

UTAH OIL AND GAS CONSERVATION COMMISSION

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

LA per BLM 1-18-91

DATE FILED 5-08-89

LAND: FEE & PATENTED _____ STATE LEASE NO. _____ PUBLIC LEASE NO. U-51415 _____ INDIAN _____

DRILLING APPROVED: 7-13-89

SPUDED IN: _____

COMPLETED: 1-18-91 LA PUT TO PRODUCING: _____

INITIAL PRODUCTION: _____

GRAVITY A.P.I. _____

GOR: _____

PRODUCING ZONES: _____

TOTAL DEPTH: _____

WELL ELEVATION: _____

DATE ABANDONED: LA 1-18-91

FIELD: MUSTANG FLAT

UNIT: DOS PONIES

COUNTY: SAN JUAN

WELL NO. LITTLE PONY 23-32 API NO. 43-037-31467

LOCATION 1465' FNL FT. FROM (N) (S) LINE. 1380' FEL FT. FROM (E) (W) LINE. SWNE 1/4 - 1/4 SEC. 23

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

SAMEDAN OIL CORPORATION
SUITE 2550
1616 GLENARM PLACE
DENVER, COLORADO 80202
303-534-0677
OMNIFAX 303-893-2675

May 8, 1987

Department of the Interior
Bureau of Land Management
P.O. Box 7
Monticello, UT 84535

RE: Lease U-46818
Designation of Agent

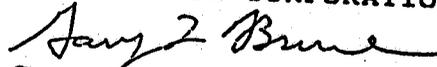
Gentlemen:

You are hereby advised that Permits West, Inc. of Santa Fe, NM has been retained to represent Samedan Oil Corporation to prepare and submit, in its behalf, drilling applications, sundry notice, and completion report forms relating to said drilling plans or surface use plans as assigned by the company.

This responsibility is conferred for the captioned lease, and may be used as reference for drilling other leases of record held by, or under assignment to, Samedan Oil Corporation.

Sincerely,

SAMEDAN OIL CORPORATION



Gary L. Brune
Division Production Superintendent

GLB:mf

✓ cc: Mr. Brian Wood
C/O Ramada Inn
666 South Broadway
Cortez, CO 81321

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO. **U-51415**

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

7. UNIT AGREEMENT NAME **Dos Ponies**

8. FARM OR LEASE NAME **Little Pony**

9. WELL NO. **23-32**

10. FIELD AND POOL, OR WILDCAT **(415) Wildcat Mustang Flat**

11. SEC., T., E., M., OR BLEK. AND SURVEY OR AREA **23-36s-23e SLBM**

12. COUNTY OR PARISH **San Juan** 18. STATE **Ut.**

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

14. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest Dfg. unit line, if any) **1380'**

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

16. NO. OF ACRES IN LEASE **640** 17. NO. OF ACRES ASSIGNED TO THIS WELL **40**

18. PROPOSED DEPTH **6,600'** 20. ROTARY OR CABLE TOOLS **Rotary**

21. ELEVATIONS (Show whether DF, RT, GR, etc.) **6,250' ungraded ground**

22. APPROX. DATE WORK WILL START* **June 8, 1989**

RECEIVED
MAY 08 1989

DIVISION OF
OIL, GAS & MINING

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8-5/8"	24*(K-55, ST&C)	2,350'	*860 sx or to surface
7-7/8"	5-1/2"	15.5*(K-55, ST&C)	6,600'	*530 sx or to 3,000'

Well approved in 1987 (API# 43-037-31350). Approval later expired. Unit now being formed.

1. Federal lease is all Sec. 23, T. 36 S., R. 23 E., San Juan County, Utah. Samedan has 100% interst.
2. Request exception to Rule 302 because of archaeology. Exception is to Samedan's own quarter-quarter line, not to another well nor to another lease.
 - a) Orthodox well could be drilled at 1800 FNL & 1750 FEL, but it would include part of the largest archaeological site in the Alkali Ridge Nat'l. Historic Landmark and a Nat'l. Park Service monument. Hence the need for an exception.
 - b) Request permission to drill at 1465' FNL & 1380' FEL 23-36s-23e, San Juan County, Utah.
 - c) There are no existing wells which offset the proposed exception. Eight potential wells could offset the proposed location. All would be on this same Samedan lease.
 - d & e) Samedan is the lessee of all lands and drilling units within a 1,380' radius.

Samedan Oil Corporation has the necessary consents from the proper lease owners to conduct lease operations in conjunction with this well. Bond coverage pursuant to 43 CFR 3104 for lease activities and operations is being provided by Samedan Oil Corporation.

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

24. SIGNED Ryan Wood TITLE Consultant 505-984-8120 DATE 5-4-89

(This space for Federal or State office use) cc: Brune(3), MDO(3), SJRA, UDOGM(2)

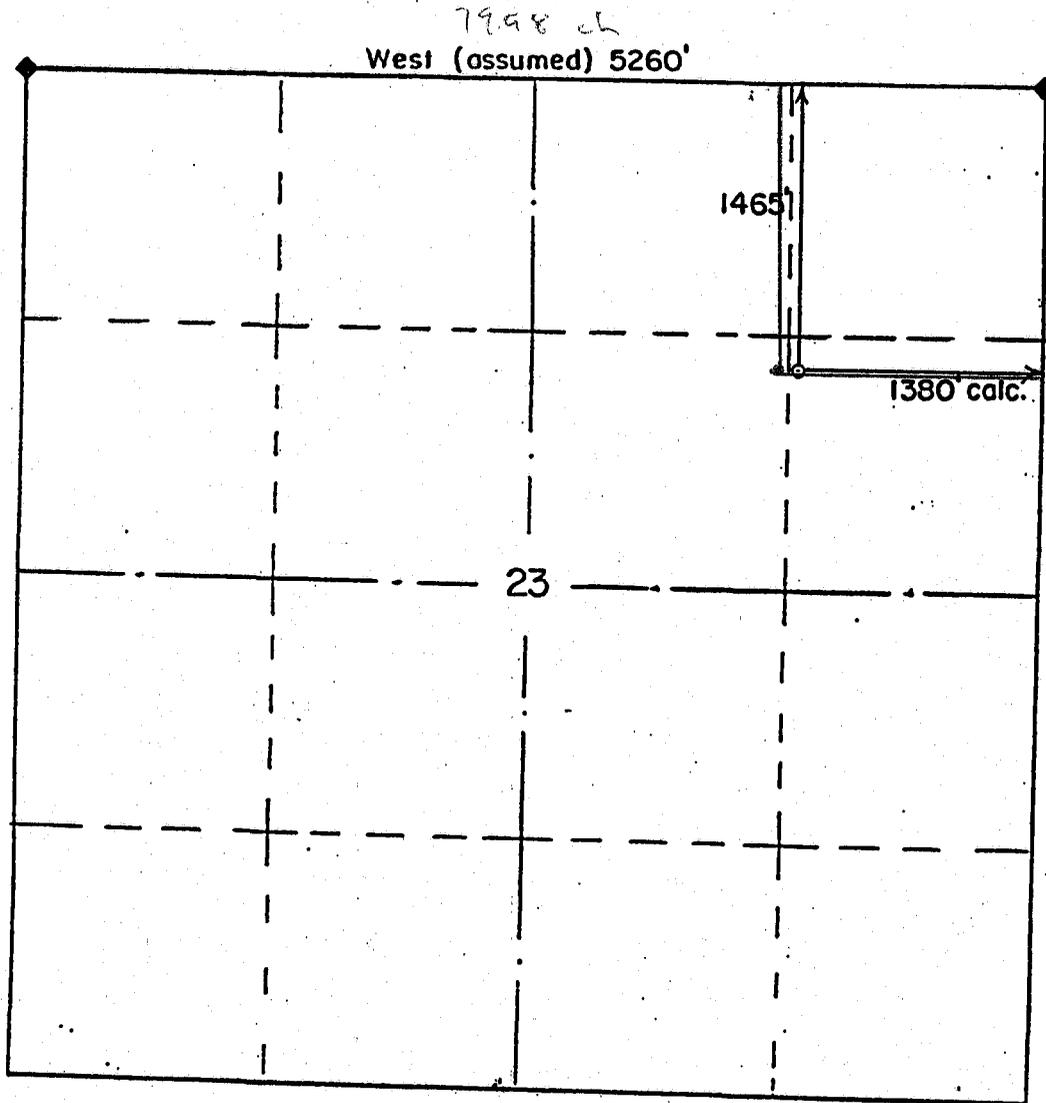
PERMIT NO. 43-037-31467 APPROVAL DATE 7-13-89

APPROVED BY _____ TITLE _____ DATE 7-13-89

CONDITIONS OF APPROVAL, IF ANY: BY: John R. [Signature] WELL SPACING: R/615-23

*See Instructions On Reverse Side

WELL LOCATION AND ACREAGE DEDICATION PLAT



1"=1000

◆ Brass

WELL LOCATION DESCRIPTION:
Samedan Oil Corp. Little Pony #23-32
1465' FN & 1380' FE
Section 23, T.36 S., R.23 E., SLM
San Juan County, Utah
6250' ground elevation
Alternate: 1800' FN & 1750' FE 6251' grd.

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

18 September 1987

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

Samedan Oil Corporation
Little Pony 23-32
1465' FNL & 1380' FEL
Sec. 23, T. 36 S., R. 23 E.
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All lease operations will be conducted in full compliance with applicable laws, regulations (43 CFR 3100), Onshore Oil & Gas Order #1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. Samedan Oil Corporation will furnish a copy of these conditions to its field representative to assure compliance.

8 Point Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>Depth from GL*</u>	<u>Depth from KB</u>	<u>Subsea Depth</u>
Dakota	000'	12'	+6,250'
Morrison	100'	112'	+6,150'
Entrada	1,350'	1,362'	+4,900'
Navajo	1,450'	1,462'	+4,800'
Kayenta	1,800'	1,812'	+4,450'
Wingate	2,000'	2,012'	+4,250'
Chinle	2,300'	2,312'	+3,950'
Shinarump	2,950'	2,962'	+3,300'
Moenkopi	3,050'	3,062'	+3,200'
Cutler	3,200'	3,212'	+3,050'
Hermosa	5,100'	5,112'	+1,150'
Upper Ismay	6,200'	6,212'	+ 50'
Lower Ismay	6,360'	6,372'	- 110'
Desert Creek	6,440'	6,452'	- 190'
Akah	6,540'	6,552'	- 290'
Total Depth (TD)	6,600'	6,612'	- 350'

* ungraded GL

**Samedan Oil Corporation
Little Pony 23-32
1465' FNL & 1380' FEL
Sec. 23, T. 36 S., R. 23 E.
San Juan County, Utah**

2. NOTABLE ZONES

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

<u>Possible Water Zones</u>	<u>Possible Oil & Gas Zones</u>	<u>Possible Uranium Zones</u>
Navajo: 1,450'	Upper Ismay: 6,200'	Morrison: 100'
Kayenta: 1,800'	Lower Ismay: 6,360'	Chinle: 2,300'
Wingate: 2,000'	Desert Creek: 6,440'	

Water bearing zones will be protected with weighted mud. All fresh water encountered during drilling will be recorded by depth, cased, and cemented. All oil and gas shows will be tested to determine commercial potential.

3. PRESSURE CONTROL (Also see "5." on PAGE 4)

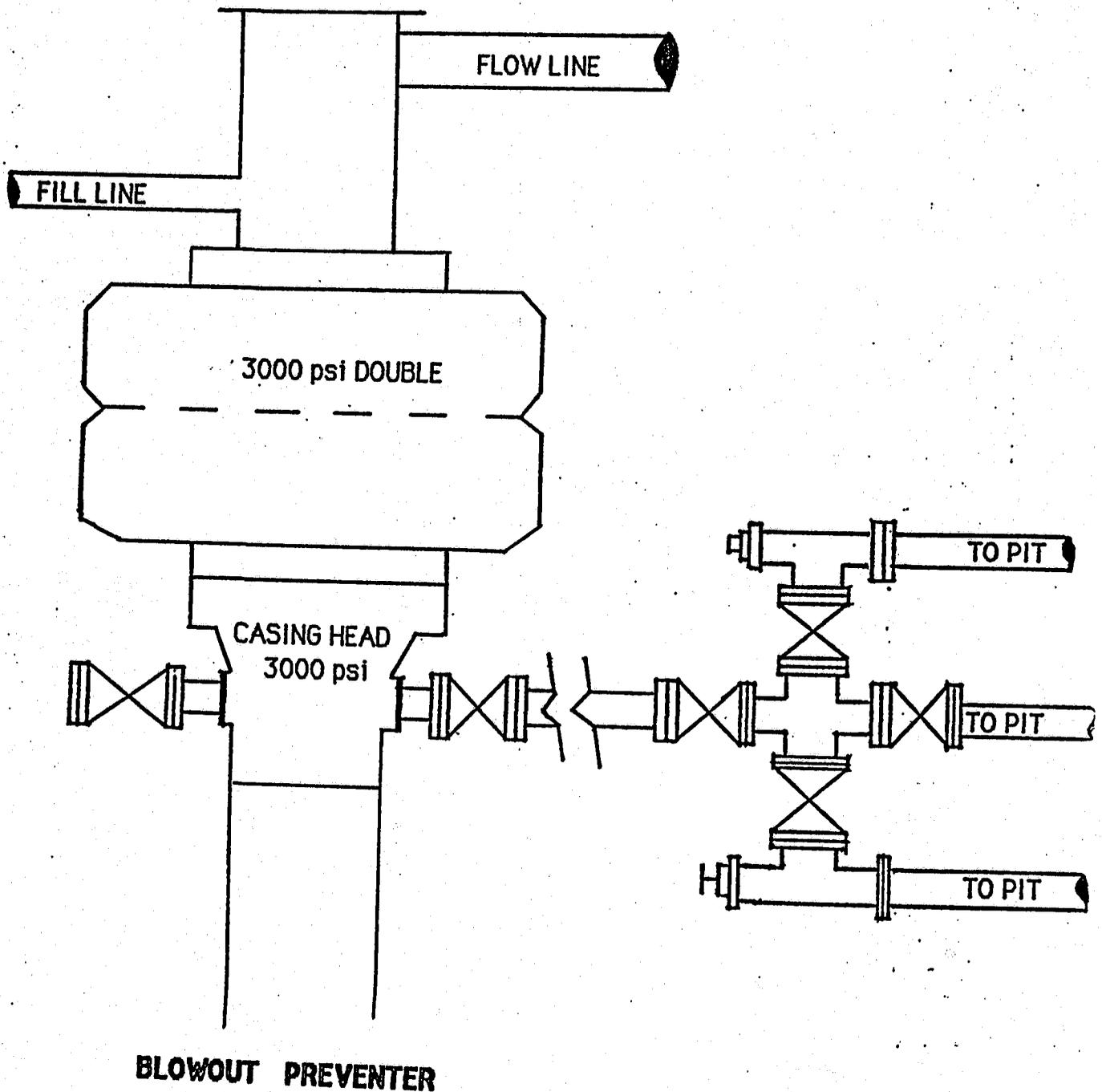
BOP systems will be consistent with API RP 53. An 11" x 3,000 psi double ram and annular preventer with a 3,000 psi choke manifold will be used. A diagram of a typical BOP is on Page 3. Actual model will not be known until bid is let.

Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. BOP controls will be installed before drilling the surface casing plug, and will stay in use until the well is completed or abandoned. Preventers will be pressure tested before drilling casing cement plugs. All BOP mechanical and pressure tests will be recorded on the drillers log.

BOPs will be inspected and operated at least daily to assure good mechanical working order. This inspection will be recorded on the daily drilling report.

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4. CASING & CEMENTING

<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>Age</u>	<u>Setting Depth (GL)</u>
11"	8-5/8"	24*	K-55	ST&C	New	0' - 2,350'
7-7/8"	5-1/2"	15.5*	K-55	ST&C	New	0' - 6,600'

Surface Casing (0' to ≈2,350'): Cement to surface with ≈860 sx "Neat" (tail) and "Light" (lead). Actual depth will be at least 50' into the Chinle, which may be shallower than 2,300'.

Production Casing (0' to 6,600'): Cement from 6,600' (TD) to 3,000' in one stage with ≈530 sx. "Neat" will be used across producing zones and casing shoes. "Light" will be used for remainder.

5. MUD PROGRAM

<u>Depth</u>	<u>Type</u>	<u>Weight (ppg)</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0'-2,500'	Fr. water w/ floc	8.3-8.7	26-29	NC
2,500'-5,300'	Fr. water w/ floc	8.3-8.4	26-29	NC
5,300'-TD	Fresh water polymer	8.8-9.2	34-40	<15 cc

6. CORING, TESTING, & LOGGING

No cores are planned. DSTs may be run in the Upper Ismay and Desert Creek zones if good shows are found. Cuttings will be collected every 30' from the surface to 5,000'. A 2 man mud logging unit will be present from 5,000' to TD. Cuttings will then be collected every 10'. These logs may be run:

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DLL/GR: Total Depth to Surface
FDC/CNL/GR: Total Depth to 4,600'
MSFL: Total Depth to at least 5,600'

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

7. DOWNHOLE CONDITIONS

The maximum anticipated bottom hole pressure is 2,500 psi. No abnormal pressures, temperatures, or hydrogen sulfide are expected.

8. MISCELLANEOUS

The anticipated spud date is October 15, 1987. It is expected it will take 20 days to drill the well and 10 days to complete the well.

Samedan Oil Corporation or its dirt contractor, will contact the Resource Area 48 hours before starting dirt work.

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

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be obtained and notification given before resumption of operations.

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

Starting with the month in which operations begin, and continuing each month until the well is physically plugged and abandoned, a "Monthly Report of Operations" (Form 3160-6) will be sent to the District Manager.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual events will be promptly reported to the Resource Area *per* NTL-3A.

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

If the well is successfully completed for production, then the District Manager will be notified. Written notification will be sent not later than 5 business days following the date on which the well is placed on production. The Resource Area will schedule a first production conference within 15 days after receipt of the first production notice.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Manager. This preliminary approval will not exceed 30 days or 50 MMcf of gas. Approval to vent/flare beyond this initial period will require the District Manager's approval *per* NTL-4A.

No well abandonment operations will begin without the prior approval of the District Manager. With a newly drilled dry hole, failure, or emergency,

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oral approval will be obtained from the District Manager. A Sundry Notice will be sent to the District Manager within 30 days following completion of the well for abandonment. The Sundry will note where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until reclamation required by the approved APD or abandonment notice has been completed to the satisfaction of the Area Manager.

Once plugged, a regulation dry hole marker will be erected. The following information will be beaded on with a welding torch: Samedan Oil Corporation, Little Pony 23-32, SWNE 23-36s-23e, U-51415.

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13 Point Surface Use Plan

1. EXISTING ROADS (See PAGES 15-17)

From the junction of US 666 and US 191 in Monticello, Utah, go south 11.6 mi. on US 191.

Then turn left and go southeast 2.9 mi. on gravel county road *204 (*aka* Alkali Road).

Then turn left and go southeast 4.3 mi., still on gravel county road *204. Then turn left directly onto the well pad.

Existing roads are federal and county. Roads will be maintained to a standard at least equal to their present condition. Only upgrading will be the installation of a 60' long 18" O.D. culvert in the borrow ditch on the east side of the county road.

An Encroachment Permit has been filed with the San Juan County Road Department. County Road *204 meets Class III road standards.

2. NEW ROADS

There will be no new road.

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

3. EXISTING WELLS

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

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4. PROPOSED PRODUCTION FACILITIES

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

All permanent (on site for 6 or more months) surface facilities will be painted a flat, neutral, earthtone color. Painting will be completed within 6 months of installation. Parts required to comply with OSHA colors will be excluded. Specific color will be determined by BLM after an on-site.

If a tank battery is built, it will be surrounded by a dike of sufficient capacity to contain 150% of the storage capacity of the largest tank in the battery. All loading lines will be placed inside the dike.

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

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

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

The oil and gas measurement facilities will be installed on the well pad. Meters will be calibrated in place before delivery begins. Meter accuracy tests will be conducted monthly for the first 3 months on new meters, and at least quarterly thereafter. The Resource Area will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be sent to the Resource Area. All meters will conform with the API standards for liquid hydrocarbons and AGA standards for natural gas measurement.

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5. WATER SUPPLY (See PAGE 16)

Water will be trucked 9.2 mi. from Recapture Reservoir on BLM administered land in SWSW Sec. 7, T. 36 S., R. 23 E. An Application to Appropriate Water has been filed with the State of Utah Div. of Water Rights. The water hauler will contract with the San Juan Water Conservancy District. This is casual use.

6. CONSTRUCTION MATERIALS

Pad construction materials are native *in situ* soils on lease. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2-3.

7. WASTE DISPOSAL

The reserve pit will not need to be lined. (However, if excavation reveals the need for lining, then the pit will be lined with bentonite.) More than half of the capacity will be in cut. A dike will be built in the center to increase mud retention time.

The pit will be fenced on 3 sides with 4 strands of barbed wire or woven wire topped with barbed wire. The 4th side will be fenced once the rig moves off. The fence will be kept in good repair while the pit dries.

All trash will be placed in a portable trash cage. When full, it will be hauled to an approved landfill in Colorado, or the Blanding city dump. A burning permit is required for burning trash between May 1 and October 31. A burning permit can be obtained by calling the San Juan County Sheriff at (801) 587-2237. The road and pad will be kept litter free.

Human waste will be disposed of in 20' deep ratholes or chemical toilets.

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The ratholes will be immediately filled when the trailers are removed.

Produced water will be confined to the reserve pit for a period not to exceed 90 days after initial production. During the 90 day period an NTL-2B application will be submitted for the District Manager's approval of a permanent disposal method and site.

8. ANCILLARY FACILITIES

There will be no formal camp, though three camper trailers may be on site for the company man, mud logger, and tool pusher.

9. WELL SITE LAYOUT

See PAGES 18-20 for depictions of the well pad, cross sections, cut and fill diagrams, reserve pit, burn pit, access road onto the pad, parking, living facilities, soil stockpile, and rig orientation.

The top 12" of soil will be removed from the location and stockpiled north and south of the pad.

10. RECLAMATION

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

Samedan's dirt contractor will call the Resource Area 48 hours before starting reclamation that involves earth moving equipment, and upon completion of reclamation. The reserve pit must be completely dry before it is backfilled.

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All disturbed areas will be recontoured to blend as nearly as possible with the natural topography. This includes removing all berms and refilling all cuts.

The stockpiled topsoil will be spread evenly over the disturbed area. All disturbed areas will be ripped 12" deep with the contour.

Seed will be broadcast between October 1 and February 28 with the following mixture. A harrow or similar implement will be dragged over the area to assure seed cover.

<u>Species</u>	<u>Rate (pounds/acre)</u>
Crested wheatgrass (<i>Agropyron desertorum</i>)	4
Indian ricegrass (<i>Oryzopsis hymenoides</i>)	1
Alkali sacaton (<i>Sporobolus airoides</i>)	1
Fourwing saltbush (<i>Atriplex canescens</i>)	1
Nomad alfalfa	1/2

After seeding is complete, the stockpiled trees will be scattered evenly over the disturbed area. The access will be blocked to prevent vehicle access onto the pad.

The reserve pit and that part of the pad not needed for production will be reclaimed as previously described. Enough topsoil will be kept to reclaim the remainder of the pad at a future date. The remaining topsoil stockpile will be seeded in place using the prescribed seed mix.

11. SURFACE OWNER

The surface owner of the pad and adjoining road is the U.S. Government.

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12. OTHER INFORMATION

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

There will be no change from the proposed drilling and/or workover plan without prior approval from the District Manager. A Sundry Notice will be filed for approval for all changes of plans and other operations *per* 43 CFR 3164.

Safe drilling and operating practices must be used. All wells, whether drilling, producing, suspended, or abandoned will be identified *per* 43 CFR 3162.2.

If subsurface cultural materials are exposed during construction, work in that spot will stop immediately and the Resource Area will be called. All people who are in the area will be informed by Samedan that they are subject to prosecution for disturbing archaeological sites or picking up artifacts, including arrowheads.

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

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

The Resource Area's mailing address is P.O. Box 7, Monticello, Utah 84535. The phone number is (801) 587-2141. Ask for Rich McClure for surface problems. Ask for Mike Wade for subsurface problems.

Deer hunting season begins October 20.

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The nearest hospital is a 25 min. drive to Monticello, Utah. It is 3 blocks northwest of the intersection of US 666 and US 191. Hospital phone number is (801) 587-2116. The closest medically equipped helicopter is in Grand Junction, Colorado, at St. Mary's Hospital. Call (303) 244-2550.

13. REPRESENTATION AND CERTIFICATION

Anyone having questions concerning the APD should contact:

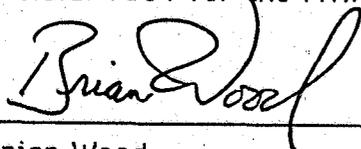
Brian Wood (505) 984-8120
Permits West, Inc.
37 Verano Loop
Santa Fe, NM 87505

The field representative for Samedan Oil Corporation will be:

Gary Brune, Division Production Superintendent (303) 534-0677
Samedan Oil Corporation
1616 Glenarm Place, Suite 2550
Denver, Co. 80202-4371 HOME: (303) 779-5194

CERTIFICATION

I hereby certify that I have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Samedan Oil Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

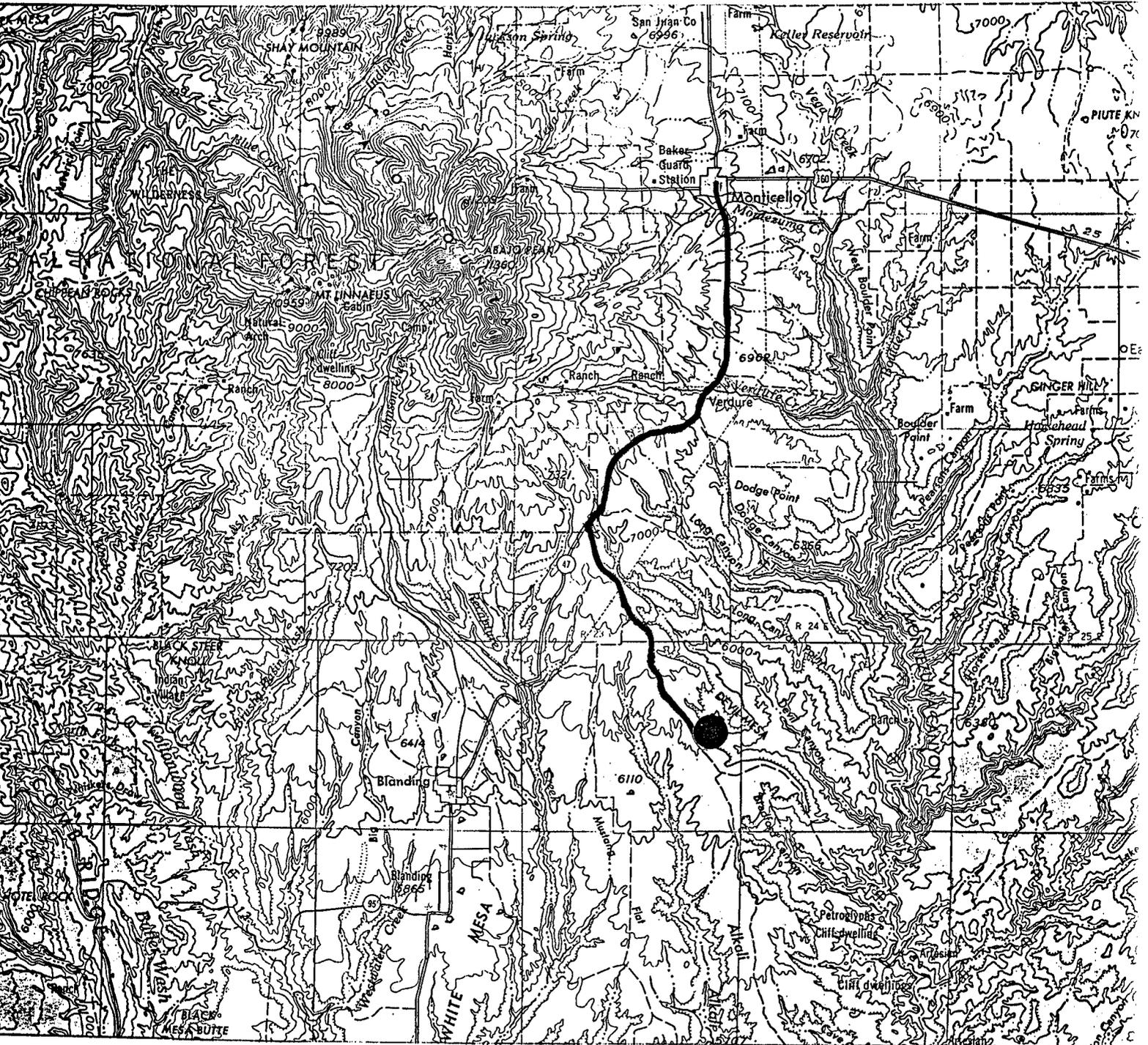


Brian Wood

May 4, 1989

Date

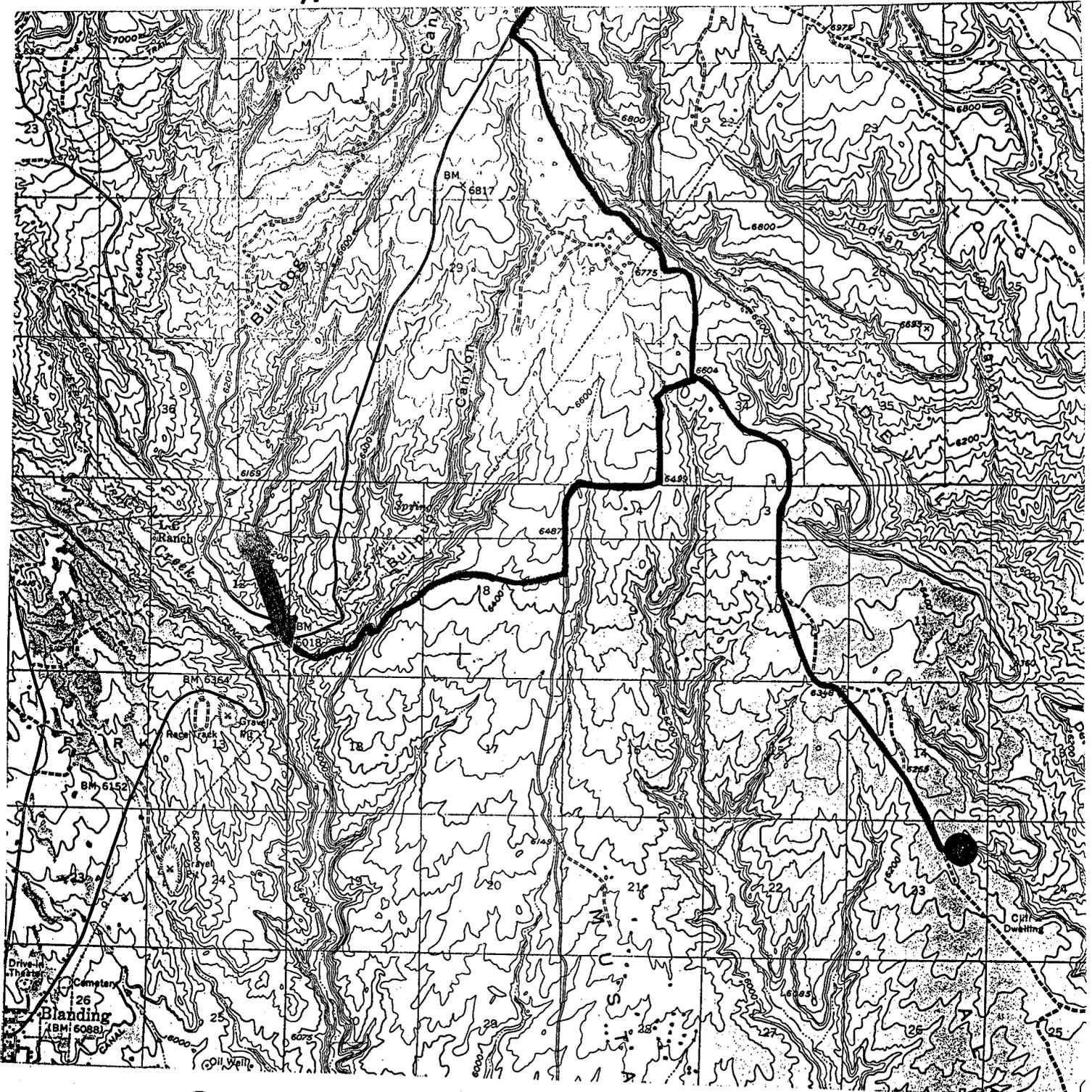
Samedan Oil Corporation
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1465' FNL & 1380' FEL
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WELL: ●

ACCESS: —

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1465' FNL & 1380' FEL
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San Juan County, Utah



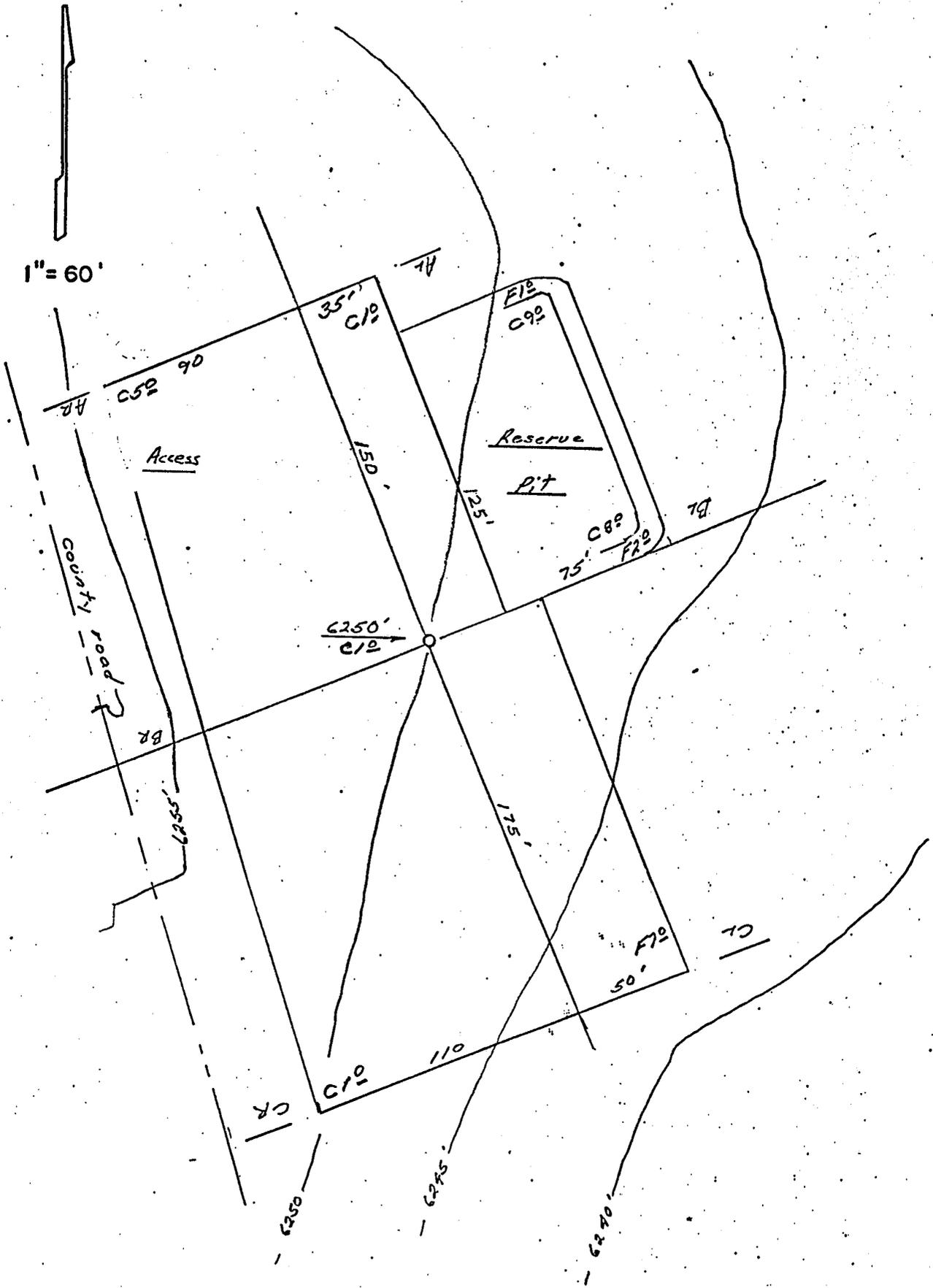
WELL: ●

WATER SOURCE: 

ACCESS: 

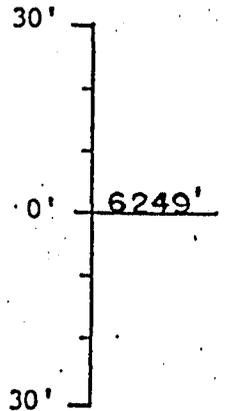
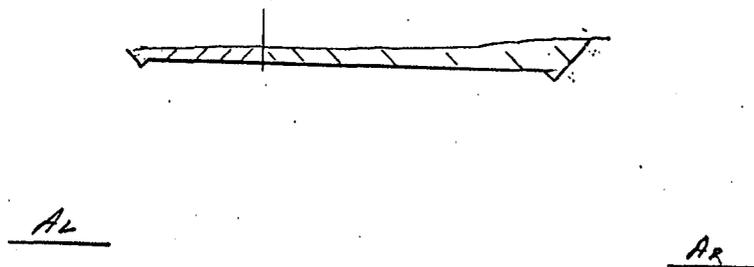
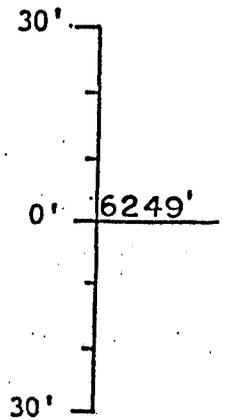
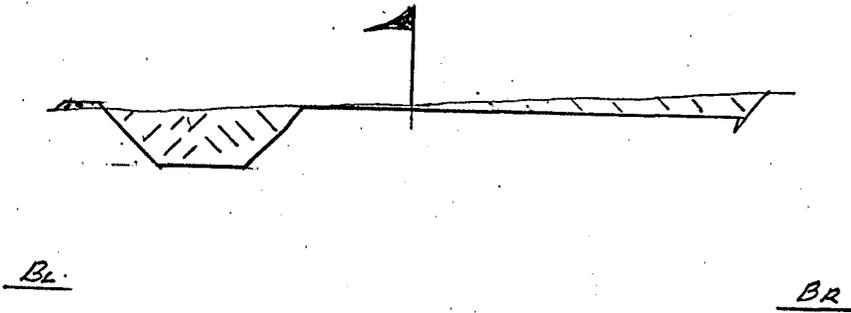
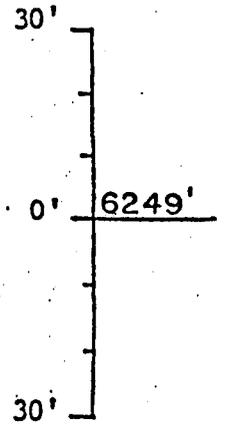
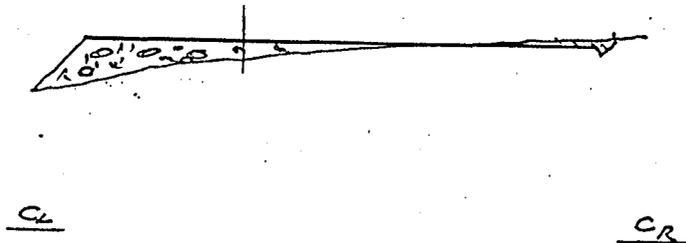
WELL PAD PLAN VIEW

Well Little Pony # 23-32

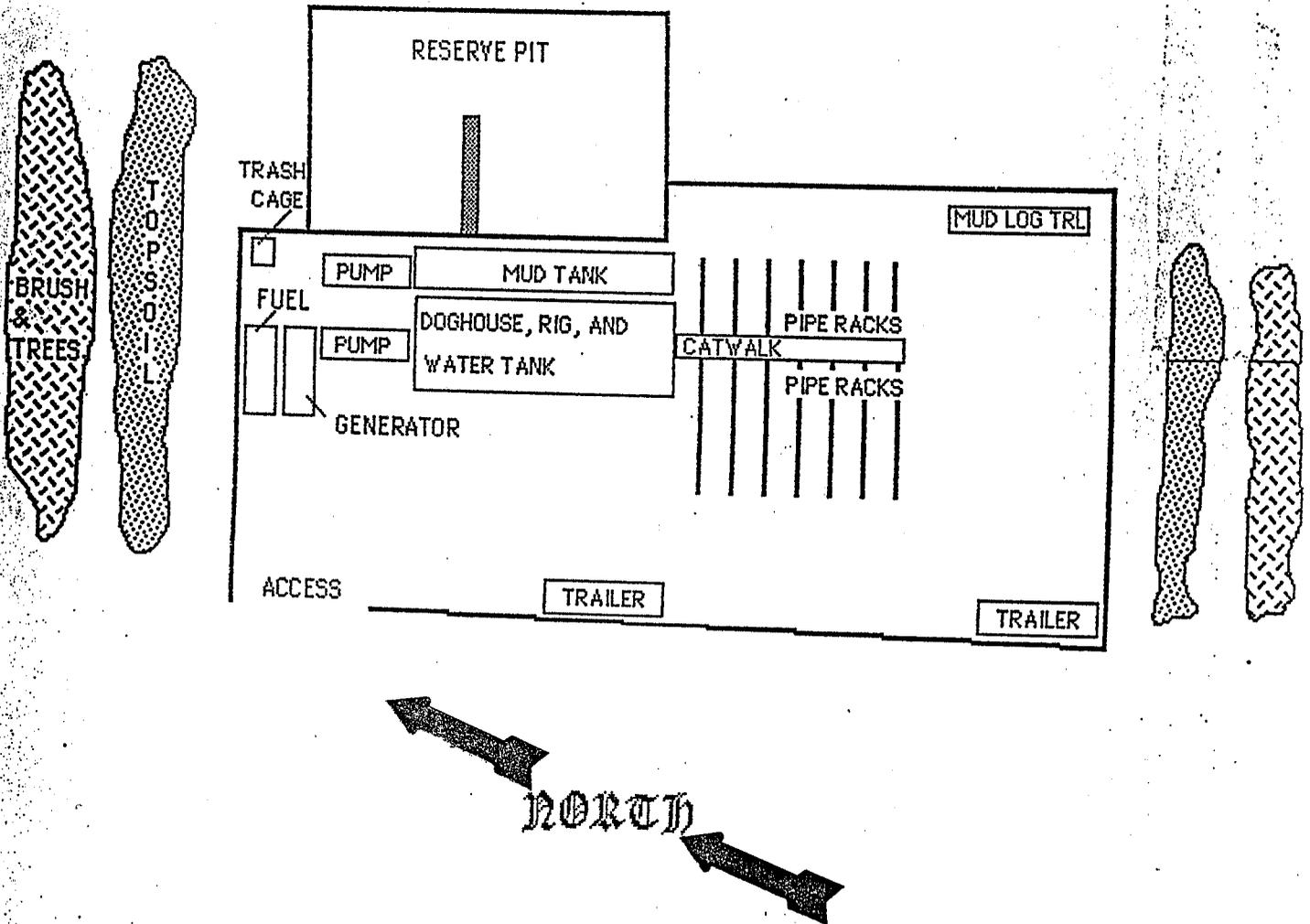


Cut 
Fill 

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



Samedan Oil Corporation
Little Pony 23-32
1465' FNL & 1380' FEL
Sec. 23, T. 36 S., R. 23 E.
San Juan County, Utah



(No 185)

OPERATOR Samedan Oil Corporation DATE 5-10-89

WELL NAME Little Pony 23-32

SEC SWNE 23 T 36S R 23E COUNTY San Juan

43-037-31467
API NUMBER

Federal
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

* 43-037-31350 LA'd per BLM eff. 1-25-89. No other well in sec. 23.

Need Water Permit

5-10-89 per Brian Wood SWNE Qtr/Qtr - Exception location requested on APD

5-10-89 " Hold for Unit Approval or permit on a lease basis? 5-12-89 per Brian Wood

Proposed Unit - Dos Ponies / Approved 6-29-89. - rec. 7-10-89.

APPROVAL LETTER:

SPACING: R615-2-3

DOS PONIES
UNIT

R615-3-2

N/A
CAUSE NO. & DATE

R615-3-3

STIPULATIONS:

Water Permit (Received 5-22-89 09-1640 / T63938 5-89 to 5-90)

RECEIVED
MAY 15 1989
TEMPORARY
DIVISION OF
OIL, GAS & MINING

RECEIVED
FILING FOR WATER IN THE
STATE OF UTAH
MAY 15 1989

Rec. by 98
Fee Rec. 30.00
Receipt # 26246
Microfilmed _____
Roll # _____

WATER RIGHTS
SALT LAKE
APPLICATION TO APPROPRIATE WATER RIGHTS
PRICE

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

* WATER RIGHT NO. 09 — 1640 * APPLICATION NO. A T63938

1. *PRIORITY OF RIGHT: May 15, 1989 * FILING DATE: May 15, 1989

2. OWNER INFORMATION
Name(s): Samedan Oil Corporation c/o Permits West, Inc. * Interest: 100 %
Address: 37 Verano Loop (505) 984-8120
City: Santa Fe State: NM Zip Code: 87505
Is the land owned by the applicant? Yes _____ No xxx
(If "No", please explain in EXPLANATORY section.)

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

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

POINT(S) OF DIVERSION: _____ COUNTY: San Juan
North 100 feet and East 200 feet from the SW corner of Sec. 7, T. 36 S., R. 25 E., SLBM

Description of Diverting Works: Water will be pumped directly into 85 bbl tank trucks.
* COMMON DESCRIPTION: 3 miles NE of Blanding Blanding North Quad

5. POINT(S) OF REDIVERSION N/A
The water will be rediverted from _____ at a point:

Description of Rediverting Works: _____

6. POINT(S) OF RETURN
The amount of water consumed will be _____ cfs or 6.0 ac-ft
The amount of water returned will be _____ cfs or _____ ac-ft
The water will be returned to the natural stream/source at a point(s): _____

7. STORAGE N/A
Reservoir Name: _____ Storage Period: from _____ to _____
Capacity: _____ ac-ft. Inundated Area: _____ acres
Height of dam: _____ feet
Legal description of inundated area by 40 acre tract(s): _____

* These items are to be completed by the Division of Water Rights

TEMPORARY

Appropriate

8. List any other water rights which will supplement this application _____
Application supplements other entities' water rights for stockwatering, irrigation, etc.

9. NATURE AND PERIOD OF USE

Irrigation:	From _____	to _____
Stockwatering:	From _____	to _____
Domestic:	From _____	to _____
Municipal:	From _____	to _____
Mining:	From _____	to _____
Power:	From _____	to _____
Other:	From <u>June 15, 1989</u>	to <u>June 14, 1990</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): Water will be used for oil well drilling mud, dust control, compaction, etc.

11. PLACE OF USE

Legal description of place of use by 40 acre tract(s):
South 1465' and West 1380' from the NE corner of Sec. 23, T. 36 S., R. 23 E., SLBM at the Little Pony
23-32 oil well (SWNE 23-36s-23e) on BLM land; South 1650' and West 330' from the NE corner of Sec.
32, T. 36 S., R. 23 E., SLBM at the Wild Stallion #2 oil well (SENE 32-36s-23e) on state land; and North
1980' and East 1500' from the SW corner of Sec. 33, T. 36 S., R. 23 E., SLBM at the Wild Stallion #3 oil
well (NWSW 33-36s-23e) on private land.

12. EXPLANATORY

The following is set forth to define more clearly the full purpose of this application. (Use additional pages of same size if necessary):
From #2: Land is public (federal) and administered by the Bureau of
Land Management, Monticello, Ut. Lake is administered by the San Juan Conservancy District. Norman
Nielson has approved this use.

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

Brian Wood
Signature of Applicant(s)

TEMPORARY

STATE ENGINEER'S ENDORSEMENT

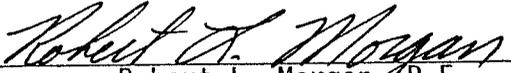
WATER RIGHT NUMBER: 09 - 1640

APPLICATION NO. T63938

1. May 15, 1989 Application received by MP.
 2. May 15, 1989 Application designated for APPROVAL by MP and KLJ.
 3. Comments:
-
-

Conditions:

This application is hereby APPROVED, dated May 19, 1989, subject to prior rights and this application will expire on May 19, 1990.


Robert L. Morgan, P.E.
State Engineer



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

July 13, 1989

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

Gentlemen:

Re: Little Pony 23-32 - SW NE Sec. 23, T. 36S, R. 23E - San Juan County, Utah
1465' FNL, 1380' FEL

Approval to drill the referenced well is hereby granted in accordance with Section 40-6-18, Utah Code Annotated, as amended 1983; and predicated on Rule R615-2-3, Oil and Gas Conservation General Rules.

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

1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form 7.
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 R615-3-20, 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.

Page 2
Samedan Oil Corporation
Little Pony 23-32
July 13, 1989

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 43-037-31467.

Sincerely,



R. S. Firth
Associate Director, Oil & Gas

lcr
Enclosures
cc: Bureau of Land Management
D. R. Nielson
J. L. Thompson
WE14/1-2

43-037-31467

Form 3160-3
(November 1983)
(formerly 9-331C)

SUBMIT IN DUPLICATE*
(Other instructions on
reverse side)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Samedan Oil Corporation (303) 534-0677

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface 1465' FNL & 1380' FEL (SWNE)

At proposed prod. zone Same

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

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest Reg. unit line, if any)
1380'

16. NO. OF ACRES IN LEASE
640

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.
N/A

19. PROPOSED DEPTH
6,600'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6,250' ungraded ground

22. APPROX. DATE WORK WILL START*
June 8, 1989

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8-5/8"	24*(K-55, ST&C)	2,350'	*860 SX or to surface
7-7/8"	5-1/2"	15.5*(K-55, ST&C)	6,600'	*530 SX or to 3,000'

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

24. SIGNED Rian Wolf TITLE Consultant DATE 5-4-89

(This space for Federal or State office use)

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

PERMIT NO. _____ APPROVAL DATE _____
/s/ Gene Nodine DISTRICT MANAGER AUG 21 1989

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

FLARING OR VENTING OF
GAS IS SUBJECT TO NTL 4-A

Dated 1/1/80

*See Instructions On Reverse Side

RECEIVED
AUG-25 1989

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.

DIVISION OF
OIL GAS & MINERAL

DOGMA

Samedan Oil Corporation
Well No. Little Pony 23-32
SWNE Sec. 23, T. 36 S., R. 23 E.
San Juan County, Utah
Lease U-51415

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 Samedan Oil Corporation is considered to be the operator of the above well, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by BLM Bond No. NM0484. (Principal - Samedan Oil Corporation) as provided for in 43 CFR 3104.3.

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

A. DRILLING PROGRAM

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, Onshore Oil and Gas Order No. 2 and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions and the approved plan will be made available to the field representative to insure compliance.

1. If unconsolidated rock is encountered, conductor shall be set ten (10) feet unto underlying bedrock with cement circulated to surface.

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DIVISION OF
OIL, GAS & MINING

Additional Requirements According To Onshore Oil and Gas Order No. 2

- 3000 psi BOP & BOPE:

Drilling spool, or blowout preventer with 2 side outlets (choke side shall be a 3-inch minimum diameter, kill side shall be at least 2-inch diameter),

Kill line (2 inch minimum),

A minimum of 2 choke line valves (3-inch minimum),

3 inch diameter choke line,

2 kill line valves, one of which shall be a check valve (2 inch minimum),

2 chokes (refer to diagram in Onshore Order Number 2.),

Pressure gauge on choke manifold,

Upper kelly cock valve with handle available,

Safety valve and subs to fit all drill strings in use,

All BOPE connections subjected to well pressure shall be flanged, welded, or clamped,

- If repair or replacement of the BOPE is required after testing, this work shall be performed prior to drilling out the casing shoe, and

- When the BOPE cannot function to secure the hole, the hole shall be secured using cement, retrievable packer or bridge plug packer, bridge plug or other acceptable approved methods to assure safe well conditions.

- Choke Manifold Equipment:

All choke lines shall be straight lines unless turns use tee blocks or are targeted with running tees, and shall be anchored to prevent whip and reduce vibration.

All valves (except chokes) in the kill line, choke manifold and choke line shall be a type that does not restrict the flow (full opening) and that allows a straight through flow.

Pressure gauges in the well control system shall be a type designed for drilling fluid service.

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OIL, GAS & MINING

- 3000 psi system - Accumulator Equipment:

Accumulator shall have sufficient capacity to open the hydraulically controlled choke line valve (if so equipped), close all rams plus the annual preventer, and retain a minimum of 200 psi above precharge on the closing manifold without the use of the closing unit pumps. This is a minimum requirement. The fluid reservoir capacity shall be double the accumulator capacity and fluid level maintained at manufacturer's recommendations. The 3M system shall have 2 independent power sources to close the preventers. Nitrogen bottles (3 minimum) may be 1 of the independent power sources and, if so, shall maintain a charge equal to the manufacturer's specifications.

Accumulator precharge pressure test: This test shall be conducted prior to connecting the closing unit to the BOP stack and at least once every 6 months. The accumulator pressure shall be corrected if the measure precharge pressure is found to be above or below the maximum limit specified within Onshore Order Number 2.

Power for the closing unit pumps shall be available to the unit at all times so that the pumps shall automatically start when the closing unit manifold pressure has decreased to a pre-set level.

Each BOP closing unit shall be equipped with sufficient number and sizes of pumps so that, with the accumulator system isolated from service, the pumps shall be capable of opening the hydraulically-operated gate valve (if so equipped), plus closing the annular preventer on the smallest size drill pipe to be used within 2 minutes, and obtain a minimum of 200 psi. above specified accumulator precharge pressure.

A manual locking device (i.e., hand wheels) or automatic locking devices shall be installed on all systems of 2M or greater. A valve shall be installed in the closing line as close as possible to the annular preventer to act as a locking device. This valve shall be maintained in the open position and shall be closed only when the power source for the accumulator system is inoperative.

Remote controls shall be readily accessible to the driller. Remote controls for all 3M or greater systems shall be capable of closing all preventers.

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- BOP Testing:

Pressure tests on ram type preventers shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed off of pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test of BOP stack.

Annular BOP pressure tests shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above tests shall be performed:

- **When initially installed;
- **Whenever any seal subject to test pressure is broken;
- **Following related repairs; and
- **At 30 day intervals.

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s), the check valve shall be held open or the ball removed.

Annular preventers shall be functionally operated at least weekly. Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log.

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OIL, GAS & MINING

- Casing and Cementing:

All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

All casing, except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.

The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.

All of the above described tests shall be recorded in the drilling log.

All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.

Surface casing shall have centralizers on the bottom three joints.

Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.

All casing strings below the conductor shall be pressure tested to 0.22 psi/ft. of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.

- Mud Program Requirements:

The characteristics, use and testing of drilling mud and the implementation of related drilling procedures shall be designed to prevent the loss of well control. Sufficient quantities of mud materials shall be maintained or readily accessible for the purpose of assuring well control.

-Record slow pump speed on daily drilling report after mudding up.

-Visual mud monitoring equipment shall be in place to detect volume changes indicating loss or gain of circulating fluid volume.

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OIL, GAS & MINING

-A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, filtration, and pH.

-All flare systems shall be designed to gather and burn all gas. The flare line(s) discharge shall be located not less than 100 feet from the well head, having straight lines unless turns are targeted with running tees, and shall be positioned downwind of the prevailing wind direction and shall be anchored. The flare system shall have an effective method for ignition. Where non-combustible gas is likely or expected to be vented, the system shall be provided supplemental fuel for ignition and to maintain a continuous flare.

- Drill Stem Testing Requirements:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

-A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions, or displaced into the formation prior to pulling the test tool. This would involve providing some means for reverse circulation.

-Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

-All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

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OIL, GAS & MINING

- Special Drilling Operations:

In addition to the equipment already specified elsewhere in Onshore Order No. 2 , the following equipment shall be in place and operational during air/gas drilling:

- Properly lubricated and maintained rotating head;
- Spark arresters on engines or water cooled exhaust;
- Blooie line discharge 100 feet from well bore and securely anchored;
- Straight run on blooie line unless otherwise approved;
- Deduster equipment;
- All cuttings and circulating medium shall be directed into a reserve or blooie pit;
- Float valve above bit;
- Automatic igniter or continuous pilot light on the blooie line;
- Compressors located in the opposite direction from the blooie line a minimum of 100 feet from the well bore;
- Mud circulating equipment, water, and mud materials (does not have to be premixed) sufficient to maintain the capacity of the hole and circulating tanks or pits.

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OIL, GAS & MINING

CONDITIONS OF APPROVAL
FOR SURFACE USE

1. 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.
2. A prework conference will be conducted by Bureau of Land Management (BLM) with all personnel involved with construction, drilling and rehabilitation operations. The main topic of the meeting will be to stress the archaeological importance of the area and to ensure that all personnel are aware of the penalties for damage to archaeological sites.
3. During initial land clearing and construction activities, an archaeological monitor will be on hand to ensure that no cultural resources are unintentionally damaged. To facilitate this monitoring, the first pass across the construction area will remove the least soil possible and will be monitored very closely by the archaeological monitor.
4. Before any activity, a temporary single strand wire fence will be constructed around the entire perimeter of the area where construction and related activities are permitted to take place, except along the county road. The fenced area will be large enough to include stockpiling vegetation and topsoil as well as parking of vehicles. The fence will be removed when all activities, including rehabilitation, are complete.
5. During all phases of activity increased agency presence will be maintained by BLM law enforcement personnel who will monitor the condition of the archaeological sites in the vicinity of the undertaking.
6. If burning is required, a permit will be obtained from the San Juan County Sheriff's Office. This APD approval serves as a variance to the State of Utah fire closure #04-00-17 (enclosed) but subjects you to the following:
 - A. The operator will be responsible for all fire suppression costs that result directly or indirectly as a result of their operation. Immediate suppression action will commence on the discovery of a fire and the authorized officer notified as soon as possible. Suppression costs will include not only the cost incurred by the operator, but also costs to the Bureau of Land Management for their efforts.
 - B. All vehicles and equipment operating in the field shall be equipped with a minimum of one fire extinguisher and adequate fire fighting equipment (i.e. shovels, swatters, pulaski, etc.) to equip each crew member with at least one tool.

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OIL, GAS & MINING

DESCRIPTION OF THE UNDERTAKING

Samedan Oil Corporation has requested permission to drill an oil well in a portion of the Alkali Ridge National Historic Landmark. This will require construction of a well pad 325 feet along its north to south axis by 200 feet along its east to west axis. Additional disturbance will take place outside the well pad for the stockpiling of top soil and the piling of trees and brush during construction activities. Attachment 1 is a plan view of the well pad, and Attachment 2 illustrates the layout of the drilling area during operations and includes the location of topsoil, trees, and brush removed during construction activity. All activity will take place adjacent to an existing gravel road, so there is no access road to be built.

Drilling activity may result in the production of hydrocarbons. If that happens, it will be necessary to install, in the area of existing disturbance, production facilities of a type and in a layout to be determined. It may also be necessary to connect the well to a natural gas gathering system by a small diameter pipeline along the shoulder of the county road.

When construction, drilling and other activities are complete, all disturbed areas will be reclaimed. First, disturbed areas will be recontoured to the local topography, including removal of all berms and the refilling of all cuts. Then, stockpiled topsoil will be spread evenly over the disturbed area, and the area will be seeded with a mixture of native grasses. Finally, the stockpiled trees will be evenly scattered across the disturbed areas.

HISTORIC PROPERTIES THAT MAY BE AFFECTED BY THE UNDERTAKING

The undertaking is proposed inside the boundaries of the Alkali Ridge National Historic Landmark. The Landmark was created in July of 1964 and has been documented to include its current boundaries on a National Register of Historic Places Inventory that was completed in November of 1984 (Attachment 3).

EFFORTS USED TO IDENTIFY HISTORIC PROPERTIES

The area of the proposed undertaking was surveyed to see if it contained those characteristics that caused the creation of the National Historic Landmark. No archaeological sites were found during that survey (Attachment 4).

NOTIFICATIONS

Notify Mike Wade of the San Juan Resource Area, at
(801) 259-2141 for the following:

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

1 day prior to spudding;

1 day prior to running and cementing surface casing.

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

Eric Jones, Petroleum Engineer Office Phone: (801) 259-6111

Home Phone: (801) 259-2214

If unable to reach the above individuals including weekends, holidays, or after hours please call the following:

Lynn Jackson, Chief, Branch of Fluid Minerals

Office Phone: (801) 259-6111

Home Phone: (801) 259-7990

24 HOURS ADVANCE NOTICE IS REQUIRED FOR ALL ABANDONMENTS.

RECEIVED
AUG 25 1989

DIVISION OF
OIL, GAS & MINING

RECEIVED
JAN 14 1991

DIVISION OF
OIL, GAS & MINING

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

3162 (U-065)
(U-51415)

JAN 11 1991

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

Re: Rescinding Application for Permit to Drill
Well No. Little Pony 23-32
SWNE Sec. 23, T. 36 S., R. 23 E. 43-037-31467
San Juan County, Utah
Lease U-51415

Gentlemen:

The Application for Permit to Drill the referenced well was approved August 21, 1989. Since that date, no known activity has transpired at the approved location.

Applications for permit to drill are effective for a period of one year. In view of the foregoing, this office is rescinding the approval of the referenced application.

Should you intend to drill this location at a future date, a new application for permit to drill must be submitted.

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

Sincerely yours,

/S/ WILLIAM C. STRINGER
Assistant District Manager
Mineral Resources

cc: SJRA (w/o encl.)
State of Utah, Division of Oil, Gas and Mining (w/o encl.) ✓

VButts:vb:1/9/91



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

January 18, 1991

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

Gentlemen:

Re: Well No. Little Pony 23-32, Sec. 23, T. 36S, R. 23E, San Juan County, Utah,
API No. 43-037-31467

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

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

Sincerely,

Don Staley
Administrative Supervisor

DME/lde

cc: R.J. Firth
Bureau of Land Management - Moab
Well file

WOI196