

## UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS WELL LOG \_\_\_\_\_ ELE TO LUG \_\_\_\_\_ TYPE  WATER SANDS \_\_\_\_\_ LOCATION INSPECTED \_\_\_\_\_ SUB REPORT add \_\_\_\_\_

DATE FILED 1-02-90

LAND FEE &amp; PATENTED STATE LEASE NO ML-43736 FUB IC LEASE NO INDIAN

DRILLING APPROVED 1-31-90

SPUDED IN

COMPLETED \_\_\_\_\_ FEET TO PRODUCTION \_\_\_\_\_

INITIAL PRODUCTION

GRAVITY API

GOR

PRODUCING ZONES

TOTAL DEPTH

WELL ELEVATION

DATE ABANDONED (PA) 7 90

FIELD WILDCAT

UNIT

COUNTY SAN JUAN

WELL NO STATE #21-32 API NO. 43-037-3148J

LOCATION 561' FNL FT FROM BUSHLINE 1875' FWL FT FROM E/W LINE NEW 14 - 14 SIC 32

TWP	RGE	SEC	OPERATOR	TWP	RGE	SEC	OPERATOR
				34S	15E	32	AMPOLEX (TEXAS) INC.



# AMFOL EXPLORATION (U.S.A.) INC.

SEVENTEENTH STREET PLAZA, SUITE 3000  
1225 17TH STREET  
DENVER, CO 80202 U.S.A.

Phone: (303) 297-1000

Teletype: (303) 297-2050

Subsidiaries:

Ampolex (California), Inc.  
Ampolex (Orient), Inc.  
Ampolex (Texas), Inc.  
Ampolex (Wyoming), Inc.

29 December 1989

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

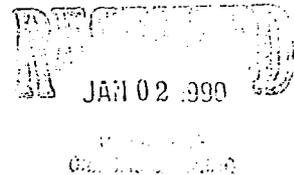
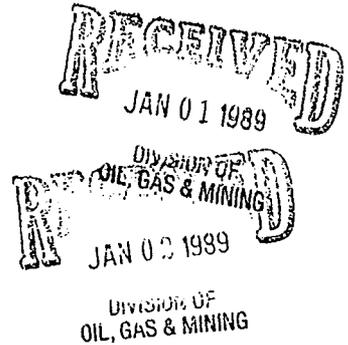
RE: Application for Permit to Drill  
White Canyon Area, San Juan County, Utah

Dear Sir:

Attached please find four (4) Applications for Permit to Drill, Form OGC-1A, plus one copy each. Currently, Ampolex is in the process of obtaining the appropriate right-of-way and road-use permits from the San Juan County Road Department, Utah State Department of Transportation, and Glen Canyon National Recreation Area. Except for the State 24-2 well, all proposed drilling locations are accessed across or through State lands leased by Ampolex. The State 24-2 requires a right-of-way from the BLM; application for right-of-way has been submitted. Ampolex is also currently in the process of obtaining a permit from the State Division of Water Rights for the use of water from the Colorado River for drilling operations. Each APD consists of the following:

- Form OGC-1A: Application for Permit to Drill
- Exhibit A: Location & Elevation Plat
- Exhibit A-1: Plan View with Reference Stakes
- Exhibit B: Ten-Point Compliance Program
- Exhibit C: Blow-Out Prevention Equipment Diagram
- Exhibit D: Multi-Point Requirements for APD
- Exhibit E: Plat showing locations, roads, access, etc.
- Exhibit E-1: Area map showing locations, roads, access, etc.
- Exhibit F: Cultural Resources Survey Report & location plat
- Exhibit G: Cut-and-Fill Cross-Section
- Exhibit H: Drill Rig Layout
- Exhibit I-1: Evidence of Bond Coverage (Federal)
- Exhibit I-2: Evidence of Bond Coverage (Utah)

Exhibit E is a 1" = 2000' map of the area showing all four (4) proposed drilling locations, proposed access roads, existing roads, etc.; Exhibit E-1 is an area map showing locations relative to Utah State Highway 95 and San Juan County Road 208-A.



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

(Other instructions on reverse side)

5. Lease Designation and Serial No.

**ML-43736**

6. If Indian, Allottee or Tribe Name

N/A

7. Unit Agreement Name

N/A

8. Farm or Lease Name

State

9. Well No.

21-32

10. Field and Pool, or Wildcat

Wildcat (601)

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

Section 32-T34S-R15E

12. County or Parish

San Juan

18. State

Utah

**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**

1a. Type of Work

DRILL

DEEPEN

PLUG BACK

1b. Type of Well

Oil Well

Gas Well

Other

Single Zone

Multiple Zone

2. Name of Operator

Ampolex (Texas), Inc.

3. Address of Operator

1225 17th Street, Suite #3000, Denver, CO 80202

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

At surface

NE NW Sec. 32-T34S-R15E 561' FNL & 1,875' FWL

At proposed prod. zone

SAME

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

45.5 miles west of Blanding, Utah

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

660'

16. No. of acres in lease

1,920'

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

2,700' *at*

20. Rotary or cable tools

Rotary

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

4,780 GR (Est.)

22. Approx. date work will start\*

23.

**PROPOSED CASING AND CEMENTING PROGRAM**

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
17-1/2"	13-3/8"	48#	60'	100 sks Class "B"
12-1/4"	8-5/8"	24#	270'	200 sks Class "G"
6-1/4"	4-1/2"	10.5#	2,700'	165 sks Light (Lead) 150 sks Class "B" (Tail)

1. Drill 17-1/2" hole and set 13-3/8" conductor @ 60', cement with good returns.
2. Drill 11" hole & set 8-5/8" surface casing @ 270' , cement with good returns.
3. Log B.O.P. checks in daily drilling reports & drill 6-1/2" hole to 2,700' .
4. Conduct D.S.T. if warranted & run 4-1/2" casing if productive, ~~return~~ returns.
5. Run logs as needed, and perforate and stimulate as needed.

Engr. [Signature]  
 Geol. [Signature]  
 Surface [Signature]

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

24.

Signed [Signature] Title Petroleum Engineer Date 12/29/89

(This space for Federal or State office use)

Permit No. 43-037-31491 Approval Date APPROVED BY THE STATE

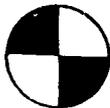
Approved by [Signature] Title CHIEF OF DIVISION OF OIL, GAS, AND MINING Date 1-31-90

Conditions of approval, if any:

\*See Instructions On Reverse Side

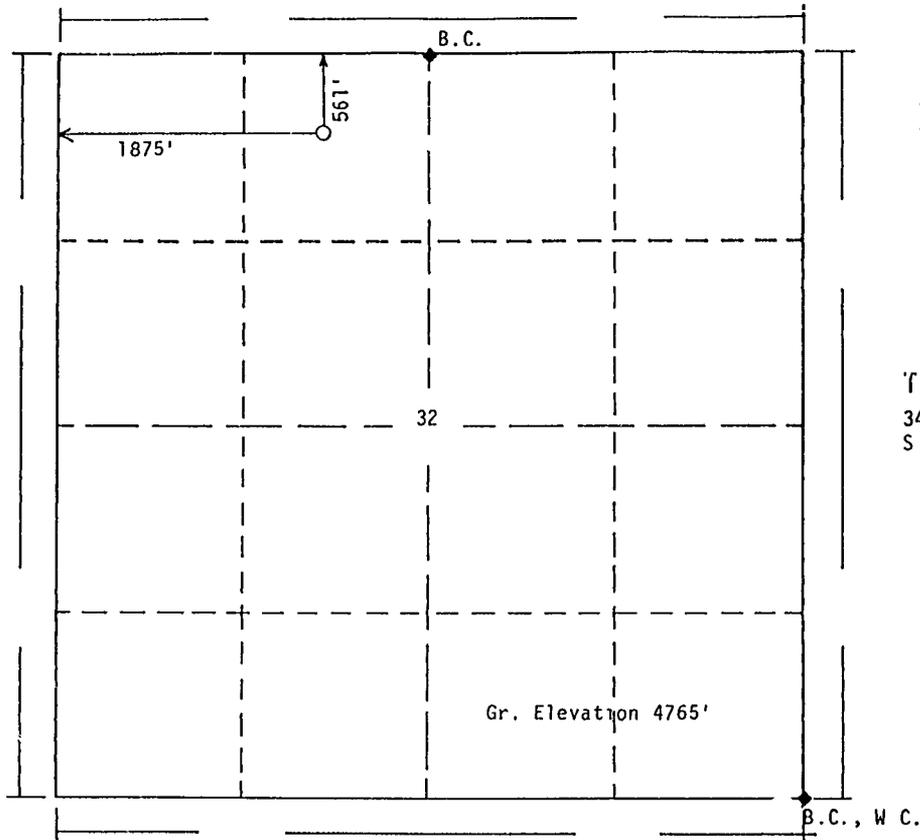
[Signature]  
 ALL SPACING: PL15-3-2

EXHIBIT A



Form PS-102

R. 15 E



Scale: 1"=1000'

Powers Elevation, Inc. of Denver, Colorado has in accordance with a request from John Brooks for Ampol Exploration (U.S.A.) Inc. determined the location of State 21-32 to be 561fnl, 1875fwl Section 32, Township 34 s Range 15 E of the Salt Lake Principal Meridian, San Juan County, Utah

I hereby certify that this plat is an accurate representation of a correct survey showing the location of State 21-32

*[Signature]*



Date: 10-25-89

Licensed Land Surveyor No. 8894  
 State of New Mexico

Application for Permit to Drill  
White Canyon Area, San Juan County, Utah  
Page 2

The Blow-Out Prevention Equipment diagrammed in Exhibit C is a 3000# working pressure BOP stack. While anticipated formation pressures to be encountered will probably be on the order that a 2000# BOP stack could handle, availability favors the 3000# equipment. In accordance with 43 CFR 3160 Part V, A Well Control Requirements, "higher rated equipment may be used to meet and maintain these standards without being held to the higher standards normally applied to such equipment. The use of equipment of a higher pressure rating than that approved does not subject the operator to the specifications for the higher pressure rated equipment." Ampolex therefore requests approval for the 2000# BOP equipment, but if not available, approval of 3000# BOP equipment to be utilized and tested in accordance with the specifications of a 2000# system.

If there are any questions regarding these applications, please do not hesitate to call me in Denver at (303)-297-1000.

Respectfully Submitted,

For and on behalf of  
AMPOLEX (TEXAS), INC



John A. Brooks  
Petroleum Engineer  
AMPOL EXPLORATION (U.S.A.), INC

**FEDERAL EXPRESS**USE THIS AIRBILL FOR DOMESTIC SHIPMENTS WITHIN THE CONTINENTAL U.S.A., ALASKA AND HAWAII  
USE THE INTERNATIONAL AIR WAYBILL FOR SHIPMENTS TO PUERTO RICO  
QUESTIONS? CALL 800 238 5355 TOLL FREEAIRBILL  
PACKAGE  
TRACKING NUMBER

5321552320

5321552320

**RECIPIENT'S COPY**

Date 12/29/89			
From (Your Name) Please Print <b>John A. Brooks</b>		To (Recipient's Name) Please Print <b>(801) 538-5503</b>	
Your Phone Number (Very Important) <b>(801) 227-1000</b>		Recipient's Phone Number (Very Important)	
Company <b>AMCOL EXPLORATION</b>		Company <b>Utah Board of Oil, Gas &amp; Mining</b>	
Department/Floor No		Department/Floor No	
Street Address <b>3225 17TH ST. #1000</b>		Exact Street Address (We Cannot Deliver to P.O. Boxes or P.O. Zip Codes) <b>Suite 350, 3 Triad Center, 355 West North T</b>	
City <b>SLC</b>	State <b>UT</b>	City <b>Salt Lake City,</b>	State <b>Utah</b>
ZIP Required <b>84103</b>		ZIP Required <b>84103</b>	Temple

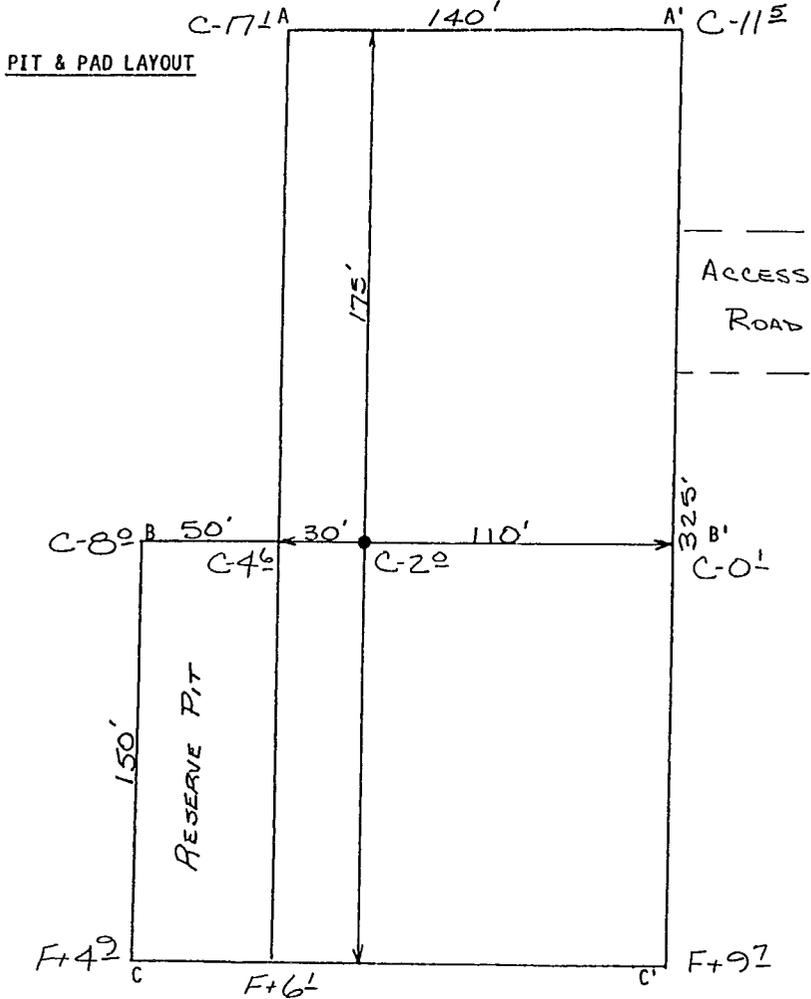
**YOUR BILLING REFERENCE INFORMATION (First 24 characters will appear on invoice)****IF HOLD FOR PICK-UP, Print FEDEX Address Here**

PAYMENT 1 <input checked="" type="checkbox"/> Bill Service 2 <input type="checkbox"/> Bill Recipient's FedEx Acct No 3 <input type="checkbox"/> Bill 3rd Party FedEx Acct No 4 <input type="checkbox"/> Bill Credit Card		Street Address	
<input type="checkbox"/> Cash	City		State
	ZIP Required		

SERVICES (Check only one box)		DELIVERY AND SPECIAL HANDLING			PACKAGES	WEIGHT In Pounds Oz	DECLARED VALUE	OVER SIZE	Emp. No	Date	Federal Express Use Base Charges
Priority Overnight Service (Delivery by next business morning)	Standard Overnight Service (Delivery by next business afternoon)	1 <input type="checkbox"/> HOLD FOR PICK-UP (no charges)	2 <input checked="" type="checkbox"/> DELIVER WEEKDAY	3 <input type="checkbox"/> DELIVER SATURDAY (no charges)					<input type="checkbox"/> Cash Receipt		Declared Value Charge
15 <input type="checkbox"/> YOUR PACKAGING 51 <input type="checkbox"/>	16 <input type="checkbox"/> FEDEX LETTER* 56 <input type="checkbox"/> FEDEX LETTER*	4 <input type="checkbox"/> DANGEROUS GOODS (no charges)	5 <input type="checkbox"/> CONSTANT SURVEILLANCE SVC (CSS) (no charges)	6 <input type="checkbox"/> C/SAFE (no charges)	Total	Total	Total		<input type="checkbox"/> Return Signature		Other 1
12 <input checked="" type="checkbox"/> FEDEX PAK* 62 <input type="checkbox"/> FEDEX PAK*	13 <input type="checkbox"/> FEDEX BOX 53 <input type="checkbox"/> FEDEX BOX	7 <input type="checkbox"/> OTHER SPECIAL SERVICE	8 <input type="checkbox"/>	9 <input type="checkbox"/> SATURDAY PICK-UP (no charges)	1				<input type="checkbox"/> Third Party <input type="checkbox"/> Orig. to Del <input type="checkbox"/> Orig. to USA		Other 2
14 <input type="checkbox"/> FEDEX TUBE 54 <input type="checkbox"/> FEDEX TUBE		10 <input type="checkbox"/>	11 <input type="checkbox"/>	12 <input type="checkbox"/> HOLIDAY DELIVERY (no charges)					Street Address		Total Charges
Economy Service (Delivery by second business day)	Heavyweight Service (EX Extra Large or any package over 150 lbs)	11 <input type="checkbox"/>	12 <input type="checkbox"/>		1				City	State	Zip
30 <input type="checkbox"/> ECONOMY SERVICE	70 <input type="checkbox"/> HEAVYWEIGHT**	12 <input type="checkbox"/>							Received By		
30 <input type="checkbox"/> ECONOMY SERVICE	80 <input type="checkbox"/> DEFERRED HEAVYWEIGHT**								X		
1 Delivery commitment may be later in some areas	**Declared Value Limit \$100 **Call for delivery schedule								Date/Time Received	FEDEX Employee Number	
											REVISION DATE 8/89 PART NUMBER EXAM 0-80 FORMAT 4014
											<b>014</b>
									Signature		© 1989 F.E.C. PRINTED IN U.S.A.

# EXHIBIT A-1

Ampol Exploration (U.S.A.) Inc.  
State 21-32  
Section 32, T.34S, R.15E  
561fn1, 1875fw1  
San Juan County, Utah



**EXHIBIT B**  
**TEN-POINT COMPLIANCE PROGRAM**  
**OF NTL-6 APPROVAL OF OPERATIONS**

Attached to Form OGC-1A  
 Application for Permit to Drill  
 White Canyon Area  
 Ampolex (Texas). Inc.

Well: State 21-32  
 Location: 561' FNL 1,875' FWL - NE NW Section 32 T34S R15E  
 County: San Juan  
 State: Utah  
 Projected Total Depth: 2,700'  
 Estimated Ground Elevation: 4,765'  
 Estimated KB: 4,775'

**1. THE GEOLOGIC SURFACE FORMATION**

The geologic surface formation is Quarternary Colluvium on Permian Cedar Mesa Sandstone.

**2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS**

<u>TOPS</u>		<u>ESTIMATED DEPTH (KB)</u>
QUARTERNARY	Colluvium	(surface)
PERMIAN	Cedar Mesa Sandstone	150'
	Halgaito/Rico	615'
PENNSYLVANIAN	Upper Hermosa	1,415'
	Paradox (Cycles 0 & 1)	2,090'
	Ismay (Cycles 2 & 3)	2,235'
	Desert Creek (4 & 5)	2,365'
	Chimney Rock Shale	2,565'
	Akah	2,591'
TOTAL DEPTH		2,700'

**3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS**

Upper Hermosa	1,415'
Desert Creek	2,090'

**4. PROPOSED CASING PROGRAM**

Hole Size	Interval	Interval Length	Pipe O.D.	Weight, Grade and Coupling	New or Used
17-1/2"	0 - 60'	60'	13-3/8"	48#	NEW
12-1/4"	0 - 270'	270'	8-5/8"	24# J-55 ST&C	NEW
6-1/4"	0 - 2700'	2700'	4-1/2"	10.5# J-55 ST&C	NEW

4. PROPOSED CASING PROGRAM (Cont.)

Cement Program:

Conductor: 100 sacks, Class "B", cement to surface.  
Surface Casing: 200 sacks Class "G", cement to surface.  
Prod. Casing: 165 sacks of Light followed by 150 sacks Class "G"

5. THE OPERATOR'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL

Exhibit C is a schematic diagram of the blowout preventer equipment. The BOP's will be hydraulically tested to half of working pressure after nipping up and after any use under pressure. Pipe rams will be operationally checked each 24-hour period, as will blind rams each time pipe is pulled out of the hole. Such checks of the BOP's will be noted on daily drilling reports.

Accessories to the BOP will include an upper kelly cock, floor safety valve, drill string BOP and choke manifold with pressure rating equivalent to the BOP stack.

6. THE TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATING MUDS

The mud system will be gel-chemical with adequate stocks of sorptive agents on site to handle any spills of fuel or oil on the surface. Additional weighting material will be on location to be added if the pressures encountered so require. Adequate stocks of lost circulation materials will also be on site. Mud weight will be increased to 9.0 - 9.5 ppg when drilling through the Desert Creek. Enough weight material will be on location to increase mud weight to 11.0 ppg if necessary.

<u>DEPTH</u>	<u>TYPE</u>	<u>WEIGHT (ppg)</u>	<u>Vis.</u>	<u>FLUID LOSS</u>
0' - 270'	Water	8.8	--	--
270' - 2,080'	Water & gel + Barite & LCM as needed.	8.8	27	--
2,080' - TD	Water, gel, soda ash, caustic soda & Barite & LCM as needed.	8.6 - 9.5	35-40	8-10

**7. AUXILIARY EQUIPMENT TO BE USED**

- a. An upper kelly cock will be kept in the drill string.
- b. A float will be used at the bit.
- c. Both a mud logging unit and detecting devices will monitor the mud system from 2,080' to T.D. Mud will also be monitored visually.
- d. A stabbing valve will be on the floor to be stabbed into the drill pipe when the Kelly is not in the drill string.

**8. TESTING, LOGGING AND CORING PROGRAMS TO BE FOLLOWED**

- a. Two drill stem tests will be conducted: one in the Ismay formation and one in the Desert Creek Formation.
- b. The logging program will consist of the following:  
Dual Induction/Sonic surface casing - TD  
FDC/CNL/GR/CBL Upper Hermosa - TD
- c. Two cores are planned: one in the Ismay and one in the Desert Creek.
- d. Completion program will be by acid treatment. An appropriate Sundry Notice will be submitted for approval.

**9. ABNORMAL PRESSURE OR TEMPERATURES**

No abnormal pressures or temperatures have been reported in wells drilled in the area at the depths anticipated in this well. Bottom hole pressure is expected to be 1,500 psi (+ or -).

No hydrogen sulfide or other hazardous fluids or gases have been found, reported or known to exist at these depths in the area.

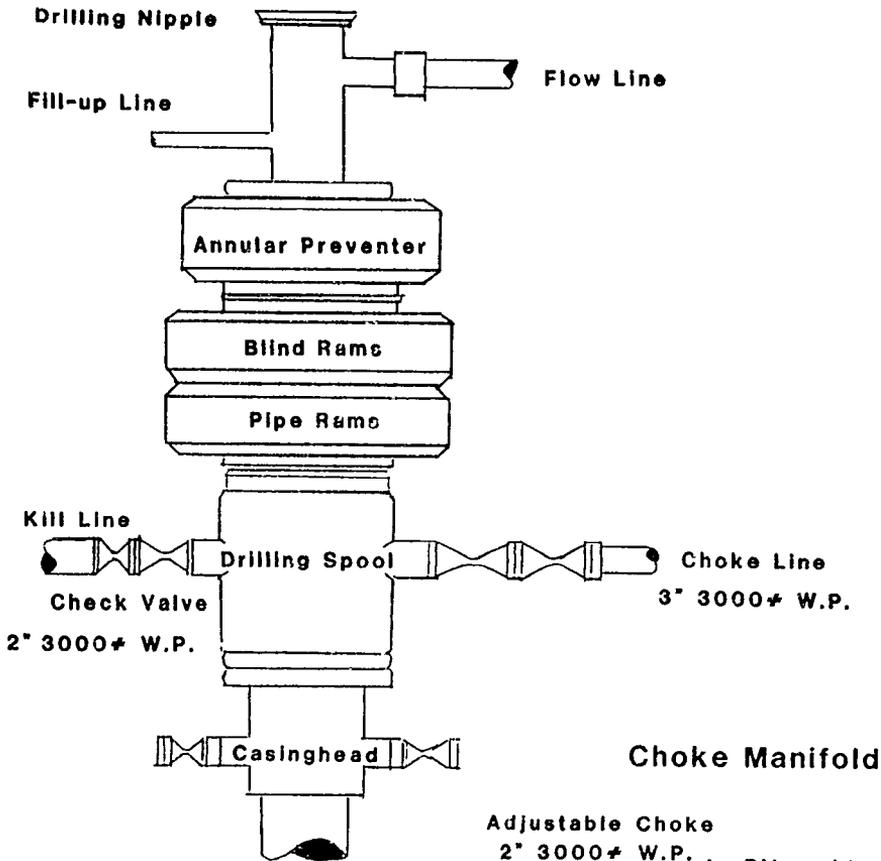
**10. ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS**

The anticipated starting date is set for early April, 1990 or as soon as possible after examination and approval of drilling requirements. Operations should be completed within thirty (30) days after spudding the well.

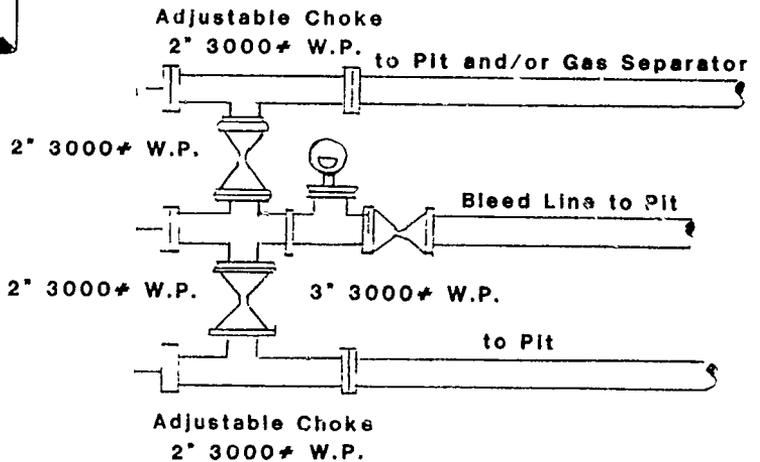
**EXHIBIT C**  
**Blow Out Preventer Equipment**

**BOP Stack**

**STATE 21-32**



**Choke Manifold**



**EXHIBIT D**

**MULTI-POINT REQUIREMENTS TO ACCOMPANY A.P.D.**

Attached to Form OGC-1A  
Application for Permit to Drill  
White Canyon Area  
Ampolex (Texas). Inc.

Well: State 21-32

Location: 561' FNL 1,875' FWL - NE NW Section 32 T34S R15E

County: San Juan

State: Utah

Projected Total Depth: 2,700'

Estimated Ground Elevation: 4,765'

Estimated KB: 4,775'

**1. EXISTING ROADS**

- a. The proposed well site and elevation plat is shown on Exhibits A & A-1.
- b. The distance from Fry Canyon store is 13 miles. From Fry Canyon store, go northwest on Utah State Highway 95 13 miles. Turn southwest on dirt road approximately 200' to location.
- c. The existing road, Utah State Highway 95 needs no improvement.
- d. All roads to location are shown on Exhibits E & E-1. The only road construction required will be for the 200' of access road as shown on Exhibits E & E-1. An encroachment permit will be obtained from the San Juan County Road Department for use of county roads, and the Utah Department of Transportation for use of State roads.

**2. PLANNED ACCESS ROADS**

There will be approximately 200' of new access road required. Existing roads are shown on Exhibits E & E-1. The proposed 200' of road will run in a southwesterly direction from Utah State Highway 95. The maximum total disturbed width will be 30'. This proposed route is also shown on Exhibits E & E-1 and will require an encroachment permit from the Utah Department of Transportation. Use of this road will be required for approximately thirty (30) days for drilling operations and up to thirty (30) or more years if the well is productive. If the well is not productive, the access road will be rehabilitated within sixty (60)

2. PLANNED ACCESS ROADS (Cont.)

days of cessation of drilling operations in the manner set forth below in Item 10, **Plans for Restoration of Surface**. Surface disturbance and vehicular traffic will be limited to the approved location and access road. Any additional area needed will be approved in advance.

3. LOCATION OF EXISTING WELLS

- a. There are no water wells within a one-mile radius of this location.
- b. There are no abandoned wells in this one-mile radius.
- c. There are no temporarily abandoned wells in this one-mile radius.
- d. There are no disposal wells in this one-mile radius.
- e. There are no wells presently being drilled in this one-mile radius.
- f. There are no producing wells in this one-mile radius.
- g. There are no shut-in wells in this one-mile radius.
- h. There are no injection wells in this one-mile radius.
- i. There are no monitoring or observation wells for other uses in this one-mile radius.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

Since this well is an exploration well with little or no basis for identifying the nature of potential hydrocarbons that might be found, if any, Ampolex prefers to obtain drilling results before submitting plans for placement of production and/or gathering facilities.

5. LOCATION AND TYPE OF WATER SOURCE

- a. The source of water will be the Colorado River. The river will be accessed by Farley's Access, a county-maintained gravel road, that traverses three (3) miles through the Glen Canyon National Recreation Area

**5. LOCATION AND TYPE OF WATER SOURCE (Cont.)**

- a. between Highway 95 and the river. A right-of-way permit will be obtained from the Glen Canyon N.R.A. and the San Juan County Road Department. A temporary water use permit will be obtained from the Utah State Engineer in Price, Utah.
- b. Water will be transported by truck over existing roadways and proposed access road(s) as shown on Exhibits E & E-1.
- c. No water well is currently planned to be drilled on this lease.

**6. CONSTRUCTION MATERIALS**

- a. It is not anticipated that any offsite construction materials will be needed; the surface soil materials should be sufficient. In the event that additional construction materials are needed, they will be provided by local contractors.
- b. It is anticipated that all surface soil materials for construction of access roads for drilling are sufficient. If the well is productive, and material from road and pad is not sufficient, additional surface materials will be obtained from local contractors.
- c. All major access roads presently exist as shown on Exhibits E & E-1.

**7. HANDLING OF WASTE MATERIALS AND DISPOSAL**

- a. Drill cuttings will be buried in the reserve pit.
- b. Drilling fluids will be handled in the reserve pit.
- c. Any fluids produced during a drilling test or while conducting a production test will be collected in a test tank. Any spills of oil, gas or salt waters will be cleaned up and removed. If the well is productive, produced water will be stored on-site for ninety (90) days after initial production. After that time, application will be made for approval of permanent disposal method in compliance with NTL-2b.

**7. HANDLING OF WASTE MATERIALS AND DISPOSAL (Cont.)**

- d. Portable chemical facilities will be provided for human waste.
- e. Garbage and non-flammable waste and salt and other chemicals produced during drilling or testing will be handled in a trash basket and hauled to a county refuse facility as necessary.

**8. ANCILLARY FACILITIES**

Camp facilities will not be required on location other than three (3) trailers. A camper or trailer may be required at the water source for water-hauling operations. If so required, approval will be sought in conjunction with application for the water-use permit from the Glen Canyon N.R.A. and/or San Juan County Road Department.

**9. WELL-SITE LAYOUT**

The well-site layout is depicted in Exhibit G (cut and fill cross-sections) and in Exhibit H (drill rig layout).

**10. PLANS FOR RESTORATION OF SURFACE**

- a. Within 24 hours of completion of drilling, the location and surrounding area will be cleared of all debris, materials, and junk not required for production.
- b. Within 18 months following the cessation of drilling operations, or when the reserve pit has dried, whichever is least, all areas not needed for production (including access road) will be filled in, recontoured to approximately natural contours and as much top soil as was removed replaced, leaving enough for future restoration (unless well is a dry hole). The remaining top soil, if any, will be stabilized and seeded in place. After contouring and prior to seeding, location will be "ripped" and "torn" in 18" widths, 6" deep.
- c. The area will be seeded between October 1st and February 28th as directed by the Utah Division of Lands and Forestry.

**11. OTHER INFORMATION**

- a. No occupied dwellings are known to exist in the area.
- b. The closest live water is the Colorado River, approximately 5.7 miles north of the the proposed drilling location.
- c. A dry hole on BLM land in Section 4-T35S-R15E was drilled in 1961 and has been converted to a water well, and is currently used for ranching purposes. Conversations between the water hauling contractor and the rancher indicated the well would not be able to supply sufficient volumes of water for drilling operations even if substantial improvements were made to the pumping apparatus.
- d. There are no reported restrictions or reservations noted on the oil and gas lease.
- e. Drilling is planned for early April 1990. It is anticipated that the casing point will be reached within 16 days after commencement of drilling operations.

**12. LESSEE'S OR OPERATOR'S REPRESENTATIVE**

John A. Brooks  
Ampolex (Texas), Inc.  
1225 17th Street, Suite #3000  
Denver, Colorado 80202  
(303) 297-1000



EXHIBIT E

HORSE  
TANKS

319

Utah 95

219

Proposed Drilling Location

32

2419

301

427

4870

OKELLY UTEN FED. 'C'

1-14/81

WINGATE MESA

R 15 E

 AMPOL EXPLORATION  
(C.S.A.) INCORPORATED

State 21-32

Proposed Drilling Location

2000 1000 0 2000

SCALE IN FEET  
1" = 2000'

AUTHOR	DATE
CONTOUR INT	MAP NO

# EXHIBIT E-1

State 21-32

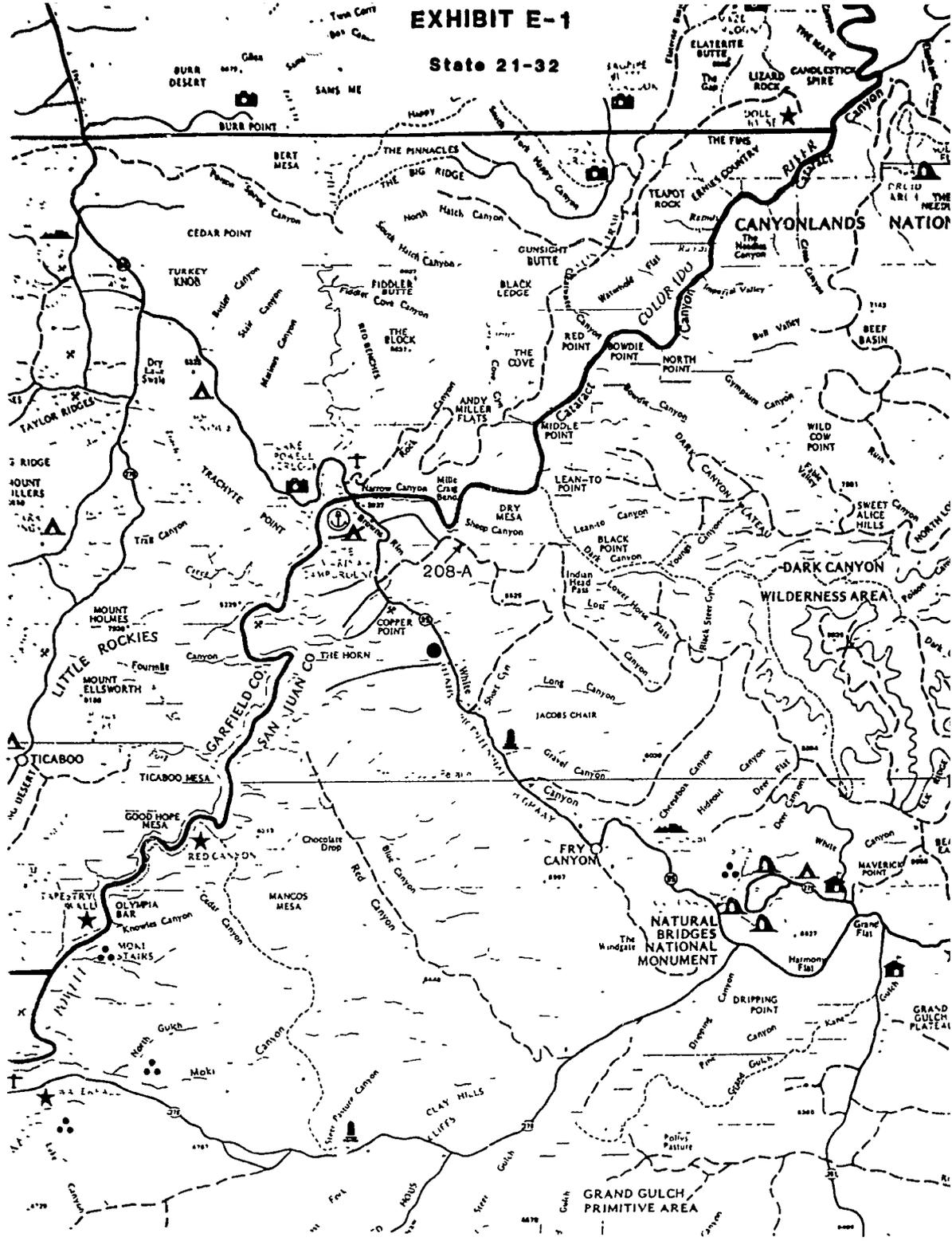


EXHIBIT F

# Cultural Resource Management Report

STATE 21-32 CULTURAL RESOURCES INVENTORY  
SAN JUAN COUNTY, UTAH

Written By:

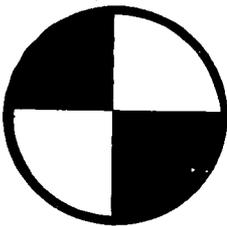
Brian P. O'Neil, M.A.

Submitted To:

AMPOL EXPLORATION (U.S.A.), INC.  
1225 - 17th Street, Suite 3000  
Denver, Colorado 80202

Date:

November 7, 1989



**POWERS ELEVATION CO., INC.**

P.O. Box 440889  
Aurora, CO 80044  
(303) 321-2217



**Archaeology Department**



# **Powers Elevation Co., Inc.**

P.O. Box 440889, Aurora, CO 80044  
Phone 303-321-2217  
Toll Free 1-800-824-2550  
FAX 303-321-2217

**PROJECT IDENTIFICATION:** A cultural resources inventory for Ampol Exploration (U.S.A.), Inc., White Canyon Prospect, State 21-32, well pad and access, San Juan County, Utah; on lands administered by the state of Utah.

**ANTIQUITIES PERMIT NO:** 88UT54629

**STATE PERMIT PROJECT NO:** U-89-PA-635s

**FILES SEARCH:** A files search was conducted at the State of Utah, Division of State History, Archaeological Records Office, on October 17, 1989. The files search, by Ms. Evelyn Seelinger, revealed no previous surveys conducted within the section associated with this project. An additional files search was conducted at the BLM San Juan Resource Area, in Monticello, Utah on October 26, 1989. This files search also revealed no previous surveys within the section associated with this project. No previously recorded sites are reported by either agency within that portion of the section associated with this project.

**LOCATION:** The proposed project is located at 561' FNL, 1,875' FWL, Section 32, T.34S., R.15E.

**MAP REFERENCE:** Copper Point, 7.5', provisional, 1987.

**DATE OF INVESTIGATION:** October 27, 1989.

**PERSONNEL:** Brian P. O'Neil, Field Investigator; Marcia J. Tate, Principal Investigator.

**PROPOSED ACTION:** The proposed action is the construction of a well pad measuring approximately 350 feet northeast-southwest by 200 feet northwest-southeast. The access road to the proposed well location is approximately 200 feet long from its take off point along Utah State Highway #95.

The objectives of the cultural resources inventory were to locate and document any historic or prehistoric cultural resources occurring within the proposed well location and staging area, and to recommend appropriate procedures for the management of such resources. The accomplishment of these objectives fulfills the compliance requirements set forth in the Antiquities Act of 1906, the Historic Preservation Act of 1966, Executive Order No. 11593 of 1971, the Archaeological and Historic Conservation Act of 1980, the Utah State Antiquities Act of 1973, and the Archaeological Resources Protection Act of 1979.

**ENVIRONMENT:** The proposed project area is located in the Colorado River canyon country of the Colorado Plateau in southeastern Utah. The local landforms consist of benched and incised tributary drainages to the Colorado River which have downcut through the Navajo, Kayenta, and Wingate Sandstones, and

ENVIRONMENT, CONTINUED: ...into the Chinle and Moenkopi Formations. Exposed to the east is the underlying White Rim Sandstone of the Cutler Group. The nearest permanent drainage is White Canyon. The soils in the project area are a reddish-brown, silty, sandy clay loam with sandstone talus. Vegetation consists of juniper, snakeweed, Mormon tea, antelope brush, yucca, single leave ash, and sparse native grasses. Ground visibility is approximately 70 to 95%. Slope is 2 to 60% grades, and the exposure is northerly. Elevation is approximately 3,960 feet.

FIELD METHODS: A 10 acre area surrounding the well pad center stake was surveyed by walking a series of topographic and parallel east-west transects at intervals of 15 m. Ant hills, rodent burrows, road cuts, and erosional cuts etc. were examined for evidence of buried cultural materials. The access to the proposed well location was surveyed by walking a pair of sinuous transects extending 50 feet each side of the center line, to form a 100 foot wide right-of-way, approximately 600 feet long from its take off point along Utah State Highway 95, outside the 10 acre survey area.

ADDITIONAL OBSERVATION: A modern trash scatter, of at least post 1950s age is located between the proposed well location and Highway 95. This trash scatter consists of an old station wagon, freezers, water heater, wood planking and plywood, glass styrofoam, sheet metal, bed springs, tires, fiberglass matting, plastic, and tine cans. The proposed access road passes through the trash scatter at the northeast end of the proposed well pad.

RESULTS: No historic or prehistoric cultural resources were observed within the proposed project survey area. A total area of 10.5 acres was surveyed.

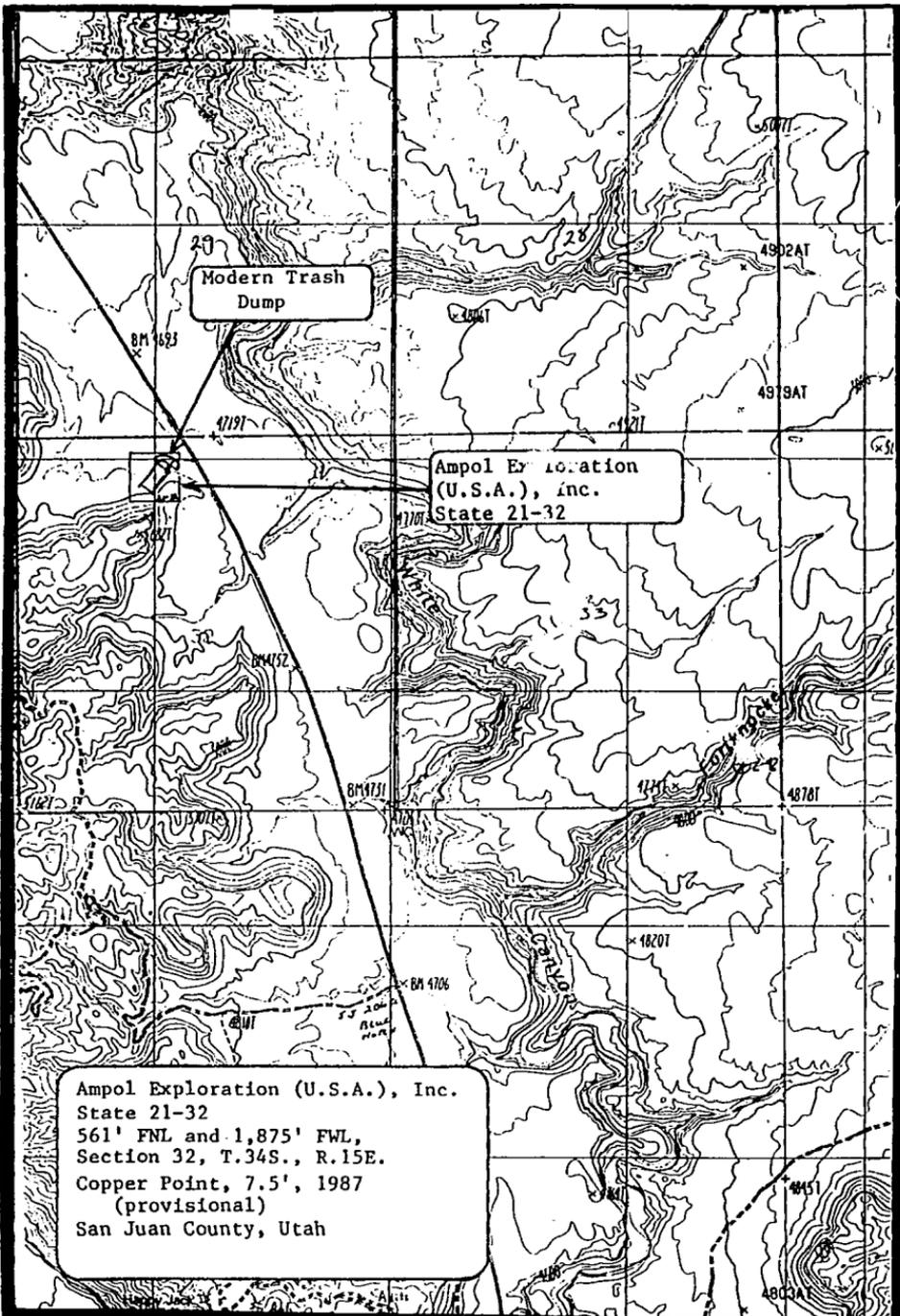
RECOMMENDATIONS: Due to the absence of any prehistoric or historic cultural resources within the proposed project area, we recommend that the project be allowed to proceed.

Marcia J. Tate 11/9/89  
Marcia J. Tate Date  
Principal Investigator

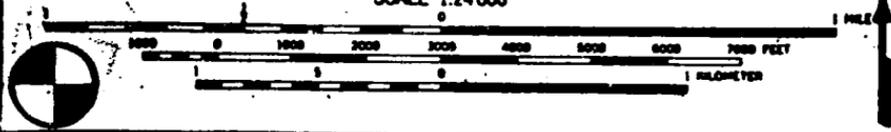
Ampol Exploration (U.S.A.), Inc.  
State 21-32  
561' FNL and 1,875' FWL,  
Section 32, T.34S., R.15E  
San Juan County, Utah



Looking north at center stake



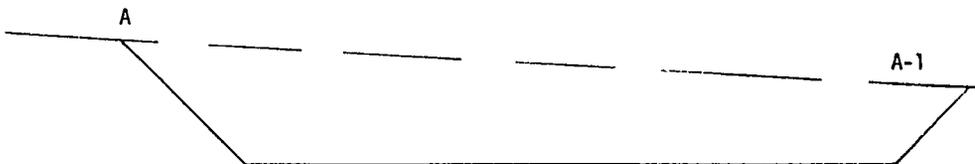
SCALE 1:24 000



# EXHIBIT G

Ampol Exploration (U.S.A.) Inc.  
State 21-32  
Section 32, T.34S, R. 15E  
561fn1, 1875fw1  
San Juan County, Utah

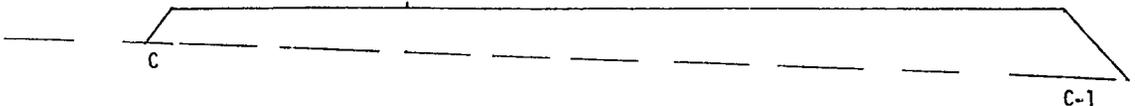
## CROSS SECTIONS & DIRT QUANTITIES



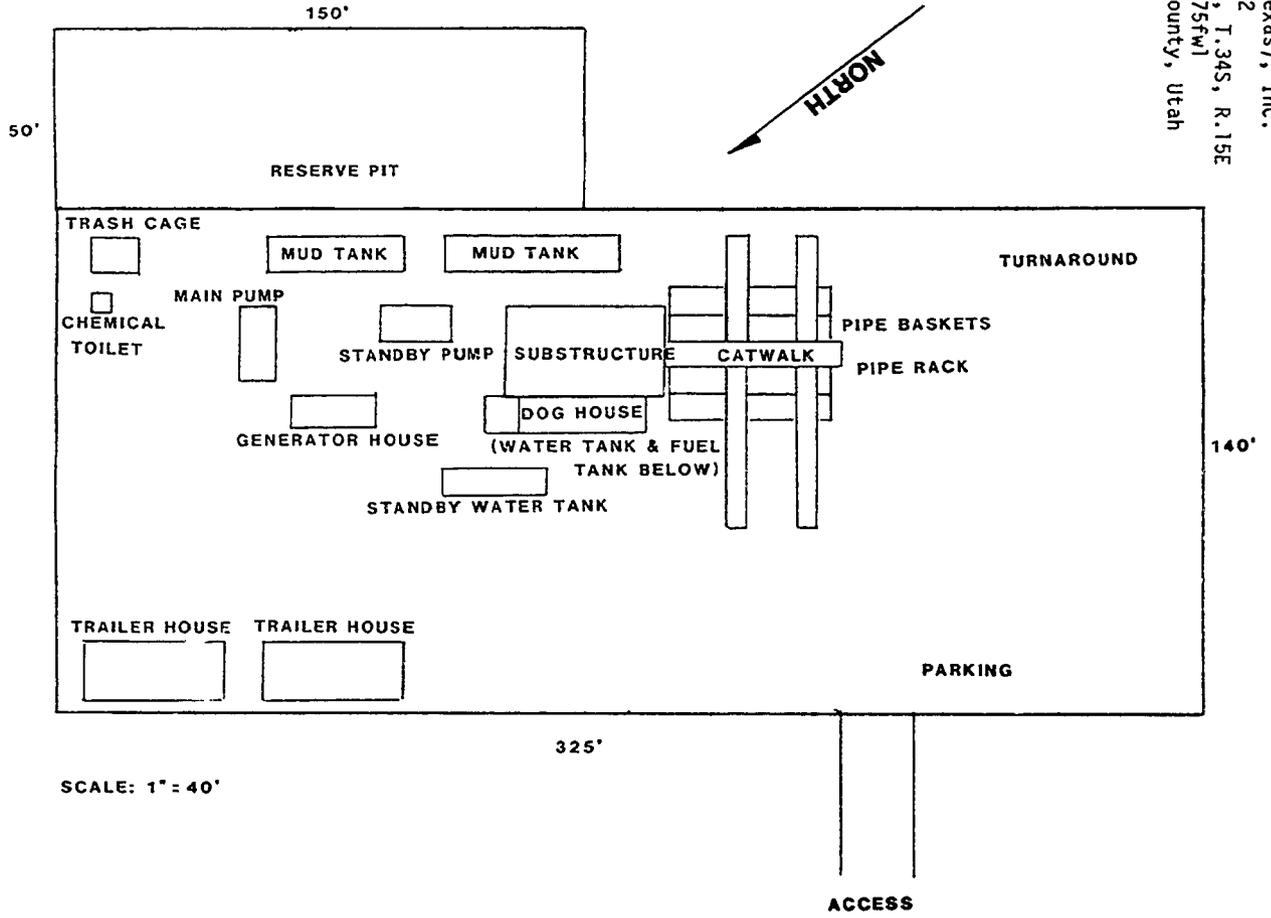
Pad cut	10,941cu yds
Pit cut	2,777cu yds
Pad fill	4,000cu yds

### Scale

Horizontal: 1"=30'  
Vertical: 1"=20'



Ampollex (Texas), Inc.  
State 21-32  
Section 32, T.34S, R.15E  
561fnl, 1875fwl  
San Juan County, Utah



SCALE: 1" = 40'

EXHIBIT H

COPY

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

69HF3973

STATE, NATIONWIDE, OR NATIONAL PETROLEUM RESERVE  
IN ALASKA OIL AND GAS BOND

Act of February 25, 1920 (30 U.S.C. Sec. 181)

Act of August 7, 1947 (30 U.S.C. Sec. 351)

Department of the Interior Appropriations Act, Fiscal Year 1981 (P.L. 96-514)

Other Oil and Gas Leasing Authorities as Applicable

KNOW ALL MEN BY THESE PRESENTS, That we **AMPOL EXPLORATION (U.S.A.) INC.** and its subsidiaries of **Ampolex (California), Inc., Ampolex (Texas), Inc. and Ampolex (Wyoming), Inc.** of **1225 17th Street, Denver, Colorado 80202** as principal, and **Insurance Company of North America** of **Philadelphia, Pennsylvania**

as surety, are held and firmly bound unto the United States of America in the sum of **One Hundred Fifty Thousand and no/100\*\*\*\*\* dollars (\$ 150,000.00\*\*\*\*\* )**, in lawful money of the United States, which sum may be increased or decreased by a rider hereto executed in the same manner as this bond, for the use and benefit of (1) the United States, (2) the owner of any of the land subject to the coverage of this bond, who has a statutory right to compensation in connection with a reservation of the oil and gas deposits to the United States; and (3) any lessee or permittee under a lease or permit issued by the United States prior to the issuance of an oil and gas lease for the same land subject to this bond, covering the use of the surface or the prospecting for, or development of, other mineral deposits in any portion of such land, to be paid to the United States. For such payment, well and truly to be made, we bind ourselves, and each of our heirs, executors, administrators, and successors, jointly and severally.

- The coverage of this bond shall extend to all of the principal's holdings of federal oil and gas leases in the United States, including Alaska, issued or acquired under the Acts cited in Schedule A.
- The coverage of this bond extends only to the principal's holdings of federal oil and gas leases issued or acquired under the Acts cited and in the States named in Schedule A and to any other State or States that may be named in a rider attached hereto by the lessor with the consent of the surety.
- The coverage of this bond extends only to the principal's holdings of federal oil and gas leases within the National Petroleum Reserve in Alaska.

SCHEDULE A

Mineral Leasing Act of February 25, 1920 (30 U.S.C. Sec. 181), Acquired Lands Leasing Act of August 7, 1947 (30 U.S.C. Sec. 351), or other oil and gas leasing authorities as applicable.

NAMES OF STATES

The conditions of the foregoing obligations are such that, whereas the said principal has an interest in oil and gas leases issued under the Acts cited in this bond, (1) as lessee, (2) as the approved holder of operating rights in all or part of the lands covered by such leases under operating agreements with the lessees, or (3) as designated operator or agent under such leases pending approval of an assignment or operating agreement, and

WHEREAS the principal is authorized to drill for, mine, ex-

tract, remove and dispose of oil and gas deposits in or under the lands covered by the leases, operating agreements or designations and is obligated to comply with certain covenants and agreements set forth in such instruments; and

WHEREAS the principal and surety agree that without notice to the surety the coverage of this bond, in addition to the present holdings of the principal, shall extend to and include:

1. Any oil and gas lease new or issued to, or acquired by the principal in the States now named in Schedule A, or later named in a rider, the coverage to be continued to the principal's holdings under the Acts cited and to become effective immediately upon such issuance or upon departmental approval of a transfer in favor of the principal.

2. Any operating agreement hereafter entered into or acquired by the principal affecting oil and gas leases in the States now named in Schedule A, or later named in a rider. The coverage shall become effective immediately upon departmental approval of the agreement or of a transfer of an operating agreement to the principal.

3. Any designation subsequent hereto of the principal as operator or agent of a lessee under a lease issued pursuant to the Acts cited and covering lands in a State named in Schedule A, either presently or by rider. This coverage shall become effective immediately upon the filing of such a designation under a lease.

4. Any extension of a lease covered by this bond, such coverage to continue without any interruption due to the expiration of the term set forth in the lease  
Provided, that the surety may elect to have the additional coverage authorized under this paragraph become inapplicable as to all interests of the principal acquired more than thirty (30) days after the receipt of notice of such election by the Bureau of Land Management.

The surety hereby waives any right to notice of, and agrees that this bond shall remain in full force and effect notwithstanding

1. A transfer or transfers, either in whole or in part, of any or all of the leases, or of the operating agreements, and further agrees to remain bound under this bond as to the interests either in the leases or in the operating agreements, or in both, retained by the principal when the approval of the transfer or transfers become effective

2. Any modification of a lease or operating agreement, or obligations thereunder, whether made or effected by commitment of such lease or operating agreement to unit, cooperative, communitization or storage, agreements, or development contracts, suspensions of operations or production, waivers, suspensions or changes in rental, minimum royalty, and royalties, compensatory royalty payments, or otherwise, and

WHEREAS the principal and surety hereby agree notwithstanding the termination of any lease or lease operating agreements or designations as operator or agent covered by this bond, whether the termination is by operation of law or otherwise, the bond shall remain in full force and effect as to all remaining leases, operating agreements, designations covered by the bond, and

WHEREAS the principal, as to any lease or part of a lease for which he has been designated as operator or agent, or approved as operator, in consideration of being permitted to furnish this bond in lieu of the lessees, agree and by these presents does hereby bind himself to fulfill in behalf of each lessee all obligations of each such lease for the entire leasehold in the same manner and to the same extent as though he were the lessee, and

WHEREAS the principal and surety agree that the neglect or forbearance of said lessor in enforcing, as against the lessees of such lessor, the payment of rentals or royalties or the performance of any other covenant, condition or agreement of the leases, shall not, in any way, release the principal and surety, or either of them, from any liability under this bond, and

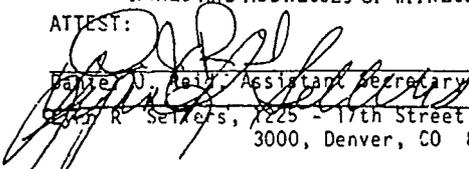
WHEREAS the principal and surety agree that in the event of any default under the leases, the lessor may comment and prosecute any claim, suit, action, or other proceeding against the principal and surety, or either of them, without the necessity of joining the lessees.

NOW, THEREFORE, IF said principle shall in all respects faithfully comply with all of the provisions of the lease referred to hereinbefore, then the above obligations are to be void, otherwise to remain in full force and effect.

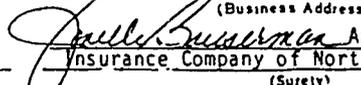
Signed on this 1st day of July, 1987, in the presence of:

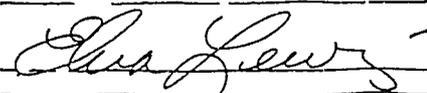
NAMES AND ADDRESSES OF WITNESSES

ATTEST:

  
Daniel J. Smith, Assistant Secretary  
Bureau of Land Management, 1225 - 17th Street, Suite  
3000, Denver, CO 80202

  
AMPOL EXPLORATION (U.S.A.) INC. (L.S.)  
B. D. Emmett, Vice President  
1225 17th Street  
Denver, CO 80202  
(Business Address)

  
Paula Bussman, Attorney-in-fact  
Insurance Company of North America (L.S.)  
(Surety)  
P. O. Box 27706  
Houston, TX 77027  
(Business Address)



574164

**POWER OF ATTORNEY**  
**INSURANCE COMPANY OF NORTH AMERICA**

PHILADELPHIA, PA.

**Know all men by these presents:** That INSURANCE COMPANY OF NORTH AMERICA, a corporation of the Commonwealth of Pennsylvania, having its principal office in the City of Philadelphia, Pennsylvania, pursuant to the following Resolution adopted by the Board of Directors of the said Company on May 28, 1975, to wit:

"RESOLVED, pursuant to Articles 3.6 and 5.1 of the By-Laws, the following Rules shall govern the execution for the Company of bonds, undertakings, recognizances, contracts and other writings in the nature thereof:

- (1) That the President, or any Vice-President, Assistant Vice-President, Resident Vice-President or Attorney-in-Fact, may execute for and in behalf of the Company any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof, the same to be attested when necessary by the Secretary, an Assistant Secretary or a Resident Assistant Secretary and the seal of the Company affixed thereto; and that the President or any Vice-President may appoint and authorize Resident Vice-Presidents, Resident Assistant Secretaries and Attorneys-in-Fact to so execute or attest to the execution of all such writings on behalf of the Company and to affix the seal of the Company thereto.
- (2) Any such writing executed in accordance with these Rules shall be as binding upon the Company in any case as though signed by the President and attested by the Secretary.
- (3) The signature of the President or a Vice-President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to this Resolution, and the signature of a certifying officer and the seal of the Company may be affixed by facsimile to any certificate of any such power, and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company.
- (4) Such Resident Officers and Attorneys-in-Fact shall have authority to certify or verify copies of this Resolution, the By-Laws of the Company, and any affidavit or record of the Company necessary to the discharge of their duties.
- (5) The passage of this Resolution does not revoke any earlier authority granted by Resolution of the Board of Directors on June 9, 1953."

does hereby nominate, constitute and appoint **ANTHONY A. JONES, JONELLE BAUSERMAN, and SUE DAVIDSON**, all of the City of Denver, State of Colorado -----

-----, each individually if there be more than one named, its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof. And the execution of such writings in pursuance of these presents, shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office.

IN WITNESS WHEREOF, the said .....**MICHAEL B. FODOR**....., Vice-President, has hereunto subscribed his name and affixed the corporate seal of the said INSURANCE COMPANY OF NORTH AMERICA this .....19th..... day of .....January..... 19..83.....



(SEAL)

INSURANCE COMPANY OF NORTH AMERICA  
*Michael B. Fodor*  
MICHAEL B. FODOR Vice-President

STATE OF PENNSYLVANIA }  
COUNTY OF PHILADELPHIA } ss.

On this .....19th..... day of .....January....., A. D. 19..83....., before me, a Notary Public of the COMMONWEALTH OF PA. in and for the County of PHILADELPHIA came .....

.....**MICHAEL B. FODOR**....., Vice-President of the INSURANCE COMPANY OF NORTH AMERICA to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same; that the seal affixed to the preceding instrument is the corporate seal of said Company; that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of PHILADELPHIA the day and year first above written.

(SEAL)

.....**LETITIA H. CLARK**.....  
Notary Public Phila. County  
*Letitia H. Clark*  
LETITIA H. CLARK Notary Public.

My commission expires ~~My~~ Commission Expires August 22, 1983  
I, the undersigned, ~~XXXXXX~~ Secretary of INSURANCE COMPANY OF NORTH AMERICA, do hereby certify that the original POWER OF ATTORNEY, of which the foregoing is a full, true and correct copy, is in full force and effect. In witness whereof, I have hereunto subscribed my name as ~~XXXXXX~~ Secretary, and affixed the corporate seal of the Corporation, this .....1st..... day of .....July..... 1983.....

(SEAL)

.....**JAMES S. WYLLIE**.....  
*James S. Wyllie*  
JAMES S. WYLLIE ~~XXXXXX~~ Secretary

POWER OF ATTORNEY

Insurance Company of North America  
a CIGNA company



Know all men by these presents That INSURANCE COMPANY OF NORTH AMERICA, a corporation of the Commonwealth of Pennsylvania, having its principal office in the City of Philadelphia, Pennsylvania, pursuant to the following Resolution which was adopted by the Board of Directors of the said Company on December 5, 1983, to wit:

- RESOLVED That pursuant to Sections 219 and 221 of the By-Laws, the following Resolution shall govern the procedure for the execution of bonds, mortgages, promissory notes and other writings in the nature thereof:
- 1) That the President, any Senior Vice President, any Vice President, any Assistant Vice President, or any Attorney-in-Fact may execute for and on behalf of the Company any and all bonds, mortgages, promissory notes and other writings in the nature thereof (the same to be "written instruments") by the Corporation Secretary or any Assistant Corporate Secretary and the said of the Company aforesaid and that the President, any Senior Vice President, any Vice President or any Assistant Vice President may execute the aforesaid any other Official (executed or otherwise) of the Company and accounts in and to be deemed as effect to the execution of all such writings on behalf of the Company and to affix his seal of the Company thereon.
  - 2) Any such writing executed in accordance with these Rules shall be as binding upon the Company as though signed by the President and attested to by the Corporate Secretary.
  - 3) The signatures of the President, or a Senior Vice President, or a Vice President, or an Assistant Vice President and the seal of the Company may be affixed by means of any power of attorney granted pursuant to this Resolution, and the signature of a corporate Officer and the seal of the Company may be affixed by means of any certificate of any such officer and any such power or certificate bearing such necessary signatures and seal shall be valid and binding on the Company.
  - 4) Such other Officers of the Company, and Attorneys-in-Fact shall have authority to execute in exactly or verify copies of this Resolution the By-Laws of the Company, and any written instrument of the Company from time to time to the discharge of their duties.
  - 5) The passage of this Resolution does not revoke any similar authority granted by Resolutions of the Board of Directors adopted on June 9, 1983, May 26, 1978 and March 21, 1977.

Does hereby nominate constitute and appoint **JONELLE BAUSERMAN, and KARLA J REUTIMAN, both of the City of Denver, State of Colorado**

Not valid for mortgage note loan letter of credit bank deposit, currency rate interest rate or residual value guarantees

each individually if there be more than one named its true and lawful attorney-in-fact to make execute seal and deliver on its behalf and as its act and deed any and all bonds undertakings recognizances contracts and other writings in the nature thereof in penalties not exceeding **ONE MILLION DOLLARS (\$1,000,000)** each, and the execution of such writings in pursuance of these presents, shall be as binding upon said Company as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office

IN WITNESS WHEREOF the said John B Fitzgerald Jr., Vice-President as hereunto subscribed his name and affixed the corporate seal of the said INSURANCE COMPANY OF NORTH AMERICA this 25th day of April 19 89



INSURANCE COMPANY OF NORTH AMERICA  
by *[Signature]*  
JOHN B FITZGERALD JR., Vice President

COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF PHILADELPHIA  
On this 25th day of April AD 19 89 before me a Notary Public of the Commonwealth of Pennsylvania and for the County of Philadelphia came John B Fitzgerald, Jr. Vice-President of the INSURANCE COMPANY OF NORTH AMERICA to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same, and that the seal affixed to the preceding instrument is the corporate seal of said Company; that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation and that Resolution adopted by the Board of Directors of said Company referred to in the preceding instrument, is now in force.

HEREOF I have hereunto set my hand and affixed my official seal at the City of Philadelphia the day and year



*[Signature]*  
John Anne Robena Notary Public  
Philadelphia Philadelphia County Pa.  
My Commission Expires August 29 1990

I the undersigned Secretary of INSURANCE COMPANY OF NORTH AMERICA, do hereby certify that the original POWER OF ATTORNEY of which the foregoing is a true and correct copy is in full force and effect.

In witness whereof I have hereunto subscribed my name as Secretary and affixed the corporate seal of the Corporation the 25th day of April 19 89



*[Signature]*  
James B Wyck Secretary

THIS POWER OF ATTORNEY MAY NOT BE USED TO EXECUTE ANY BOND WITH AN EXPIRATION DATE AFTER **APRIL 25, 1991**

**COPY**

STATE OF UTAH  
BOND OF LESSEE

KNOW ALL MEN BY THESE PRESENTS, that we Ampolex (Texas), Inc.

of 1225 17th St., Suite 3000, Denver, CO Address

as principal and Insurance Company of North America, as  
surety, are held and firmly bound unto the State of Utah in the sum of Eighty Thousand  
Dollars (\$ 80,000.00-) lawful money of the United States to be paid to the Board of  
State Lands and Forestry, as agent for the State of Utah, for the use and benefit of the  
State of Utah, and of any patentee or purchaser of any portion of the land covered by  
the hereinafter described lease heretofore sold or which may hereafter be sold with a  
reservation to the State of Utah, on the surface or of other mineral deposits of any  
portion of such lands, for which payment, will and truly to be made, we bind ourselves,  
and each of us, and each of our heirs, executors, administrators, successors, sub-  
lessees, and assignees, jointly and severally by these presents.

Signed with our hands and seals this 3rd day of November in the  
year of our Lord, 1989.

The condition of the foregoing obligation is such that,

WHEREAS, The State of Utah, as Lessor, issued a(n) Various  
lease, Lease Number \_\_\_\_\_ and dated November 3, 1989, to \_\_\_\_\_  
as lessee (and said lease has been duly  
assigned under date of November 3, 1989 to Ampolex (Texas), Inc.  
) to drill for, mine, extract, and remove all of the \_\_\_\_\_  
deposits in and under the following described lands to wit:

All operations on state lands.

NOW, THEREFORE, THE principal shall be obligated to pay all monies, rentals,  
royalties, cost of reclamation, damages to the surface and improvements thereon and any  
other costs which arise by operation of the above described lease(s) accruing to the  
Lessor and shall fully comply with all other terms and conditions of said lease, the  
rules, regulations, and policies relating thereto of the Board of State Lands and  
Forestry, Division of State Lands and Forestry, the Board of Oil, Gas and Mining, and  
the Division of Oil, Gas and Mining as they may now exist or may from time to time be  
modified or amended. This obligation is in effect even if the principal has conveyed  
part of the purchase agreement interest to a successor in interest. If the principal  
fully satisfies the above described obligations, then the surety's obligation to make  
payment to the State of Utah is void and of no effect, otherwise, it shall remain in  
full force and effect until released by the Division of State Lands and Forestry.

Signed, sealed and delivered  
in the presence of

[Signature]  
Witness  
[Signature]  
Witness

AMPOLEX (Texas) Inc.

By: [Signature] (SEAL)

B.D. Emmett, Vice President and General Manager  
BONDING COMPANY - Insurance Company of North America  
BY [Signature]  
Susan Robertson, Attorney-In-Fact

Attest: \_\_\_\_\_

APPROVED AS TO FORM:  
DAVID L. WILKINSON  
ATTORNEY GENERAL

Resident Agent: n/a

Bonding Co. Address: 3050 152nd N.E.  
Redmond, WA 98052

Corporate Seal of Bonding Company Must be Affixed.

Know all men by these presents: That INSURANCE COMPANY OF NORTH AMERICA, a corporation of the Commonwealth of Pennsylvania, having its principal office in the City of Philadelphia, Pennsylvania, pursuant to the following Resolution, adopted by the Board of Directors of the said Company on December 5, 1983, to wit:

"RESOLVED, That pursuant to Articles 2.18 and 2.1 of the By-Laws, the following Rules shall govern the execution for the Company of bonds, undertakings, recognizances, contracts and other writings in the future thereof:

- (1) That the President, any Senior Vice President, any Vice President, any Assistant Vice President, or any Attorney-in-Fact, may execute for and on behalf of the Company any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof, the same to be attested when necessary by the Corporate Secretary, or any Assistant Corporate Secretary, and the seal of the Company affixed thereto, and that the President, any Senior Vice President, any Vice President or any Assistant Vice President may appoint and authorize any other Officer (elected or appointed) of the Company, and Attorneys-in-Fact to be executed or attest to the execution of all such writings or behalf of the Company and to affix the seal of the Company thereon.
- (2) Any such writing executed in accordance with these Rules shall be as binding upon the Company in any case as though signed by the President and attested to by the Corporate Secretary.
- (3) The signature of the President, or a Senior Vice President, or a Vice President, or an Assistant Vice President and the seal of the Company may be affixed by facsimile in any power of attorney granted pursuant to this Resolution, and the signature of a certifying Officer and the seal of the Company may be affixed by facsimile in any certificate of any such power, and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company.
- (4) Such other Officers of the Company, and Attorneys-in-Fact shall have authority to certify or verify copies of this Resolution, the By-Laws of the Company, and any affidavits or records of the Company necessary to the discharge of their duties.
- (5) The passage of this Resolution does not revoke any other authority granted by Resolutions of the Board of Directors adopted on June 8, 1953, May 28, 1978 and March 23, 1977."

Does hereby nominate, constitute and appoint JOHN DEVINE, LOUIS R. WEBB, MARSHA CLESSON, SUSAN J. ROBERTSON, STEVEN R. JARAMILLO, R. H. MacPHERSON, JR., all of the City of Bellevue, State of Washington

Not valid for mortgage, note, loan, letter of credit, bank deposit, currency rate, interest rate or residual value guarantees.

, each individually if there be more than one named, its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof. And the execution of such writings in pursuance of these presents, shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office.

IN WITNESS WHEREOF, the said John B. Fitzgerald, Jr., Vice-President, has hereunto subscribed his name and affixed the corporate seal of the said INSURANCE COMPANY OF NORTH AMERICA this 7th day of June 19 89



INSURANCE COMPANY OF NORTH AMERICA

by John B. Fitzgerald, Jr.  
JOHN B. FITZGERALD, JR., Vice President

COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF PHILADELPHIA

ss.

On this 7th day of June, A.D. 19 89

before me, a Notary Public of the Commonwealth of Pennsylvania in and for the County of Philadelphia came John B. Fitzgerald, Jr., Vice-President of the INSURANCE COMPANY OF NORTH AMERICA to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same, and that the seal affixed to the preceding instrument is the corporate seal of said Company; that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Philadelphia the day and year first above written.



Julia Anna Rohana  
Julia Anna Rohana - Notary Public  
Philadelphia, Philadelphia County, Pa.

My Commission Expires August 20, 1990

I, the undersigned Secretary of INSURANCE COMPANY OF NORTH AMERICA, do hereby certify that the original POWER OF ATTORNEY, of which the foregoing is a true and correct copy, is in full force and effect.

In witness whereof, I have hereunto subscribed my name as Secretary, and affixed the corporate seal of the Corporation, this 3rd day of November 19 89



James S. Wylie  
James S. Wylie  
Secretary

THIS POWER OF ATTORNEY MAY NOT BE USED TO EXECUTE ANY BOND WITH AN INCEPTION DATE AFTER June 7, 1991

**DRILLING LOCATION ASSESSMENT**

**State of Utah  
Division of Oil, Gas and Mining**

OPERATOR AMPOLEX INC WELL NAME STATE 21-32  
SECTION: 32 TWP 34S RNG 15E LOC 561 FNL 1875 FWL  
QTR/QTR NE/NW COUNTY SAN JUAN FIELD WILDCAT  
SURFACE OWNER STATE OF UTAH  
SPACING 460 F SECTION LINE 460 F QTR/QTR LINE 920 F ANOTHER WELL  
INSPECTOR Brad Hill DATE AND TIME 11/16/89 10 30 AM

PARTICIPANTS John Baza & Glenn Goodwin-DOGM, Brian O'Neil-Powers Elevation Archaeology, Erwin Tucker & Steve Olson-Powers Elevation, Bob Sutherland & Lee Sutherland-Sutherland Bros, Lowell Larson-Perry McDonald Const, Roy Gilbreth-Crowley Const, Billy Hass-Able Trucking, Ross Rice-National Park Service Glenn Canyon Rec Area, Norman Utley-Utley Const, Robert Larsen-BLM, John A Brooks-Ampol Exploration, Stan Baker-Utah State Lands

REGIONAL SETTING/TOPOGRAPHY Location is on the northern edge of the Slickrock Physiographic Province south of White Canyon The location has cliffs to the south and east and lies just off the south edge of Highway 95

LAND USE

CURRENT SURFACE USE None

PROPOSED SURFACE DISTURBANCE A rectangular pad with a rectangular attachment for a reserve pit will be constructed Dimensions of the pad will be 325'X 140' The pit will be 150'X 50'X 10' Approximately 200' of access road will be constructed

AFFECTED FLOODPLAINS AND/OR WETLANDS None

FLORA/FAUNA Blackbrush, Cliffrose, Juniper, Snakeweed, Four wing Saltbush, Yucca, Mormon Tea, Rabbitbrush/Birds, Insects, Deer

ENVIRONMENTAL PARAMETERS

SURFACE GEOLOGY

SOIL TYPE AND CHARACTERISTICS Silty-clay with sandstone cobbles and boulders

SURFACE FORMATION & CHARACTERISTICS Quaternary colluvium which is made up of weathered Organrock Shale

EROSION/SEDIMENTATION/STABILITY There is no active erosion or sedimentation occurring at this time The surface materials show potential for erosion on disturbed surfaces

PALEONTOLOGICAL POTENTIAL None observed

SUBSURFACE GEOLOGY

OBJECTIVES/DEPTHS Upper Hermosa-1,415', Desert Creek-2,090'

ABNORMAL PRESSURES-HIGH AND LOW None anticipated

CULTURAL RESOURCES/ARCHAEOLOGY Survey done by Powers Elevation Archaeology

CONSTRUCTION MATERIALS Onsite materials will be used for construction

SITE RECLAMATION: If the well is P&A the site will be cleaned up and recountoured as specified by State Lands They have requested the following Follow BLM seed list at prescribed rate for drilling in seed with the exception of substituting yellow sweet clover for Mormon Tea (*Ephedra viridis*) and Hycrest Wheatgrass for sand dropseed Recommend contouring pad, water bars and ditches on access road

RESERVE PIT

CHARACTERISTICS The reserve pit will be a rectangular, below-ground pit approximately 150'X 50'X 10

LINING The pit is to be lined with a synthetic liner of 12 mil minimum thickness

MUD PROGRAM 0-270'/water, 270-2,105'/water & gel with Barite and LCM as needed, 2,105-TD/water, gel, soda ash, caustic soda with Barite and LCM as needed

DRILLING WATER SUPPLY Water will be obtained from the Colorado River

STIPULATIONS FOR APD APPROVAL

Reserve pit is to be lined with synthetic liner  
A berm is to be placed on the north edge of the pad to prevent erosion of the pad and to contain possible spills  
A diversion is to be placed on the uphill side of the pad to prevent drainage onto location

ATTACHMENTS

Photographs will be placed on file

# FILING FOR WATER IN THE STATE OF UTAH

Rec. by WJ  
Fee Rec. 13000  
Receipt # 07067  
Microfilmed  
Roll #  
OIL, GAS & LEASE

JAN 02 1989

## APPLICATION TO APPROPRIATE WATER

# TEMPORARY

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. 99 — 104 \* APPLICATION NO. A T64317

1. \*PRIORITY OF RIGHT: November 17, 1989 \* FILING DATE: November 17, 1989

### 2. OWNER INFORMATION

Name(s): Ampol Exploration (USA) Inc. \* Interest: 100 %  
Address: Seventeenth Street Plaza Suite 3000 1225 17th Street  
City: Denver State: Colorado Zip Code: 80202  
Is the land owned by the applicant? Yes  No   
(If "No", please explain in EXPLANATORY section.)

3. QUANTITY OF WATER: \_\_\_\_\_ cfs and/or 6.0 ac-ft

4. SOURCE: Colorado River (Lake Powell) DRAINAGE: \_\_\_\_\_  
which is tributary to \_\_\_\_\_  
which is tributary to \_\_\_\_\_

POINT(S) OF DIVERSION: \_\_\_\_\_ COUNTY: San Juan  
S. 5950 ft. & W. 1900 ft. from NW Cor. Sec. 9, T34S, R14E, SLB&M.

Description of Diverting Works: Portable truck pump & tank trucks to place of use  
\* COMMON DESCRIPTION: Farley Canyon/Lake Powell Hite South Quad

5. POINT(S) OF REDIVERSION  
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  
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

8. List any other water rig 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: Drilling	From <u>Dec. 1, 1989</u> to <u>Nov. 30, 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): Dust suppression, Drilling fluid for (10) wells

11. PLACE OF USE

Legal description of place of use by 40 acre tract(s). See attached sheet  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

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)  
The water will be hauled to each location by Aable Trucking from Moab, Utah for Ampol Exploration.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\*\*\*\*\*  
 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).

*Armpol Exploration*  
 Signature of Applicant(s)

*Billy B. Hase agent*

**TEMPORARY**

STATE ENGINEER'S ENDORSEMENT

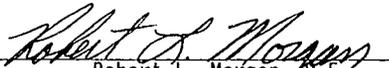
WATER RIGHT NUMBER 99 104

APPLICATION NO T64317

- 1 November 17, 1989 Application received by MP
  - 2 November 20 1989 Application designated for APPROVAL by MP and KLJ
  - 3 Comments
- 
- 

Conditions

This application is hereby APPROVED, dated December 29, 1989, subject to prior rights and this application will expire on December 29, 1990

  
Robert L Morgan, P.E.  
State Engineer

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

Other conditions on reverse side

JAN 02 1990

5 Lease Designation and Serial No  
**ML-43736**

6 If Indian Allottee or Tribe Name  
**N/A**

7 Unit Agreement Name  
**N/A**

8 Farm or Lease Name  
**State**

9 Well No  
**21-32**

10 Field and Pool, or Wildcat  
**Wildcat (001)**

11 Sec., T., R., M. or Bk. and Survey or Area  
**Section 32-T34S-R15E**

1a Type of Work  
DRILL  DEEPEN  OIL, GAS & MINING

1b Type of Well  
Oil Well  Gas Well  Other

2 Name of Operator  
**Ampolex (Texas), Inc.**

3 Address of Operator  
**1225 17th Street, Suite #3000 Denver, CO 80202**

4 Location of Well (Report location clearly and in accordance with any State requirements\*)  
At surface  
**NE NW Sec. 32-T34S-R15E 561' FNL & 1,875' FNL**  
At proposed prod zone  
**SAME**

12 County or Parrish  
**San Juan**

13 State  
**Utah**

14. Distance in miles and direction from nearest town or post office\*  
**45.5 miles west of Blanding, Utah**

15 Distance from proposed location to nearest property or lease line ft (Also to nearest drilg line if any)  
**660'**

16 No. of acres in lease  
**1,920'**

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  
**2,700' Akah**

20 Rotary or cable tools  
**Rotary**

21 Elevations (Show whether DF, RT, GR etc.)  
**4,780 GR (Est.)**

22 Approx. date work will start\*

23 PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
17-1/2"	13-3/8"	48#	60'	100 sks Class "B"
12-1/4"	8-5/8"	24#	270'	200 sks Class "G"
6-1/4"	4-1/2"	10.5#	2,700'	165 sks Light (Lead) 150 sks Class "B" (Tail)

1. Drill 17-1/2" hole and set 13-3/8" conductor @ 60', cement with good returns.
2. Drill 11" hole & set 8-5/8" surface casing @ 270', cement with good returns.
3. Log B.O.P. checks in daily drilling reports & drill 6-1/2" hole to 2,700'.
4. Conduct D.S.T. if warranted & run 4-1/2" casing if productive, cement w/good returns.
5. Run logs as needed, and perforate and stimulate as needed.

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  
 Signature: *John R. Bay* Title: **Petroleum Engineer** Date: **12/29/89**

(This space for Federal or State office use)

Permit No. **43-037-31481** Approval Date

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Conditions of approval if any \_\_\_\_\_  
 Date: **1-31-90**  
 Signature: *John R. Bay*  
 \* See Instructions On Reverse Side  
**SPACING 1619-3-2**

OPERATOR Ampalex (Texas) Inc. (No 385) DATE 1-4-90

WELL NAME State 21-32

SEC NENW 32 T 34S R 15E COUNTY San Juan

43-037-31481  
API NUMBER

State  
TYPE OF LEASE

CHECK OFF:

PLAT

statewide  
 BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

No other well within 34S, 15E or within 900'

Water Permit 99-104 / T64317

ROCC 1-4-90 / Process 1-25-90

Archaeological Survey 11-7-89

Permit / Received 1-8-90.

APPROVAL LETTER:

SPACING:  R615-2-3 N/A  
UNIT

R615-3-2

N/A  
CAUSE NO. & DATE

R615-3-3

STIPULATIONS:

1. The reserve pit shall be lined with a synthetic liner with a minimum CC: St. Lands  
thickness of 12 mil. St. History

2. A berm is to be placed on the north edge of the pad to prevent erosion and to contain possible spills.

0218T 3. A diversion shall be placed on the uphill side of the pad to prevent drainage onto location.

4. [State Lands restoration strip.]

STATE ACTIONS

Mail to:  
RDCC Coordinator  
116 State Capitol  
Salt Lake City, Utah 84114

- 
1. ADMINISTERING STATE AGENCY  
OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180-1203
2. STATE APPLICATION IDENTIFIER NUMBER:  
(assigned by State Clearinghouse)
- 
3. APPROXIMATE DATE PROJECT WILL START:  
Upon Approval
- 
4. AREAWIDE CLEARING HOUSE(S) RECEIVING STATE ACTIONS:  
(to be sent out by agency in block 1)  
Southeastern Utah Association of Local Governments
- 
5. TYPE OF ACTION:  Lease  Permit  License  Land Aquisition  
 Land Sale  Land Exchange  Other \_\_\_\_\_
- 
6. TITLE OF PROPOSED ACTION:  
Application for Permit to Drill
- 
7. DESCRIPTION:  
Ampolex (Texas), Inc. proposes to drill a wildcat well, the State #21-32, on state lease number ML-43736 in San Juan County, Utah. This action is being presented to RDCC for consideration of resource issues affecting state interests. The DOGM is the primary administrative agency in this case and must issue approval to drill before operations can commence.
- 
8. LAND AFFECTED (site location map required) (indicate county)  
NE/4, NW/4, Section 32, Township 34 South, Range 15 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:  
Glenn Goodwin, Monticello, 587-2561
- 
12. FOR FURTHER INFORMATION, CONTACT: 13. SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL  
John Baza  
PHONE: 538-5340
- John R. Baza*  
DATE: 1/10/90  
Petroleum Engineer
-

# SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS

HAROLD JACOBS  
Chairman  
WILLIAM D. HOWELL  
Executive Director

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

## AREAWIDE CLEARINGHOUSE A-95 REVIEW

NOI \_\_\_\_\_ Preapp \_\_\_\_\_ App \_\_\_\_\_ State Plan \_\_\_\_\_ State Action X Subdivision \_\_\_\_\_ (ASP # 1-116-18)

Other (indicate) \_\_\_\_\_ SAI Number UT900112-010

### Applicant (Address, Phone Number):

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

### Federal Funds:

Requested: \_\_\_\_\_

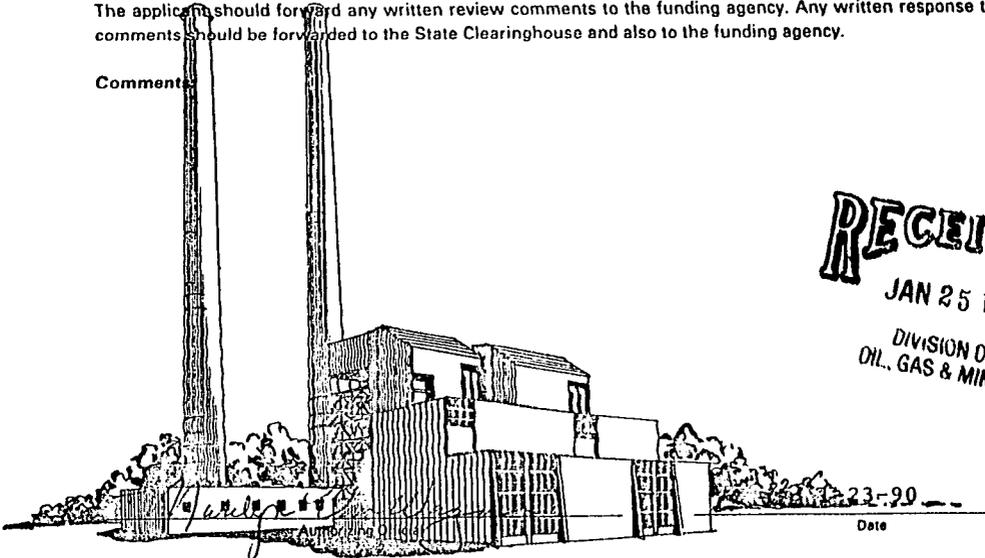
### Title:

APPLICATION FOR PERMIT TO DRILL

- 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.

Comment:



REGIONAL CLEARINGHOUSE



# 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 Trade Center Suite 350  
Salt Lake City Utah 84180 1203  
801 538 5340

January 31, 1990

Ampolex (Texas) Incorporated  
1225 17th Street, Suite #3000  
Denver, Colorado 80202

Gentlemen.

Re: State #21-32 - NE NW Sec. 32, T. 34S, R. 15E - San Juan County, Utah  
561' FNL, 1875' FWL

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

- 1 The reserve pit shall be lined with a synthetic liner with a minimum thickness of 12 mil.
2. A berm is to be placed on the north edge of the pad to prevent erosion and to contain possible spills
- 3 A diversion shall be placed on the uphill side of the pad to prevent drainage onto location.
- 4 Upon plugging and abandonment of the well, the site shall be reclaimed and recontoured as required by the Utah Division of State Lands and Forestry. As discussed at the onsite predrill meeting, the following shall be required for full well site restoration.
  - a) Contouring of well pad, water bars and ditches on access road.
  - b) If adequate topsoil is not present for drilling in seed, broadcast seed at double the rate with BLM recommended seed list
  - c) Substitute yellow sweet clover for Mormon Tea (*Ephedra Viridis*) and Hycrest Wheatgrass for sand dropseed

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.
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 43-037-31481.

Sincerely,



R. J. Eirth  
Associate Director, Oil & Gas

lcr  
Enclosures  
cc: Bureau of Land Management  
Div. of State Lands & Forestry  
D R Nielson  
J L Thompson  
WE14/11-12



# AMPOL EXPLORATION (U.S.A.) INC.

SEVENTEENTH STREET PLAZA, SUITE 3000  
1235 17TH STREET  
DENVER, CO 80202 U.S.A

Phone: (303) 297-1000

Telecopy: (303) 297-2050

Subsidiaries:

Ampolex (California), Inc.  
Ampolex (Orient), Inc.  
Ampolex (Texas), Inc.  
Ampolex (Wyoming), Inc.

December 20, 1990

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

ATTN: Mr. Jim Thompson

RE: Application for Permit to Drill  
San Juan County, Utah

Dear Mr. Thompson:

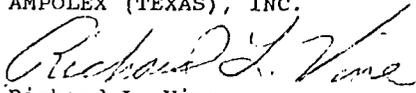
Pursuant to our conversation today, Ampolex (Texas), Inc. is requesting an extension for four (4) Application for Permit to Drill permits scheduled to expire on January 31, 1991. The pertinent information on these four APD's are listed below.

State #24-2	SE SW	Section 2-T34S-R15E	API No. 43-037-31480
State #21-32	NE NW	Section 32-T34S-R15E	API No. 43-037-31481
State #11-36	NW NW	Section 36-T34S-R15E	API No. 43-037-31482
State #32-16	SW NE	Section 16-T35S-R15E	API No. 43-037-31483

I have enclosed a copy of each of the approved APD's for your information. Please do not hesitate to call should you have any questions.

Sincerely,

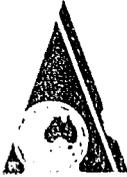
For and on behalf of  
AMPOLEX (TEXAS), INC.

  
Richard L. Vine  
Senior Engineer  
AMPOL EXPLORATION (U.S.A.) INC.

*1-2-91*  
*J. M. Johnson*

RLV/dc  
Enclosures

DEC 24 1990  
U.S. DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT



# AMPOL EXPLORATION (U.S.A.) INC.

SEVENTEENTH STREET PLAZA, SUITE 3000  
1225 17TH STREET  
DENVER, CO 80202 U.S.A.

Phone (303) 297-1000

Telex copy (303) 297-2050

Subsidiaries:

Ampolex (California), Inc.  
Ampolex (Orient), Inc.  
Ampolex (Texas), Inc.  
Ampolex (Wyoming), Inc.

December 13, 1991

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

ATTN: Mr. Jim Thompson

RE: Request for Extension  
Application for Permit to Drill  
San Juan County, Utah

Dear Mr. Thompson:

Pursuant to our conversation yesterday, Ampolex (Texas), Inc. is requesting an extension for four (4) Application for Permit to Drill permits scheduled to expire on January 31, 1992. Sundry Notices requesting extensions for these four APD's are attached.

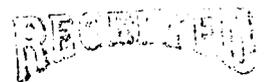
If you have any questions, please feel free to contact this office.

Sincerely,

For and on behalf of  
AMPOLEX (TEXAS), INC.

Richard L. Vine  
Senior Engineer  
AMPOLEX (USA), INC.

RLV/dc  
Attachments



DEC 16 1991

DIVISION OF  
OIL GAS & MINING

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> <small>(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)</small>		<b>5. LEASE DESIGNATION &amp; SERIAL NO.</b> <b>ML-43736</b>
		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME</b> <b>N/A</b>
<b>1.</b>	<b>OIL WELL</b> <input checked="" type="checkbox"/> <b>GAS WELL</b> <input type="checkbox"/> <b>OTHER</b> <input type="checkbox"/>	<b>7. UNIT AGREEMENT NAME</b> <b>N/A</b>
<b>2.</b>	<b>NAME OF OPERATOR</b> <b>Ampolex (Texas), Inc.</b>	<b>8. FARM OR LEASE NAME</b> <b>State</b>
<b>3.</b>	<b>ADDRESS OF OPERATOR</b> <b>1225 17th Street, Suite #3000, Denver, Colorado 80202</b>	<b>9. WELL NO.</b> <b>21-32</b>
<b>4.</b>	<b>LOCATION OF WELL</b> (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface <b>NE SW Section 32-T34S-R15E 561' FNL &amp; 1,875' FWL</b> At proposed prod. zone <b>Same</b>	<b>10. FIELD AND POOL, OR WILDCAT</b> <b>Wildcat (001)</b>
<b>14. API NO.</b> <b>43-037-31481</b>	<b>15. ELEVATIONS</b> (Show whether DF, RT, GR, etc.) <b>4,780' GR (Est.)</b>	<b>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA</b> <b>Section 32-T34S-R15E</b>
	<b>12. COUNTY</b> <b>San Juan</b>	<b>13. STATE</b> <b>Utah</b>

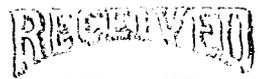
**16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data**

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
TEST WATER SHUT-OFF <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> SHOOT OR ACIDIZE <input type="checkbox"/> REPAIR WELL <input type="checkbox"/> (Other) <u>Request for Extension</u>	WATER SHUT-OFF <input type="checkbox"/> FRACTURE TREATMENT <input type="checkbox"/> SHOOTING OR ACIDIZING <input type="checkbox"/> (Other) _____ (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)
FULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETE <input type="checkbox"/> ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> <u>Request for Extension</u> <input checked="" type="checkbox"/>	REPAIRING WELL <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> ABANDONMENT* <input type="checkbox"/>
APPROX. DATE WORK WILL START _____	DATE OF COMPLETION _____

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

\* Must be accompanied by a cement verification report.

Request (1) one year extension to Application for Permit to Drill.



DEC 16 1991

DIVISION OF OIL, GAS & MINING

*12-18-91*  
*EB Matthew*

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

SIGNED Richard L. Vine TITLE Senior Engineer DATE 12/13/91

(This space for Federal or State office use)

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

CONDITIONS OF APPROVAL, IF ANY:

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> <small>(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT" for such proposals.)</small>		5. LEASE DESIGNATION AND SERIAL NO. <b>ML-43736</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME <b>N/A</b>
1. <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER		7. UNIT AGREEMENT NAME <b>N/A</b>
2. NAME OF OPERATOR <b>Ampolex (Texas), Inc.</b>		8. FARM OR LEASE NAME <b>State</b>
3. ADDRESS OF OPERATOR <b>1225 17th Street, Suite #3000, Denver, Colorado 80202</b>		9. WELL NO. <b>21-32</b>
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface <b>561' FNL &amp; 1,875' FWL NE SW</b>		10. FIELD AND POOL, OR WILDCAT <b>Wildcat (001)</b>
14. API NUMBER <b>43-037-31481</b>		11. SEC., T., R., N., OR BLM. AND SUBST. OR AREA <b>Section 32-T34S-R15E</b>
15. ELEVATIONS (Show whether OF, AT, OR, ETC.) <b>4,780' GR (Est.)</b>		12. COUNTY OR PARISH   13. STATE <b>San Juan   Utah</b>

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREATMENT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	
(Other) <b>Request for Extension</b> <input checked="" type="checkbox"/>		(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

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

Request for one (1) year extension to Application for Permit to Drill due to drilling a ten well program with LNO rigs. Will not be able to drill by expiration of Application for Permit to Drill.

**RECEIVED**

NOV 09 1992

DIVISION OF  
OIL GAS & MINING

*11-10-92*  
*Richard Andrew*

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

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

SIGNED *Richard Andrew* TITLE Senior Engineer DATE 11/05/92

(This space for Federal or State office use)

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



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor  
Ted Stewart  
Executive Director  
James W. Carler  
Division Director

355 West North Temple  
3 Third Center Suite 350  
Salt Lake City Utah 84180 1203  
801 538 5340  
801 359 3940 (fax)  
801 538 5319 (TDD)

February 14, 1994

Ampolex (Texas), Inc.  
1225 17th Street, Suite #3000  
Denver, Colorado 80202

Re: *Application for Permit to Drill*  
Well No. State #21-32  
NENW, Sec. 32, T 34S, R 15E  
San Juan County, Utah  
API No. 43-037-31481

Dear Sirs:

Your referenced application submitted for approval was approved January 31, 1990. In accordance with R 649-3-4-4, the Division rescinds its approval of the referenced application.

In order to drill this well in the future, a new application will have to be submitted.

Yours truly,

A handwritten signature in cursive script that reads "Frank Matthews".

Frank Matthews  
Petroleum Engineer

cc R J Firth  
State Lands and Forestry  
Well file