHON OIL COMPANY  
CODY, WYOMING

WELL LOCATION PLAT  
Lightning Draw No. 1  
Sec. 35., T30S, R23E, SLM  
San Juan County Utah

*Louis Jobe*

Louis Jobe  
Registered Land Surveyor



Clark - Reed & Assoc.  
Durango, Colorado

Mar. 11, 1988  
File No. 88002

Exhibit 'B'

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:  
Marathon Oil Co. proposes to drill a wildcat well, the Lightning Draw #1 on federal lease number U-59910 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, NE/4, Section 35, Township 30 South, Range 23 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: 4-21-88  
Petroleum Engineer

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

2. NAME OF OPERATOR  
Marathon Oil Company

3. ADDRESS OF OPERATOR  
P.O. Box 2690 Cody, Wyoming 82414

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements\*)  
At surface NW SE 1000' FNL & 2600' FEL NWNE  
At proposed prod. zone NW SE 1000' FNL & 2600' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
Approximately 15 miles North of Monticello, Utah

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)  
2600'

16. NO. OF ACRES IN LEASE  
2487.56

17. NO. OF ACRES ASSIGNED TO THIS WELL 160

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

19. PROPOSED DEPTH  
5100'

20. ROTARY OR CABLE TOOLS  
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
6025' Ungraded GL

22. APPROX. DATE WORK WILL START\*  
ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	36#	1000'	Sufficient to surface
7 7/8"	5 1/2"	15.5#	5100'	Suff. to Surface Csg. shoe

Marathon Oil Company proposes to drill the above referenced well to an estimated total depth of 5100'. A 12 1/4" hole will be drilled to 1000' and 1000' of 9 5/8", 36#, K-55, ST&C casing will be run and cemented to surface. A 7 7/8" hole will then be drilled to an estimated TD of 5100' and 5100' of 5 1/2", 15.5#, K-55, ST&C casing will be run and cemented to the surface casing shoe. The productive zone will then be perforated, treated as necessary and placed on production.

BLM-Orig.+3, SUDOGM-2, WRF FMK, WTR, TKS, Drilling-3, Exploration-2, Title & Contracts  
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 R P Mealy TITLE Regulatory Coordinator DATE April 15, 1988

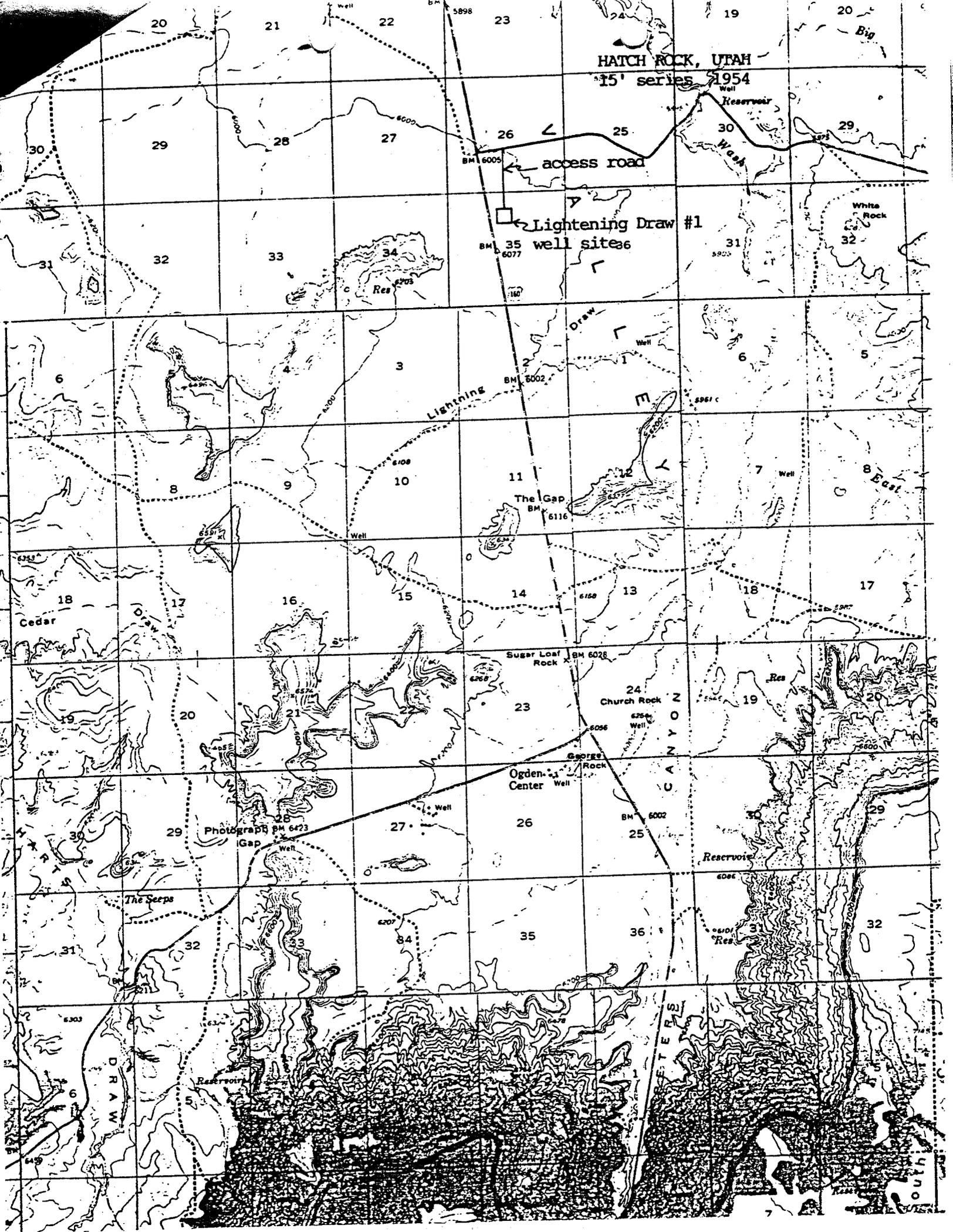
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

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

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side



HATCH ROCK, UTAH  
15' series, 1954

access road

Lightning Draw #1  
well sites

BM 6005

BM 35  
6077

BM 6002

The Gap  
BM 6116

Sugar Loaf  
Rock  
BM 6028

Church Rock  
Well  
6256

Ogden  
Center  
Well  
6036

BM 6002

Photograph  
Gap  
Well  
BM 6423

DRAW

RESERVOIR

South

BUREAU OF LAND MANAGEMENT  
MOAB DISTRICT

CONDITIONS OF APPROVAL FOR PERMIT TO DRILL

COMPANY: Marathon Oil Company WELL NO. Lightning Draw #1

LOCATION: Section 35, T. 30 S. R. 23 E. Lease No. U-59910

Onsite Inspection Date March 24, 1988

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

A. DRILLING PROGRAM

1. Surface Formation and Estimated Formation Tops: Refer to Item #2 of the attached "Drilling Operations Plan", "DOP".
2. Estimated depth at Which Oil, Gas, Water, or Other Mineral-Bearing Zones are Expected to be Encountered:

	<u>Formation</u>	<u>Depth</u>
Expected Oil Zones:	<u>Refer to Item #3 of attached "DOP".</u>	
Expected Gas Zones:	<u>Refer to Item #3 of attached "DOP".</u>	
Expected Water Zones:	<u>Refer to Item #3 of attached "DOP".</u>	
Expected Mineral Zones:	<u>Refer to Item #3 of attached "DOP".</u>	

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

3. Pressure Control Equipment: Refer to Item #7 of the attached "DOP".

BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

4. Casing Program and Auxiliary Equipment: Refer to Items #6A and #9A of the attached "DOP".

Anticipated cement tops will be reported as to depth, not the expected number of sacks.

5. Mud Program and Circulating Medium: Refer to Item #8 of the attached "DOP".

Blooiie line will be misted to reduce fugative dust when air drilling.

6. Coring, Logging and Testing Program: Refer to Item #4 of the attached "DOP".

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analysis, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Moab District Manager.

7. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards: Refer to Item #5 of the attached "DOP".

8. Anticipated Starting Dates and Notifications of Operations:

Required verbal notifications are summarized in Table I, attached. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within twenty-four (24) hours after spudding. If the spudding occurs on a weekend or holiday, the written report will be submitted on the following regular work day.

In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6, "Monthly Report of Operations", starting with the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with the BLM, Moab District Office, P. O. Box 970, Moab, Utah 84532.

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

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

A first production conference will be scheduled within fifteen (15) days after receipt of the first production report. The Resource Area Office will coordinate the field conference.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the District Manager within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Manager or his representative, or other appropriate surface managing agency.

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

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The marker will be constructed as follows: Above ground pipe.

The top of the marker will be closed or capped.

The following minimum information will be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch:

"Fed" or "Ind", as applicable. "Well Number, location by 1/4 1/4, section township and range". "Lease Number".

B. THIRTEEN-POINT SURFACE USE PLAN

1. Existing Roads:

- a. Location of proposed well in relation to town or other reference point: See vicinity map Exhibit 'A' and the well location in relation to Monticello, Utah.
- b. Proposed route to location: See vicinity map Exhibit 'A'.

- c. Plans for improvement and/or maintenance of existing roads: All existing roads are paved.
- d. Other: An encroachment permit will be obtained from the San Juan County Road Dept. (801) 587-2231, Ext. 43.

2. Planned Access Roads:

- a. The maximum total disturbed width will be 30 feet for 3/4 mile.
- b. Maximum grades: 0% to 3%.
- c. Turnouts: As needed.
- d. Location (centerline): Flagged during onsite.
- e. Drainage: 1-18" culvert will be installed where the access leaves County Road #106. Culverts will be placed as needed if the well is produced.
- f. Surface Materials: Native.
- g. Other: One cattleguard will be placed in the fence cut approximately 1000 feet North of the well location.

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

The access road will be rehabilitated or brought to Resource (Class III) Road Standards within sixty (60) days of dismantling of the drilling rig. If this time frame cannot be met, the Area Manager will be notified so that temporary drainage control can be installed along the access road.

3. Location of Existing Wells:

None.

4. Location of Tank Batteries and Production Facilities:

All permanent (onsite for six (6) months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective, earth tone color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Inter-agency Committee. All facilities will be painted within (6) six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded. Colors will be as follows: Colors will be addressed if the well is a producer.

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

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

All site security guidelines identified in 43 CFR 3162.7-4 regulations will be adhered to.

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

All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

Gas meter runs for each well will be located within five hundred (500) feet of the wellhead. The gas flowline will be buried from the well head to the meter and downstream for the remainder of the pad. Meter runs will be housed and/or fenced.

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

5. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from: A private source will be used for obtaining water.

A temporary water use permit for this operation will be obtained from the Utah State Engineer, in Price, Utah (801) 637-1303.

Water obtained on private land, or land administered by another agency, will require approval from the owner or agency for use of the land.

6. Source of Construction Materials:

Pad construction material will be obtained from: Native sources. If gravel is needed, it will be obtained by the dirt contractor.

The use of materials under BLM-jurisdiction will conform to 43 CFR 3610.1-3. Source of construction material will not be located on lease.

7. Methods of Handling Waste Disposal:

The reserve pit will not be lined.

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

All trash must be contained and disposed of by: A trash cage will be used.

If burning is required, a permit will be obtained from the State Fire Warden, 587-2237 (permit required May 1, - October 31).

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

8. Ancillary Facilities:

Camp facilities will not be required.

9. Well Site Layout:

The reserve pit will be located: Refer to Exhibit 'C' of rig layout.

The top 8 inches of soil will be removed from the location and stockpiled separately on two sides of the location. Refer to Exhibit 'C' of rig layout.

Top soil along the access road will be reserved in place adjacent to the road.

Access to the well pad will be from: North.

10. Plans for Restoration of Surface:

Immediately upon completion of drilling, the location and surrounding area will be cleared of all remaining debris, materials, trash and junk not required for production.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

All disturbed areas will be recontoured to the approximate natural contours.

The stockpiled top soil will be evenly distributed over the disturbed contours.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface. The surface will be ripped 6" deep and 18" apart.

Seed will be broadcast at a time specified by the BLM. Seeding will be performed between October 1, and February 28.

The following seed mixture will be used:

Broadcast

4 lbs./acre	Fourwing Saltbrush
1 lb./acre	Sand Dropseed
3 lbs./acre	Indian Rice Grass
2 lbs./acre	Sunflower

The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed.

11. Surface and Mineral Ownership:

Federal Surface and Minerals.

Administered by the BLM, Moab, Utah.

12. Other Information:

None.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the District Manager. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.3-2.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

The dirt contractor will be provided with an approved copy of the 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 BLM, 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.

This permit will be valid for a period of one (1) year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) 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.

13. Lessee's or Operator's Representative and Certification:

Representative

Name: Fred Schneider  
Address: P. O. Box 2690  
Cody, Wyoming 82414  
Phone No.: (307) 587-4961

Certification

I hereby certify that I, or persons under my direct supervision, 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 Marathon Oil Company 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. 1010 for the filing of a false statement.

Name: R P Meabon R. P. Meabon

Title: Regulatory Coordinator

Date: April 15, 1988

At the onsite, access from U.S. Highway #191 was determined to be unsafe. Therefore the access was laid out and staked to County Road #106. This road lies approximately 3/4 of a mile to the North of the proposed well location.

MARATHON OIL COMPANY  
 Lightning Draw  
 AFE #6-330-8  
 Drilling Operations Plan  
 2600' FEL, 1000' FNL  
 Sec. 35, T30S, R23E  
 San Juan County, Utah  
 Elevation: 6051' KB (est.)  
 6035'

April 14, 1988

1. Geologic name of surface:

Quarternary

2. Estimated tops of important geologic markers:

<u>Formation</u>	<u>Depth (K.B.)</u>	<u>Depth (From Sea Level)</u>
Wingate	600'	+5450'
Chinle	910'	+5140'
Shinarump	1350'	+4700'
Moenkopi	1450'	+4600'
Cutler	1760'	+4290'
Honaker Trail	3350'	+2700'
Paradox	4580'	+1470'
Upper Ismay	4725'	+1325'
Hovenweep	4880'	+1170'
Lower Ismay	4920'	+1130'
Gothic	5015'	+1035'
Upper Desert Creek	5075'	+ 975'
Upper Desert Crk Salt	5095'	+ 955'
TD	5100'	+ 950'

3. Estimated depths of anticipated water, oil, gas or other mineral bearing formations:

<u>Formation</u>	<u>Depth (K.B.)</u>	<u>Possible Content</u>
Honaker Trail	3350'	Gas
Upper Ismay	4725'	Oil
Lower Ismay	4920'	Oil-Water

4. Sample, logging, testing, and coring program:  
 DLL-GR-Ca1 from TD to surface casing with GR to surface.  
 FDC-CNL-GR-Ca1 from TD to surface casing.  
 BHC Sonic from TD to surface casing.  
 One DST is anticipated in the Upper Ismay.  
 No coring is anticipated.  
 Mud loggers will be present from surface casing to TD.  
 Samples will be caught, bagged, and dried in 30' intervals from 1000' to 3400' and then in 10' intervals to TD or as specified by the Company Representative.

5. Pressures and temperatures:  
 Maximum anticipated bottom hole pressure is 1880 psi.  
 Maximum anticipated bottom hole temperature is 106°F.

6a. The casing program including the size, grade, weight, whether new or used, and a setting depth of each string.

<u>Min. Hole Size</u>	<u>Casing O.D.</u>	<u>Grade</u>	<u>Weight</u>	<u>Setting Depth</u>	<u>New or Used</u>	<u>Cplg.</u>
20"	16"	X-42	42.0#	60'	New	PE
12 1/4"	9 5/8"	K-55	36.0#	1,000'	New	ST&C
7 7/8"	5 1/2"	K-55	15.5#	5,100'	New	ST&C

6b. Cementing program including type, amounts, and additives:

9 5/8" Surface Casing

The casing equipment will be cemented with 256 sacks blended light cement followed by 133 sacks of blended Class 'B' cement and additives. If cement column falls, a 1" top job will be performed.

Lead Slurry:  $750' \times .3132 \text{ ft}^3/\text{ft} + 100\% \text{ excess} = 470 \text{ ft}^3$

- Weight: 12.7 ppg
- Yield: 1.84 ft<sup>3</sup>/sack
- Mix Water: 9.9 gallons/sack
- Cement Required: 256 sacks
- TOC: Surface

Tail Slurry:  $250' \times .3132 \text{ ft}^3/\text{ft} + 100\% \text{ excess} = 157 \text{ ft}^3$

- Weight: 15.6 ppg
- Yield: 1.18 ft<sup>3</sup>/sack
- Mix Water: 5.2 gallons/sack
- Cement Required: 133 sacks
- TOC: 750'

6b. Cement program: (Continued)

Casing equipment will include a float shoe, a float collar and centralizers placed in the middle of the shoe joint and at the top of every third joint to surface. Maximum pumping rate is 2 BPM. Waiting on cement time will be eight hours; casing is not to be disturbed until cement has fully set.

5½" Production Casing

The production casing will be cemented with 541 sacks of light-weight cement followed by 138 sacks of class 'B' and additives.

The actual volume will be calculated from the caliper log + 25% excess to place the cement top at surface.

Lead Slurry:  $3350' \times .1733 \text{ ft}^3/\text{ft.} + 25\% \text{ excess} = 726 \text{ ft}^3$   
 $1000' \times .2691 \text{ ft}^3/\text{ft.} = 269$  Total =  $995 \text{ ft}^3$

Weight: 12.7 ppg  
Yield: 1.84 ft<sup>3</sup>/sack  
Mix Water: 9.9 gal/sack  
Cement Required: 541 sacks  
TOC: Surface

Tail Slurry:  $750' \times .1733 \text{ ft}^3/\text{ft.} + 25\% \text{ excess} = 163 \text{ ft}^3$

Weight: 15.6 ppg  
Yield: 1.18 ft<sup>3</sup>/sack  
Mix Water: 5.2 gal/sack  
Cement Required: 138 sacks  
TOC: 750'

Casing equipment will include a float shoe, a float collar and centralizers at one per joint from TD to 200' above the Ismay and spaced every third joint to surface casing. Cable type scratchers will be run every 15' from TD to 200' above the Ismay. The casing will be reciprocated if hole conditions permit. Maximum pumping rate while cementing is 3 BPM. After cementing, the casing will be landed in the head with the full weight of the casing string set in the slips.

Final cement volumes will be calculated from the Caliper log.

7. BOP specification and testing:

A 16" hydril and diverter system will be used while drilling the surface hole.

BOP equipment will include a pipe and annular preventer. All equipment while drilling below surface casing will have a minimum working pressure of 3,000 psi. The accumulator will be of sufficient size to open and close all components without using the pump. The minimum testing requirements will be as follows:

7. BOP specification and testing: (Continued)

- a) All ram-type preventers will be tested to the rated working pressure of the stack or to 70% of the internal yield of the casing, whichever is less.
- b) The annular-type preventer will be tested to 50% of its rated working pressure.
- c) Tests will be run at the time of installation and following repairs, prior to drilling out of each casing shoe, and at least every 30 days.

8. Mud Program:

<u>From</u>	<u>To</u>	<u>Type Mud</u>	<u>Weight</u>	<u>Vis</u>	<u>Oil %</u>	<u>Water Loss</u>
0'	1,000'	Water/Gel	8.5	36-40	0	No Control
1,000'	4,600'	LSND	8.5-9.0	38-41	0	15-20
4,600'	TD	LSND	8.5-9.0	41-45	0	12-15
Logging		LSND	8.5-9.0	50-55	0	12-15
Cementing		LSND	8.5-9.0	32-36	0	12-15

Water may be used from 1000'-4600' if available.

Treatment of the anhydrite section above the Ismay may be necessary to maintain good mud qualities.

9. Type of drilling tools and ancillary considerations:

- A. A kelly cock of 3000 psi WP will be used.
- B. A pit volume indicator, mud flow indicator, and pump pressure recorder will be used.
- C. A 3000 psi working pressure full opening safety valve will be available to stab into the drill pipe when necessary if the kelly is not in the string.
- D. Casing strings - "All casing strings shall be pressure tested (0.2 psi/ft. or 1000 psi, whichever is greater) prior to drilling the plug after cementing; test pressure will not exceed 70% of the casing's internal yield pressure.
- E. A drilling rate recorder calibrated to record drilling time for each one foot interval will be used.
- F. A casing shoe integrity test will be performed on the 9 5/8" casing shoe.

9b. Deviation Control:

Surface Location: 2600' FEL, 1000' FNL, Sec. 35, T30S, R23E.  
Bottom Hole Location: 2600' FEL, 1000' FNL, Sec. 35, T30S, R23E

<u>From</u>	<u>To</u>	<u>Maximum Distance Between Surveys</u>	<u>Maximum Deviation From Vertical</u>	<u>Maximum Change Per 100' of Depth</u>
0'	1000'	240'	2°	1°
1000'	TD	240'	5°	1°

10. The anticipated duration: 20 Days.

REGION APPROVAL

Approved

Date

Originator: \_\_\_\_\_

THC: Jan Cooper April 15, 1988

FFS: F.F. Schreiber 4/15/88

DRT: \_\_\_\_\_

WRT: \_\_\_\_\_

DES: \_\_\_\_\_

JLM: \_\_\_\_\_

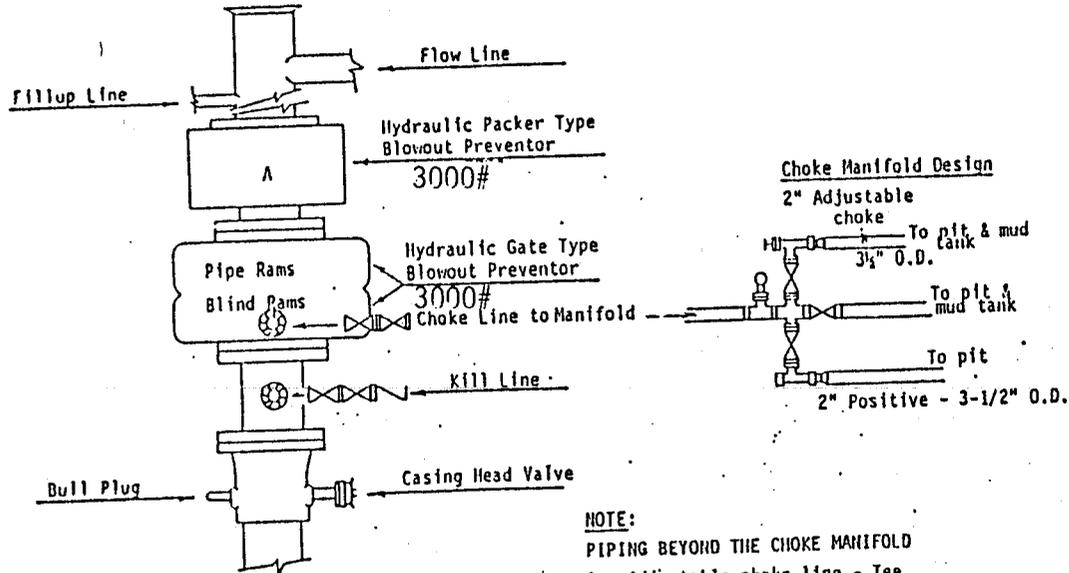
RJD: \_\_\_\_\_

JRK: \_\_\_\_\_



## BLOWOUT PREVENTION POLICY

1. Light Plant will be located a minimum of 125' from the well.
2. Rig will be equipped with a vapor proof lighting system. A switch panel will be located on rig floor to provide sufficient circuits for maintaining light on rig floor and under the substructure during blowout. All other lights will be out in the event of a blowout.
3. Engine exhausts will be horizontal and equipped with a remote operated spray system.
4. Pump and drawworks engines will have a remote ignition 'kill' system readily accessible to the driller.
5. All vehicles will be parked at least 125 feet from the well unless supplying rig material.
6. The Contract Pusher will instruct each man of his duties in case of an emergency and inform Marathon of these duties.
7. The Contract Pusher on each rig will have blowout preventer and fire drills with each crew once each week and note same in Marathon Log Book.
8. The Contract Pusher will instruct derrickman in the use of the Geronimo.
9. Gate type blowout preventers and choke manifold valves will be operated on each trip out for a new bit and so noted in the log book. All valves will be equipped with handles.
10. Blowout preventers will stay in place and be operable until casing is cemented and packing and slips are in place.
11. The choke line will be cleaned from the BOP's to the pit immediately under surface and once a week thereafter.
12. Manual handles must be on blowout preventers.
13. The pipe from the blowout preventer to the choke manifold will be kept free of all sharp bends.
14. The choke manifold will be out from under the rig floor and braced.
15. Choke lines will run straight from rig and be tied down.
16. The choke lines will be run to the reserve pit and/or mud tank as indicated on the attached Exhibit.



**NOTE:**  
**PIPING BEYOND THE CHOKe MANIFOLD**  
 1. Adjustable choke line - Tee and two valves for flow to either the mud tank or pit.  
 2. Full opening line - Tee and two valves for flow to either the mud tank or pit.

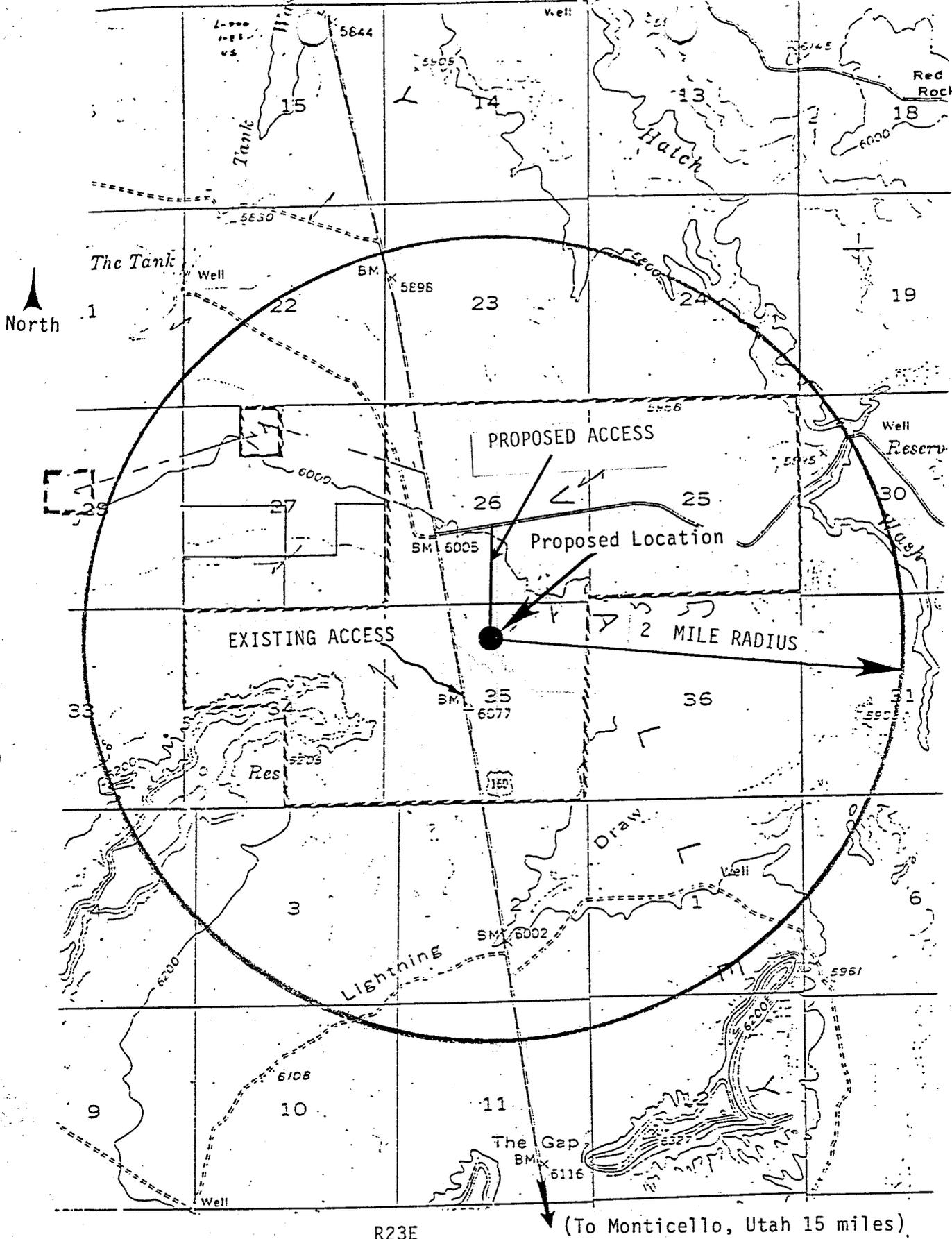
1. Blowout preventors, master valve, plug valves, and all fittings must be in good condition. Use new API seal rings.
2. All fittings (gates, valves, etc.) to be of equivalent pressure rating as preventors. Valves to be flanged and at least 2" unless otherwise specified. Valves next to BOP to be plug type and nominal 3".
3. Equipment through which bit must pass shall be as large as the inside diameter of the casing that is drilled through.
4. Safety valve (OMSCO or equivalent) must be available on rig floor at all times and with proper connections. The ID of safety valves should be as great as ID of tool joints or drill pipe.
5. Kelly safety valve installed, same working pressure as BOP.
6. All lines and controls to preventors must be connected and tested before drilling out of surface pipe.
7. BOP's must be fluid operated, complete with accumulator. Controls may be either on floor or ground near steps from rig floor.
8. Fillup line tied to drilling nipple, the connection must be below and approximately 90° to the flow line.
9. Gauge will be installed for testing but removed while drilling.
10. Casinghead and casinghead fittings to be furnished by Marathon Oil Company.
11. Chokes must be adjustable and positive.
12. One side of casinghead may be bull plugged.

**WHEN DRILLING -- USE:**

Top preventor -- Drill pipe rams.  
 Bottom preventor -- Blinds rams.

**WHEN RUNNING CASING -- USE:**

Top preventor -- Casing rams.  
 Bottom preventor -- Blind rams.



R23E (To Monticello, Utah 15 miles)



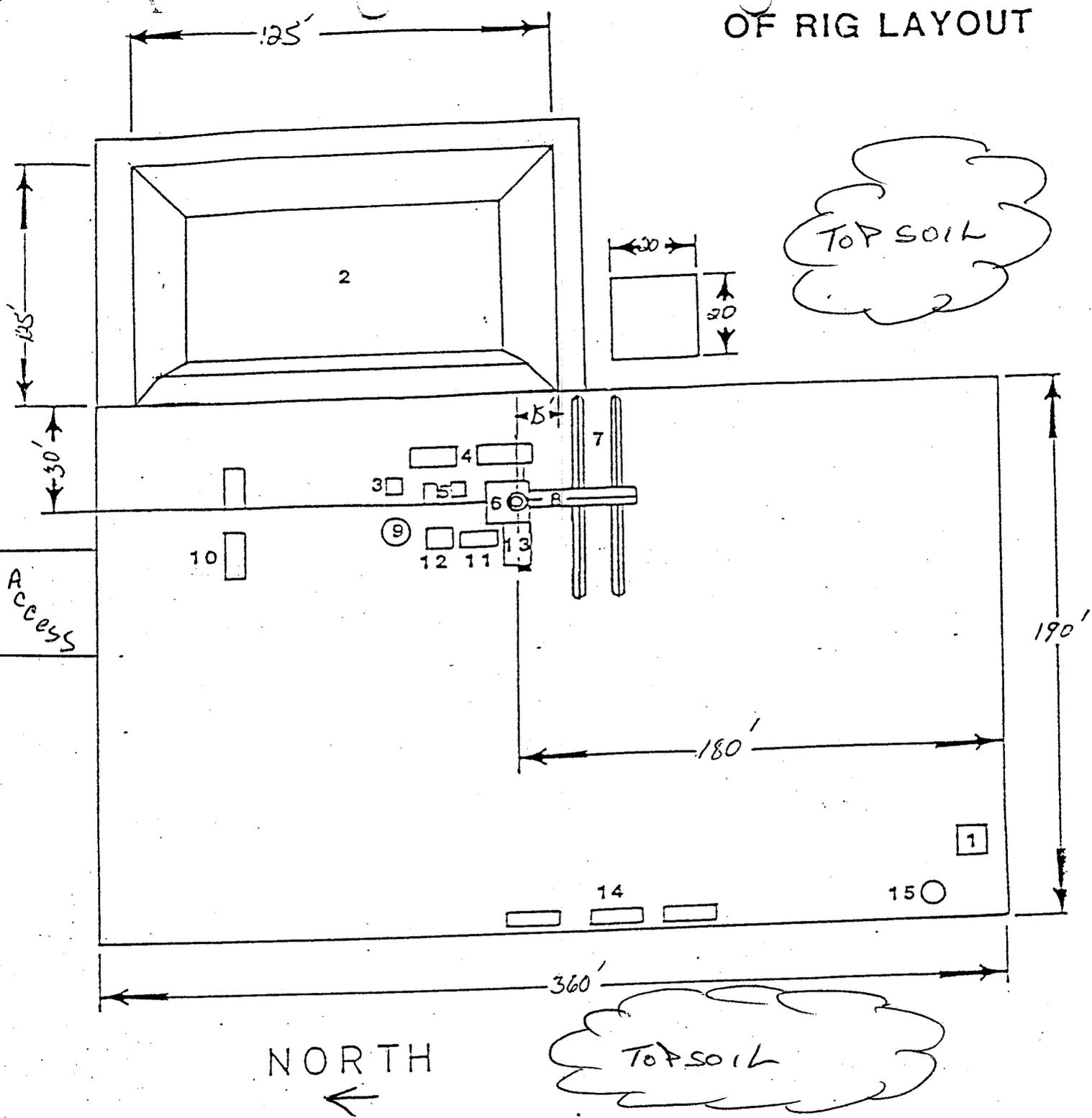
Marathon Oil Company  
 P.O. Box 2690  
 Cody, Wyoming 82414  
 Telephone 307/587-4961

Lightning Draw #1  
 1000' FNL & 2600' FEL  
 Sec. 35, T30S, R23E  
 San Juan County, Utah

Lease #U-59910

Exhibit 'A'

# PROPOSED SCHEMATIC OF RIG LAYOUT



- 1 TRASH CAGE
- 2 RESERVE PIT
- 3 MUD HOUSE
- 4 CIRCULATING MUD TANKS
- 5 PUMP
- 6 DRILLING RIG
- 7 PIPE RACKS
- 8 CATWALK

- 9 WIRE ROPE REEL
- 10 FUEL TANK
- 11 WATER TANK
- 12 GENERATOR
- 13 DOG HOUSE
- 14 TRAILER HOUSE
- 15 CHEMICAL TOILET

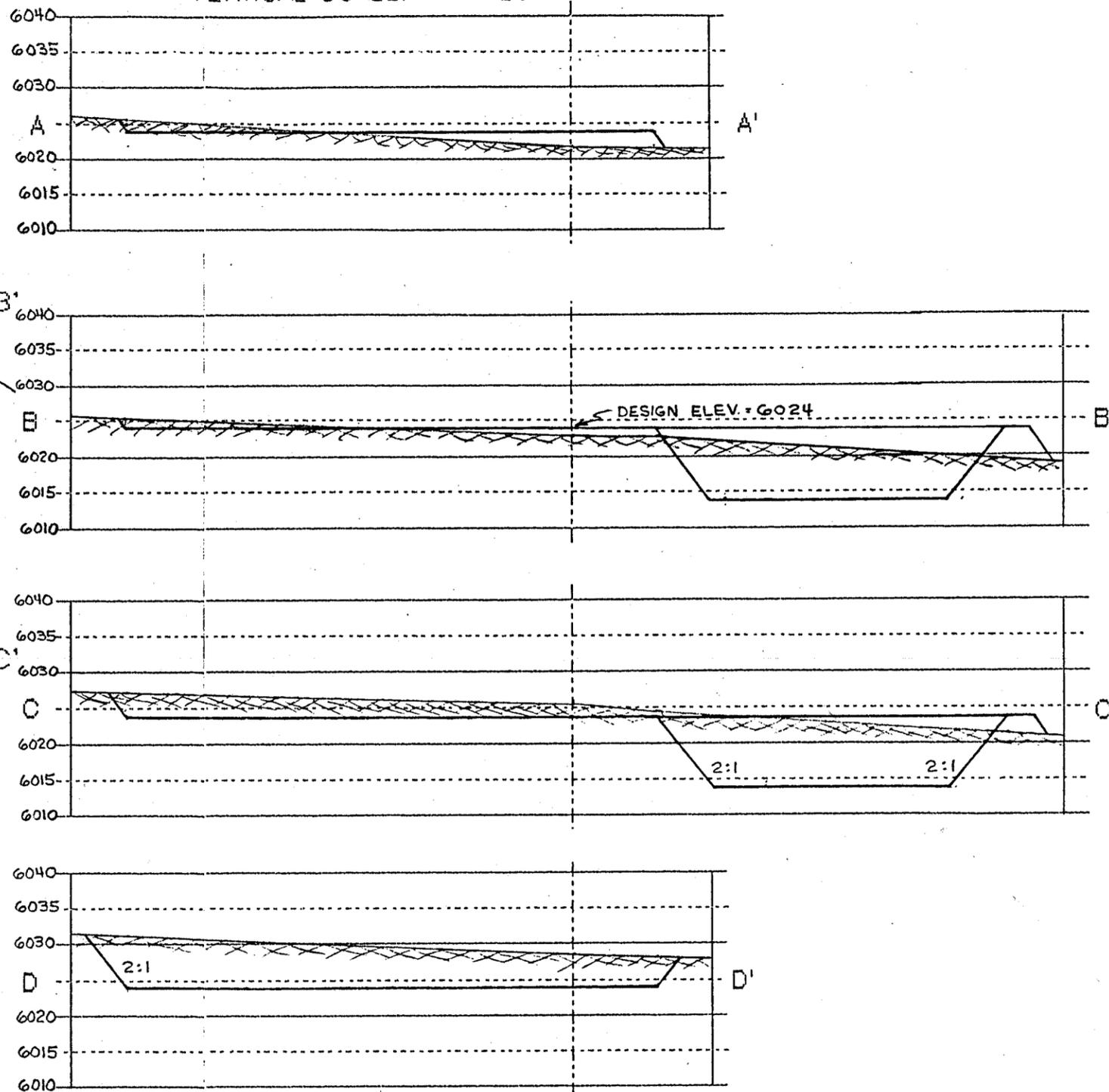
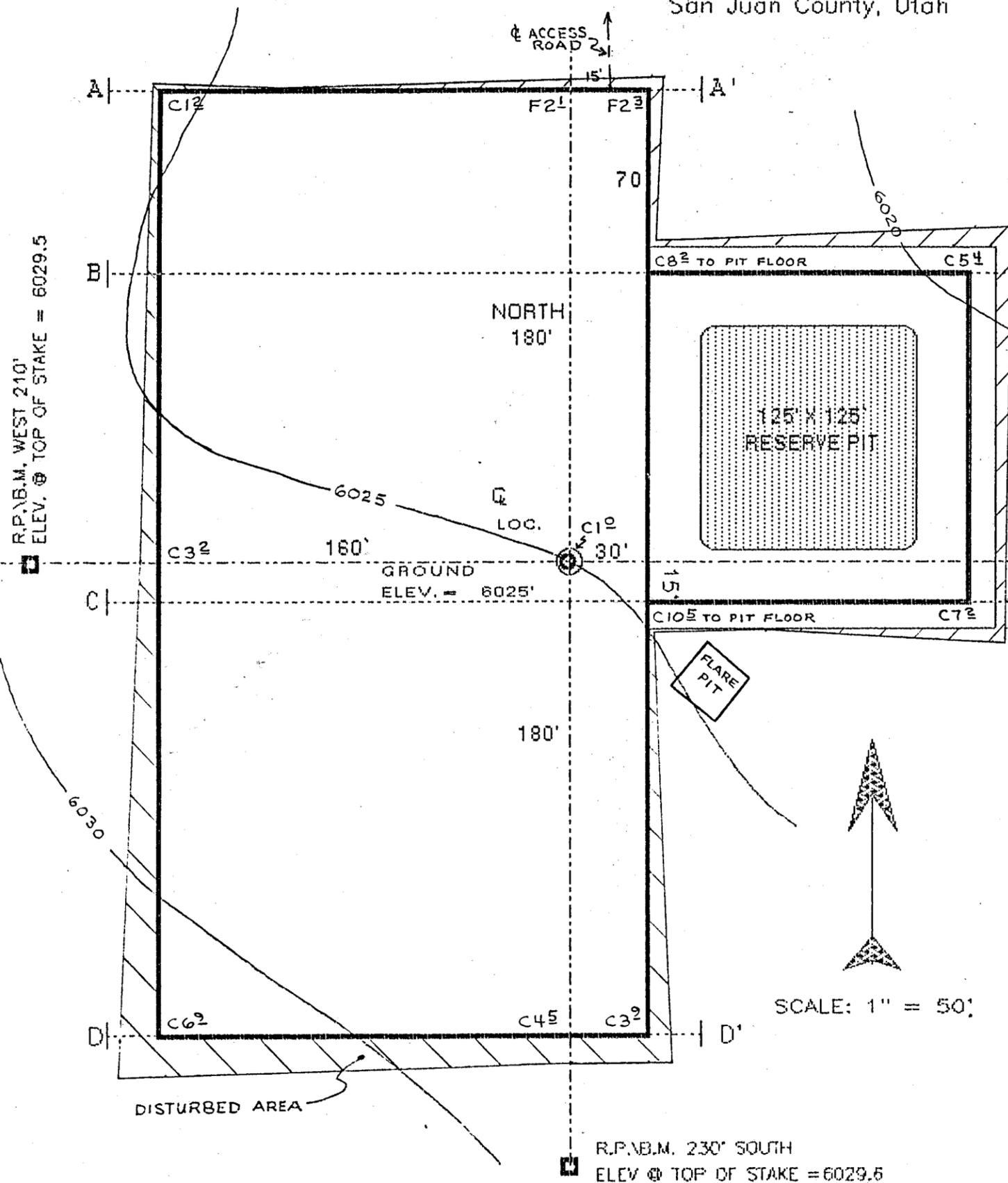


Marathon Oil Company  
 P.O. Box 2690  
 Cody, Wyoming 82414  
 Telephone 307/587-4961

Exhibit 'C'

MARATHON OIL COMPANY - LIGHTNING DRAW No.1  
 1000' FNL, 2600' FEL  
 Sec. 35, T30S, R23E, SLM  
 San Juan County, Utah

CROSS SECTIONS:  
 HORIZONTAL SCALE: 1" = 50'  
 VERTICAL SCALE: 1" = 20'



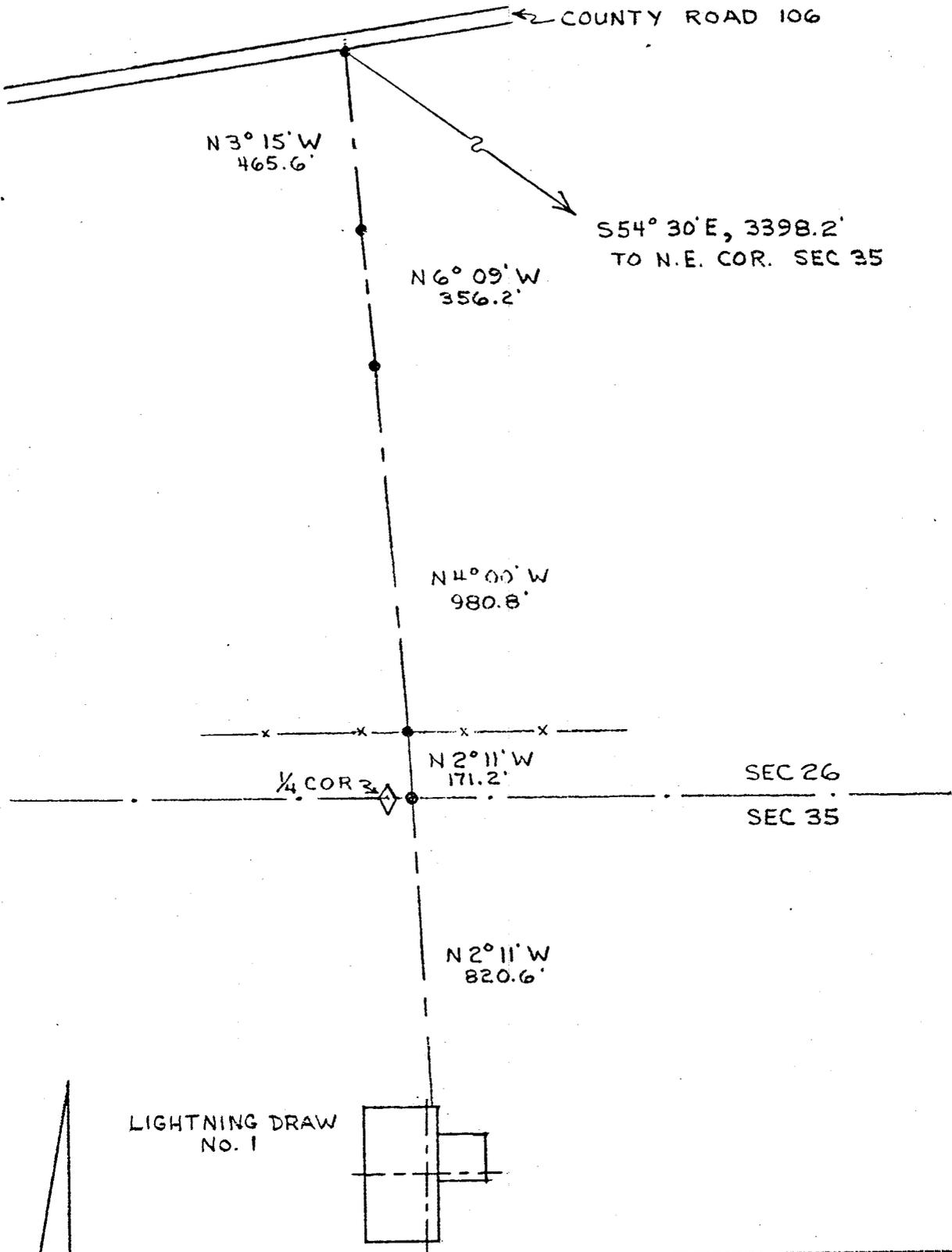
**VOLUMES**

TOTAL CUT = 10,500 cu yds  
 TOTAL FILL = 993 cu yds  
 TOP SOIL = 1,556 cu yds  
 WASTE = 7,951 cu yds  
 RESERVE PIT CAPACITY = 19,636 BARRELS

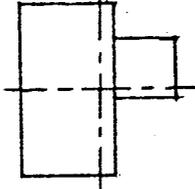
MARATHON OIL CO.  
 CODY, WYOMING

WELL SITE PLAN  
 Lightning Draw No. 1  
 Sec. 35, T30S, R23E, SLM  
 San Juan County, Utah

CLARK-REED & ASSOC. MAR 24, 1989  
 Durango, Colorado File No. 88002



LIGHTNING DRAW  
No. 1



SCALE: 1" = 400'

MARATHON OIL CO. CODY, WYOMING
ACCESS ROAD Lightning Draw No. 1 Sec. 35, T30S, R23E, SLM San Juan County, Utah
CLARK-REED & ASSOC. MAR 24, 19E Durango, Colorado File No. 88002

AN ARCHEOLOGICAL SURVEY OF  
MARATHON OIL CO'S  
LIGHTENING DRAW #1  
WELL SITE AND ACCESS ROAD,  
SAN JUAN COUNTY, UTAH

LAC Report 8826

by  
Barry N. Hibbets

LA PLATA ARCHEOLOGICAL CONSULTANTS, INC.  
P.O. BOX 783  
DOLORES, COLORADO 81323  
(303) 882-4933

March 28, 1988

Federal Antiquities Permit  
85UT57626

Utah State Permit  
U88-LA-058 (b)

Prepared For:  
Marathon Oil Company  
P.O. Box 2690  
Cody, Wyoming 82414

## ABSTRACT

During March, 1988 an archeological survey of Marathon Oil's proposed Lightening Draw #1 well site and ca. 3000' of access road was conducted by personnel of La Plata Archeological Consultants, Inc. The proposed development is located in Dry Valley in east-central San Juan County, Utah. The Bureau of Land Management - San Juan Resource Area administers all land involved. A 660 x 660' square area (10 acres) surrounding the well center stake, and a 100' wide corridor along the 3000' of access (6.9 acres) were archeologically surveyed. No cultural resources were encountered during the examination. Archeological clearance for the project is recommended.

## INTRODUCTION

During March 1988 an archeological survey of Marathon Oil Company's proposed Lightening Draw No. 1 well site and ca. 3000' of access road was conducted by personnel of La Plata Archeological Consultants, Inc. The project area is located in Dry Valley in east-central San Juan County, Utah. All land involved is administered by the Bureau of Land Management - San Juan Resource Area. The well site is located in the NW 1/4 of the NE 1/4 of section 35, Township 30 South, Range 23 East. The proposed access route traverses the N 1/2 of section 35 and the S 1/2 of section 26. All of the area is contained on the Hatch Rock, Utah (1954) 15' series topographic quadrangle.

The proposed development will consist of the construction of a single well pad ca. 275 x 325' in area, and building ca. 3000' of new access road.

The survey was conducted by Mr. Barry N. Hibbets of La Plata Archeological Consultants, Inc. on March 24, 1988 during the on-site pre-drill inspection. Others in attendance included Mr. Frank Krugh (Marathon), Rich McClure (BLM), and Howard Hughes (Howard Hughes Construction).

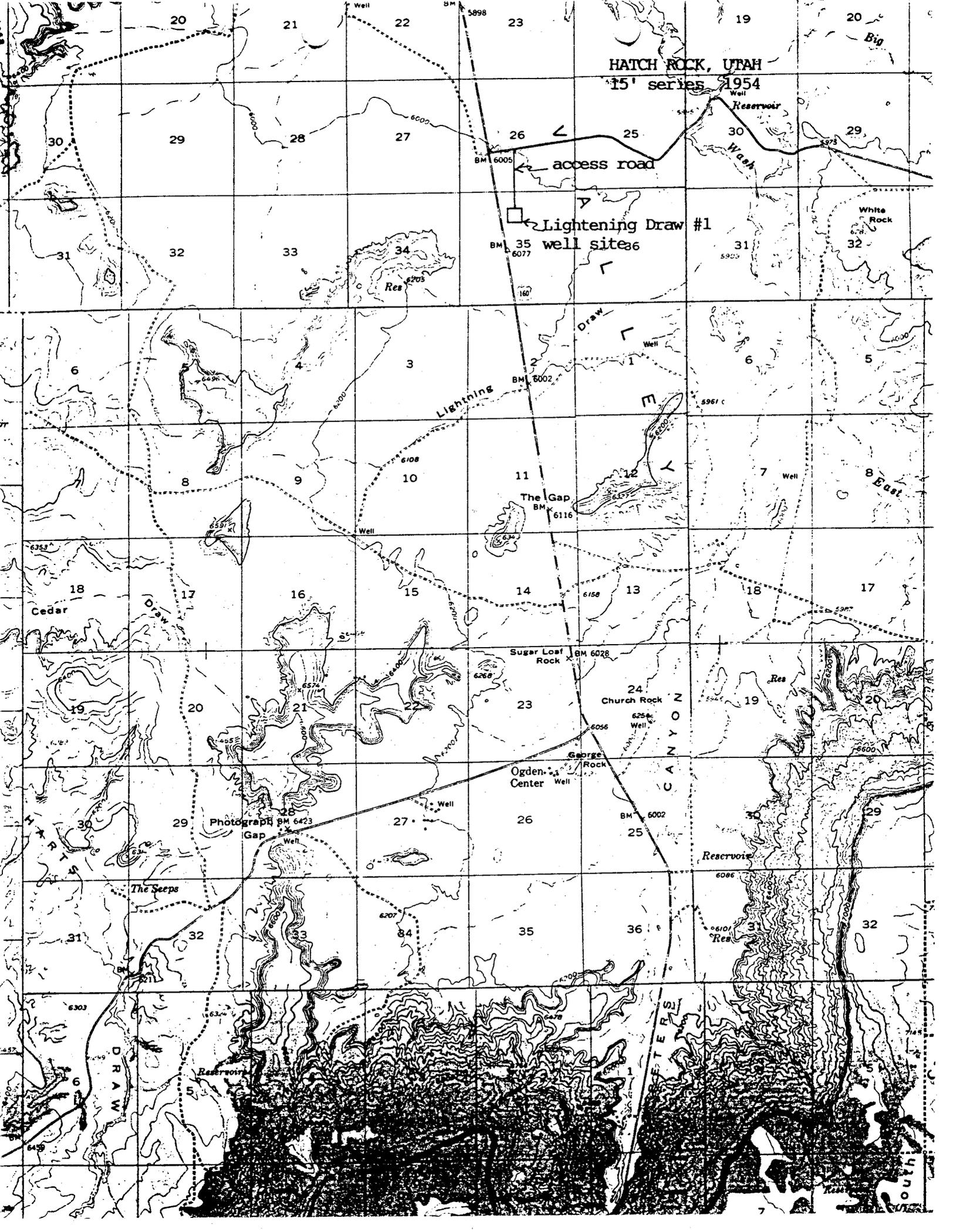
## PHYSIOGRAPHY AND ENVIRONMENT

The project area is located in Dry Valley, a broad alluvial plain drained by Hatch Wash and Lightening Draw. Terrain is flat to gently undulating with north to northeastern aspects favored. Slopes are all under 3 degrees. Elevations range from 5960 to 6020' MSL.

The vegetative structure of the area is a mixed grassland - saltshrub community: four-wing saltbush, shadscale, winterfat, and cheat grass are predominant over all of the area. This association is supported in deep alluvial sandy sediments.

Present perennial water is scarce and consists primary of historically developed tanks and wells. Most major washes and arroyos carry seasonal water.

HATCH ROCK, UTAH  
15' series 1954



Avian, reptilian, and mammalian associations are consistent with those of the Upper Sonoran Life Zone throughout the Colorado Plateau.

#### SURVEY PROCEDURE

Prior to the initiation of the field work site file and literature reviews were conducted at the Bureau of Land Management - San Juan Resource Area office in Monticello, and via the Utah Division of State History - Antiquities Section. These reviews concluded that no previously recorded sites were present in the project area. Several linear (seismic) surveys have traversed the area but with negative results.

On-the-ground survey was conducted by the single archeologist walking over the well pad area via a series of north-south transects spaced at 15 meter intervals. The 3000' of access was surveyed via two sinuous transects, effectively surveying a corridor 100' wide.

#### SURVEY RESULTS

No cultural resources were encountered during the examination.

#### SUMMARY AND RECOMMENDATIONS

On March 24, 1988 an archeological survey of Marathon Oil Company's proposed Lightning Draw No. 1 well site and ca. 3000' of new access road was conducted by Mr. Barry N. Hibbets of La Plata Archeological Consultants, Inc. The project area is located in Dry Valley in east-central San Juan County, Utah. The Bureau of Land Management - San Juan Resource Area administers all land involved. A 660 x 660' square area (10 acres) surrounding the well center stake and a 100' wide corridor along the access route (6.9 acres) were archeologically examined.

No cultural resources were encountered during the examination. Should subsurface cultural deposits be encountered during construction work should be halted and the Bureau of Land Management - area archeologist notified. Given this stipulation archeological clearance for Marathon's proposed Lightning Draw No. 1 well site and access road is recommended.

# CONFIDENTIAL

OPERATOR Marathon Oil Company DATE 4-21-88

WELL NAME Lightning Draw 1

SEC NWNE 35 T 30S R 23E COUNTY San Juan

43-037-31417  
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  
exception requested

CONFIDENTIAL  
PERIOD  
EXPIRES  
ON 4-8-90

APPROVAL LETTER:

SPACING:  R615-2-3

Lightning Draw  
UNIT

R615-3-2

CAUSE NO. & DATE

R615-3-3

STIPULATIONS:

1- water permit  
(Unit eff. 12/16/87) was permitted exc. loc; should have been  
permitted as a Unit well. (OPR 3-22-89)



May 6, 1988

Marathon Oil Company  
P. O. Box 2690  
Cody, Wyoming 82414

Gentlemen:

Re: Lightning Draw 1 - NW NE Sec. 35, T. 30S, R. 23E  
1000' FNL, 2600' FEL - 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, subject to the following stipulations:

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

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

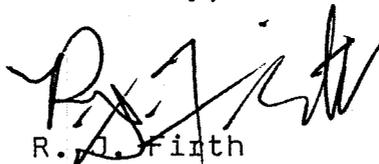
1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During 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.

Page 2  
Marathon Oil Company  
Lightning Draw 1  
May 6, 1988

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. 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 43-037-31417.

Sincerely,



R. L. Finth  
Associate Director, Oil & Gas

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



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF WATER RIGHTS

Norman T. 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

May 20, 1988

Marathon Oil Company  
P.O. Box 2690  
Cody, WY 82414

Dear Applicant:

RE: TEMPORARY APPLICATION  
NUMBER 09-1573 (T63231)

Enclosed is a copy of approved Temporary Application Number 09-1573 (T63231). This is your authority to construct your works and to divert the water for the uses described.

While this approved application does give you our permission to divert and use water, it does not grant easements through public or private lands in order to gain access to the source nor to convey the water to the place of use, nor does this approval eliminate the need for such other permits as may be required by this Division or any other agency in implementing your diversion.

This application will expire May 20, 1989, and it is expected that no diversion or use of the water will be done after that date unless another proposal has been made and approved.

Your contact with this office, should you need it, is with the Area Engineer, Mark Page. The telephone number is (801)637-1303.

Sincerely,

  
Robert L. Morgan, P.E.  
State Engineer

RLM:rc

Encl.: Copy of Approved Temporary Application



EXPLANATORY

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

Paragraph #8: Primary Source - water collected in privately owned pond

Approximate Footages: 432' FNL & 2380' FWL of Section 1

The pond is located on the North end of the Monticello Airport (See Attached Map).  
The pond is approximately five miles North of Monticello, Utah.

Paragraph #12: The land on which the pond is located is owned by Mr. Grayson W. Redd  
Box 157  
Monticello, Utah 84535

Mr. Redd has been notified of this proposal.

Location Map is attached.

(Use page 4 if additional explanatory is needed.)

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

*R P Melton*

Regulatory Coordinator

Signature of Applicant\*

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

DECLARATION OF CITIZENSHIP

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

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

My commission expires:

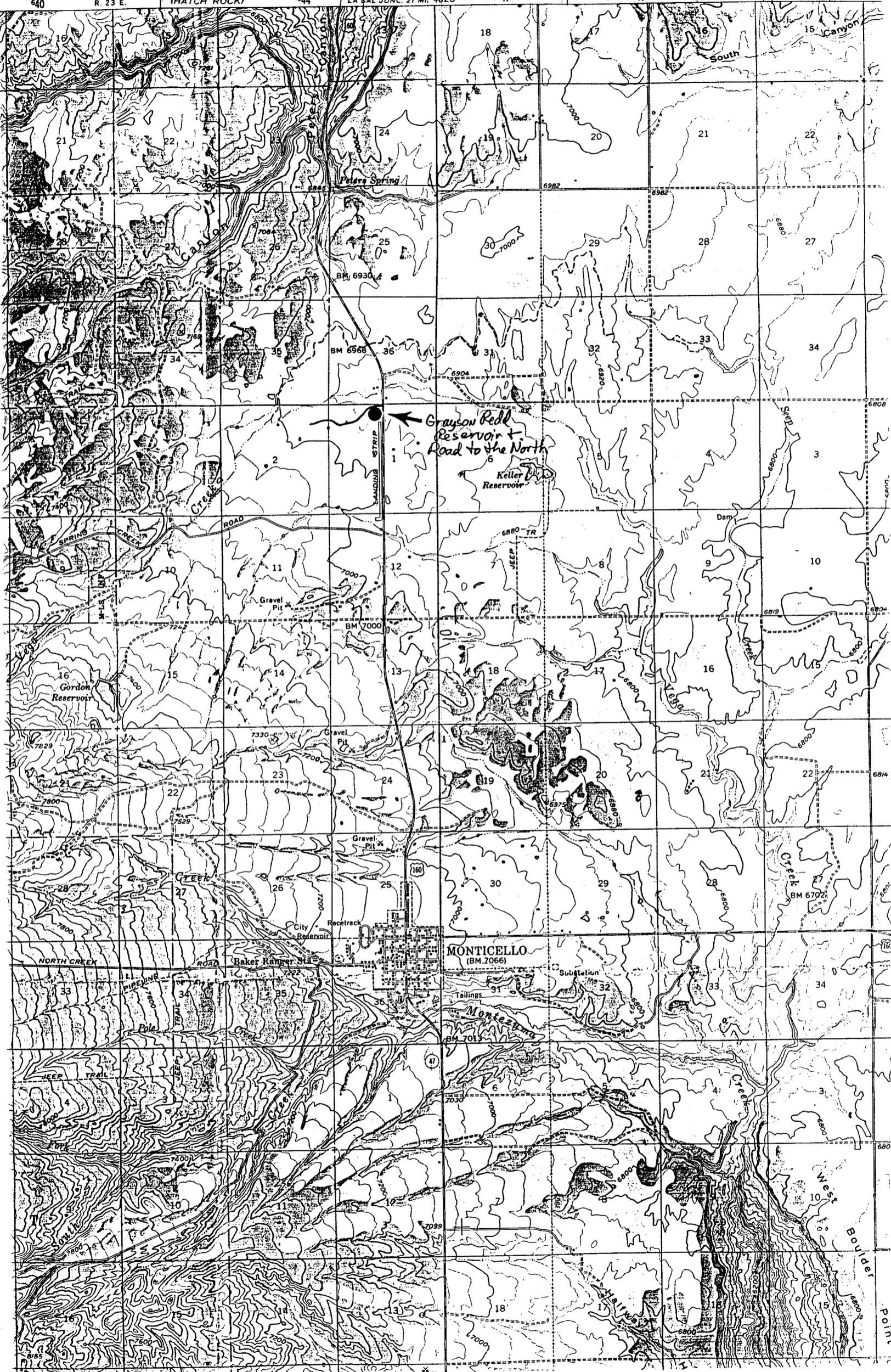
(SEAL)

Notary Public

RECEIVED

MONTICELLO QUADRA  
UTAH-SAN JUAN C  
15 MINUTE SERIES (TOPOG

640 R. 23 E. 4160 III (HATCH ROCK) 644 MOAB 48 MI. LA SAL JUNC. 21 MI. 64620' 647 649 650 R. 24 E. 2 640 000 FEET



STATE ENGINEER'S ENDORSEMENT

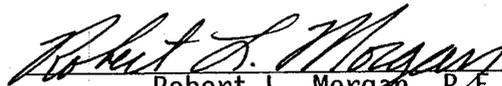
WATER RIGHT NUMBER: 09 - 1573

APPLICATION NO. T63231

1. May 12, 1988            Application received.
  2. May 18, 1988            Application designated for APPROVAL by MP and KLJ.
  3. Comments:
- 
- 

Conditions:

This application is hereby APPROVED, dated May 20, 1988, subject to prior rights and this application will expire on May 20, 1989.

  
\_\_\_\_\_  
Robert L. Morgan, P.E.  
State Engineer

# SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS

JIMMIE WALKER  
Chairman

WILLIAM D. HOWELL  
Executive Director

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

## CONFIDENTIAL

### AREAWIDE CLEARINGHOUSE A-95 REVIEW

NOI \_\_\_ Preapp \_\_\_ App \_\_\_ State Plan \_\_\_ State Action X Subdivision \_\_\_ (ASP # 5-427-2)

Other (indicate) \_\_\_\_\_ SAI Number UT880427-030

Applicant (Address, Phone Number):

Federal Funds:  
Requested: \_\_\_\_\_

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

Title:

APPLICATION FOR PERMIT TO DRILL

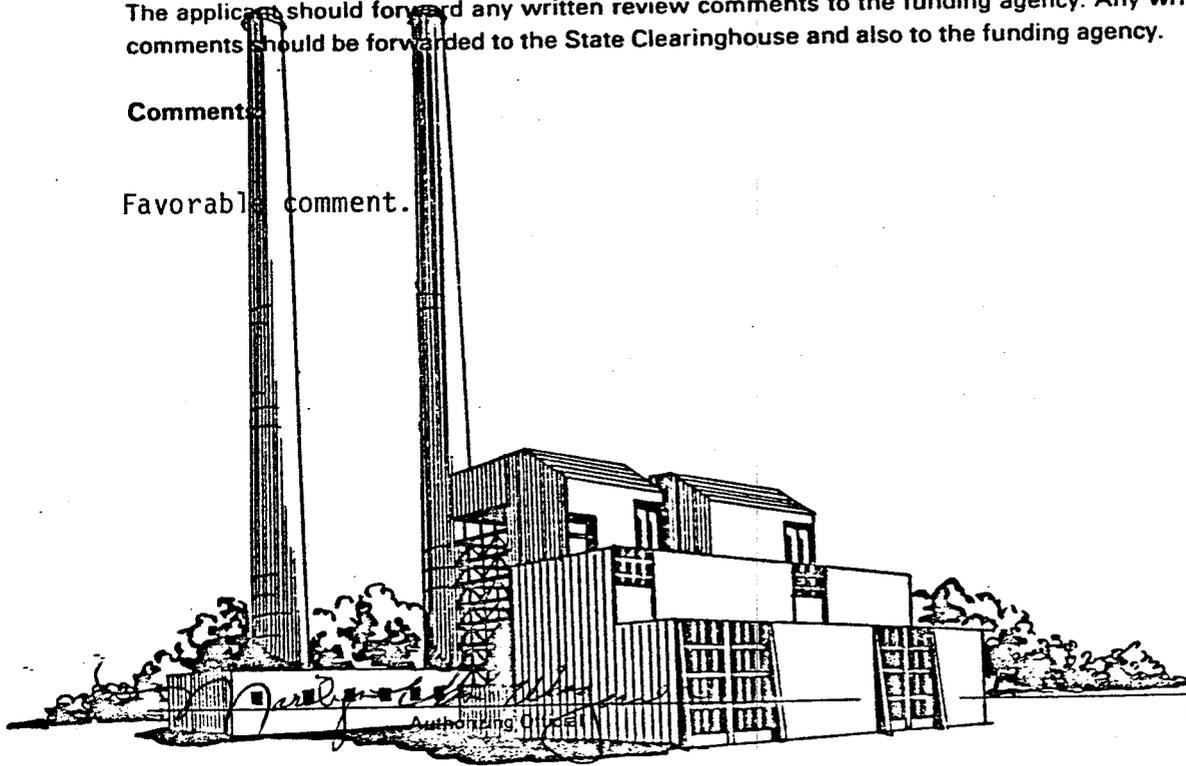
*Marathon Oil Co. 43-037-31417  
Lightning Draw #1  
35-305-23E  
Sun Juan Co.*

- 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 comment.



Date 5-25-88



P.O. Box 2690  
Cody, Wyoming 82414  
Telephone 307/587-4961

**CONFIDENTIAL**

May 25, 1988

**RECEIVED**  
MAY 27 1988

**DIVISION OF  
OIL, GAS & MINING**

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

Gentlemen:

*43-03731417-DM.*

As stipulated on the approved Drilling Application for our proposed Exploratory Well Lightning Draw #1, verification of a water permit needed to be sent to your office.

Please find a copy of the approval letter containing the permit number attached. If additional information is needed feel free to contact this office.

Sincerely,

MARATHON OIL COMPANY

*R. P. Meabon by FMK*

R. P. Meabon  
Regulatory Coordinator  
Rocky Mountain Region

RPM/FMK/rrm

Attachment

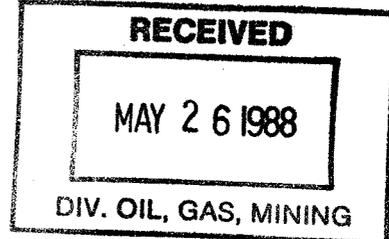
Rocky Mountain Region  
Production United States  
**CONFIDENTIAL**



**Marathon  
Oil Company**

P.O. Box 2690  
Cody, Wyoming 82414  
Telephone 307/587-4961

May 23, 1988



Mr. Greg Adams  
County Sanitarian  
San Juan County  
Post Office Box 127  
Monticello, Utah 84535

Dear Mr. Adams:

Marathon Oil Company plans to drill a well in the NW $\frac{1}{4}$ NE $\frac{1}{4}$  of Sec. 35, T30S, R23E of San Juan County. There will be four or five people living on location for up to 20 days while the well is being drilled. Additionally, service contractors will periodically be on location during the day.

Marathon proposes to maintain sanitary facilities for these personnel by:

1. Providing chemical toilets from a local supplier for sewage.
2. Running the sink and shower water into an outside pit from disposal.

Marathon anticipates that drilling operations will commence about May 30, 1988. Unless you notify us otherwise, Marathon will utilize chemical toilets for sewage and dispose of gray water into an onsite pit.

Please contact me should you have any questions.

Sincerely,

A handwritten signature in cursive that reads 'Jeff Casey'.  
Jeff Casey  
Environmental  
Engineer

RJC:dg

cc: Utah Division of Oil, Gas, and Mining

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   
**CONFIDENTIAL**

b. TYPE OF WELL

OIL WELL  GAS WELL  OTHER

2. NAME OF OPERATOR

Marathon Oil Company

3. ADDRESS OF OPERATOR

P.O. Box 2690 Cody, Wyoming 82414

4. LOCATION OF WELL (Report location clearly and in accordance with applicable State laws)

At surface  
NW <sup>NE</sup> SE 1000' FNL & 2600' FEL

At proposed prod. zone  
NW <sup>NE</sup> SE 1000' FNL & 2600' FEL

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

<sup>NE</sup> Approximately 15 miles North of Monticello, Utah

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

2600'

13. 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.)

6025' Ungraded GL

23. PROPOSED CASING AND CEMENTING PROGRAM

5. LEASE DESIGNATION AND SERIAL NO.

U- 59910

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Lightning Draw

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Wildcat

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

Sec. 35, T30S, R23E

12. COUNTY OR PARISH 13. STATE

San Juan

Utah

RECEIVED  
MAY 26 1988  
D/OIL, GAS, MINING

43-037-31417 *del.*

BLM-Orig.+3, SUDOGM-2, WRF FMK, WTR, TKS, Drilling-3, Exploration-2, Title & Contracts  
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 R P Mealy TITLE Regulatory Coordinator DATE April 15, 1988

(This space for Federal or State office use)

PERMIT NO. 43-037-31417 APPROVAL DATE \_\_\_\_\_

APPROVED BY Patricia A. Garlett TITLE ACTING DATE MAY 24 1988

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED

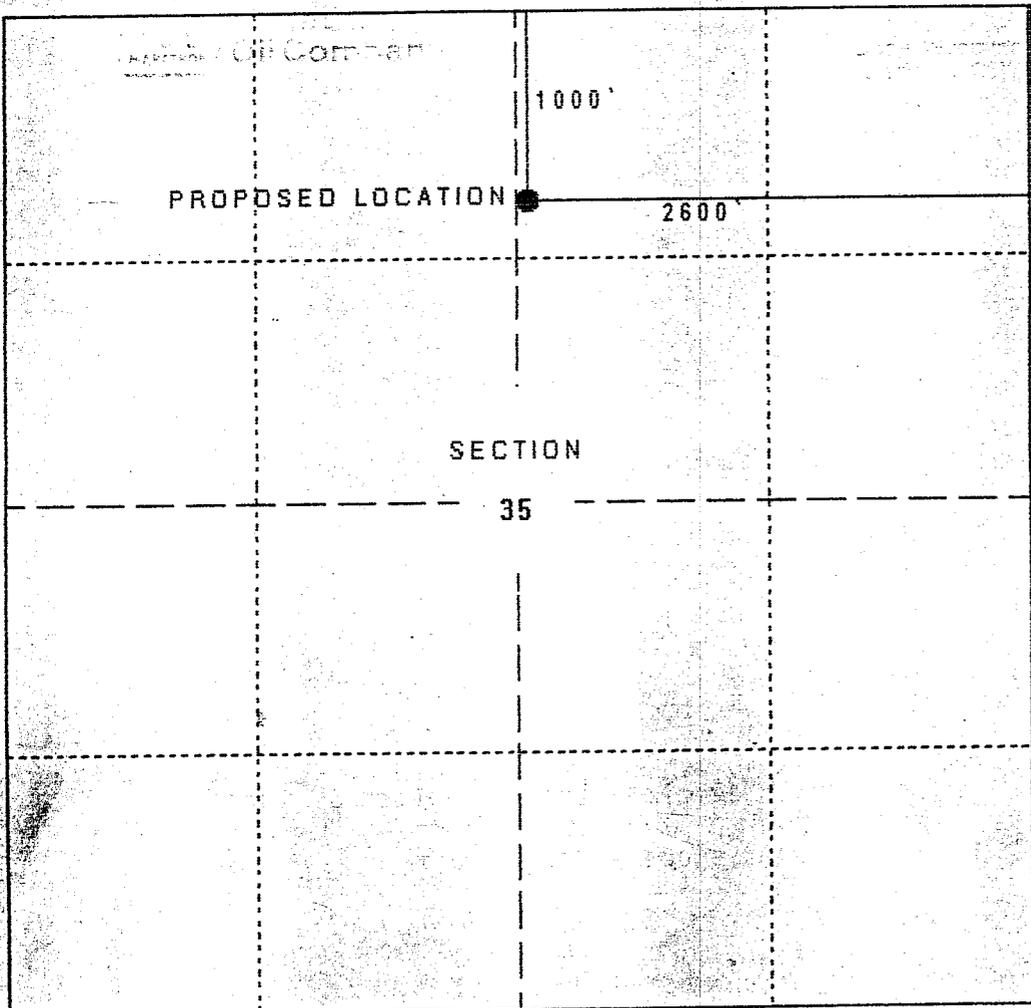
\*See Instructions On Reverse Side

FLARING OR VENTING OF  
GAS IS SUBJECT TO NPL 44  
DATED 1/10/88

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.

Doem

**WELL LOCATION PLAT**



Scale 1"=1000'

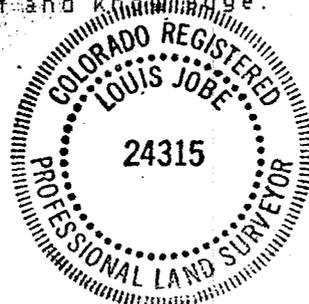
**WELL LOCATION: MARATHON LIGHTNING DRAW NO.1**

Located 1000 feet South from the North line and 2600 feet West from the East line of Section 35, Township 30 South, Range 23 East, Salt Lake Meridian.

Existing ground elevation determined at 6025 feet based on USC&G datum.

This is to certify that this plat represents a survey made by me or under my supervision and that it is correct to the best of my belief and knowledge.

*Louis Jobe*  
 Louis Jobe  
 Registered Land Surveyor



MARATHON OIL COMPANY CODY, WYOMING	
WELL LOCATION PLAT Lightning Draw No. 1 Sec. 35., T30S, R23E, SLM San Juan County Utah	
Clark - Reed & Assoc. Durango, Colorado	Mar. 11, 1988 File No. 88002

Exhibit 'B'

Marathon Oil Company  
Well No. Lightning Draw 1  
Sec. 35, T. 30 S., R. 23 E.  
San Juan County, Utah  
Lease U-59910

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.

Marathon Oil Company 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.

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.

# CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

## SPODDING INFORMATION

API #43-037-31417

NAME OF COMPANY: MARATHON OIL COMPANY

WELL NAME: LIGHTING DRAW #1

SECTION NWSE 35 TOWNSHIP 30S RANGE 23E COUNTY SAN JUAN

DRILLING CONTRACTOR COLEMAN

RIG # 4

SPODDED: DATE 5/28/88

TIME 7:15 p.m.

How ROTARY

DRILLING WILL COMMENCE \_\_\_\_\_

REPORTED BY FRANK KUGH

TELEPHONE # 307-587-4961

DATE 5/31/88 SIGNED TAS



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

June 13, 1988

Marathon Oil Company  
P. O. Box 2690  
Cody, Wyoming 82414

Gentlemen:

Re: Request for Completed Entity Action Form

This is written to remind you that all well operators are responsible for sending an Entity Action Form to the Division of Oil, Gas and Mining within five working days of spudding a new well. This office was notified that your company spudded the Lightning Draw 1 API Number 43-037-31417 on May 28, 1988. At this time, we have not received an Entity Action Form for this well.

Please review the instructions on the back of the enclosed form. Make sure you choose the proper Action Code to show whether the well will be a single well with its own sales facilities (Code A), a well being added to an existing group of wells having the same tank battery and common division of royalty interest (Code B - show existing Entity Number to which well should be added), or a well being drilled in the participating area of a properly designated unit (Code B). Complete the form and return it to us by June 24.

Your attention to this matter is appreciated. If we can be of assistance to you, please feel free to call.

Sincerely,

Don Staley  
Administrative Supervisor

Enclosure  
cc: D.R. Nielson  
R.J. Firth  
0682S

**RECEIVED**  
JUN 24 1988

LCR

OPERATOR Marathon Oil Company  
ADDRESS P.O. Box 2690  
Cody, Wyoming 82414

OPERATOR CODE N-3490  
PHONE NO. 307, 587-4961

DIVISION OF  
OIL, GAS & MINING

OPERATORS MUST COMPLETE FORM UPON SPUDDING NEW WELL OR WHEN CHANGE IN OPERATIONS OR INTERESTS NECESSITATES CHANGE IN EXISTING ENTITY NUMBER ASSIGNMENT.

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION				SPUD DATE	EFFECTIVE DATE	
					SEC	TP	RG	COUNTY			
B	99999 <del>8431</del>	8431	043-037-31393	McCraken Spring 4-31	sw/ne	31	37	24	San Juan	04/29/88	
COMMENTS: Current entity 99999 Federal lease Proposed Zone - Akah (Marathon has another POW in sec. producing from ISMY formation, assign the same entity number.) not in a Unit however letter in suspense to verify zone from well completion report 6/27/88. LCR Field - Undesignated											
A	99999	10885	043-037-31417	Lighting Draw 1	nw/se	35	30	23	San Juan	05/28/88	
COMMENTS: Current entity - 99999 Federal Lease Proposed zone - DSCR (only well in sec. 35, assign new entity number 10885, 6/27/88. LCR) Not in a Unit Field - Wildcat											
COMMENTS:											
COMMENTS:											
COMMENTS:											
COMMENTS:											

**CONFIDENTIAL**

ACTION CODES: A - ESTABLISH NEW ENTITY FOR NEW WELL (SINGLE WELL ONLY)  
 B - ADD NEW WELL TO EXISTING ENTITY (GROUP OR UNIT WELL)  
 C - RE-ASSIGN WELL FROM ONE EXISTING ENTITY TO ANOTHER EXISTING ENTITY  
 D - RE-ASSIGN WELL FROM ONE EXISTING ENTITY TO A NEW ENTITY  
 E - OTHER (EXPLAIN IN COMMENTS SECTION)  
 (SEE INSTRUCTIONS ON BACK OF FORM)

*[Signature]*  
SIGNATURE

Prod. Accounting Supr. June 22, 88  
TITLE DATE

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE  
(Other instructions on reverse side)

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

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT" for that purpose.)

1. OIL WELL  GAS WELL  OTHER Wildcat BTD

2. NAME OF OPERATOR Marathon Oil Company

3. ADDRESS OF OPERATOR P. O. Box 2690, Cody, Wyoming 82414

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)  
At surface NWSE 1000' FNL & 2600' FEL

**RECEIVED**  
JUL 8 1988

5. LEASE DESIGNATION AND SERIAL NO. U-59910

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME Lightning Draw

8. FARM OR LEASE NAME Lightning Draw

9. WELL NO. 1

10. FIELD AND POOL, OR WILDCAT Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 35, T30S, R23E

12. COUNTY OR PARISH San Juan 13. STATE Wyoming

14. PERMIT NO. 43-037-31417

15. ELEVATIONS (Show whether DF, RT, CR, etc.) 6025' Ungraded GL

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PLUG OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Spud</u> <input checked="" type="checkbox"/>	

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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

**CONFIDENTIAL**

The above referenced well was spudded on May 28, 1988 by Coleman Rig #4. Surface casing was set at 1015' and the BOP has been tested.

Water permit number is (T63231) 09-1573. Expires May 20, 1989.

**CONFIDENTIAL**

BLM-Orig & 3--cc: SUDOGM-2, WRF, FMK, WTR, TKS, FCS, Exploration (Casper), Title & Cont. (Hous)

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

SIGNED R.P. Meador TITLE Regulatory Coordinator DATE May 31, 1988

(This space for Federal or State office use)

APPROVED BY ACCEPTED TITLE REG. DISTRICT DATE JUN 28 1988

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIP  
Other instruction  
verse blue

Budget Estimate No. 100--0101  
Expires August 31, 1985

3. LEASE DESIGNATION AND SERIAL NO.  
U-59910

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL  GAS WELL  OTHER Wildcat

**RECEIVED**  
SEP 12 1988

7. UNIT AGREEMENT NAME  
Lightning Draw

2. NAME OF OPERATOR  
Marathon Oil Company

8. FARM OR LEASE NAME  
Lightning Draw

3. ADDRESS OF OPERATOR  
P. O. Box 2690, Cody, Wyoming 82414

9. WELL NO.  
1

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.  
See also space 17 below.)  
At surface  
NWSE 1000' FNL & 2600' FEL

DIVISION OF  
OIL, GAS & MINING

10. FIELD AND POOL, OR WILDCAT  
Wildcat

11. SEC. T. R., M., OR BLK. AND SURVEY OR AREA  
Sec. 35, T30S, R23E

14. PERMIT NO.  
43-037-31417

15. ELEVATIONS (Show whether DF, RT, CL, ETC.)  
6025' Ungraded GL

12. COUNTY OR PARISH 13. STATE  
San Juan Utah

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) Please See Below

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 and 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.)\*

**CONFIDENTIAL**

Presently the above referenced well is being tested in the Lower Ismay Formation with some production being obtained. Once testing is completed in this zone the Lower Ismay will be isolated and the Upper Ismay will be perforated and tested. depending on test results, the Upper and Lower Ismay may be produced. Approval is requests to commingle the Upper and the Lower Ismay zones, downhole prior to producing them if they both are productive.

BLM-Orig & 3--cc: SUDOGM-2, WRF, FMK, TKS, Title & Contract (Hous.)

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

SIGNED R.P. Meador by FMK

TITLE Regulatory Coordinator

DATE August 8, 1988

(This space for Federal or State office use)

APPROVED BY [Signature]  
CONDITIONS OF APPROVAL, IF ANY:

TITLE Acting District Mgr

DATE 9/2/88

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

\*See Instructions on Reverse Side

DATE 9-17-88

BY [Signature]

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

Form approved.  
Budget Bureau No. 1004-0137  
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

1a. TYPE OF WELL: OIL WELL  GAS WELL  DRY  Other \_\_\_\_\_

b. TYPE OF COMPLETION: NEW WELL  WORK OVER  DEEP-EN  PLUG BACK  DIFF. RESRV.  Other \_\_\_\_\_

2. NAME OF OPERATOR  
Marathon Oil Company

3. ADDRESS OF OPERATOR  
P. O. Box 2690, Cody, Wyoming 82414

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)  
At 1000' FNL & 2600' FEL

At top prod. interval reported below

At total depth

14. PERMIT NO. 43-037-31417 DATE ISSUED 5/6/88

12. COUNTY OR PARISH San Juan 13. STATE Utah

15. DATE SPUDDED 5/28/88 16. DATE T.D. REACHED 6/5/88 17. DATE COMPL. (Ready to prod.) 1/8/89 18. ELEVATIONS (SP. RKB, RT, GR, ETC.)\* 6039' KB 19. ELEV. CASINGHEAD 6025' GL

20. TOTAL DEPTH, MD & TVD 5282' KB 21. PLUG BACK T.D., MD & TVD 5225' KB 22. IF MULTIPLE COMPL., HOW MANY\* 0 23. INTERVALS DRILLED BY 5282' ROTARY TOOLS N/A CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\* Lower Ismay 5108'-5207' 25. WAS DIRECTIONAL SURVEY MADE Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN ~~COMP NEUTRON, LITHO-DEPT~~ BOREHOLE COMPLETION LOGS CYBERLOOK 27. WAS WELL CORED No

28. CASING RECORD (Report all strings set in well)

CASINO SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9-5/8"	36#	1059'	12-1/4"	410 sacks to surface	None
5-1/2"	17# & 15.5#	5282'	7-7/8"	835 sacks	None

29. LINER RECORD					30. TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
---	---	---	---	---	2-7/8"	5205' KB	---

31. PERFORATION RECORD (Interval, size and number)				32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
INTERVAL (MD)	SIZE	NUMBER	REMARKS	DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
Desert Creek 5260'-72'	4 SPF	-	Squeezed	5260'-72'	Squeezed w/4.5 bbls. Class 'G'
Lower Ismay 5182'-86' & 4190'-5200'	4 SPF	-	Squeezed	5036'-5058'	Squeezed w/50 sacks Class 'G'
Upper Ismay 5036'-46' & 5050'-58'	4 SPF	-	Squeezed	5182'-5200'	Acidized w/1600 gallons 15% HCL
				See reverse side for more:	

33.* PRODUCTION							
DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
11/30/88		Pumping (rod pump)				Shut-In	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
1/8/89	24	N/A	→	11	43	12	3909
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
28	32	→	11	43	12	43 <sup>0</sup>	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Used for fuel TEST WITNESSED BY Field Foreman

35. LIST OF ATTACHMENTS  
Attachment #1 (Drill Stem Test #1 and Directional Survey)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records  
SIGNED R.P. Meador TITLE Regulatory Coordinator DATE March 14, 1989

\*(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION TOP BOTTOM DESCRIPTION, CONTENTS, ETC.

38. GEOLOGIC MARKERS  
 NAME MEAS. DEPTH TOP  
 TRUE VERT. DEPTH

KB DATUM  
 6039'

Treatment Work (Cont.):

Lower Ismay 5182' - 5200'  
 Reacidized with 3200 gallons of 28% HCL.  
 Lower Ismay 5182' - 5200'  
 Acid fractured with 2000 gallons versagel,  
 6000 gallons 28% HCL and a total of 3131  
 gallons of KCL water.

Oil, Gas & Water  
 Gas & Water

5207'  
 5058'

5108'  
 4964'

Lower Ismay  
 Upper Ismay

Honaker Trail  
 Lower Ismay  
 Gothic Shale  
 Desert Creek  
 Desert Creek Salt

3480'  
 5108'  
 5207'  
 5260'  
 5280'

2559'  
 931'  
 832'  
 779'  
 759'

BLM-Orig & 2--cc: SUDOGM-2, WRF, FMK, TKS, WMO, Title & Contract (Houston)

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

LIGHTNING DRAW #1

Drill Stem Test #1

Lower Ismay Formation

Upper Packer: 5180'

Lower Packer: 5206'

Pressures:

	<u>Time</u>	<u>Upper Gauge</u>	<u>Lower Gauge</u>
Initial Hydrostatic		2495	2517
Initial Flow	15 min.	105	107
Initial Shut-In		1890	1886
Final Flow	90 min.	184	187
Final Shut-In		1877	1886
Final Hydrostatic		2469	2491

Sample Chamber:

700 PSIG at Surface

2.1 Cu. Ft. of Gas

1150 cc of Oil

200 cc of Water

1350 Total Liquid cc

Directional Survey

<u>Depth</u>	<u>Angle</u>	<u>Depth</u>	<u>Angle</u>
126'	1/4 <sup>0</sup>	1857'	1/2 <sup>0</sup>
282'	1/4 <sup>0</sup>	2193'	1/2 <sup>0</sup>
437'	0 <sup>0</sup>	2594'	3/4 <sup>0</sup>
565'	1 <sup>0</sup>	3081'	1/4 <sup>0</sup>
690'	3/4 <sup>0</sup>	3545'	1/2 <sup>0</sup>
847'	1/2 <sup>0</sup>	3793'	1/4 <sup>0</sup>
1060'	3/4 <sup>0</sup>	5158'	3/4 <sup>0</sup>
1280'	1/2 <sup>0</sup>	5282'	1/4 <sup>0</sup>
1556'	1 <sup>0</sup>		

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

PERMIT TO DRILL  
WELLS IN OIL AND GAS  
RESERVOIRS

BLM Form 3-80-5  
Bureau Order No. 100-1000  
Enacted August 21, 1978

1. LEASE DESIGNATION AND SERIAL NO.

U-59910

2. IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a closed reservoir.  
Use "APPLICATION FOR PERMIT" for such proposals.)

3. LEASE AGREEMENT NAME

Lightening Draw

4. NAME OF LESSEE NAME

Lightening Draw

5. WELL NO.

1

6. FIELD AND POOL, OR WILDCAT

Wildcat

7. SEC. T. R. M. OR B.L. AND SURVAT OR AREA

Sec. 35, T30S, R23E

8. COUNTY OR PARISH 9. STATE

San Juan Utah

1. OIL WELL  GAS WELL  OTHER

2. NAME OF OPERATOR  
Marathon Oil Company

3. ADDRESS OF OPERATOR  
P. O. Box 2690, Cody, Wyoming 82411

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

NWSE 1000' FNL & 2600' FEL

DIVISION OF  
OIL, GAS & MINING

14. PERMIT NO.

43-037-31417

11. ELEVATIONS (Show whether of, to, or of)

6025' Ungraded GI

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)

FILL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON\*

CHANGE PLANS

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other) First Production

REPAIRING WELL

ALTERING CASING

ABANDONMENT\*

(Note: Report results of multiple completion or 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 and 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.)

On November 30, 1988, the above referenced well first produced oil from the Ismay formation. This was reported to Mr. Eric Jones, BLM, Moab by Frank Krugh, Marathon, Cody, WY on December 1, 1988

BLM-Orid & 3--cc: SUDOGM-2, WRF, FMK, TKS. Title & Contract (Houston)

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

SIGNED RPM

TITLE Regulatory Coordinator

DATE December 1, 1988

(This space for Federal or State office use)

APPROVED BY [Signature]  
CONDITIONS OF APPROVAL, IF ANY:

TITLE Branch of Fluid Minerals  
Moab District

DATE 12-17-88

\*See Instructions on Reverse Side



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangertter  
Governor

Dee C. Hansen  
Executive Director

Dianne R. Nielson, Ph.D.  
Division Director

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

March 31, 1989

Marathon Oil Company  
P. O. Box 2690  
Cody, Wyoming 82414

Gentlemen:

RE: Lightning Draw 1 - NW NE Sec. 35, T. 30S, R. 23E - San Juan County  
1000' FNL, 2600' FEL - API NO. 43-037-31417

Approval to drill the referenced well was granted by the Division on May 6, 1988, in accordance with Rule R615-3-3, Exception to Location and Siting of Wells.

The Well Completion Report dated March 14, 1989, submitted by Marathon for the referenced well was received in our office on March 16, 1989. After reviewing the Well Completion Report and the Division records regarding the Lightning Draw Unit, the Division has determined that the previous approval to drill granted in accordance with Rule R615-3-3, is not applicable. The Lightning Draw Unit operated by Marathon was approved by the Bureau of Land Management on December 16, 1987, and the Lightning Draw 1 well is located within the approved unit area.

Therefore, the Division is changing its records to reflect that the referenced well now complies with the requirements of Rule R615-2-3, Application of Rules to Unit Agreements.

We apologize for any inconvenience this may have caused. If we can be of further assistance in this matter, please contact this office.

Sincerely,

R. J. Firth  
Associate Director, Oil & Gas

lr  
Enclosure  
cc: Branch of Fluid Minerals  
D. R. Nielson  
WE14/1-2

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLE  
(Other Instructions  
Form 200)

BLM Form 2166-5  
Bureau Form No. 1000-113  
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT" for such proposals.)

LEASE DESIGNATION AND SERIAL NO  
U-59910

IF INDIAN ALLOTTEE OR TRIBE NAME  
---

UNIT AGREEMENT NAME  
---

FARM OR LEASE NAME  
Lightning Draw

WELL NO.  
1

FIELD AND POOL, OR WILDCAT  
Wildcat

SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
Sec. 35, T30S, R23E

COUNTY OR PARISH  
San Juan

STATE  
Utah

RECEIVED  
APR 10 1989

DIVISION OF  
OIL, GAS & MINING

1. OIL WELL  GAS WELL  OTHER

2. NAME OF OPERATOR  
Marathon Oil Company

3. ADDRESS OF OPERATOR  
P. O. Box 2690, Cody, Wyoming 82414

4. LOCATION OF WELL (Report location clearly and in accordance with applicable regulations. See also space 17 below.)  
At surface  
NWSE 1000' FNL & 2600' FEL

14. PERMIT NO.  
43-037-31417

15. ELEVATIONS (Show whether DF, RT, GR, etc.)  
6025' Ungraded GI

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input checked="" type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANE <input type="checkbox"/>	(Other) <u>Shut-In</u>	

(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.)\*

CONFIDENTIAL

Due to economic parameters and low production the above referenced well has been shut-in.

BLM-Orig & 3--cc: <sup>SUDOGM</sup> ~~WOGCC~~-2, WRF, FMK, GBP, TKS, Title & Contract (Houston)

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

SIGNED R.P. Meador by FMK TITLE Regulatory Coordinator DATE March 31, 1989

(This space for Federal or State office use)

APPROVED BY ACCEPTED TITLE Branch of Fluid Minerals DATE APR 7

CONDITIONS OF APPROVAL, IF ANY:

Moab District

\*See Instructions on Reverse Side

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.

**SUBMIT IN TRIPLICATE**

**AUG 08 1991**

**WYOMING OIL & GAS  
CONSERVATION COMMISSION**

1. Type of Well

Oil Well     Gas Well     Other

2. Name of Operator

Marathon Oil Company

3. Address and Telephone No.

P. O. Box 2690, Cody, Wyoming 82414    (307) 587-4961

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1000' FNL & 2600' FEL, Sec. 35, T30S, R23E  
San Juan, Utah

5. Lease Designation and Serial No.

U-59910

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Lightning Draw #1-35

9. API Well No.

--- 43-037-31417

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

San Juan, Utah

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> <u>Status Change</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. 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.)\*

Prior Status: Active Ismay producer

Present Status: Shut-In Ismay Producer, June 18, 1991

This is the last well on the lease. However, it is Marathon's understanding that an SOP is not necessary since this lease is in its primary term until July 31, 1996.

**RECEIVED**

**AUG 12 1991**

**DIVISION OF  
OIL GAS & MINING**

Dist: BLM-Orig + 3--cc: (WOGCC, WRF, FMK, WTR-5, SPO, Title & Contracts (Houston))

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

Signed

RP Meador

Title

Regulatory Coordinator

Date

7/19/91

(This space for Federal or State office use)

Approved by

Title

Branch of Fluid Minerals

Date

AUG - 1 1991

Conditions of approval, if any:



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED  
MOAB FIELD OFFICE

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

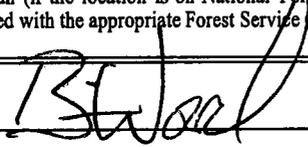
APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. <b>UTU-76731</b>	
6. If Indian, Allottee or Tribe Name N/A	
7. If Unit or CA Agreement, Name and No. N/A	
8. Lease Name and Well No. <b>LIGHTNING DRAW #1</b>	
9. API Well No. <b>43-037-31417</b>	
10. Field and Pool, or Exploratory <b>WILDCAT</b>	11. Sec., T. R. M. or Blk. and Survey or Area <b>35-30S-23E SLM</b>
12. County or Parish <b>SAN JUAN</b>	13. State <b>UT</b>
14. Distance in miles and direction from nearest town or post office* <b>18 AIR MILES NORTH OF MONTICELLO</b>	15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>2,600'</b>
16. No. of acres in lease <b>1,965.03</b>	17. Spacing Unit dedicated to this well <b>NWNE</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>N/A</b>	19. Proposed Depth <b>5,282'</b>
20. BLM/BIA Bond No. on file <b>BLM UTB000262</b>	21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>6,025' GL</b>
22. Approximate date work will start* <b>06/15/2007</b>	23. Estimated duration <b>3 WEEKS</b>

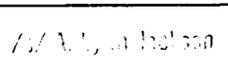
24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) <b>BRIAN WOOD</b>	Date <b>05/05/2007</b>
--	---	---------------------------

Title: **CONSULTANT**      PHONE: (505) 466-8120      FAX: (505) 466-9682

Approved by (Signature) 	Name (Printed/Typed) <b>Assistant Field Manager</b>	Date <b>6/22/07</b>
--	--	------------------------

Title <b>Assistant Field Manager, Division of Resources</b>	Office <b>Division of Resources Moab Field Office</b>
--	--

Application approval 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.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

\*(Instructions on page 2)

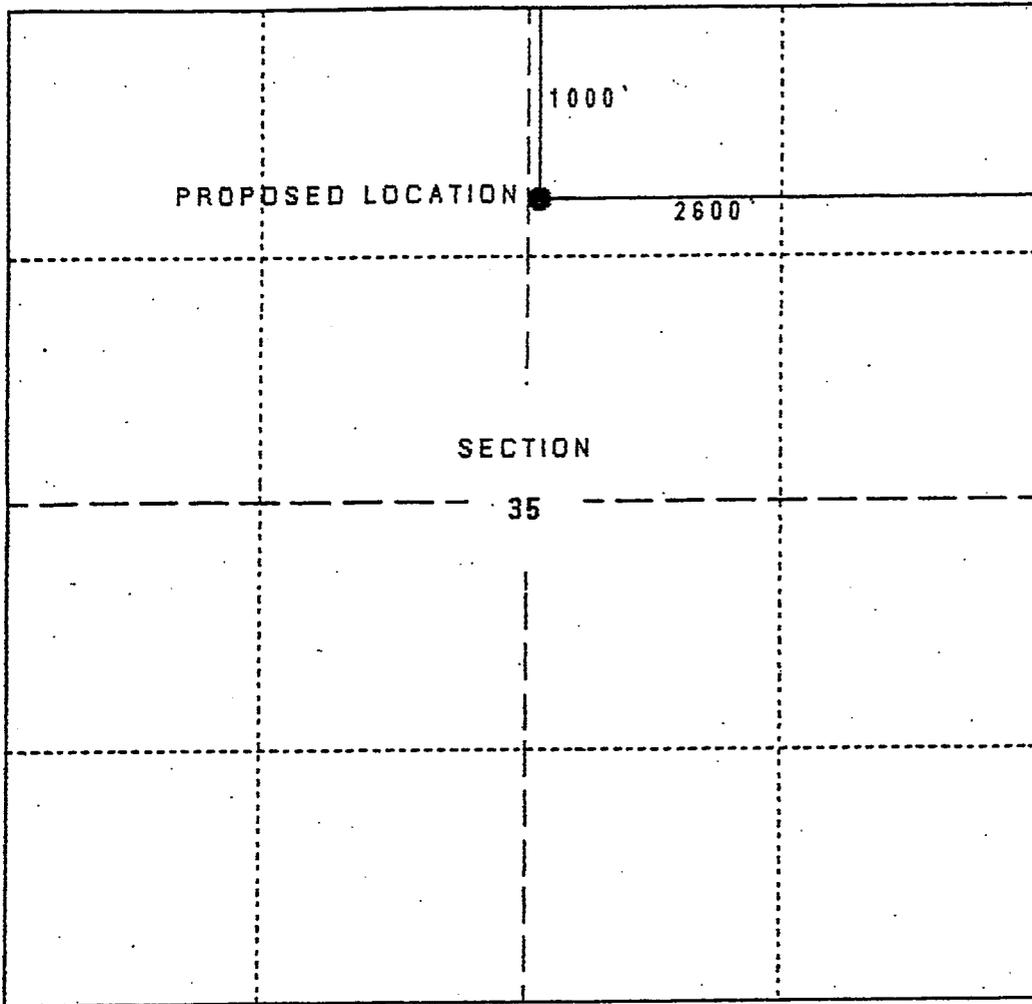
CONDITIONS OF APPROVAL ATTACHED

RECEIVED

JUN 25 2007

DIV. OF OIL, GAS & MINING

WELL LOCATION PLAT



Scale 1"=1000'

WELL LOCATION: MARATHON LIGHTNING DRAW NO. 1

Located 1000 feet South from the North line and 2600 feet West from the East line of Section 35, Township 30 South, Range 23 East, Salt Lake Meridian.

Existing ground elevation determined at 6025 feet based on USC&G datum.

This is to certify that this plat represents a survey made by me or under my supervision and that it is correct to the best of my belief and knowledge.

MARATHON OIL COMPANY  
CODY, WYOMING

*Louis Jobe*  
Louis Jobe  
Registered Land Surveyor



WELL LOCATION PLAT  
Lightning Draw No. 1  
Sec. 35., T30S, R23E, SLM  
San Juan County Utah

Clark - Reed & Assoc.  
Durango, Colorado

Mar. 11, 1988  
File No. 88002

Exhibit 'B'

ST Oil Company  
Lightning Draw 1  
Lease UTU-76731  
NW/NE Section 35, T30S, R23E  
San Juan County, Utah

**A COMPLETE COPY OF THIS APPROVED PERMIT and Conditions of Approval shall be maintained on location during all construction and drilling operations, and shall be available to contractors to ensure compliance.**

#### 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 ST Oil Company 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 UTB000262 (Principal – ST Oil Company) 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.

This permit will be valid for a period of two years from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. Failure to comply with the provisions of this permit, including applicable regulations, stipulations, and/or approval conditions, will be considered a violation subject to the enforcement provisions of 43 CFR Subpart 3163.

#### A. DRILLING PROGRAM

1. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOG M) is required before conducting any surface disturbing activities.
2. The proposed 3M BOPE is adequate for anticipated conditions. Testing to 2M standards is acceptable. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
3. Drilling reports, which describe the activities of each day, shall be submitted to the BLM Moab Field Office on a weekly, or more frequent, basis. In addition to a daily summary of activities, drilling reports shall include the drilling fluid weight, details of casing and cement, water flows, lost circulation zones and any other information that would contribute to the understanding of drilling conditions.

B. SURFACE

No additional surface use conditions of approval.

### C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Notify the Monticello Field Office at least 48-hours prior to commencing construction of location.

Spud- Notify the Monticello Field Office 24-hours prior to spudding. Submit written notification of spud (Sundry Notice, Form 3160-5) to the Moab Field Office within 24-hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports that describe the progress and status of the well shall be submitted to the Moab Field Office on a weekly basis. This report may be in any format customarily used by the operator.

Oil and Gas Operations Reports (OGORs)- Production from this well shall be reported to Minerals Management Service (MMS) on a monthly basis.

Sundry Notices- Any modification to the proposed drilling program shall be submitted to the Moab Field Office on a Sundry Notice (Form 3160-5). Regulations at 43 CFR 3162.3-2 describe which operations require prior approval, and which require notification.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, immediately notify the Price Field Office, and work that might disturb the cultural resources shall cease.

First Production- A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Monticello Field Office.

Notify the Moab Field Office when the well is placed into production. Initial notification may be verbal, but must be confirmed in writing within five business days. Please include the date production started, the producing formation and production volumes.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, a *Well Completion or Recompletion Report and Log* (Form 3160-4) shall be submitted to the Moab Field Office within thirty-days after completion of the well. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered to be shut-in until the gas can be captured or until approval to continue the venting/flaring pursuant to NTL-4A is granted. Compensation shall be due for gas that is vented/flared without approval.

Produced Water- An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order No.7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling of production prior to the sales measurement point. The term "commingling" describes both the combining of production from different geologic zones and/or combining production from different leases or agreement areas.

Plugging and Abandonment- If the well is a dry hole, plugging instructions must be obtained from the Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Sundry Notice, Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Monticello Field Office or the appropriate surface managing agency.

#### TABLE 1

#### NOTIFICATIONS

Notify Jeff Brown (435-587-1525) BLM Monticello Field Office for the following:

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

1 day prior to spudding;

3 hours prior to testing BOPE.

If the person at the above number cannot be reached, notify the BLM Moab Field Office at 435-259-2100.

Well abandonment operations require 24-hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained from:

Eric Jones, Petroleum Engineer

Office: 435-259-2117

Home: 435-259-2214

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input checked="" type="checkbox"/> REENTER		5. Lease Serial No. UTU-76731
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator ST OIL COMPANY		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 1801 BROADWAY, SUITE 600 DENVER, CO 80202	3b. Phone No. (include area code) (303) 296-1908	8. Lease Name and Well No. LIGHTNING DRAW #1
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 6431984 1000' FNL & 2600' FEL 35-30S-23E At proposed prod. zone SAME 4 2222814 38.138895 - 109.366001		9. API Well No. 43-037-31417
14. Distance in miles and direction from nearest town or post office* 18 AIR MILES NORTH OF MONTICELLO		10. Field and Pool, or Exploratory WILDCAT
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 2,600'	16. No. of acres in lease 1,965.03	11. Sec., T. R. M. or Blk. and Survey or Area NWNE 35-30S-23E SLM
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. N/A	19. Proposed Depth 5,282'	12. County or Parish SAN JUAN
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,025' GL	22. Approximate date work will start* 06/15/2007	13. State UT
17. Spacing Unit dedicated to this well NWNE		
20. BLM/BIA Bond No. on file BLM UTB000262		
23. Estimated duration 3 WEEKS		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) BRIAN WOOD	Date 05/05/2007
Title CONSULTANT	PHONE: (505) 466-8120 FAX: (505) 466-9682	
Approved by Signature 	Name (Printed/Typed) BRADLEY G. HILL	Date 05-21-07
Title ENVIRONMENTAL MANAGER		

Application approval 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.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

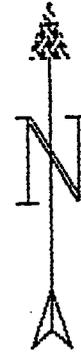
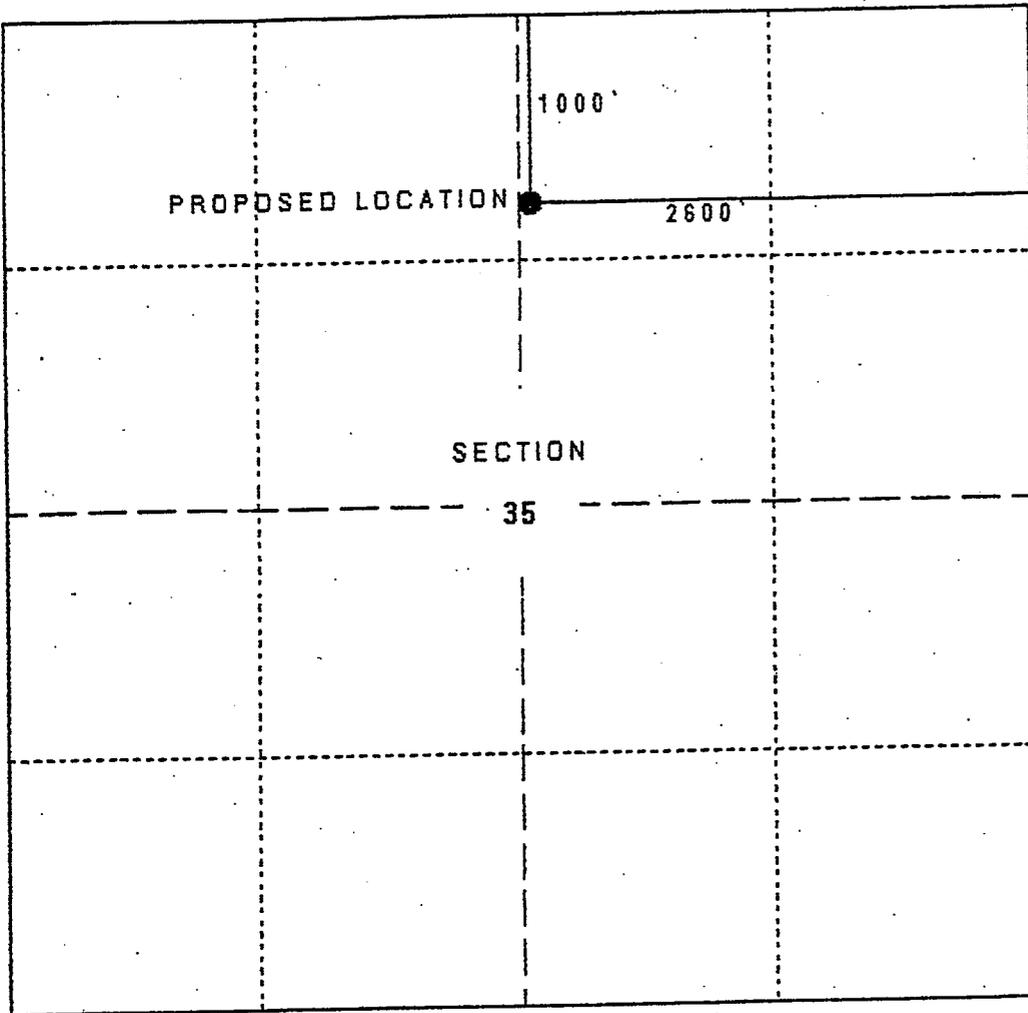
\*(Instructions on page 2)

Federal Approval of this  
Action is Necessary

RECEIVED  
MAY 16 2007

DIV. OF OIL, GAS & MINING

# WELL LOCATION PLAT



Scale 1"=1000'

## WELL LOCATION: MARATHON LIGHTNING DRAW NO. 1

Located 1000 feet South from the North line and 2600 feet West from the East line of Section 35, Township 30 South, Range 23 East, Salt Lake Meridian.

Existing ground elevation determined at 6025 feet based on USC&G datum.

This is to certify that this plat represents a survey made by me or under my supervision and that it is correct to the best of my belief and knowledge.

*Louis Jobe*

Louis Jobe  
Registered Land Surveyor



MARATHON OIL COMPANY  
CODY, WYOMING

WELL LOCATION PLAT  
Lightning Draw No. 1  
Sec. 35., T30S, R23E, SLM  
San Juan County Utah

Clark - Reed & Assoc.  
Durango, Colorado

Mar. 11, 1988  
File No. 88002

Exhibit 'B'

May 5, 2007

Diana Mason  
Utah Div. of Oil, Gas, & Mining  
P. O. Box 145801  
Salt Lake City, Ut. 84114-5801

Dear Diana,

On behalf of ST Oil Company, I am applying for approval of an exception location for the plugged and abandoned Lightning Draw #1 oil well in Section 35, T. 30 S., R. 23 E., San Juan County. An exception was first approved in 1988 for Marathon based on geology. ST Oil Company is also requesting an exception because of geology. Details are:

Lightning Draw #1

This currently P & A well (API # 43-037-31417) is at 1000' FNL & 2600' FEL and on a 1,965.03 acre BLM lease. An orthodox well could be staked at 860' FNL & 2180' FEL, but this would move it to a potentially unproductive or less productive location. ST Oil Company is requesting permission to drill at 1000' FNL & 2600' FEL 35-30s-23e. There are no existing or planned wells in this quarter-quarter or any of the eight adjacent quarter-quarters. All nine quarter-quarters are part of the same BLM lease. Closest lease line is 2,600' east. BLM is the lessor and ST Oil Company is the lessee of all lands within a minimum 2,600' radius. No wells have been drilled in any of the eight offset quarter-quarters. ST Oil Company is owner of all drilling units within a minimum 2,600' radius of the proposed exception. This includes all eight of the directly or diagonally offsetting drilling units.

Please call me if you have any questions.

Sincerely,



Brian Wood

cc: Ferris

RECEIVED

MAY 16 2007

DIV. OF OIL, GAS & MINING

Drilling Program

1. FORMATION TOPS

The estimated tops of important geologic markers are:

<u>Formation</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Entrada/Carmel Sandstone	0'	14'	+6,025'
Navajo Sandstone	542'	556'	+5,483'
(surface casing setting depth	1,045'	1,059'	+4,980')
Cutler Sandstone	1,746'	1,760'	+4,279'
Honaker Trail	3,466'	3,480'	+2,559'
LaSal	4,364'	4,378'	+1,661'
Hatch	4,706'	4,720'	+1,319'
Paradox Shale	4,912'	4,926'	+1,113'
Upper Ismay	4,948'	4,962'	+1,077'
Hovenweep Shale	5,056'	5,070'	+969'
Lower Ismay	5,094'	5,108'	+931'
Gothic Shale	5,193'	5,207'	+832'
Desert Creek	5,246'	5,260'	+779'
Top of Salt	5,266'	5,280'	+759'
Total Depth (TD)*	5,268'	5,282'	+757'

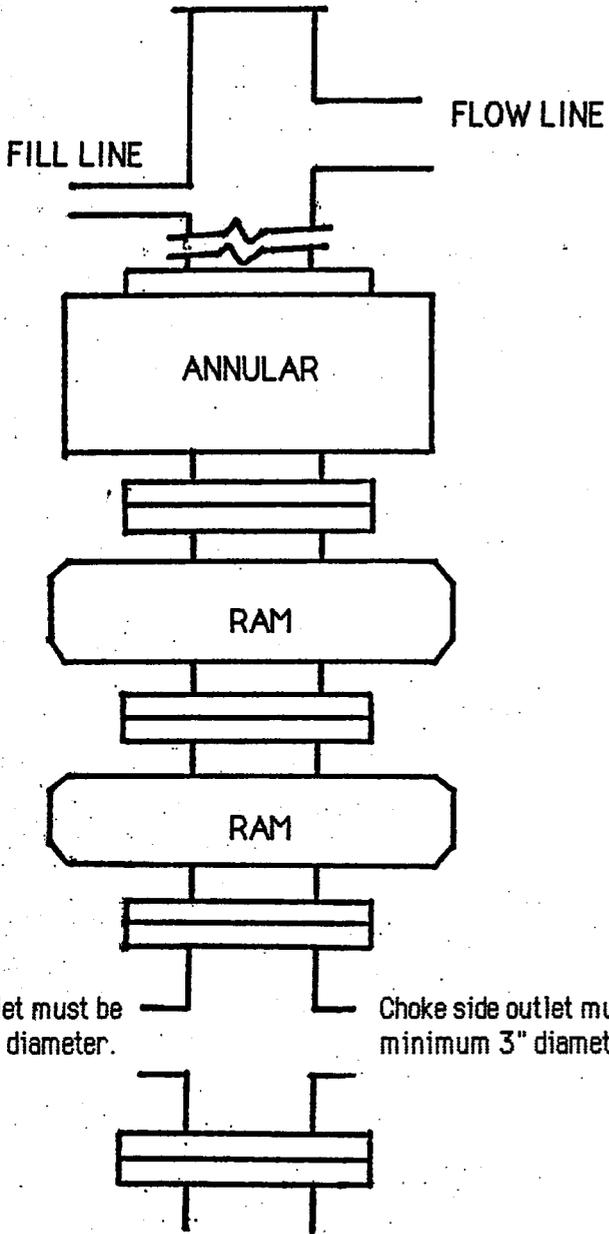
2. NOTABLE ZONES

Gothic shale oil is the goal. Fresh water may be found in the Entrada to Navajo interval. Oil and gas shows which appear to the well site geologist to be commercial will be tested. All fresh water and prospectively valuable minerals will be recorded by depth and protected with casing and cement.

### 3. PRESSURE CONTROL & RE-ENTRY PROCEDURES

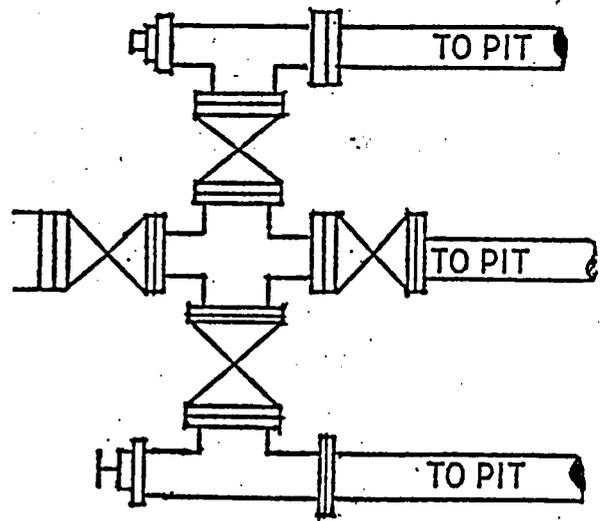
Call BLM at (435) 587-1525 and the Utah Division of Oil, Gas, & Mining at (801 538-5340) before spudding and before testing BOP system. A 3,000 psi double ram and annular preventer with a 3,000 psi choke manifold will be used. A diagram of a typical BOP is on Page 3. Actual model will not be known until bid is let. Procedures are ...

- Nipple up BOP and all equipment
  - Test equipment to 2,500 psi
- Drill out surface casing plug
  - Test casing to  $\approx$ 2,500 psi
- Drill out cement from 990' to 1,050' (cement retain top)
- Drill out retainer
  - Test casing to  $\approx$ 2,500 psi
- Drill out cement plug from 3,350' to 3,650'
- Drill out cement plug at 5,100' and CIBP at 5,150'
- Clean out to PBTD (5,225')
- Cement squeeze Ismap perforations
- Complete in Gothic shale
  
- Activate BOPs every 24 hours or on trips
- Log all tests in I. A. D. C. book
- Install hand wheels and lay straight flare lines before drilling out
- Conduct weekly BOP drills with each crew and log in I. A. D. C. book
- Have floor valve and wrench on floor at all times
  - Floor valve must be in open position
- Studs on all well head and BOP flanges will be checked for tightness weekly
- Hand wheels for locking screws will be installed and operational
- Entire BOP and well head assembly will be kept clean of mud
- A drill stem safety valve in the open position will be available



TYPICAL BOP STACK  
& CHOKE MANIFOLD

There will be at least 2 chokes and 2 choke line valves (3" minimum). The choke line will be 3" in diameter. There will be a pressure gauge on the choke manifold.



Kill side outlet must be minimum 2" diameter.

Choke side outlet must be minimum 3" diameter.

Kill line will be minimum 2" diameter and have 2 valves, one of which shall be a minimum 2" check valve.

Upper kelly cock will have handle available.  
Safety valve and subs will fit all drill string connections in use.  
All BOPE connections subjected to well pressure will be flanged, welded, or clamped.

#### 4. CASING & CEMENTING

<u>Hole Diameter</u>	<u>O. D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Thread</u>	<u>Age in 1988</u>	<u>Depth</u>
12-1/4"	9-5/8"	36	K-55	S T & C R3	New	1,059'
7-7/8"	5-1/2"	17 & 15.5	K-55	L T & C R3	New	5,282'

Surface casing was cemented to the surface with 410 sacks. Production casing was cemented to  $\approx 1,120'$  with 835 sacks. Will cement squeeze Ismay perforations.

#### 5. MUD PROGRAM

Fresh water mud will be used as needed.

#### 6. CORES, TESTS, & LOGS

No cores or drill stem tests are planned. A dual latrolog-GR log and compensated neutron-litho density-GR log will be run from  $\approx 1,058'$  to TD. A cement bond log will be run from  $\approx 1,000'$  (TOC  $\approx 1,120'$ ) to TD.

#### 7. DOWN HOLE CONDITIONS

No hydrogen sulfide, abnormal temperatures or pressures are expected. Maximum pressure will be  $\approx 2,270$  psi.

#### 8. OTHER INFORMATION

The anticipated spud date is upon approval. It will take  $\approx 1$  week to drill and  $\approx 2$  weeks to complete the well.

ST Oil Company  
Lightning Draw #1  
1000' FNL & 2600' FEL  
Sec. 35, T. 30 S., R. 23 E.  
San Juan County, Utah

PAGE 5

CONFIDENTIAL - TIGHT HOLE

### Surface Use Plan

#### 1. DIRECTIONS (See PAGES 10 & 11)

From the Monticello, go North  $\approx$ 20 miles on US 191 to Mile Post  $\approx$ 91.4  
Then turn right onto paved County Road 2448/113 and go East 0.3 miles  
Then turn right and go South 1/2 mile on a reclaimed road to the pad

Roads will be maintained to a standard at least equal to their present condition.

#### 2. ROAD WORK (See PAGE 11)

The junction of the reclaimed road and paved county road will be upgraded. An 18" x 50' culvert will be installed in the south borrow ditch of the paved county road. The first  $\approx$ 100' of reclaimed will be surfaced with  $\approx$ 4" pit run.

The reclaimed road will initially be flat bladed with a 16' wide running surface. Maximum disturbed width will be  $\approx$ 20' ( $\approx$ 50' at the culvert) in this phase. A cattle guard will be installed near the section line. Maximum cut or fill will be 2'. Maximum grade will be 1%. No turnout is needed now. If production results, then the road will be upgraded to all weather BLM Gold Book standards.

#### 3. EXISTING WELLS

There are no existing oil, gas, water, or injection wells within a mile radius.

ST Oil Company  
Lightning Draw #1  
1000' FNL & 2600' FEL  
Sec. 35, T. 30 S., R. 23 E.  
San Juan County, Utah

PAGE 6

CONFIDENTIAL - TIGHT HOLE

#### 4. PROPOSED PRODUCTION FACILITIES

A well head, pump, separator, and tank battery will be installed. All will be painted a flat Carlsbad tan or juniper green color. Tanks will be surrounded by an impermeable dike with sufficient capacity to hold 150% of the volume of the largest tank within the dike.

#### 5. WATER SUPPLY

Water will be trucked from Jim Blankenagel's permitted (05-570) water source in SWNW 7-29s-24e.

#### 6. CONSTRUCTION MATERIALS & METHODS (See PAGES 12 & 13)

Dirt contractor will call BLM ((435) 587-1525) at least 48 hours before starting construction. The top 6" of soil and brush will be stripped and stockpiled east of the pad. A diversion ditch will be cut west of the pad.

No reserve pit is planned. Steel mud tanks will be used. Tank contents will be hauled to a state approved disposal site.

#### 7. WASTE DISPOSAL

Human waste will be disposed of in chemical toilets, which will be hauled to a state approved dump station. All trash will be placed in a portable trash cage. It will be hauled to the county landfill. There will be no trash burial or burning.

8. ANCILLARY FACILITIES

There will be no air strip or camp. Camper trailers may be on location for the company man and tool pusher.

9. WELL SITE LAYOUT

See PAGES 12 and 13 for depictions of the well pad, cross section, cut and fill diagram, trash cage, access onto the location, parking, living facilities, and rig orientation.

10. RECLAMATION & REVEGETATION

Upon completion of drilling, the well site will be cleared of all debris, material, and junk not needed for production.

All areas not needed for production will be back filled, contoured to natural contours, and reserved topsoil and brush spread. If the well is a producer, then enough topsoil will be saved to reclaim the rest of the pad. The topsoil pile and all reclaimed areas will be broadcast seeded between October 1 and February 28 with the following mix. Sown areas will be left rough and lightly harrowed (4" deep) after seeding.

- 4 lb/ac alkali sacaton
- 4 lb/ac four wing saltbush
- 4 lb/ac scarlet globe mallow

11. SURFACE OWNER

All construction is on lease and on BLM.

ST Oil Company  
Lightning Draw #1  
1000' FNL & 2600' FEL  
Sec. 35, T. 30 S., R. 23 E.  
San Juan County, Utah

PAGE 8

CONFIDENTIAL - TIGHT HOLE

12. OTHER INFORMATION

The nearest hospital is a half hour drive away in Monticello. It is 3 blocks northwest of the intersection of US 666/491 and US 191. Hospital phone number is (435) 587-2116. Or dial 1-800-332-1911 from anywhere in the county. Give the operator the latitude and longitude (see section plat (which is the second page of the APD)) of the well.

Archaeology report LAC 8826 was submitted March 28, 1988. All disturbance will be within the perimeter of the previously inspected area.

13. REPRESENTATION & CERTIFICATION

Anyone having questions concerning the APD should call:

Brian Wood, Consultant  
Permits West, Inc.  
37 Verano Loop  
Santa Fe, NM 87508  
(505) 466-8120      FAX: (505) 466-9682      Cellular: (505) 699-2276

The company representative is:

Rich Ferris  
ST Oil Company  
1801 Broadway, Suite 600  
Denver, Co. 80202  
(303) 296-1908      FAX: (303) 296-0329      Cellular: (303) 618-2925

The on site drilling and production representative will be Randy Shelton.

Office: (435) 678-2169      Cellular: (435) 459-1027

ST Oil Company is considered to be the operator of the Lightning Draw #1

ST Oil Company  
Lightning Draw #1  
1000' FNL & 2600' FEL  
Sec. 35, T. 30 S., R. 23 E.  
San Juan County, Utah

PAGE 9

CONFIDENTIAL - TIGHT HOLE

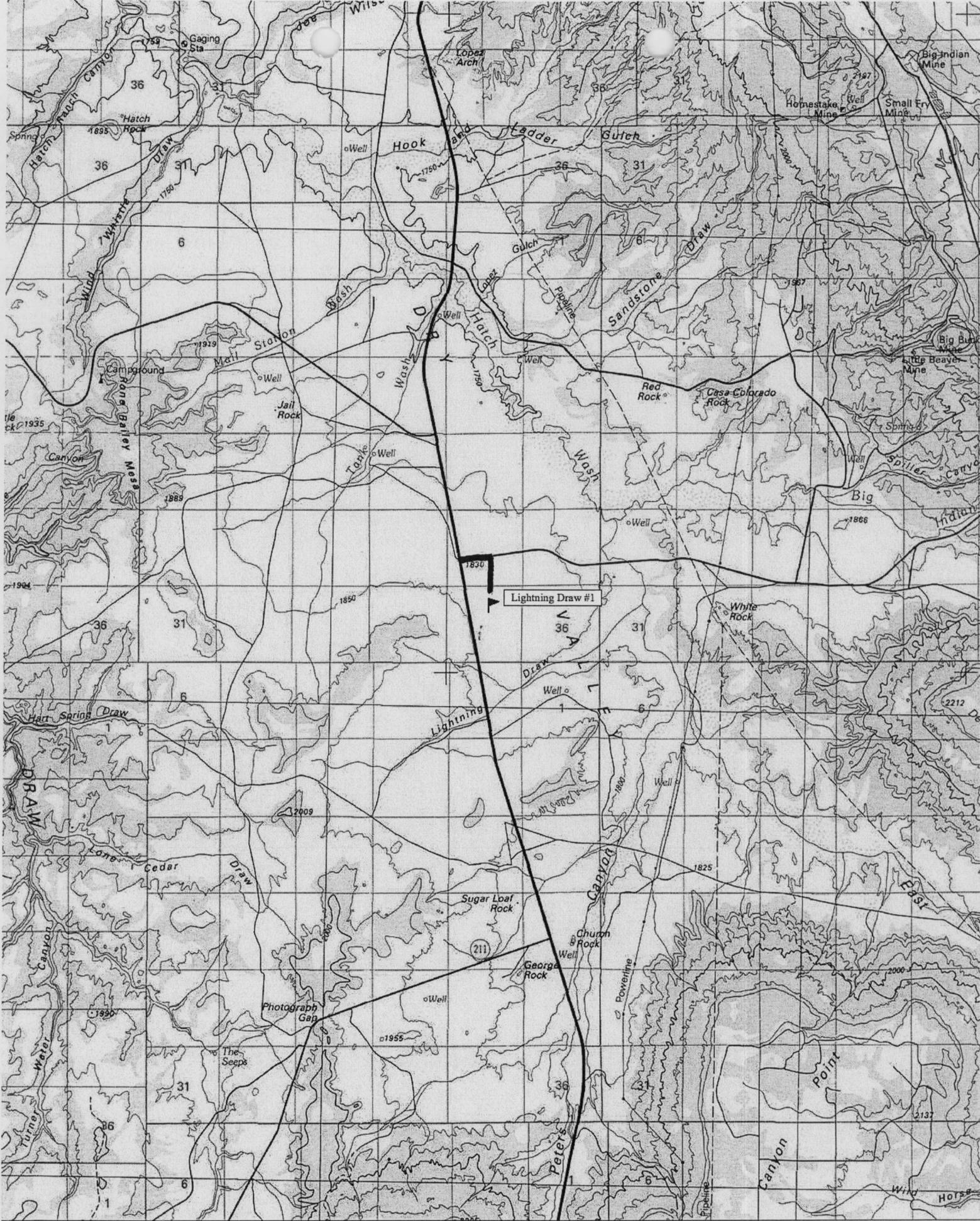
well in the NWNE 35-30s-23e, Lease UTU-76731, San Juan County, Utah, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands. Bond (lease bond #UTB000262 is on file with BLM in Salt Lake) coverage for this well will be provided via surety consent as provided for in 43 CFR 3104.2. BLM will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

I hereby certify ST Oil Company has the necessary consents from the proper lease and unit interest owners to conduct lease operations in conjunction with this APD. Bond coverage *per* 43 CFR 3104 for lease activities will be provided by ST Oil Company I hereby certify 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 ST Oil Company 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, Consultant

May 5, 2007

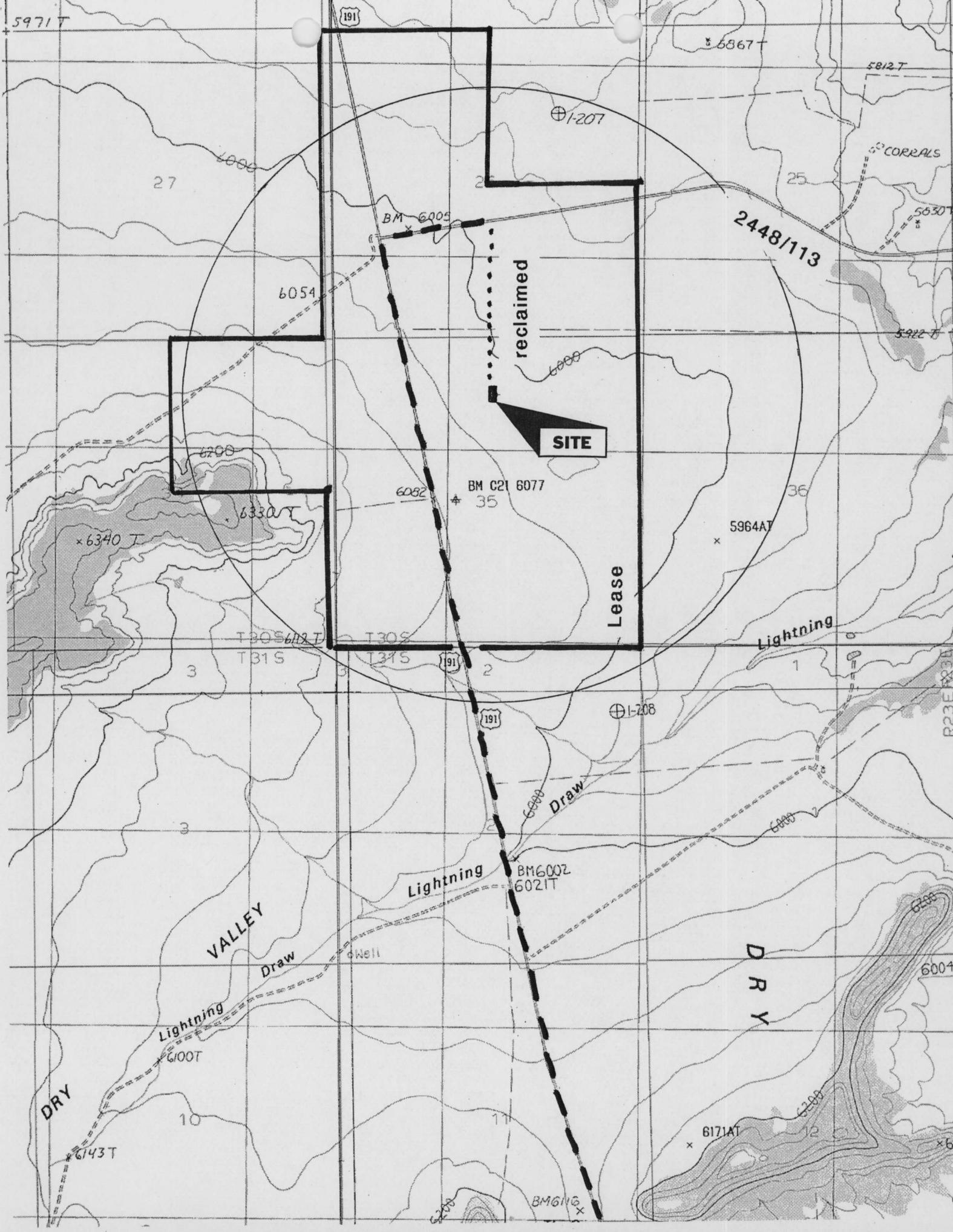


N  
MN  
11 1/2°

0.0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 miles

0 1 2 3 4 5 km

Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)



191

5971 T

5867 T

5812 T

⊕ I-207

27

6000

25

CORRALS

5630

2448/113

5912 T

BM 6005

6054

reclaimed

SITE

BM C21 6077

6082

⊕ 35

36

5964 T

Lease

T305 618 T  
T315

T305  
T315

191

⊕ I-208

Lightning

6000 Draw

Lightning

BM 6002  
6021 T

VALLEY  
Draw

Well

DRY

Lightning

6000

DRY

10

11

12

6171 AT

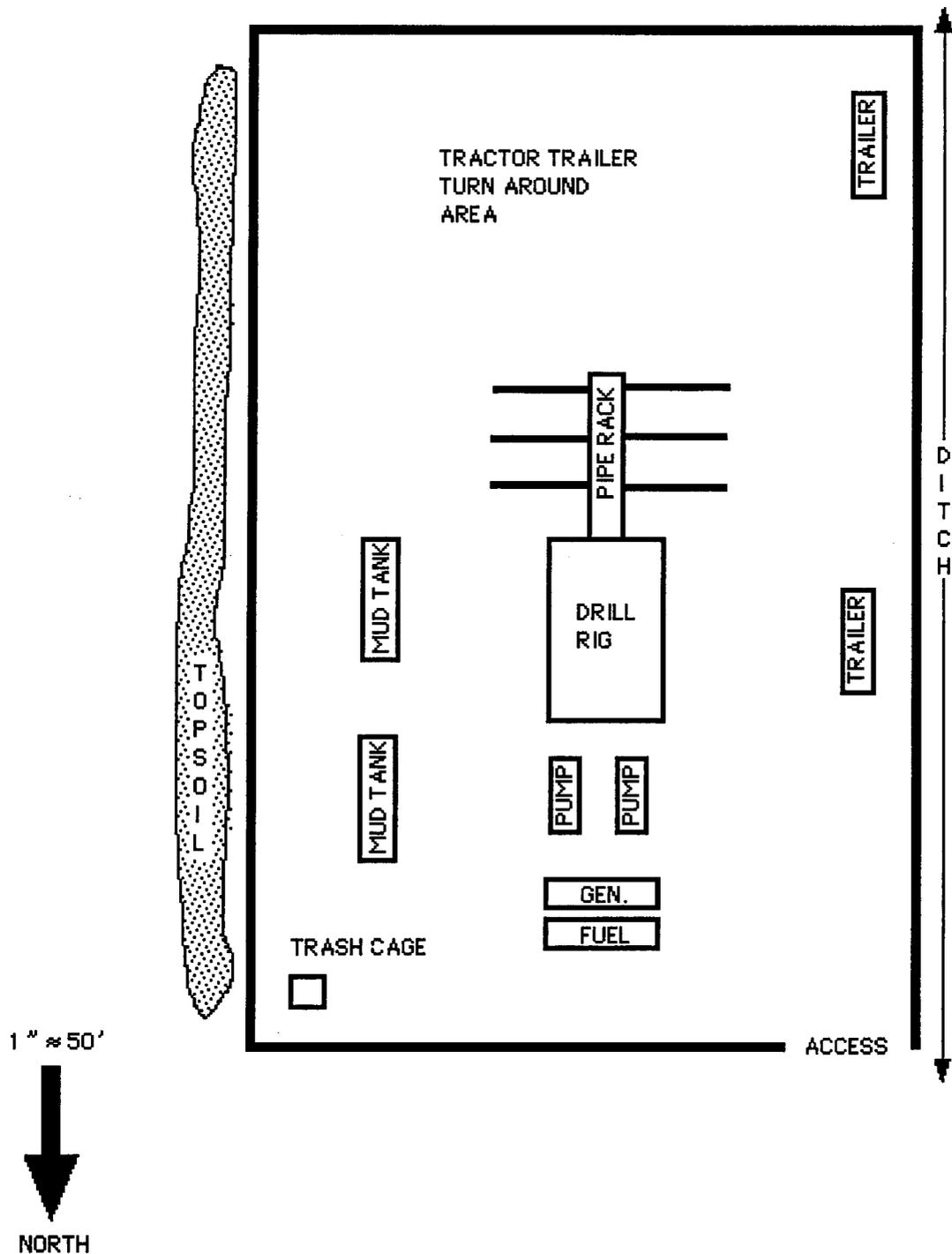
6004 T

6143 T

BM 6116

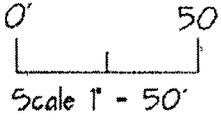
ST Oil Company  
Lightning Draw #1  
1000' FNL & 2600' FEL  
Sec. 35, T. 30 S., R. 23 E.  
San Juan County, Utah

CONFIDENTIAL - TIGHT HOLE



Lightning Draw # 1

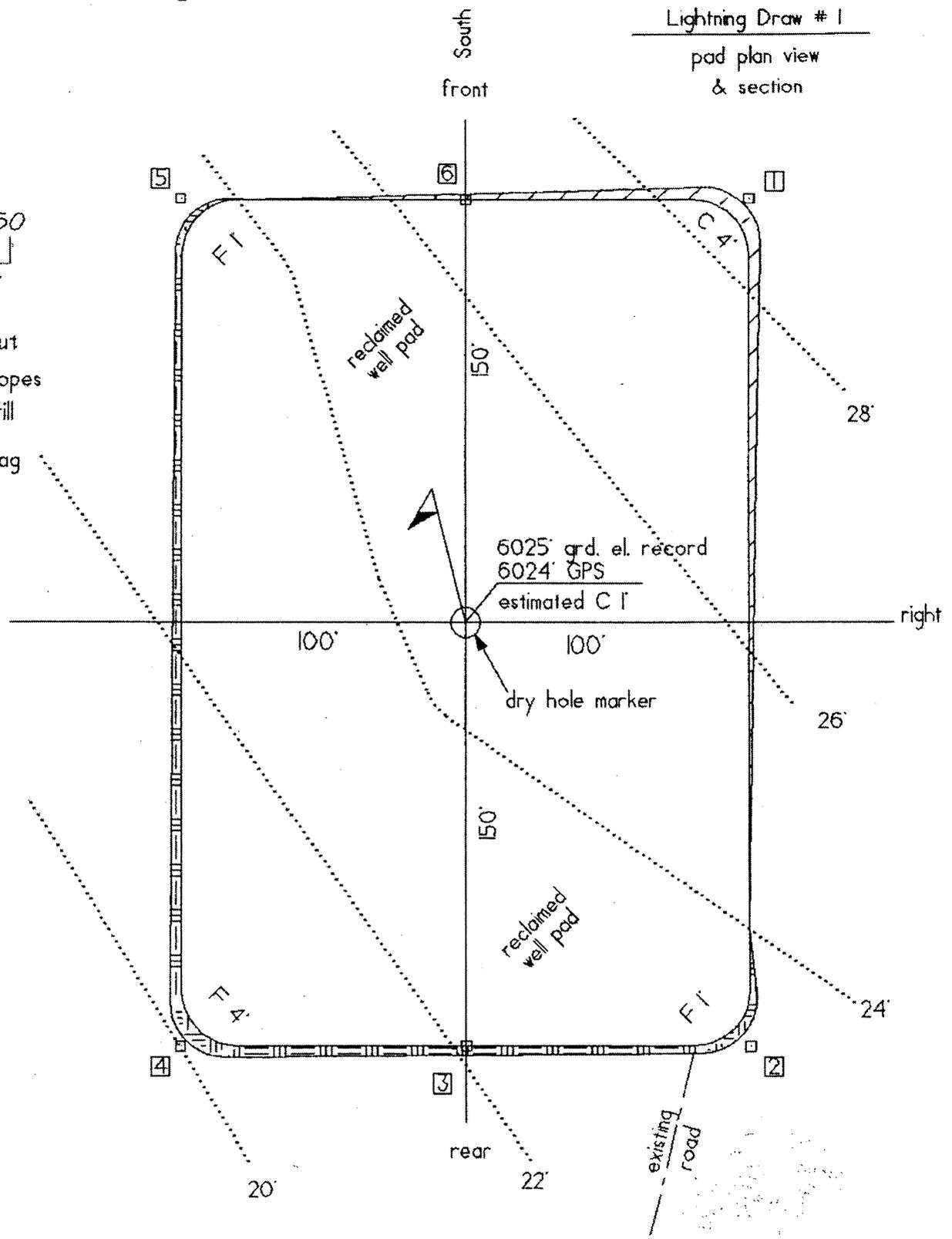
pad plan view  
& section



-  cut slopes
-  fill
-  set lath/pin flag

left

right



cross section

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 05/16/2007

API NO. ASSIGNED: 43-037-31417
--------------------------------

WELL NAME: LIGHTNING DRAW 1  
 OPERATOR: ST OIL COMPANY ( N2190 )  
 CONTACT: BRIAN WOOD

PHONE NUMBER: 505-466-9682

PROPOSED LOCATION:

NWNE 35 300S 230E  
 SURFACE: 1000 FNL 2600 FEL  
 BOTTOM: 1000 FNL 2600 FEL  
 COUNTY: SAN JUAN  
 LATITUDE: 38.13890 LONGITUDE: -109.3660  
 UTM SURF EASTINGS: 643198 NORTHINGS: 4222281  
 FIELD NAME: WILDCAT ( 1 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU-76731  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: DSCR  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. UTB0000262 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 05-570 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- R649-2-3.
- Unit: \_\_\_\_\_
- R649-3-2. General
- Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: \_\_\_\_\_
- Eff Date: \_\_\_\_\_
- Siting: \_\_\_\_\_
- R649-3-11. Directional Drill

COMMENTS: \_\_\_\_\_

STIPULATIONS: \_\_\_\_\_

*1. Federal Approval*  
*2. Spacing Wp*

T30S R23E

LIGHTNING  
DRAW  
FIELD  
ABANDONED

LIGHTNING  
DRAW I  
LIGHTNING  
DRAW I

35

T31S R23E

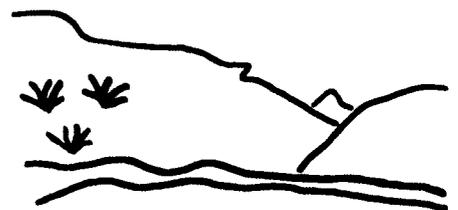
OPERATOR: ST OIL COMPANY (N2190)

SEC: 35 T.30S R. 23E

FIELD: WILDCAT (001)

COUNTY: SAN JUAN

SPACING: R649-3-3 / EXCEPTION LOCATION

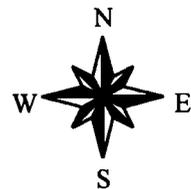


Utah Oil Gas and Mining

- Field Status**
- ABANDONED
  - ACTIVE
  - COMBINED
  - INACTIVE
  - PROPOSED
  - STORAGE
  - TERMINATED

- Unit Status**
- EXPLORATORY
  - GAS STORAGE
  - NF PP OIL
  - NF SECONDARY
  - PENDING
  - PI OIL
  - PP GAS
  - PP GEOTHERML
  - PP OIL
  - SECONDARY
  - TERMINATED

- Wells Status**
- GAS INJECTION
  - GAS STORAGE
  - LOCATION ABANDONED
  - NEW LOCATION
  - PLUGGED & ABANDONED
  - PRODUCING GAS
  - PRODUCING OIL
  - SHUT-IN GAS
  - SHUT-IN OIL
  - TEMP. ABANDONED
  - TEST WELL
  - WATER INJECTION
  - WATER SUPPLY
  - WATER DISPOSAL
  - DRILLING



PREPARED BY: DIANA MASON  
DATE: 18-MAY-2007



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

May 21, 2007

St Oil Company  
1801 Broadway, Suite 600  
Denver, CO 80202

Re: Lightning Draw #1 Well, 1000' FNL, 2600' FEL, NW NE, Sec. 35,  
T. 30 South, R. 23 East, San Juan County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-037-31417.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: San Juan County Assessor  
Bureau of Land Management, Moab Office

**Operator:** St Oil Company  
**Well Name & Number** Lightning Draw #1  
**API Number:** 43-037-31417  
**Lease:** UTU-76731

**Location:** NW NE                      **Sec.** 35                      **T.** 30 South                      **R.** 23 East

### **Conditions of Approval**

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dustin Doucet at (801) 538-5281

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

July 25, 2008

St Oil Company  
1660 Lincoln St, Ste. 2100  
Denver, CO 80264

Re: APD Rescinded – Lightning Draw 1 Sec. 35, T. 30S, R. 23E  
San Juan County, Utah API No. 43-037-31417

Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on May 21, 2007. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective July 25, 2008.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject locations.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason  
Environmental Scientist

cc: Well File  
Bureau of Land Management, Moab