

UTAH OIL AND GAS CONSERVATION COMMISSION

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

DATE FILED **4-28-88**
 LAND: FEE & PATENTED STATE LEASE NO. PUBLIC LEASE NO. **U-50439** INDIAN

DRILLING APPROVED: **5-20-88**

SPUDDED IN:
 COMPLETED: PUT TO PRODUCING:

INITIAL PRODUCTION:
 GRAVITY A.P.I.

GOR:
 PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:
 DATE ABANDONED: **OPA 11-01-88**

FIELD: **WILDCAT**

UNIT:
 COUNTY: **SAN JUAN**

WELL NO. **SANDIA FEDERAL 15-11** API NO. **43-037-31419**

LOCATION **660' FNL** FT. FROM (N) (S) LINE. **510' FWL** FT. FROM (E) (W) LINE. **NW NW** 1/4 - 1/4 SEC. **15**

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
39S	26E	15	BWAB INCORPORATED				

RECEIVED

SEP 28 1987

FILING FOR WATER IN THE STATE OF UTAH

Rec. by [Signature]
Fee Rec. 30.00
Receipt # 24114
Microfilmed
Roll #

BWAB INCORPORATED

APPLICATION TO APPROPRIATE WATER

TEMPORARY

WATER RIGHTS

SALT LAKE

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of the Laws of Utah.

* WATER RIGHT NO. 09 - 1569

* APPLICATION NO. A 63199

1. *PRIORITY OF RIGHT: * FILING DATE:

2. OWNER INFORMATION

Name(s): BWAB Incorporated * Interest: 100 %
Address: 1801 California Street, Suite 1000
City: Denver State: CO Zip Code: 80202
Is the land owned by the applicant? Yes No X
(If "No", please explain in EXPLANATORY section.)

3. QUANTITY OF WATER: cfs and/or 0.5 ac-ft

4. SOURCE: Montezuma Creek * DRAINAGE:
which is tributary to
which is tributary to

POINT(S) OF DIVERSION: COUNTY: San Juan
Water will be trucked from Montezuma Creek in the SE of Sec. 6-T39S-R25E
San Juan Co., UT. Access can be gained to the creek off public access road.
Diversion point will be N 250' & W 200' from SE Cor. Sec. 6-T39S-R25E.

Description of Diverting Works: Water to be hauled from creek using licensed trucking contract

* COMMON DESCRIPTION: 2.25 miles North of Hatch Trading Post water transports

5. POINT(S) OF REDIVERSION

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

Description of Rediverting Works:

6. POINT(S) OF RETURN

The amount of water consumed will be - cfs or 0.5* ac-ft
The amount of water returned will be - cfs or 0 ac-ft
The water will be returned to the natural stream/source at a point(s):

7. STORAGE Not named

Reservoir Name: Temp. Earth Pit Storage Period: from June 1, 1988 to August 1, 1988
Capacity: 1.8 ac-ft. Inundated Area: .23 acres
Height of dam: 8.0 feet
Legal description of inundated area by 40 acre tract(s): NWNW Sec. 15-T39S-R26E, San Juan Co., UT

*Most of the water will not be permanently removed from the ecosystem as it will evaporate and percolate from the reserve pit. Only about 1/3 of the .5 acre-feet will be lost to future use.
* These items are to be completed by the Division of Water Rights

Appropriate

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. U-50439	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR BWAB Incorporated			7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR 1801 California Street, Suite 1000, Denver, CO 80202			8. FARM OR LEASE NAME Sandia Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 660 FNL & 510 FWL NW NW At proposed prod. zone Same			9. WELL NO. 15-11	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 23 Miles SE of Blanding Utah			10. FIELD AND POOL, OR WILDCAT	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 510		16. NO. OF ACRES IN LEASE 4886.38		17. NO. OF ACRES ASSIGNED TO THIS WELL 40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2474		19. PROPOSED DEPTH 6330'		20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5354 GL			22. APPROX. DATE WORK WILL START* June 15, 1988	

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24# or 32#	1950	950sx - Circulate to surface
7-7/8"	5-1/2"	15.5# or 17#	6330	250sx

- 1) Notify BLM 24 hrs. prior to spud.
- 2) Drill to 1950', Set 8-5/8" 24# or 32# surface casing and cement to surface.
- 3) Pressure test BOP and surface casing.
- 4) Drill to 6330' TD and test the productivity of the Ismay and Desert Creek.
- 5) Plug as per BLM instructions or run production casing as appropriate to 6330'.

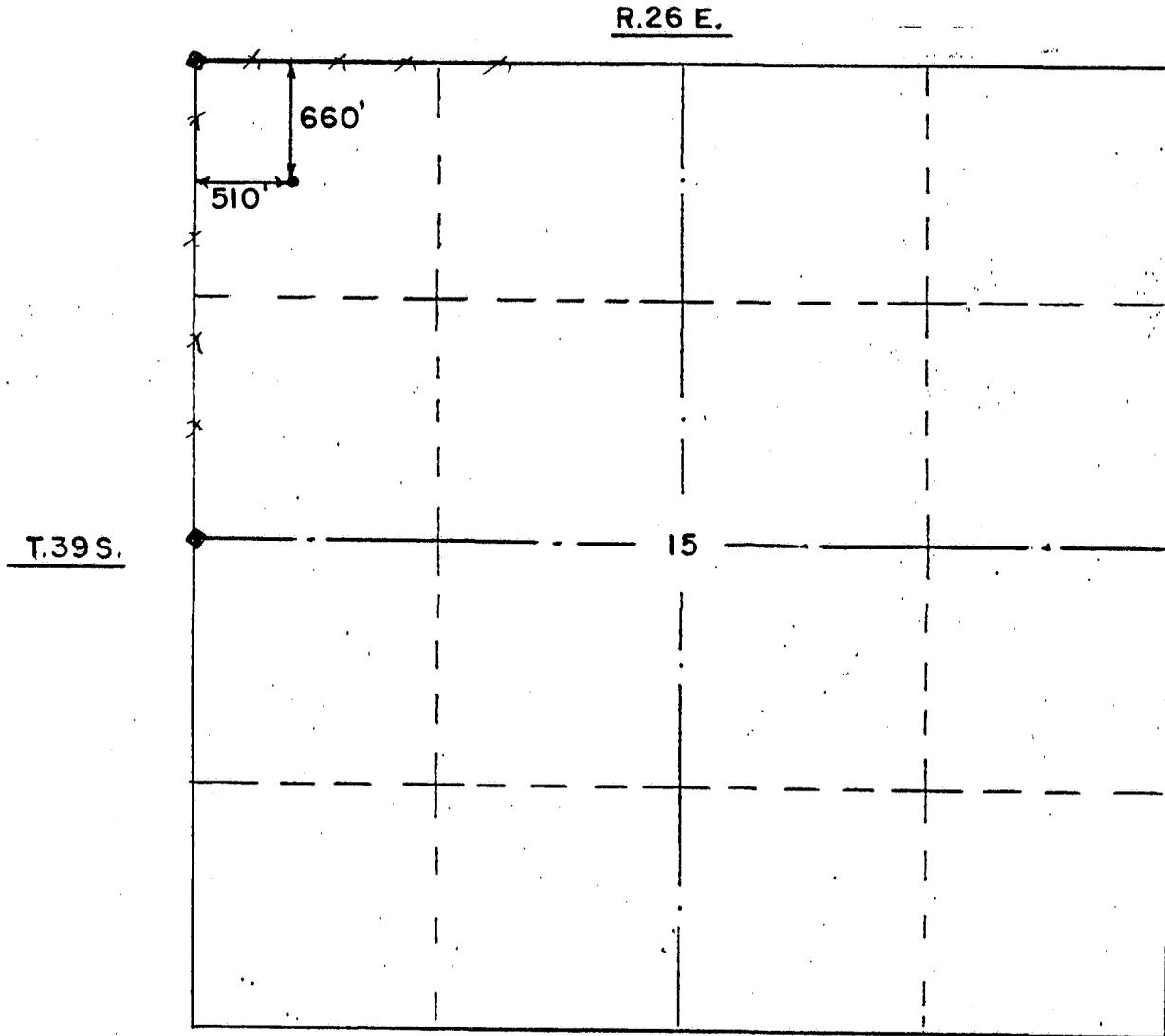
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED John R. Keller TITLE Drilling/Production Manager DATE _____
(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**

WELL LOCATION AND ACREAGE DEDICATION PLAT



WELL LOCATION DESCRIPTION:
BWAB, INC., Sandia Federal 15-11
660'FNL & 510'FWL
Section 15, T.39 S., R.26 E., SLM
San Juan County, UT.
5354' ground elevation
Alternate: 660'FN & 660'FW, 5346' grd.

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

14 April 1988

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

STATE ENGINEER'S ENDORSEMENT

WATER RIGHT NUMBER: 09 - 1569

APPLICATION NO. T63199

1. April 25, 1988 Application received.
2. May 3, 1988 Application designated for APPROVAL by MP and KLJ.
3. Comments:

Conditions:

This application is hereby APPROVED, dated May 6, 1988, subject to prior rights and this application will expire on May 6, 1989.

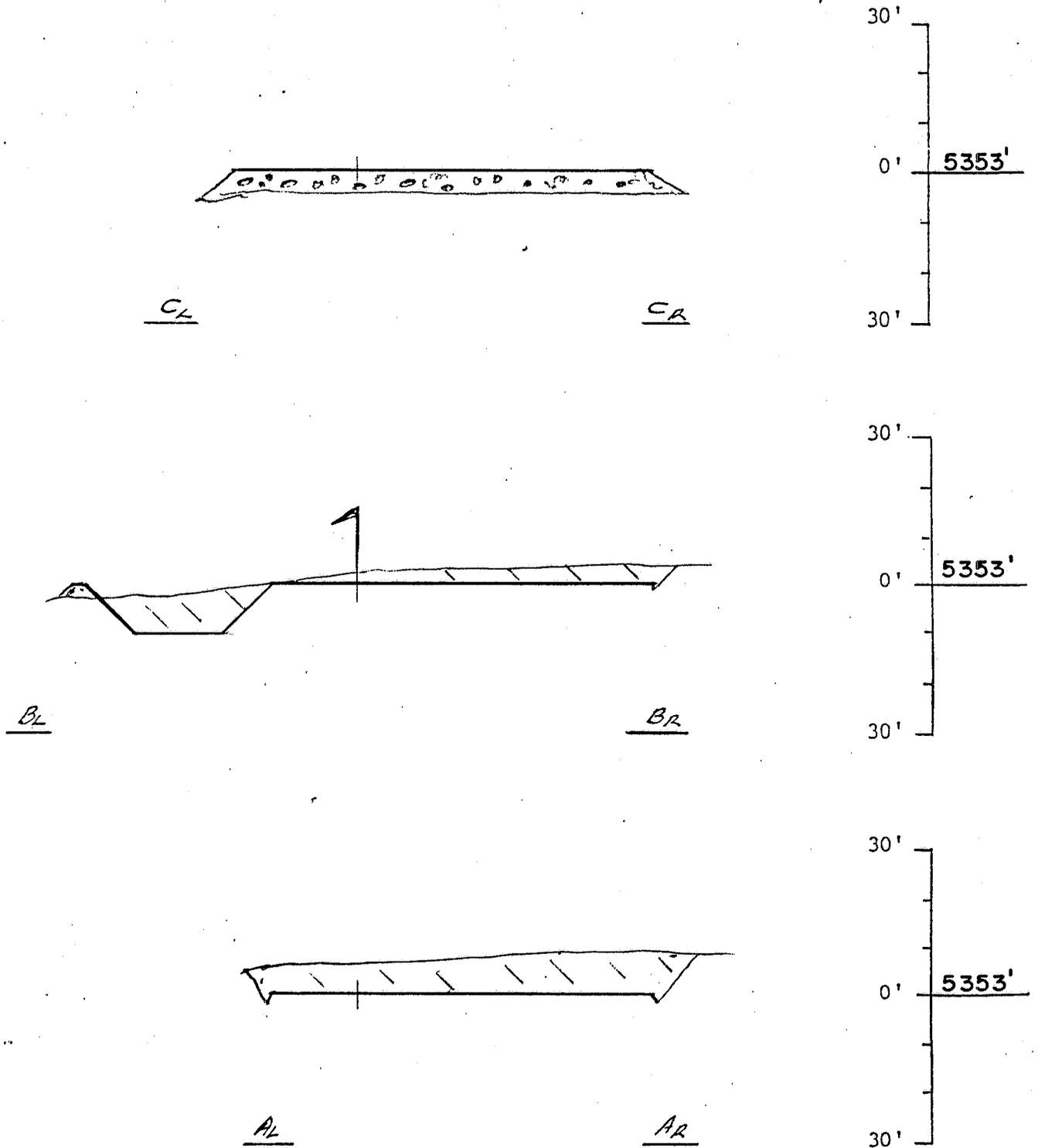
Robert L. Morgan, P.E.
State Engineer

WELL PAD CROSS-SECTION

Sandia Federal 15-11

Cut 
Fill 

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



1. EXISTING ROAD

See attached Regional Map Exhibit "A" and Topographic Map Exhibit "B".

To reach the BWAB Incorporated Sandia Federal 15-11 drilling location in the NWNW of Section 15, T39S-R26E, San Juan County, Utah, follow the directions below.

The location is approximately 23 miles southeast of Blanding, Utah. Proceed northwest out of Arriola, Colorado on U.S. Highway 666 approximately 11.1 miles to its junction with Montezuma County Road BB, just south of Pleasant View, Colorado. At Road BB intersection with U.S. Highway 666 is a BLM sign giving mileage to Hovenweep, McLean Basin, Negro Canyon and Pedro Point. From the intersection, turn west on Road BB and go west 5.9 miles to intersection with Montezuma County Road 10. At the intersection there is another BLM sign with an arrow pointing south saying "Hovenweep 20 Miles". Turn south onto Road 10. Follow County Road 10 south-southwest to Colorado/Utah state line, approximately 16.2 miles. Proceed west an additional 0.5 miles. Turn south on the existing improved oilfield road and follow it southwesterly approximately .7 miles to the intersection with a flat bladed road trending due south. Follow this road south approximately .6 miles south to the location.

The U.S. highways mentioned above are bituminous surfaced roads and are maintained by the Colorado State road crews. The country roads are upgraded dirt roads maintained by Montezuma County. The exploration roads mentioned above will be maintained by BWAB Incorporated.

The roads that are required for access during the drilling, completion and production phases of this well will be maintained to insure proper travel both entering and leaving the area. This will require some minor grader work and watering for maintaining of the road bed and dust control. Any work involving the county road will be coordinated with the San Juan County Road Department, and an encroachment permit will be obtained if necessary. The contact number for the road department is (801) 587-2231, ext. 43.

2. PLANNED ACCESS ROAD

See Topographic Map "B" for routing of access over federal lands near wellsite.

The access road over federal lands will be a 20' crown road (10' either side of the centerline) after improvement. All of the access is existing roadway. Approximately .7 miles of the access will be improved by the time the well is drilled. The 1.3 mile entry road utilizes existing roads to gain entry into the location, except where it skirts the location. Most of the access road is Montezuma County maintained. Only 1.6 miles falls on

Federal surface. Maximum width of the construction area of disturbance will be 30'. Initial road construction will be limited to flat blading. Where the road crosses the Mobil Gas Pipeline, the road is padded over the crossing point. Access to the pipeline right-of-way is blocked with fencing. Where the road parallels the pipeline on the pipeline right-of-way working easement, the road is separated from the pipeline by a fence.

The grade along this new road varies but is less than 2% over all.

Only 1.6 miles of this road is on Federal surfaces; the majority of the road into the location is county or state maintained public roadway.

Culverts will be placed if, and where, necessary when the road is improved after production is established. The BLM will be consulted on the proper placement of water bars, turnouts and culverts. For exploration purposes, only a flat bladed road will be constructed on newly constructed access around the location. No grades in excess of 10% are expected on the entry road. The existing road will be re-routed along the west side of the location. This will be a permanent re-route of the access.

The Operator or his Contractor will contact the Surface Protection Specialist at the San Juan Resource Area Office in Monticello, Utah, phone (801) 587-2141, forty-eight (48) hours prior to beginning any work on public land.

The dirt contractor will be furnished with an approved copy of the surface use plan and any additional BLM stipulations prior to any work.

If subsurface cultural material is exposed during construction, work in that spot will stop immediately and the San Juan Resource Area Office will be contacted. All employees working in the area will be informed by the Operator that they will be subject to prosecution for disturbing archaeological sites or picking up artifacts. Salvage or excavation of identified archaeological sites will only be done if damage occurs.

If the Archaeological Study shows it necessary, a contract archeologist will be present when the dirt work on the access road commences to monitor the site for uncovered archeological material, however it is not expected this will be necessary as the archeologist did not observe any sites on the location, existing or planned road access.

Improvement to the existing road on federal lands will be necessary if production is established. The upgrading will conform to the Class III road standards and will be completed within sixty (60) days after production is established and flowline and battery installation is complete. Upgrading is to be delayed so that the finally upgraded road and battery area will not be disturbed or damaged by facility installation.

New road construction on federal lands will be in conformance to the Class III road standards after production is established. All roads on federal lands will be upgraded with drainage dips (water bars) and tail ditches as specified by the BLM representative from the Resource Area. The majority of the road is currently existing, only the centerline of the part of the access to be newly constructed around the east side of the drill site is flagged where it will be newly constructed on the west side of the location.

Trees will be piled along the side of the access road and topsoil will not be saved along the route.

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

Surfacing material will not be placed on the access road or location without prior BLM approval as to the type of material used.

3. EXISTING WELLS

There are three dry holes located within a one-mile radius of the subject drilling location. The locations of the dry holes are detailed in the paragraph below. They are also noted on Topographic Map "A".

4. LOCATION OF EXISTING AND PROPOSED FACILITIES

There is one producing well within a one-mile radius of the proposed location. It is the BWAB Incorporated operated Sandia Federal 9-44 located in the SESE of Section 9-T39S-R26E, San Juan County, Utah. The well is located on the same federal lease.

At the present time, there is one carbon dioxide pipeline operated by Mobil Oil, located within a one-mile radius of the location. The location of the pipeline right-of-way is noted on Topographic Map "A".

There are three dry holes within a one-mile radius of the location. They are the Carter Oil No. 2 Aztec Federal located in the SWSW of Section 9, the Wintershall Oil & Gas Wintershall Federal 10-31 located in the NENE of Section 10, and the Mobil No. 1 Federal-GG located in the SWNW of Section 15. All wells are located in T39S-R26E, San Juan County, Utah.

The area used to contain the proposed production facilities will be built using native materials. If these materials are not available or acceptable, then other arrangements will be made to acquire them from private sources. These facilities will be constructed using bulldozers, graders and workman crews to construct and place the proposed facilities.

The exact site of the tank battery will be determined after the well is drilled, but current plans call for placing the tank battery facility on location. If an alternative site is proposed, it will be located on the same federal lease at a remote site which would be on federal surface. Any battery constructed will be built and operated in compliance with federal regulations. If the location of the battery is off the drillsite, approval will be obtained from BLM prior to any battery construction activity.

All permanent (on site for 6 months or longer) above ground facilities (including pump jacks) will be painted a flat, nonreflective, shalegreen color to match the surrounding vegetation and mitigate visual effect. All facilities will be painted within 6 months of installation if weather permits. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The color will be shalegreen (5Y4/2).

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 one tank.

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

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

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

If the battery is located on the wellsite, the gas meter runs for the well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced. If the battery is located at a remote site, the gas meter will be located within 500 feet of the battery.

The oil and gas measurement facilities will be installed on the well location or at a remote site on federal land previously stated. The gas meters will be calibrated in place before any deliveries. Tests for meter accuracy will be conducted in accordance with contract provisions. The San Juan Area Manager will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the San Juan Area Manager. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

Rehabilitation of disturbed areas no longer needed for operations after construction is completed will meet the requirements of Item #10.

5. LOCATION AND TYPE OF WATER SUPPLY

Drilling water will be obtained from private sources on private lands, or state controlled waterways. The water will be purchased from landowners or a permit will be obtained from the state to expropriate water. The temporary water use permit will be obtained from the Utah State Engineer in Price, Utah. A contact number for the State Engineer is (801) 637-1303.

All concerned agencies will be notified to obtain appropriate water purchase or use approvals.

Use of water from sources such as wells, springs, streams, or stock ponds for activities associated with this well will be approved, prior to use, by the agency or individual holding the water right.

6. SOURCE OF CONSTRUCTION MATERIALS

All construction material for this location site shall be borrow material accumulated during construction of the location site and access road. No additional road gravels or pit lining material from other sources are anticipated prior to completion at this time, but if they are required, the appropriate actions will be taken to acquire them from private sources. The drillsite and entry road is on BLM administered lands. The balance of the access is on county and state owned public right-of-ways across state, private and federal lands.

7. METHODS OF HANDLING WASTE DISPOSAL

See the attached Location Layout Sheet.

A reserve pit will be constructed to contain drilling cuttings, drilling water and drilling mud.

The reserve pit will be approximately 8' deep and at least one half of this depth shall be below the surface of the existing ground. The pit will be located, as shown on the attached plat. It is not expected lining of the pit will be necessary.

The reserve pit will be used during the drilling of this well to store non-flammable materials such as cuttings, drilling fluids if needed, chemicals and produced fluids, etc.

If deemed necessary by the agencies concerned to prevent contamination to surrounding areas, the reserve pits will be lined with bentonite. At this time, it is not expected a liner will be necessary. The BLM will be contacted prior to pit utilization to determine if a liner is necessary if broken and fractured rock is encountered in the pit.

The pits will be surrounded by a four-strand barbed wire fence.

As stated in the aforementioned paragraphs, non-flammable materials such as cuttings and drilling fluids will be contained in the reserve pits.

After drilling rig move out, the reserve pit will be fenced on all sides at the time drilling activities are completed. It will be allowed to dry completely prior to backfilling and other reclamation activities.

When the reserve pit dries and reclamation activities commence, the pits will be covered with as much soil as is practical and all requirements in Item #10 will be followed.

All produced water, if any, will be disposed of according to NTL-2B requirements.

All garbage and other waste material will be contained in a trash basket made of small mesh wire, or a pit covered with wire mesh. If it is not burned, all trash will be taken to the nearest sanitary landfill for disposal upon completion of the well. A burn permit will be obtained from the State Fire Warden, contacted at (801) 587-2237 if burning is done between May 1-October 31, 1988.

A portable chemical toilet will be provided for human waste.

8. ANCILLARY FACILITIES

There are no ancillary facilities planned for at the present time and none foreseen in the near future.

9. WELL SITE LAYOUT

See the attached Location Layout Sheet. Access will be from east side of the location.

As previously mentioned in Item #7, the pits will be unlined unless it is determined by the representatives of the agencies involved that the materials are too porous and would cause contamination to the surrounding area; then the pits will be lined with native clay and any other type of material necessary to make them safe and tight.

When drilling activities commence, all work shall proceed in a neat and orderly sequence.

10. PLANS FOR RESTORATION OF SURFACE

The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed in the methods described in the rehabilitation section. Adequate topsoil will be retained for final reclamation of the location where such topsoil exists. Any remaining stockpile of topsoil will be seeded in place using the prescribed seed mixture.

All above-ground production facilities will be painted with a flat, shalegreen color harmonious with the adjacent land-scape. The standard BLM reference number for this color is 5Y4/2.

There is approximately 6" of topsoil on the location site, it shall be stripped and stockpiled. See location layout sheet for location of the topsoil storage points. When all drilling and production activities have been completed, the location site will be reshaped to the original contour and stockpiled topsoil spread over the disturbed area.

Any drainages re-routed during construction activities shall be restored to their original line of flow as near as possible. Fences around trash pits are to be removed upon completion of drilling activities and all waste being contained in the pits shall be buried with a minimum of 4' of cover where practical.

As mentioned in Item #7, the reserve pits will be completely fenced with wire after the completion of drilling activity and overhead flagging installed if there is oil in the pits. The pits will be allowed to dry completely before covering. All items mentioned above will be completed within 90 days after commencement of restoration procedures if weather conditions permit.

When restoration activities have been completed, the location site and access ramp shall be reseeded with a seed mixture recommended by the BLM District Office when the moisture content of the soil is adequate for germination. The Lessee further agrees that all said clean-up and restoration activities shall be done and performed in a diligent and workman-like manner and in strict conformity with the above mentioned Items #7 and #10, and the Oil and Gas Surface Operating Standards Manual.

Immediately upon completion of drilling, the location and surrounding area will be cleared of all debris resulting from the operations. All trash will be burned or hauled to a local sanitary landfill.

The Operator or his Contractor will contact the Surface Protection Specialist at the San Juan Resource Area BLM office in Monticello, Utah, phone (801) 587-2141, 48 hours prior to starting rehabilitation work that involves earthmoving equipment and upon completion of restoration measures.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry and any trash (barrels, metal, etc.) it contains must be removed from public lands.

All disturbed areas will be recontoured to blend as nearly as possible with the surrounding area. The stockpiled topsoil will be evenly distributed over the disturbed area.

All disturbed areas will be scarified with the contour to a depth of 12". The pad will not be smoothed, it will be left with a roughened surface.

Seed will be (broadcast/drilled) at a time to be specified by the BLM with the attached seed prescription or that detailed by the landowner. When broadcast seeding, a harrow or some such implement will be dragged over the seeded area to assure seed cover.

The seed mixture recommended for location is 4 lbs/acre of Indian Ricegrass (*Oryzopsis hymenades*), 2 lbs/acre of Fourwing Saltbrush (*Atriplex canescens*), 1/2 lb/acre of Sage Brush, and 1/2 lb/acre of Yellow Sweet Clover.

After seeding is complete, any stockpiled trees will be scattered evenly over the disturbed areas and walked down with a dozer.

Waterbars will be used on all sloping surfaces as shown below:

<u>GRADE</u>	<u>SPACING</u>
2%	200 feet spacing
2-4%	100 feet spacing
4-5%	75 feet spacing
+5%	50 feet spacing

11. SURFACE OWNERSHIP

Surface Ownership: Private.

Mineral Ownership: Federal.

12. OTHER INFORMATION

The subject drillsite is located on an arid rock plateau used primarily for stock grazing in San Juan County, Utah. There are no unusual plants or endangered animals known to be in the area, and the local ecosystem is not expected to be significantly impacted by this work. The area has experienced drilling and oil and gas exploration activity in the immediate area over the last few years. The proposed activity will not make the area unsuitable for its current use.

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

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

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

The major item of concern in the area is the cultural resources located in the Hovenweep National Monument and the lands surrounding it. BWAB Incorporated will make every reasonable effort to cooperate with the BLM and the National Park Service to protect these resources.

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

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

The contact with the BLM District Office is Mike Manchester, phone: (801) 259-6111, address: P. O. Box 970, Moab, Utah 84532.

The San Juan Resource Area Manager's address is P. O. Box 7, Monticello, Utah 84532. The contact is Richard McClure, phone: (801) 587-2141.

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

BWAB INCORPORATED
1801 California Street
Suite 1000
Denver, CO 80202

Mr. John R. Keller
(303) 295-7444
(303) 755-6181 (Home)

14. CERTIFICATION

I hereby certify that I, or persons under my direct supervision have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge true and correct; and that the work associated with the operation proposed herein will be performed by BWAB INCORPORATED 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.

April 21, 1988
Date



John R. Keller
Drilling and Production Manager
BWAB Incorporated

PROPOSED DRILLING PLAN AND CONDITIONS
FOR DRILLING PERMIT APPROVAL

OPERATOR: BWAB Incorporated

WELL NAME: Sandia Federal 15-11

SURFACE LOCATION: 660 FNL and 510 FWL
NWNW, Section 15, T39S-R26E
Lease No. U-50439

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

1. Surface Formation and Estimated Formation Tops:

<u>Formation</u>	<u>Depth</u>
Bluff	874
Entrada	1,140
Navajo	1,288
Chinle	1,900
De Chelly	2,912
Cutler	3,006
Hermosa	4,385
Upper Ismay	5,220
Desert Creek	5,980
Akah	6,180
Total Depth	6,330

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

	<u>Formation</u>	<u>Anticipated Depth</u>
Expected oil and associated gas zones:	Upper Ismay	5,220'
	Desert Creek	5,980'
Expected gas zones:	None	----
Expected mineral zones:	None	----
Expected fresh water zones:	Entrada	1,140'
	Navajo	1,228'
Possible salt water flows:	De Chelly	2,912'-3,006'
	Cutler	3,006'-4,385'

All fresh water intervals will be cased off and cemented in a manner that will protect all fresh water aquifers.

3. Pressure Control Equipment:

The BOP stack will consist of a double ram hydraulically actuated BOP with a working pressure rating of 3,000 or 5,000 psi. An annular BOP or rotating head will probably not be used.

BOP systems will be consistent with API RP 53. Pressure tests will be conducted using the rig pump before drilling out from under all casing strings which are set and cemented in place. Blowout preventor controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and pipe rams operated, at least daily, to ensure good mechanical working order. This inspection will be recorded on the daily drilling report. Function of blind rams will be tested on trips. The San Juan Resource Area will be notified one (1) day before pressure testing of the surface shoe and BOP. The BOP stack will be tested using a test packer prior to drilling the Ismay Formation.

4. Casing Program and Auxiliary Equipment:

<u>Casing Size</u>	<u>Weight</u>	<u>Type</u>	<u>Setting Depths</u>	<u>TOC</u>
8-5/8"	24# or 32#	JorK-55	0 - 1,590'	Surface
5-1/2"	15.5# or 17#	JorK-55	0 - 6,330'	4250'

No special drilling equipment is expected to be necessary.

5. Mud Program and Circulating Medium:

<u>Hole Size</u>	<u>Interval</u>	<u>Type</u>	<u>Additives</u>	<u>Weight</u>	<u>Vis.</u>	<u>WL</u>
12-1/4"	0 - 1950	FWG	Lime/ASP700 Sweeps	10.0	35-40	NC
7-7/8"	1950-4135	FW	Polymer/Salt	8.4- 8.6*	---	NC
7-7/8"	4135-4970	LSND	Staflor/Drispac	8.9-10.0*	34-40	20 cc or less
7-7/8"	4970-6330	LSND	Caustic/Desco	9.3*	36-40**	8-12 cc

*Throughout interval water flows requiring weighting of the mud with barite for control of entry may be possible.

**Logging Vis: 60+; DTS Vis: 50-55

6. Coring, Logging and Testing Program:

No coring is anticipated.

Standard mechanical packer drill stem tests may be run in the Ismay and Desert Creek if warranted.

A full GR-CNL-FDC and GR-DLL will be run across the Ismay-Desert Creek intervals. A GR-DILL will be run from the base of the surface casing.

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

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

Abnormal pressure is not expected in the prospective pay intervals; however, water flows in the De Chelly and Cutler Sands at 2912' and 3,006' are possible, and may require mud weight to be increased to 11.1 lbs/gallons. Past experience has shown the flows to be sporadic in the area, and has shown these water flows can be readily controlled by weighting up the drilling fluid to control or eliminate the flow.

Lost circulation and other drilling problems are not anticipated.

Hydrogen sulfide gas is not anticipated.

8. Anticipated Starting Dates and Notifications of Operations:

The operator will contact the San Juan Resource Area at (801) 587-2141, forty-eight (48) hours before beginning any dirt work.

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

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

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

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

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

If the well is successfully completed for production, the the District Manager will be notified when the well is placed in a producing status. Such notification will be through the filing of a Completion Report within 5 days following the date on which the well is placed on production after the initial potential test.

A first production conference will be held within 15 days after receipt of the first production report if requested by the Resource Area Office.

No well abandonment operations will begin without the prior approval of the District Manager. In the case of newly drilled dry holes or failures, and in emergencies, oral approval will be obtained from the District Petroleum Engineer. A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the District Manager, within 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 San Juan Area Manager, or the appropriate surface manager.

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

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The following information will be permanently beaded-on with a welding torch: Fed, Well number, location by 1/4 1/4 section, township and range, Lease number. The type of marker to be utilized will be selected by the BLM after abandonment. The top of the marker pole will be closed or capped.

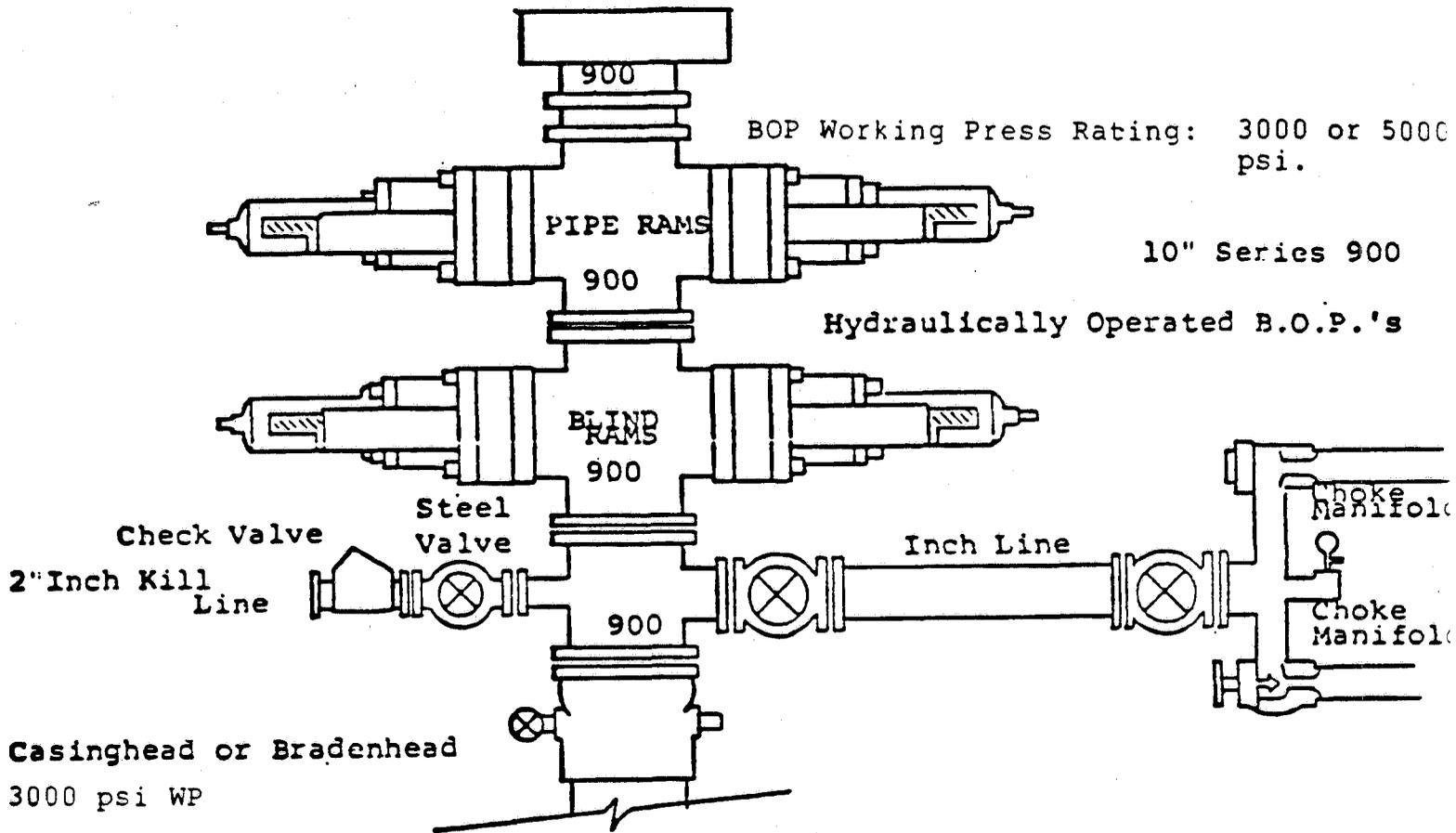
Proposed Drilling Plan & Conditions
For Drilling Permit Approval
Sandia Federal 15-11
Page 5

The BLM will be contacted prior to performing the following actions so they may witness them if they so desire.

1. The cementing and testing of surface casing, testing BOP's.
2. (Dry Hole) Setting and testing of surface casing shoe plug.

Notify the San Juan Resource area (Mike Wade) one day or on dry hole as soon as possible prior to the above at (801) 587-2141 (Home) (801) 587-2026 or if unable to reach Mike call Moab District office at (801) 259-6111.

Blowout Preventor Layout

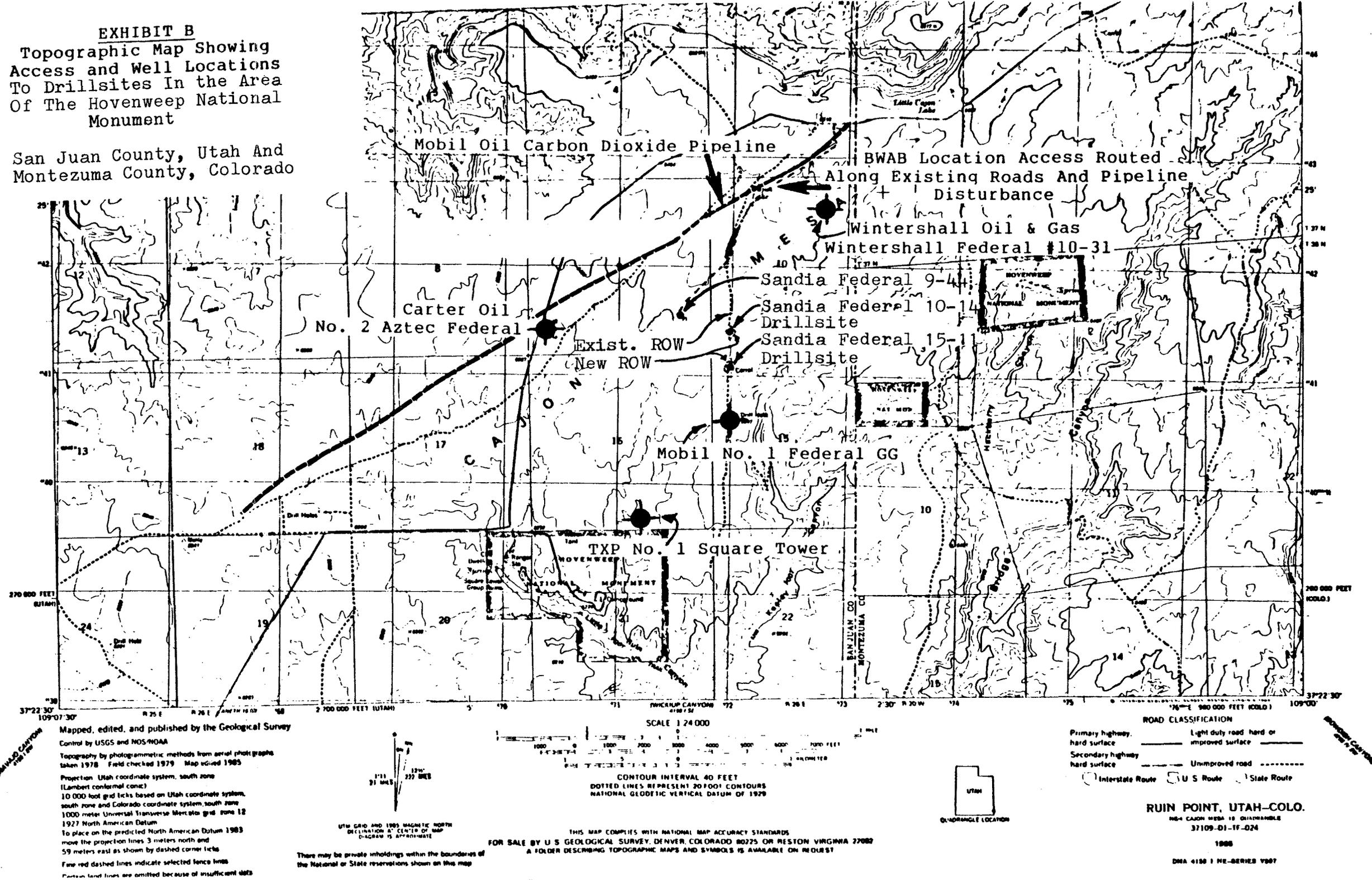


THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

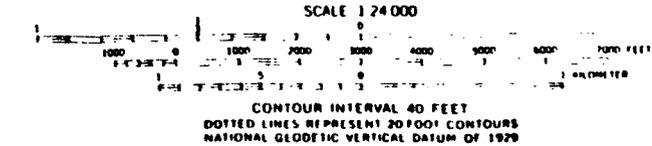
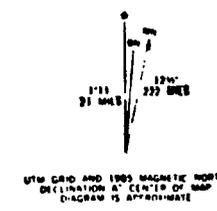
1. All preventers to be hydraulically operated with secondary manual control installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of diameter.
3. Kill line to be of all steel construction of 2" minimum diameter.
4. All connections from operating manifolds to preventers to be all steel. hole or tube a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating of 2000 psi or more. Max surface shut-in press in the area is 1000 psi.
7. BOP will be tested in accordance with APD stipulations.
8. Operating controls located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing.

EXHIBIT B
Topographic Map Showing
Access and Well Locations
To Drillsites In the Area
Of The Hovenweep National
Monument

San Juan County, Utah And
 Montezuma County, Colorado



Mapped, edited, and published by the Geological Survey
 Control by USGS and NOS/NOAA
 Topography by photogrammetric methods from aerial photographs taken 1978. Field checked 1979. Map revised 1985.
 Projection: Utah coordinate system, south zone (Lambert conformal cone).
 10 000 foot grid ticks based on Utah coordinate system, south zone and Colorado coordinate system, south zone.
 1000 meter Universal Transverse Mercator grid zone 12 1927 North American Datum.
 To place on the predicted North American Datum 1983 move the projection lines 3 meters north and 59 meters east as shown by dashed corner ticks.
 Fine red dashed lines indicate selected fence lines.
 Certain land lines are omitted because of insufficient data.



ROAD CLASSIFICATION

Primary highway, hard surface	Light duty road hard or improved surface
Secondary highway hard surface	Unimproved road
Interstate Route	U S Route
	State Route

RUIN POINT, UTAH-COLO.
 804 CASH 4824 IS QUADRANGLE
 37109-01-1F-024

THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
 FOR SALE BY U.S. GEOLOGICAL SURVEY, DENVER, COLORADO 80225 OR RESTON VIRGINIA 22089
 A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

There may be private inholdings within the boundaries of the National or State reservations shown on this map

1986
 DMA 4180 I NE-SERIES 1987

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

(Other instructions on reverse side)

5. Lease Designation and Serial No.

U-50439

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name

8. Farm or Lease Name

Sandia Federal

9. Well No.

15-11

10. Field and Pool, or Wildcat

Wildcat

11. Sec., T., R., M., or Blk. and Survey or Area

Sec. 15-T39S-R26E

12. County or Parrish 13. State

San Juan Utah

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

DRILL

DEEPEN APR 28 1988

PLUG BACK

b. Type of Well

Oil Well

Gas Well

Other

Single Zone

Multiple Zone

2. Name of Operator

BWAB Incorporated

DIVISION OF OIL, GAS & MINING

3. Address of Operator

1801 California Street, Suite 1000, Denver, CO 80202

4. Location of Well (Report location clearly and in accordance with any State requirements.*)

At surface

660 FNL & 510 FWL NW NW

At proposed prod. zone

Same

14. Distance in miles and direction from nearest town or post office*

23 Miles SE of Blanding Utah

15. Distance from proposed* location to nearest property or lease line, ft.

(Also to nearest drlg. line, if any)

510

16. No. of acres in lease

4886.33

17. No. of acres assigned to this well

40

18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this lease, ft.

2474

19. Proposed depth

6330'

20. Rotary or cable tools

Rotary

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

5354 GL

22. Approx. date work will start*

June 15, 1988

23. PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole

Size of Casing

Weight per Foot

Setting Depth

Quantity of Cement

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

John R. Keller

Title Drilling/Production Manager

Date

(This space for Federal or State office use)

Permit No.

Approval Date

Approved by

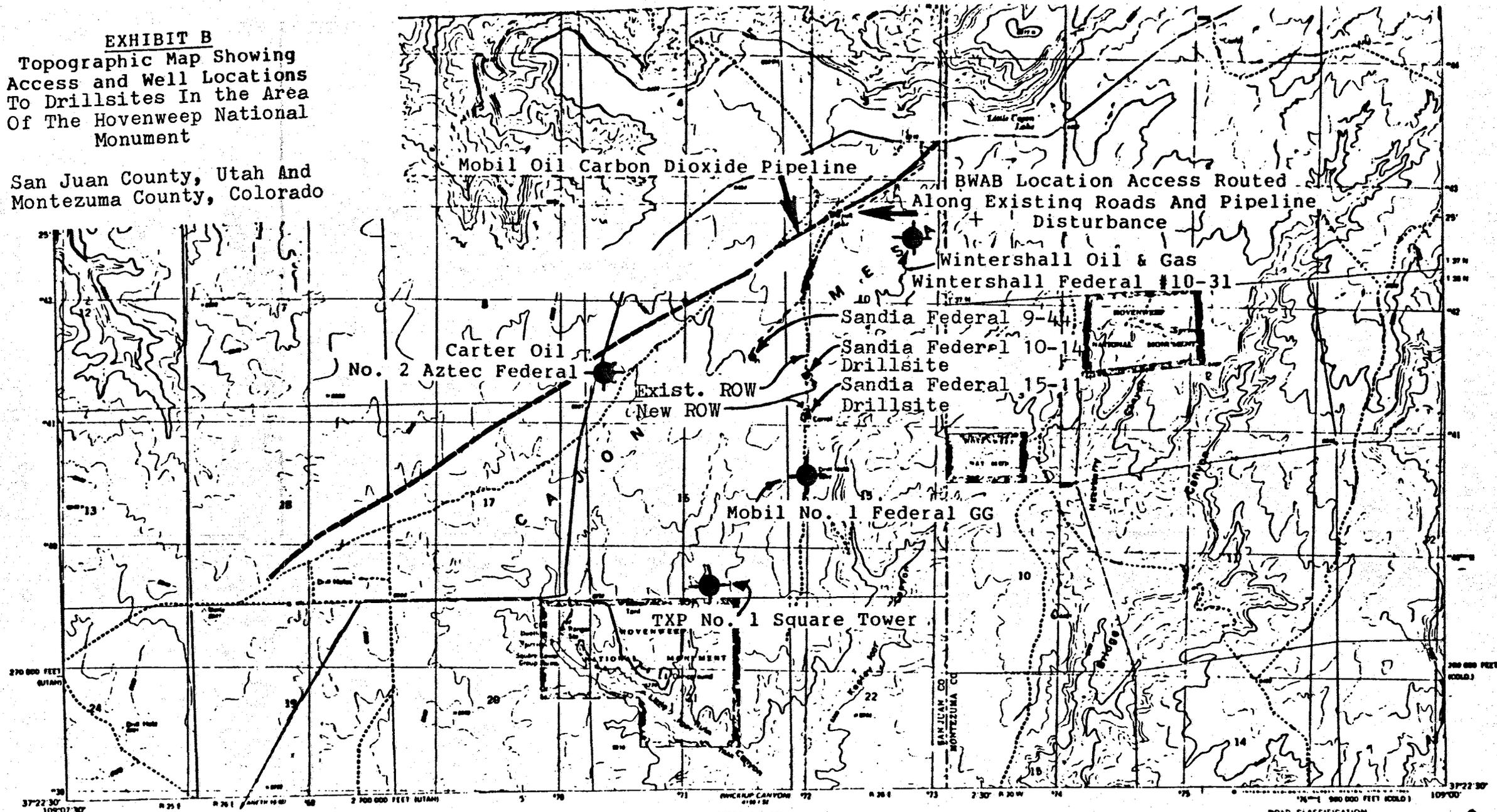
Title

Date

Conditions of approval, if any:

EXHIBIT B
Topographic Map Showing
Access and Well Locations
To Drillsites In the Area
Of The Hovenweep National
Monument

San Juan County, Utah And
 Montezuma County, Colorado



Mapped, edited, and published by the Geological Survey
 Control by USGS and NOS/NOAA
 Topography by photogrammetric methods from aerial photographs taken 1978. Field checked 1979. Map edited 1985.
 Projection: Utah coordinate system, south zone (Lambert conformal conic)
 10 000 foot grid ticks based on Utah coordinate system, south zone and Colorado coordinate system, south zone
 1000 meter Universal Transverse Mercator grid zone 12
 1927 North American Datum
 To place on the predicted North American Datum 1983 move the projection lines 3 meters north and 59 meters east as shown by dashed corner ticks
 Two red dashed lines indicate selected fence lines
 Custom land lines are omitted because of insufficient data

SCALE 1:24 000
 CONTOUR INTERVAL 40 FEET
 DOTTED LINES REPRESENT 20 FOOT CONTOURS
 NATIONAL GEODETIC VERTICAL DATUM OF 1929
 THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
 FOR SALE BY U.S. GEOLOGICAL SURVEY, DENVER, COLORADO 80225 OR RESTON, VIRGINIA 22089
 A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST
 There may be private inholdings within the boundaries of the National or State Reservations shown on this map

ROAD CLASSIFICATION

Primary highway, hard surface	Light duty road, hard or improved surface
Secondary highway, hard surface	Unimproved road
Interstate Route	U.S. Route
	State Route

RUIN POINT, UTAH-COLO.
 NSA CATCH AREA IS QUADRANGLE
 37109-01-11-024
 1988
 DMA 6180 I WE-SERIES 7007

BWAB INCORPORATED



April 22, 1988

State of Utah
Division of Oil, Gas & Mining
355 W. North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

RECEIVED
APR 28 1988

DIVISION OF
OIL, GAS & MINING

RE: Sandia Federal #15-11
NWNW Sec. 15-T39S-R26E
San Juan Co., UT

Gentlemen:

Enclosed herewith is one (1) original and two (2) copies of our Application For Permit to drill for the above captioned well. I have filed the Application to Appropriate Water with the State Division of Water Rights. If this meets with your approval, please execute and return one (1) copy to me for our files. If you should have any questions in this regard, please do not hesitate to contact the undersigned.

Very truly yours,

BWAB Incorporated

Carrie M. Sullivan

Carrie M. Sullivan

:CMS

Enclosures

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

(Other instructions on reverse side)

5. Lease Designation and Serial No.
U-50439

APPLICATION FOR **PLUG BACK** OR **PLUG BACK**

1a. Type of Work
DRILL PLUG BACK

b. Type of Well
Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator
BWAB Incorporated
DIVISION OF OIL, GAS & MINING

8. Farm or Lease Name
Sandia Federal

3. Address of Operator
1801 California Street, Suite 1000, Denver, CO 80202

10. Field and Pool or Wildcat
Wildcat

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At surface
660 FNL & 510 FWL NW NW

11. Sec., T., R., M., or Bk. and Survey or Area
Sec. 15-T39S-R26E

14. Distance in miles and direction from nearest town or post office*
Same

12. County or Parish
San Juan

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest dirg. line, if any)
510

16. No. of acres in lease
4886.38

17. No. of acres assigned to this well
40

18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this lease, ft.
2474

20. Rotary or cable tools
Rotary

21. Elevations (Show whether DF, RT, GR, etc.)
5354 GL

22. Approx. date work will start*
June 15, 1988

28. PROPOSED GASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
12-1/4"	8-5/8"	24# or 32#	1950'	950 SXS - Circulate to surf.
7-7/8"	5-1/2"	15.5# or 17#	6330'	250 SXS

- 1) Drill to 1950', Set 8-5/8", 24# or 32# surface casing and cement to surface.
- 2) Pressure test BOP and surface casing.
- 3) Drill to 6330' TD and test the productivity of the Ismay & Desert Creek.
- 4) Plug as per BLM instructions or run production casing as appropriate to 6330'.

24. 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.

Signature: *John R. Keltner*
Title: Drilling/Production Manager
Date: _____
Permit No.: 43-037-31419

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

DATE: 5-20-88
BY: *[Signature]*
WELL SPACING: K115-3-2

Approved by: _____
Conditions of approval, if any: _____

* See Instructions On Reverse Side

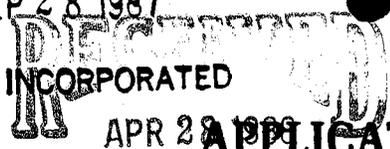
RECEIVED

FILING FOR WATER IN THE STATE OF UTAH

Rec. by _____
Fee Rec. _____
Receipt # _____
Microfilmed _____
Roll # _____

SEP 28 1987

BWAB INCORPORATED



APR 28 1988

APPLICATION TO APPROPRIATE WATER

DIVISION OF
OIL, GAS & MINING

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of the Laws of Utah.

* WATER RIGHT NO. _____ * APPLICATION NO. A

1. * PRIORITY OF RIGHT: _____ * FILING DATE: _____

2. OWNER INFORMATION

Name(s): BWAB Incorporated * Interest: 100 %
Address: 1801 California Street, Suite 1000
City: Denver State: CO Zip Code: 80202
Is the land owned by the applicant? Yes _____ No X
(If "No", please explain in EXPLANATORY section.)

3. QUANTITY OF WATER: _____ cfs and/or 0.5 ac-ft

4. SOURCE: Montezuma Creek * DRAINAGE: _____
which is tributary to _____
which is tributary to _____

POINT(S) OF DIVERSION: _____ COUNTY: San Juan
Water will be trucked from Montezuma Creek in the SE of Sec. 6-T39S-R25E
San Juan Co., UT. Access can be gained to the creek off public access road.
Diversion point will be N 250' & W 200' from SE Cor. Sec. 6-T39S-R25E.

Description of Diverting Works: Water to be hauled from creek using licensed trucking contra
* COMMON DESCRIPTION: 2.25 miles North of Hatch Trading Post ^{water transports}

5. POINT(S) OF REDIVERSION

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

Description of Rediverting Works: _____

6. POINT(S) OF RETURN

The amount of water consumed will be _____ cfs or 0.5* ac-ft
The amount of water returned will be _____ cfs or 0 ac-ft
The water will be returned to the natural stream/source at a point(s): _____

7. STORAGE

Not named
Reservoir Name: Temp. Earth Pit Storage Period: from June 1, 1988 to August 1, 1988
Capacity: 1.8 ac-ft. Inundated Area: .23 acres
Height of dam: 8.0 feet
Legal description of inundated area by 40 acre tract(s): NWNW Sec. 15-T39S-R26E, San Juan Co., UT

*Most of the water will not be permanently removed from the ecosystem as it will evaporate and percolate from the reserve pit. Only about 1/3 of the .5 acre-feet will be lost to future use.
* These items are to be completed by the Division of Water Rights

Appropriate

8. List any other water rights which will supplement this application _____

9. NATURE AND PERIOD OF USE

Irrigation:	From _____ to _____
Stockwatering:	From _____ to _____
Domestic:	From _____ to _____
Municipal:	From _____ to _____
Mining:	From _____ to _____
Power:	From _____ to _____
Other:	From <u>June 1, 1988</u> to <u>August 1, 1988</u>

10. PURPOSE AND EXTENT OF USE

Irrigation: _____ acres. Sole supply of _____ acres.
 Stockwatering (number and kind): _____
 Domestic: _____ Families and/or _____ Persons
 Municipal (name): _____
 Mining: _____ Mining District in the _____ Mine
 Ores mined: _____
 Power: Plant name: _____ Type: _____ Capacity: _____
 Other (describe): Drilling of oil & gas well

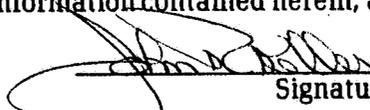
11. PLACE OF USE

Legal description of place of use by 40 acre tract(s): NWNW Sec. 15-T39S-R26E, San Juan Co., UT.
Well to be drilled; Sandia Federal 15-11.

12. EXPLANATORY

The following is set forth to define more clearly the full purpose of this application. (Use additional pages of same size if necessary): Closest accessible and available water that has sufficient quantity and quality to drill the well.

 The applicant(s) hereby acknowledges that he/she/they are a citizen(s) of the United States of America or intends to become such a citizen(s). The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purposes herein described. The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained herein, at the time of filing, rests with the applicant(s).



 Signature of Applicant(s)
 John R. Keller
 Drilling & Production Manager



BWAB INCORPORATED
DENVER COLORADO

900849



First Interstate Bank
of Riverton, N.A.
P. O. Box 233
Riverton, Wyoming 82501
99-192/1023

REGISTERED **30 DOLS 00 CTS**
R-8P81186

PAY	DATE	AMOUNT
TO THE ORDER OF State of Utah, Div. of Water Rights 1636 W. North Temple Salt Lake City, UT 84116	4/22/88	\$*30.00*
<i>Randall C. Paulie</i>		

⑈009008496⑈ ⑆102301924⑆ 600⑈000⑈⑈⑈⑈

VOS

BWAB INCORPORATED

Filing Fee for Water Permit - Sandia Federal #15-11

\$30.00

OPERATOR BWAB Incorporated DATE 4-28-88

WELL NAME Sandia Federal 15-11

SEC NWNW 15 T 39S R 26E COUNTY San Juan

43-037-31419
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 09-1569 / T63199
ROCC Approval received

APPROVAL LETTER:

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

_____ CAUSE NO. & DATE R615-3-3

STIPULATIONS:

~~need~~ water permit Received 5-9-88.

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:
June 15, 1988

4. AREAWIDE CLEARING HOUSE(S) RECEIVING STATE ACTIONS:
(to be sent out by agency in block 1)
Southeastern Utah Association of Local Governments

5. TYPE OF ACTION: Lease Permit License Land Aquisition
 Land Sale Land Exchange Other _____

6. TITLE OF PROPOSED ACTION:
Application for Permit to Drill

7. DESCRIPTION:

BWAB Inc. proposes to drill a wildcat well, the Sandia Federal #15-11, on federal lease number U-50439 in San Juan County, Utah. This action is being presented to RDCC for consideration of resource issues affecting state interests. The U.S. Bureau of Land Management is the primary administrative agency in this case and must issue approval to drill jointly with DOGM before operations can commence.

8. LAND AFFECTED (site location map required) (indicate county)
NW/4, NW/4, Section 15, Township 39 South, Range 26 East, San Juan County, Utah

9. HAS THE LOCAL GOVERNMENT(S) BEEN CONTACTED?
Unknown

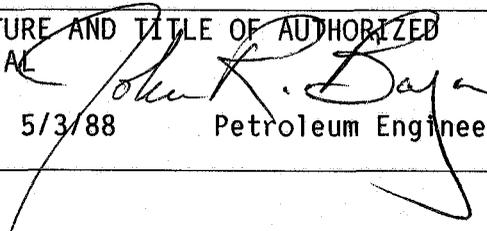
10. POSSIBLE SIGNIFICANT IMPACTS LIKELY TO OCCUR:
Degree of impact is based on the discovery of oil or gas in commercial quantities.

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: 5/3/88
Petroleum Engineer





May 20, 1988

BWAB Incorporated
1801 California Street, Suite 1000
Denver, Colorado 80202

Gentlemen:

Re: Sandia Federal 15-11 - NW NW Sec. 15, T. 39S, R. 26E
660' FNL 510' FWL - San Juan County, Utah

Approval to drill the referenced well is hereby granted in accordance with Rule R615-3-2, Oil and Gas Conservation General Rules.

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

1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form OGC-8-X.
4. Prompt notification if it is necessary to plug and abandon the well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or Jim Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Rule R615-3-22, Gas Flaring or Venting, Oil and Gas Conservation General Rules.
6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations.

Page 2
BWAB Incorporated
Sandia Federal 15-11
May 20, 1988

A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 538-6121.

7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-037-31419.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

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

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS

JIMMIE WALKER
Chairman

WILLIAM D. HOWELL
Executive Director

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

AREAWIDE CLEARINGHOUSE A-95 REVIEW

NOI ___ Preapp ___ App ___ State Plan ___ State Action X Subdivision ___ (ASP # 5-56-7)

Other (indicate) _____ SAI Number UT880513-060

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

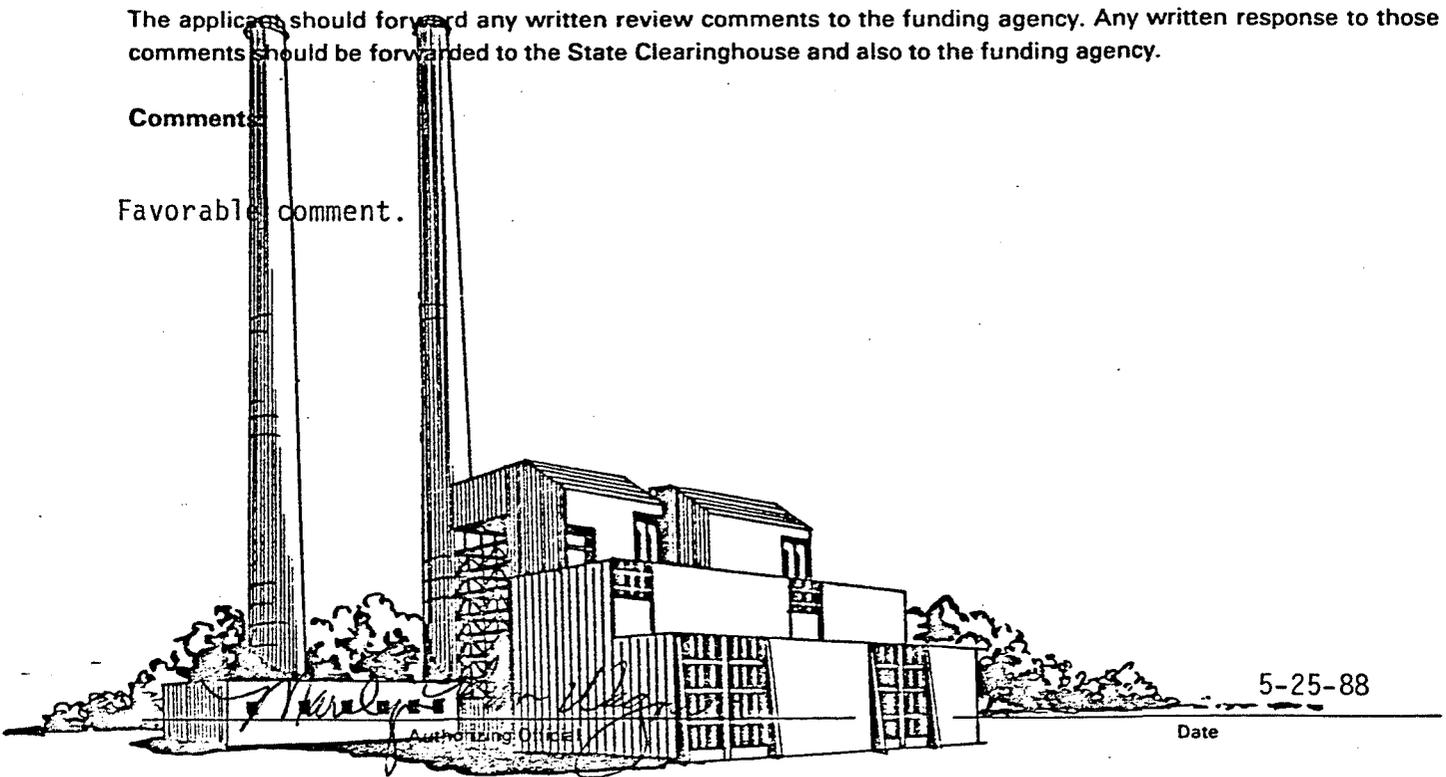
Orl.
73-037-31419
BWAB
Sandia Fed. # 15-11
15-395-26E
San Juan Co.

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

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

Comments:

Favorable comment.





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

Norman H. Bangerter
 Governor

Max J. Evans
 Director

300 Rio Grande
 Salt Lake City, Utah 84101-1182

May 25, 1988

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

RE: Application for Permit to Drill, BWAB Inc. Sandia Federal #15-11, Federal
 Lease U-50439 *395 26E Sec. 15* *43-037-31419*

In Reply Please Refer to Case No. L186

Dear Mr. Baza:

The staff of the Utah State Historic Preservation Office reviewed the State Action form for the project referenced above. We have previously reviewed an archeological report (U-88-LA-122p) prepared for this project by La Plata Archeological Consultants. From the information provided in that report, we are able to concur with their determinations that sites 42Sa 13658, 13659, and 20020, are all potentially eligible for the National Register of Historic Places. We understand that all three sites will be avoided during the project. We concur with the contractor's recommendation that an archeological monitor be present during construction because of local high site sensitivity and the possibility of buried cultural deposits. If the sites can be successfully avoided, this office is able to concur with a determination of no effect for this project.

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

Sincerely,

A. Kent Powell
 Deputy State Historic
 Preservation Officer

CMS:L186/5538V OR/DOEx3/NE

cc: Dale Davidson
 cc: RDCC, SAI #UT880513-070

3162 (U-065)
(U-50439)

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

NOV 9 1988

RECEIVED
NOV 14 1988

BWAB, Incorporated
1801 California Street, Suite 1000
Denver, CO 80202

DIVISION OF
OIL, GAS & MINING

Re: Returning Application for Permit
to Drill
Well No. Sandia Federal 15-11
NWNW Sec. 15, T. 39 S., R. 26 E.
San Juan County, Utah
Lease U-50439

43-037-31419

Gentlemen:

The Application for Permit to Drill the above well was received April 25, 1988. We are in receipt of your letter dated November 2, 1988 whereby you requested your application for the referenced well be withdrawn.

In view of the foregoing, we are returning your Application for Permit to Drill unapproved. At a future date, if you intend to drill this location a new application must be submitted.

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

Sincerely yours,

District Manager

Enclosure
Application for Permit to Drill

cc: San Juan Resource Area (w/o encl.)

W/ WILLIAM C. STRINGER

State of Utah, Division of Oil, Gas and Mining ✓
Salt Lake City, Utah 84180-1203 (w/o encl.)

CFreudiger/cf 11/8/88

ACTING

OIL AND GAS	
DRN	RJF
JRB	GLH
ETC	SLS
1-TAS	
2-	MICROFILM ✓
3-	FILE



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangarter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

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

November 17, 1988

BWAB, Incorporated
1801 California Street, Suite 1000
Denver, CO 80202

Gentlemen:

Re: Sandia Federal 15-11, Sec. 15, T.39S, R.26E, San Juan County, Utah
API NO. 43-037-31419

In concert with action taken by the U.S. Bureau of Land Management, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval, prior to future drilling of the subject location.

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

Sincerely,

A handwritten signature in cursive script that reads "John R. Baza".

John R. Baza
Petroleum Engineer

tc
cc: D. R. Nielson
R. J. Firth
BLM-Moab
Well file
WE16/82