

UTAH OIL AND GAS CONSERVATION COMMISSION

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

DATE FILED 7-18-88

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

DRILLING APPROVED: 7-27-88 (CAUSE 156-3)

SPUDDED IN: _____

COMPLETED: ~~9-11-89~~ PUT TO PRODUCING: _____

INITIAL PRODUCTION: _____

GRAVITY A.P.I. _____

GOR: _____

PRODUCING ZONES: _____

TOTAL DEPTH: _____

WELL ELEVATION: _____

DATE ABANDONED: 9-18-89 OYA.

FIELD: MEXICAN HAT

UNIT: _____

COUNTY: SAN JUAN

WELL NO. CROSSING NO. 2 #13 API NO. 43-037-31447

LOCATION 1165' FSL FT. FROM (N) (S) LINE. 1775' FEL FT. FROM (E) (W) LINE. SW SE 1/4 - 1/4 SEC. 7

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
42S	19E	7	J & L OIL COMPANY				

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

(Other instructions on reverse side)

15

5. Lease Designation and Serial No.

Fee

6. If Indian, Allottee or Tribe Name

None

7. Unit Agreement Name

None

8. Farm or Lease Name

Crossing #2

Well No.

Well #13

10. Field and Pool, or Wildcat

Mexican Hat

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

Sec 7 T42S R19E S1M

12. County or Parrish 13. State

San Juan Utah

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

J & L Oil Company

3. Address of Operator

P.O. Box 59 - Bluff, UT 84512

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

At surface

1165' F/SL 1775' F/EL

At proposed prod. zone

Same

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

1/4 mile SE

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

1165'

16. No. of acres in lease

60

17. No. of acres assigned to this well

Unlimited

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

55

19. Proposed depth

200' Goodridge

20. Rotary or cable tools

Rotary

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

4090' (Est)

22. Approx. date work will start*

28 July 1988

23. PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
7"	5 1/2 "	21 pd	100'	17 sacks neat

Drill hole with spud mud to set 7" surface casing. Drill 5 1/2" hole with mud to est depth - Goodridge - 200 ft more or less

A Notification of Intent to Drill has been directed to each working interest in the drilling unit. An operating agreement is attached.

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. Phone: 672-2201

Signed: *Arnold H. Baum*

Title: Operator

Date: 12 July 1988

(This space for Federal or State office use)

Permit No. 43-037-31447

Approval Date

Approved by: Conditions of approval, if any:

Title

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

DATE: 7-27-88

BY: *John R. Bay*

WELL SPACING: Cause No. 1563

*See Instructions On Reverse Side

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

DESIGNATION OF OPERATOR

The undersigned producer, operator, transporter, refiner, gasoline of initial purchaser who is conducting oil and/or gas operations in the State of Utah, does, pursuant to the Rules and Regulations and Rules of Practice and Procedure of the Division of Oil, Gas and Mining of the State of Utah, hereby appoint J & L Oil Company, whose address is P.O. Box 307, Mexican Hat, UT 84531, (~~its~~ its) designated operator to accept and to be served with notices from said Board, or from other persons authorized under the Oil and Gas Conservation Act of the State of Utah.

The undersigned further agrees to immediately report in writing, all changes of address of the operator, and any termination of the operator's authority, and in the latter case, the designation of a new operator shall be immediately made. This designation of operator, however, shall remain in full force and effect until and unless a new designation of operator is filed in accordance with said statute and said regulations.

Effective date of designation August 12, 1985

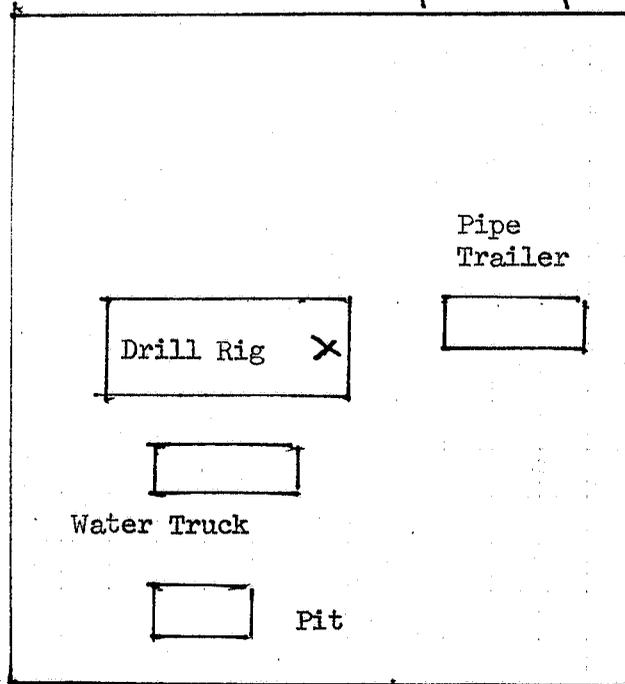
Company: San Juan Minerals Corp. Address: Box 52, Blythe Calif 92225
By: Jack Williams (signature) Title: Pres.

1. There no important geologic markers in the immediate vicinity.
2. Estimated depths at which the top and bottom of anticipated water, oil, gas, etc. is unknown as there has not been any other wells drilled in this location. All precautions will be taken to protect any resource of this type which is encountered.
3. This known as a low pressure area. Adequate blowout prevention equipment will be used.
4. The type and characteristics of the proposed circultating medium or mediums to be employed in drilling, the quantities and types of mud and weighting material to be maintained is unknown until the drilling commences.
5. A sample will be taken every 5 feet.
6. It is anticipated that there will be no bottomhole, or abnormal pressures or temperatures or other hazards encountered.
7. Approved source of water: Approval for use per Ms. Dorothy Bolton, Utah Div. of Water Rights and San Juan Spec. Service Dist. #1.

Fresh water for surface hole, drilling and cement will be hauled from the town of Mexican Hat.
8. Cultural Resource clearance is not required as this is fee land.
9. Planned Access Roads - Roads already in existance. Any new construction will be limited to a total disturbed width of 16 feet.
10. Surface area of proposed location is rocky with very little vegetation - some Shadscale. Little dirt work is necessary to restore the area to it's original condition.
11. Source of construction Materials - None Required.
12. Handling of Waste Materials:
 - Liquid waste to be retained in earthen pit.
 - Burnable waste, if any, to be placed in earthen pit and burned at appropriate times.
 - Non-burnable waste to be placed near burn pit and hauled off on completion.
13. Well layout - See Exhibit II

NORTH

Access
Road.



August 12, 1985

Utah State Natural Resources
355 W. North Temple
3 Triad Center - Suite 350
Salt Lake City, UT 84180-1203

Subject: J & L Oil Company

Gentlemen:

J & L Oil Company, Mexican Hat, Utah, has requested and received authorization from the undersigned to use culinary water from the township of Mexican Hat, Utah, for the purpose of drilling oil wells.

Very truly yours,

SAN JUAN SPECIAL SERVICE DIST. #1

Luther P. Risenhoover

Luther Risenhoover, President

DRILLING LOCATION ASSESSMENT

State of Utah
Division of Oil, Gas and Mining

OPERATOR: J&L Oil Co. WELL NAME: Crossing #2-13
SECTION: 7 TWP: 42S RNG: 19E LOC: 1165 FSL 1775 FEL
QTR/QTR SW/SE COUNTY: San Juan FIELD: Mexican Hat
SURFACE OWNER: First Security Bank-Allyson Estate
SPACING: 50' F SECTION LINE; 50' F QTR/QTR LINE; NA F ANOTHER WELL
INSPECTOR: Brad Hill DATE AND TIME: 7/20/88 10:00 AM

PARTICIPANTS: Jerry Baum (J&L Oil Co.)

REGIONAL SETTING/TOPOGRAPHY: Located on a bench overlooking the San Juan River and directly adjacent to the town of Mexican Hat.

LAND USE:

CURRENT SURFACE USE: None

PROPOSED SURFACE DISTURBANCE: Location is on an existing road. The only additional disturbance will be an 8'X 8'X 6' reserve pit which will also be located on the existing road.

AFFECTED FLOODPLAINS AND/OR WETLANDS: Location is 1/4 mile north of the San Juan River.

FLORA/FAUNA: Shadscale, Greasebush, Navajo Yucca, Brickellia, Mormon Tea, scattered grasses / Birds, insects, lizards

ENVIRONMENTAL PARAMETERS

GEOLOGY

SOIL TYPE AND CHARACTERISTICS: clayey silt with surface gravel

SURFACE FORMATION & CHARACTERISTICS: Halgaito Shale; red shales interbedded with siltstones and fine grained sandstones.

EROSION/SEDIMENTATION/STABILITY: slow erosion/no observable sedimentation/stable

SUBSURFACE GEOLOGY

OBJECTIVES/DEPTHS: Goodridge Sandstone-200'

ABNORMAL PRESSURES-HIGH AND LOW: None

CULTURAL RESOURCES/ARCHAEOLOGY: N.A.-Fee acreage

WATER RESOURCES: The well will be located 1/4 mile north of the San

Juan River. No other water resources or drainages are nearby.

CONSTRUCTION MATERIALS: None

SITE RECLAMATION: If well is completed as a dry hole the site will be regraded and reseeded as close to the original state as possible.

RESERVE PIT

CHARACTERISTICS: An 8'X 8'X 6' reserve pit will be dug in the existing roadbed.

LINING: No lining should be required. The soils in this area are fairly permeable but considering the small amount of fluid used in drilling these holes and the fact that they are drilled with fresh water it is not felt that a pit liner is needed.

MUD PROGRAM: Fresh water: surface-TD

DRILLING WATER SUPPLY: Drilling water will be hauled from the town of Mexican Hat.

OTHER OBSERVATIONS

The drilling pad will be restricted to the existing access road rather than the pad inferred by the diagram which accompanies the APD. Mr. Baum stated that these wells are drilled entirely with fresh water with the only additive being soap on occasion. A photograph of the site will be put on file.

STIPULATIONS FOR APD APPROVAL

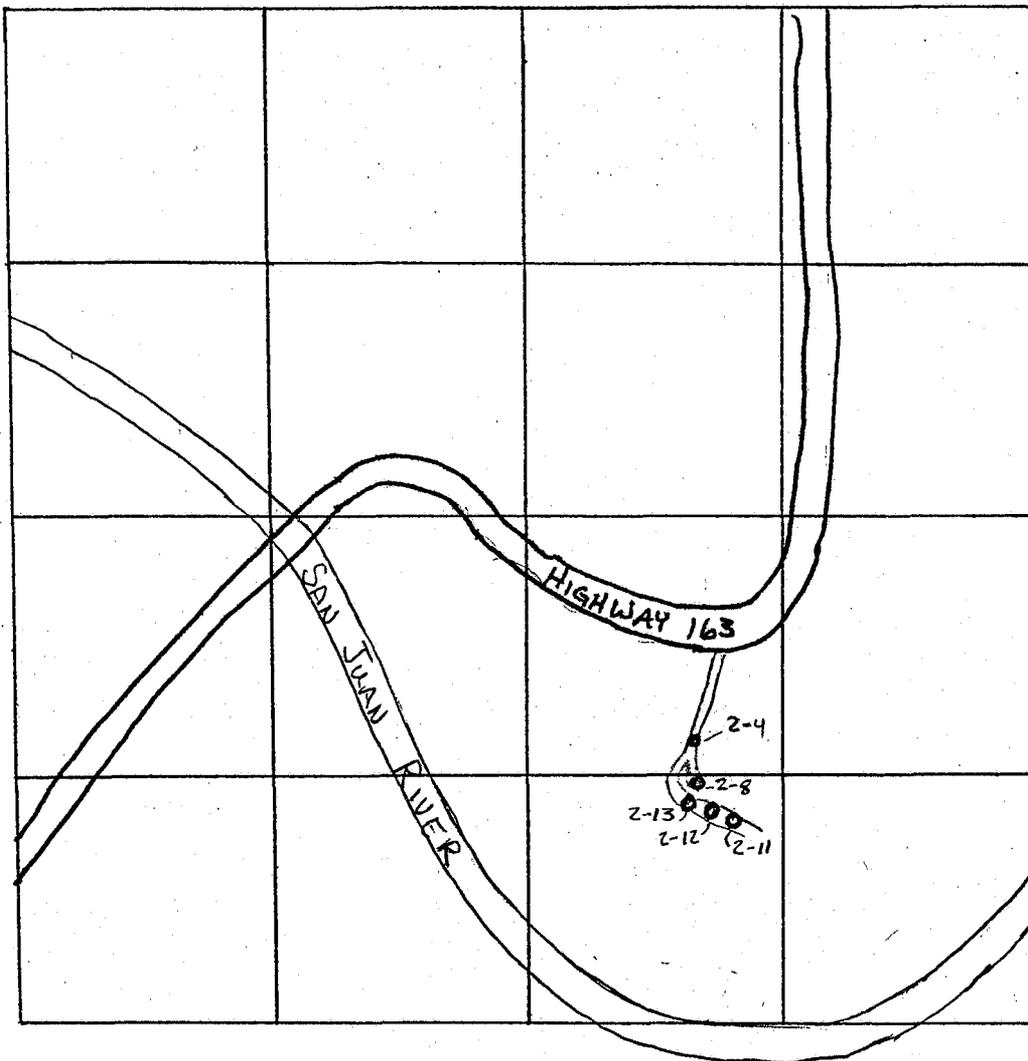
None

ATTACHMENTS

Section sketch.

SECTION 7 TOWNSHIP 42S RANGE 19E COUNTY SAN JUAN STATE UTAH

SCALE= 1"=1000'



B Hill
7/20/88

OPERATOR G & L Oil Company DATE 7-18-88

WELL NAME Crossing No. 2 # 13

SEC S05E 7 T 42S R 19E COUNTY San Juan

43-037-31447
API NUMBER

Fee
TYPE OF LEASE

CHECK OFF:

OK on San Juan Minerals Bond

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

Nearest well ok under Cause 156-3
Water permit ok
Need presite done. (Received 7-25-88)

APPROVAL LETTER:

SPACING: R615-2-3 _____ UNIT

R615-3-2

156-3 4-15-80
CAUSE NO. & DATE

R615-3-3

STIPULATIONS:



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

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

July 27, 1988

J & L Oil Company
P. O. Box 59
Bluff, Utah 84512

Gentlemen:

Re: Crossing No. 2 #13 - SW SE Sec. 7, T. 42S, R. 19E - San Juan County, Utah
1165' FSL, 1775' FEL

Approval to drill the referenced well is hereby granted in accordance with the Order of Cause No. 156-3 dated April 15, 1980 subject to the following stipulations:

J & L Oil Company, as designated operator, is the bonded principal in reference to this Application for Permit to Drill. Should this designation change or a transfer of ownership occur, liability will remain with the designated operator until the Division is notified by letter of a new bonded principal.

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. 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.

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J & L Oil Company
Crossing No. 2 #13
July 27, 1988

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 43-037-31447.

Sincerely,



R. J. Fifth
Associate Director, Oil & Gas

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



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangert

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

September 18, 1989

J & L Oil Company
P. O. Box 59
Bluff, UT 84512

Gentlemen:

Re: Crossing No. 2#13, Sec. 7, T. 42S, R. 19E, San Juan County, Utah
API NO. 43-037-31447

Due to excessive time delay in commencing drilling operations, approval to drill the subject well is hereby rescinded, effective immediately.

Please note that 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 "Don T. Staley".

Don T. Staley
Administrative Supervisor

ts

cc: D. R. Nielson

R. J. Firth

Well files

WE78/2