

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.
U-62997

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

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME
Federal

9. WELL NO.
21-26

10. FIELD AND POOL OR WILDCAT
Wildcat (001)

11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA
Section 26-T35S-R15E

12. COUNTY OR PARISH
San Juan

13. STATE
Utah

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
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. 26-T35S-R15E 565' FNL & 1,270' FWL
 At proposed prod. zone
NWNW SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
41.3 miles west of Blanding, Utah

16. NO. OF ACRES IN LEASE
5,840

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
3,200' Ash

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, NT, GR, etc.)
4,900' 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#	320'	200 Sks Class "G"
6-1/4"	4-1/2"	10.5#	3,200'	165 sks Light (Lead) 150 sks Class "G" (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 @ 320', cement with good returns.
3. Log B.O.P. checks in daily drilling reports & drill 6-1/2" hole to 3,200'.
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. SIGNED: John A. Brubaker TITLE: Petroleum Engineer DATE: December 19, 1990

(This space for Federal or State office use)

PERMIT NO. 43-037-31502 APPROVAL DATE: 2-21-90

APPROVED BY: [Signature] TITLE: DATE

CONDITIONS OF APPROVAL, IF ANY: WELL SPACING: 1/15-3-3

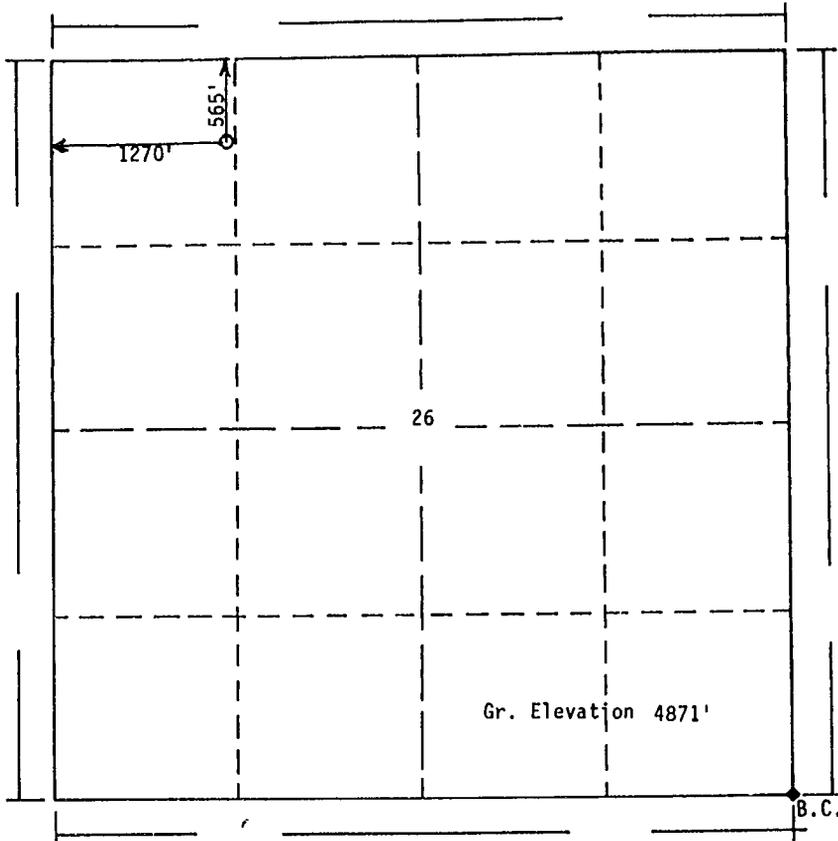
*See Instructions On Reverse Side

EXHIBIT A



Form PS-102

R. 15 E



T. 35 S

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 Federal 21-26 to be 565fn1, 1270fw1 Section 26, Township 35 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 Federal 21-26

Roy A. Rush



Date:

11-10-89

Licensed Land Surveyor No. 8894
State of New Mexico

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

Attached to Form 3160-3
 Application for Permit to Drill
 White Canyon Area
 Ampolex (Texas). Inc.

Well: Federal 21-26
 Location: 565' FNL 1,270' FWL - NE NW Section 26 T35S R15E
 County: San Juan
 State: Utah
 Projected Total Depth: 3,200'
 Estimated Ground Elevation: 4,875'
 Estimated KB: 4,885'

1. THE GEOLOGIC SURFACE FORMATION

The geologic surface formation is Permian Organ Rock Shale.

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS

<u>TOPS</u>		<u>ESTIMATED DEPTH (KB)</u>
PERMIAN	Organ Rock Shale	(surface)
	Cedar Mesa Sandstone	110'
	Halgaito/Rico	840'
PENNSYLVANIAN	Upper Hermosa	1,560'
	Paradox (Cycles 0 & 1)	2,260'
	Ismay (Cycles 2 & 3)	2,400'
	Desert Creek (4 & 5)	2,535'
	Chimney Rock Shale	2,735'
	Akah	2,762'
	Barker Creek	2,962'
TOTAL DEPTH		3,200'

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

Upper Hermosa	1,560'
Desert Creek	2,535'

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 - 320'	320'	8-5/8"	24# J-55 ST&C	NEW
6-1/4"	0 - 3200'	3200'	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" (cemented to surface; DV too will be used as necessary to prevent fracturing)

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 MUDDS

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. Where reserve pit is not to be utilized, drilling fluids will be contained in surface tanks.

<u>DEPTH</u>	<u>TYPE</u>	<u>WEIGHT (ppg)</u>	<u>Vis.</u>	<u>FLUID LOSS</u>
0' - 320'	Water	8.8	--	--
320' - 2,250'	Water & gel + Barite & LCM as needed.	8.8	27	--
2,250' - 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 2,250' 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 mid-June, 1990 or as soon as possible after examination and approval of drilling requirements. Operations should be completed within twenty-one (21) days after spudding the well.

EXHIBIT A-1

Ampol Exploration (U.S.A.) Inc.
Federal 21-26
Section 26, T.35S, R.15E
565fn1, 1270fw1
San Juan County, Utah

PIT AND PAD LAYOUT

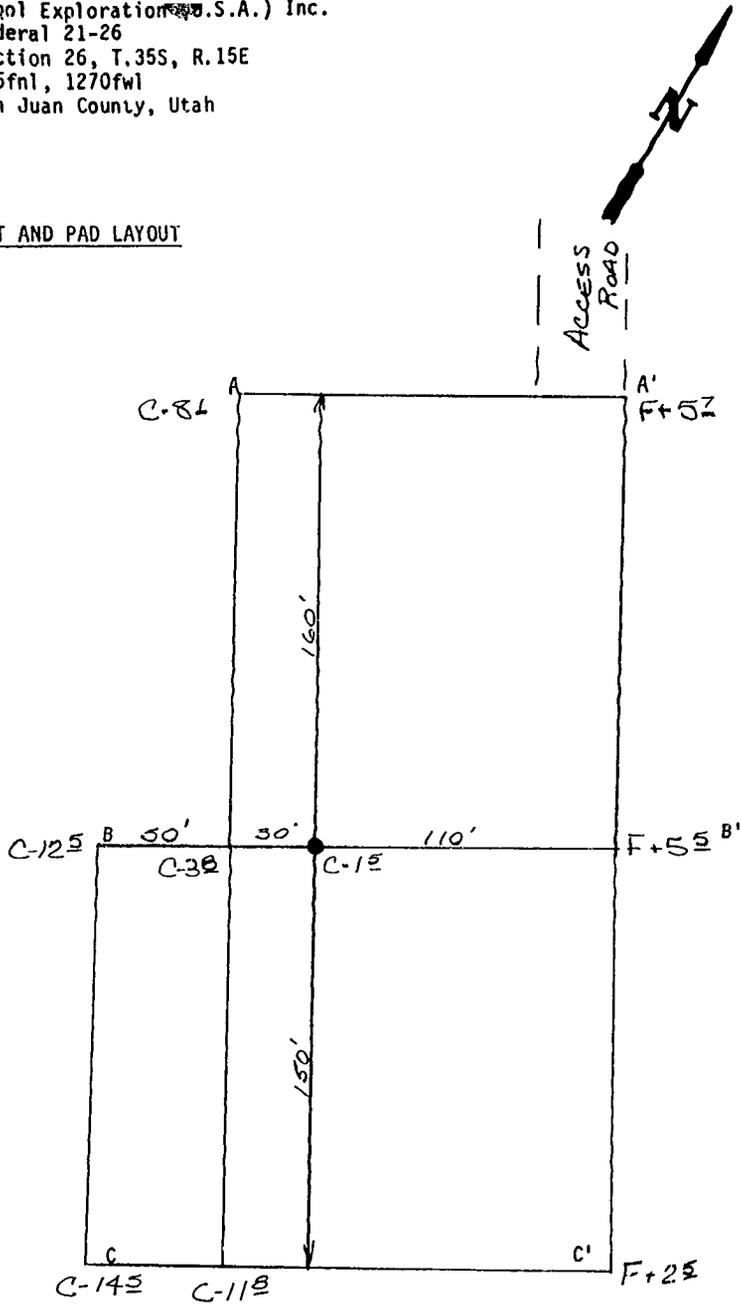
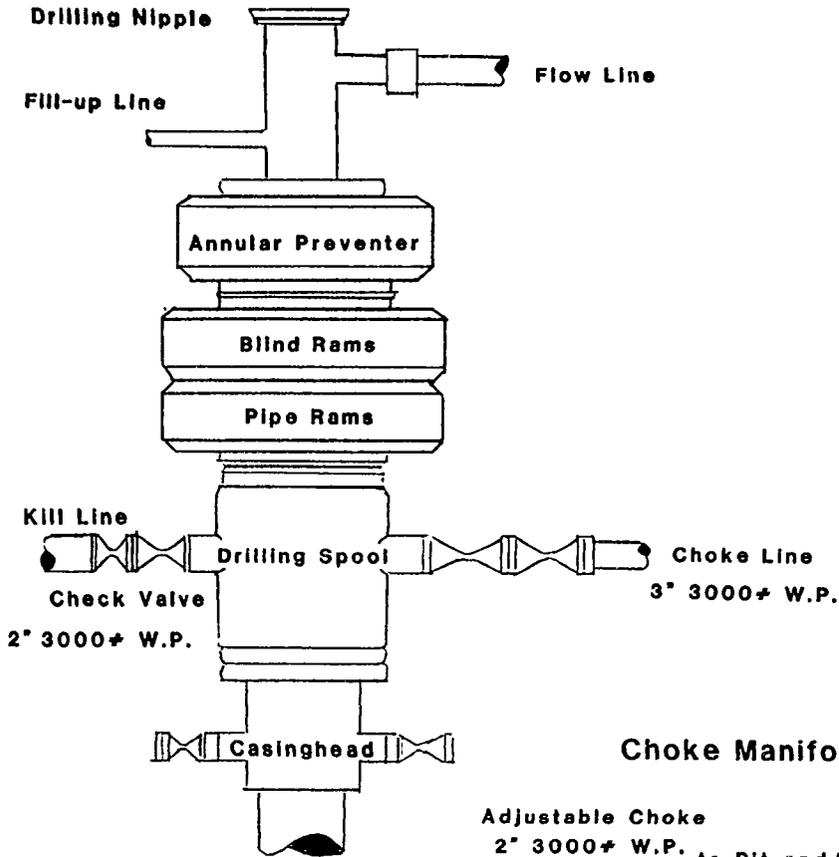


EXHIBIT C
Blow Out Preventer Equipment

BOP Stack **Federal 21-26**



Choke Manifold

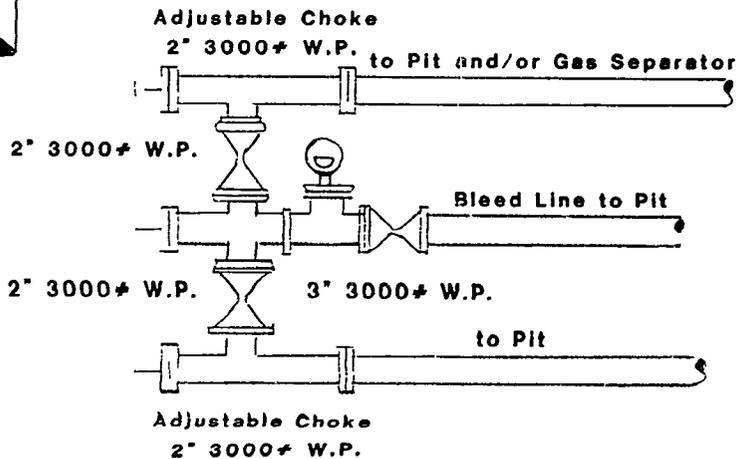


EXHIBIT D

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

Attached to Form 3160-3
Application for Permit to Drill
White Canyon Area
Ampolex (Texas). Inc.

Well: Federal 21-26
Location: 565' FNL 1,270' FWL - NE NW Section 26 T35S R15E
County: San Juan
State: Utah
Projected Total Depth: 3,200'
Estimated Ground Elevation: 4,875'
Estimated KB: 4,885'

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 7 miles. From Fry Canyon store, go northwest on Utah State Highway 95 7 miles; turn back southwesterly on dirt road approximately 700' to location.
- c. The existing road, Highway 95, needs no improvement. The grade is 8% or less.
- d. All roads to location are coded on Exhibit E. The only road construction required will be for the 700' of access road as shown on Exhibit E. 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 700' of new access road required. Existing roads are shown on Exhibit E. The proposed 700' of road will run in a southerly direction from State Highway 95. The maximum total disturbed width will be 30'. This proposed route is also shown on Exhibit E 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

2. PLANNED ACCESS ROADS (Cont.)

rehabilitated within sixty (60) 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 by the Area Manager 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

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

- a. through the Glen Canyon National Recreation Area 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 Exhibit E.
- 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 from local contractors or Ampolex-owned BLM leases in the area may be needed; it is understood that the use of materials under BLM jurisdiction is governed by 43 CFR 3610.
- c. All major access roads presently exist as shown on Exhibit E.

7. HANDLING OF WASTE MATERIALS AND DISPOSAL

- a. Drill cuttings will be hauled to the Federal 33-9 well-site location and buried in the reserve pit.
- b. Drilling fluids will be handled in surface tanks.
- 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,

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

- c. 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.
- 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, 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.

10. PLANS FOR RESTORATION OF SURFACE (Cont.)

- c. The area will be seeded between October 1st and February 28th with:

2 lbs./acre Indian ricegrass
2 lbs./acre Galleta
1/2 lb./acre Sand dropseed
2-1/2 lbs./acre Fourwing saltbush
1/2 lb./acre Antelope bitterbrush
1/2 lb./acre Ephedra

- d. Seed will be drilled or broadcast; if broadcast, seed amounts will be doubled.

11. OTHER INFORMATION

- a. No occupied dwellings are known to exist in the area.
- b. The closest live water is the Colorado River, approximately 5.5 miles northwest of the intersection of State Highway 95 and San Juan County Road 208-A.
- 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 May 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

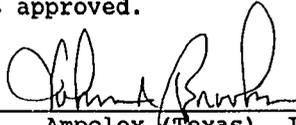
John A. Brooks
Ampolex (Texas), Inc.
1225 17th Street, Suite #3000
Denver, Colorado 80202
(303) 297-1000

13. CERTIFICATION

I hereby certify that I, or persons under my direct supervision have inspected the proposed drillsite and access route; that I am familiar with the conditions which 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 the operations proposed herein will be performed by Ampolex (Texas), Inc., and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

12/19/89

DATE



Ampolex (Texas), Inc.
John A. Brooks
Petroleum Engineer

EXHIBIT F

Cultural Resource Management Report

FEDERAL 21-26 CULTURAL RESOURCES INVENTORY
SAN JUAN COUNTY, UTAH

Written By:

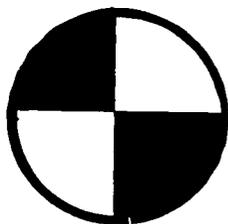
Brian P. O'Neil, M.A.

Submitted To:

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

Date:

November 14, 1989



POWERS ELEVATION CO., INC.

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



Archaeology Department



Powers Elevation Co., Inc.

PO Box 440888, 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, Federal 21-26, well pad, San Juan County, Utah; Bureau of Land Management, San Juan Resource Area.

ANTIQUITIES PERMIT NO: 88UT54629
STATE PERMIT PROJECT NO: U-89-PA-643b

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 565' FNL, 1,270' FWL, Section 26, T.35S., R.15E.

MAP REFERENCE: Jacobs Chair, 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 northwest-southeast by 200 feet northeast-southwest. The access road to the proposed well location is approximately 100 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

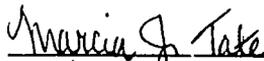
ENVIRONMENT, CONTINUED: ...into the Chinle and Moenkopi Formations. Exposed to the east is the underlying White Rim Sandstone of the Cutler Group. The nearest permanent drainage is White Canyon. The soils in the project area are a reddish-brown, silty, sandy clay loam with sandstone talus. Vegetation consists of juniper, snakeweed, sage, shadescale, rabbit brush, prickly pear cactus, and sparse native grasses. Ground visibility is approximately 60 to 95%. Slope is 2 to 60% grades, and the exposure is northerly. Elevation is approximately 4,880 feet.

FIELD METHODS: A 10 acre area surrounding the original 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 is located outside the 10 acre survey area. The access road was surveyed by walking a pair of sinuous transects 50 ft each side of the center line to form a 100' wide right-of-way. Approximately 100 ft long from its take off point along Utah State Highway 95.

ADDITIONAL OBSERVATION: The well location was moved from its original position at 650' FNL and 1,320' FWL, to its present location during a pre-drill inspection on November 7, 1989. The new location is within the original 10 acre survey. A highway right-of-way marker is located near the northeastern edge of the proposed well pad.

RESULTS: No historic or prehistoric cultural resources were observed within the proposed project survey area. A total area of 10.2 acres was surveyed.

RECOMMENDATIONS: As it appears that no cultural resources will be affected, we recommend that the project be allowed to proceed.



Marcia J. Tate 11/15/89
Principal Investigator Date

Ampol Exploration (U.S.A.), Inc.
Federal 21-26
565' FNL and 1,270' FWL,
Section 26, T.35S., R.15E.
Jacobs Chair, 7.5', 1987
(provisional)
San Juan County, Utah

Ampol Exploration
(U.S.A.), Inc.
Federal 2 '6

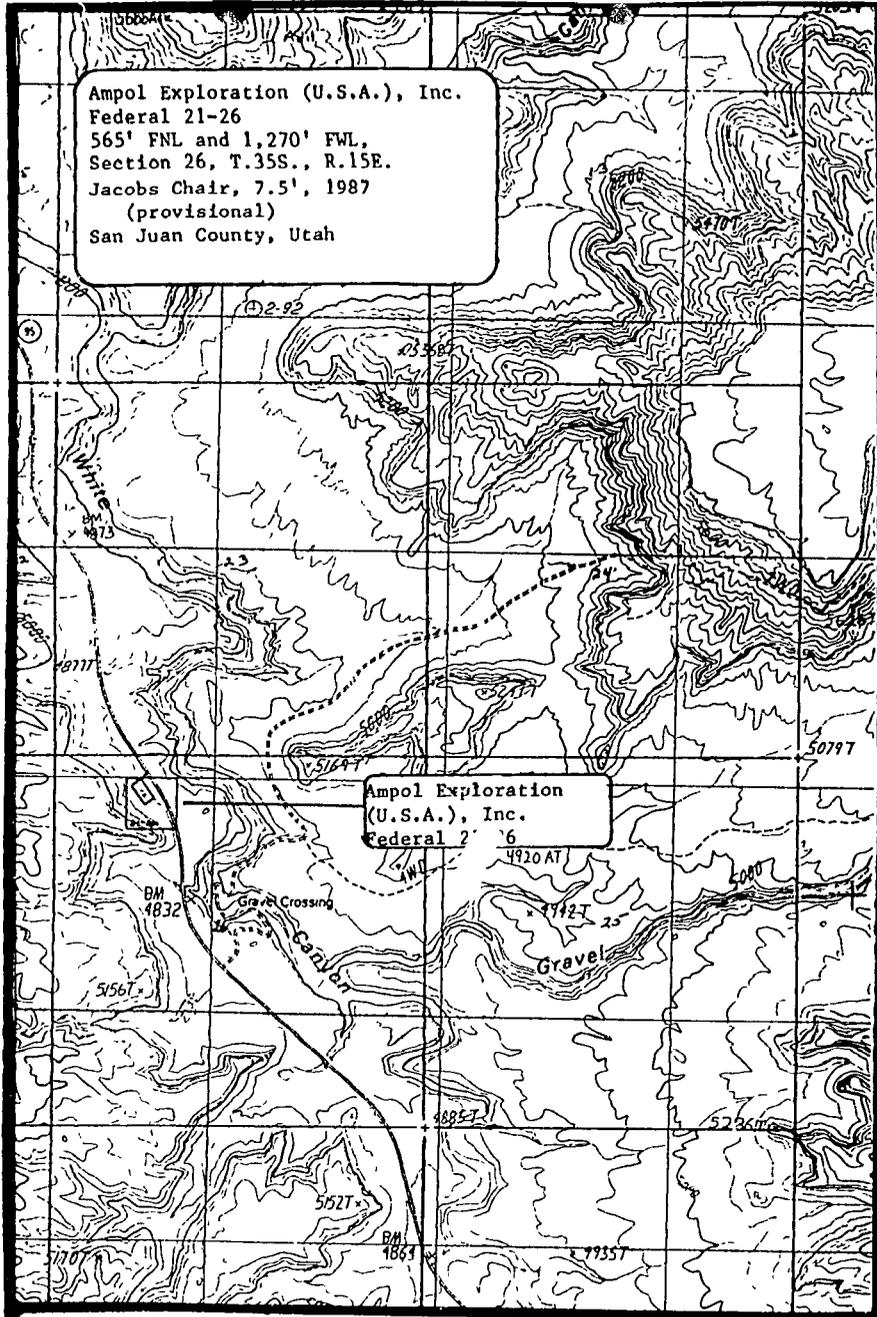


EXHIBIT G

Ampol Exploration (U.S.A.) Inc.
Federal 21-26
565fn1, 1270fw1
San Juan County, Utah

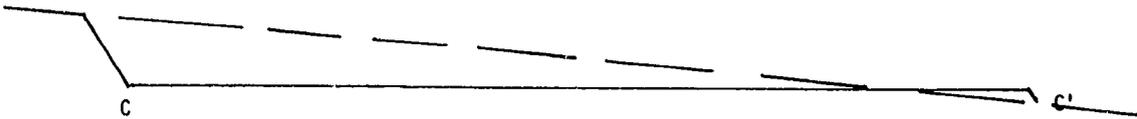
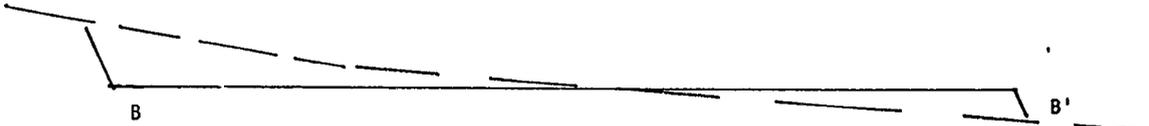
Cross Sections and Dirt Quantities



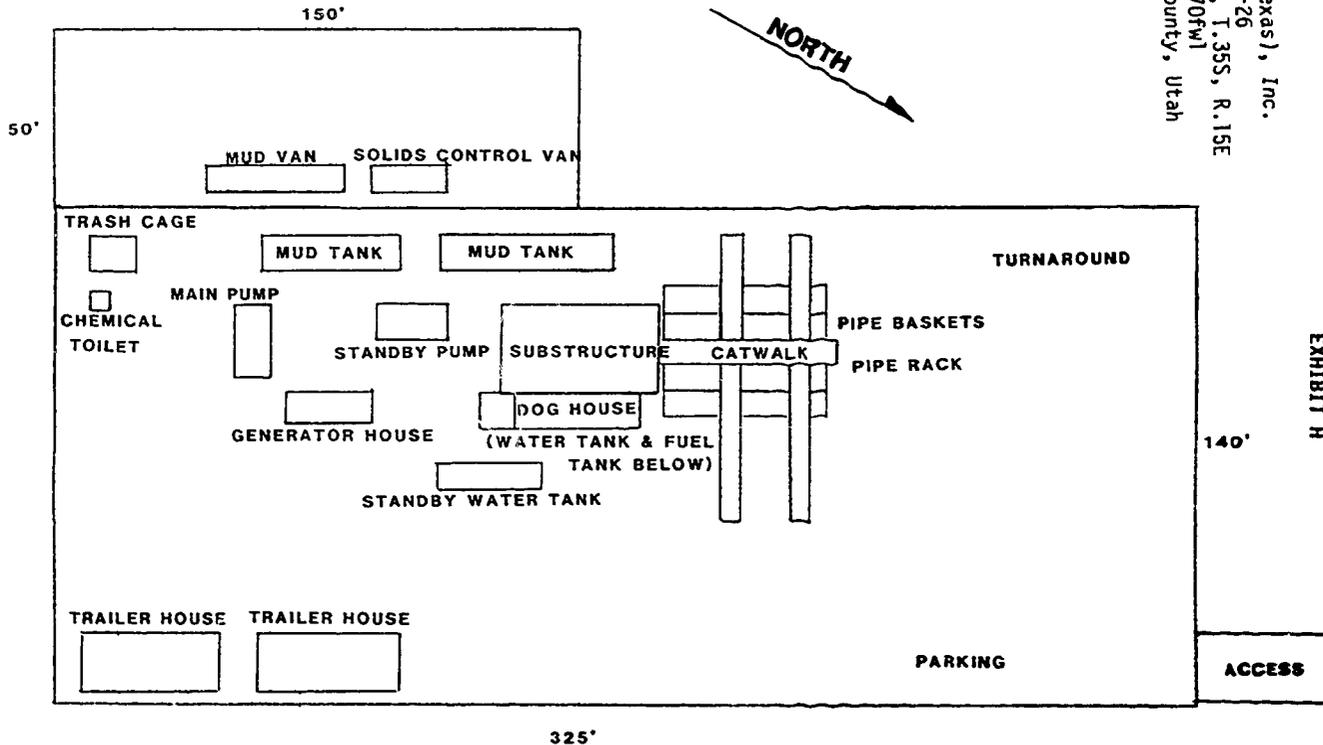
Pad cut 8364cu yds
Pad fill 2138cu yds

Scale

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



Ampotex (Texas), Inc.
Federal 21-26
Section 26, T. 35S, R. 15E
565f(n), 1270f(w)
San Juan County, Utah



SCALE: 1" = 40'

EXHIBIT H

EVIDENCE OF BOND COVERAGE
EXHIBIT'S I-1 & I-2
(attached)

EXHIBIT I-1

United States Department of the Interior
Bureau of Land Management
Nationwide Oil & Gas Bond
Form 3104-8
Bond No. 69HF3973

EXHIBIT I-2

State of Utah Bond of Lessee
Bond No. TO 02 01 44 3

COPY

Form 3104-3
(July 1984)

69HF3973

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 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), and 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

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:

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

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 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, agrees and by these presents does hereby bind himself to fulfill on 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

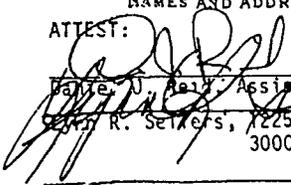
WHEREAS the principal and surety agree that in the event of any default under the leases, the lessor may comment and prosecute any claim, suit, action, or other proceeding against the principal and surety, or either of them, without the necessity of joining the lessees.

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.

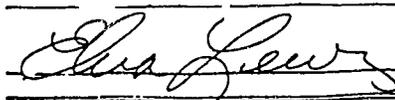
Signed on this 1st day of July, 1987, in the presence of.

NAMES AND ADDRESSES OF WITNESSES

ATTEST:


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

RIDER DESIGNED TO EXTEND STATEWIDE OR NATIONWIDE BONDS TO INCLUDE LEASES WHERE THE PRINCIPAL IS A DESIGNATED OPERATOR

In consideration for the payment of any additional premium charged for this rider and the acceptance of this rider by the Bureau of Land Management on behalf of the United States of America, the undersigned Principal and Surety hereby extend the coverage of Bond No. 69HF3973, to all of the leases where the Principal has been designated as the operator by the lessee(s) or holder(s) of the operating rights and the Principal hereby agrees to be bound by all the terms and conditions of any lease wherein the Principal is designated as operator and files such designation with an appropriate officer of the Bureau, whether or not the designation is subsequently revoked, until all the terms and conditions of the lease have been satisfied, including the payment of any rentals and royalties due and the proper plugging and abandonment of any wells drilled on such lease; providing, however, that this rider shall not act to increase the actual cumulative or potential liability of the Surety above the face amount of the bond, One Hundred Fifty Thousand and no/100**** Dollars (\$150,000.00*); providing, further, however, that any limitation of liability on the part of the Surety shall not apply to the Principal who shall be liable to the same extent as the party or parties designating the Principal as Operator.

Executed this 1st day of July, 19 87.

ATTEST:

[Signature]
Dorothy J. Reid, Assistant Secretary
[Signature]
1247 1/2th Street, Suite 3000, Denver,
CO 80202

AMPOL EXPLORATION (U.S.A.) INC.
By [Signature]
Principal B. D. Emmett; Vice President

[Signature]
Witness and Address
P.O. Box 5748
DENVER, CO 80217

[Signature]
Surety Attorney-in-fact
Insurance Company of North America

[Signature]
Witness and Address
P.O. Box 5748
DENVER, CO 80217

[Signature]
Surety's Agent

RIDER

Bond No. 69HF3973

It is hereby agreed by and between the undersigned principal(s) and surety in consideration for the additional premium or consideration paid for this rider, if any, and the consent by the United States to terminate the liability on Bond No. 69HF3564) carrying the same principal(s) and Insurance Company of North America as surety, the undersigned principal(s) and surety hereby assume any and all liabilities that may be outstanding on Bond No. 69HF3564) including, but not limited to, the obligation properly to plug and abandon all wells existing on leases to which Bond No. 69HF3564) applies and any unpaid rentals or royalties heretofore accruing; provided, however, that this rider shall not act to increase the potential or cumulative liability of the surety above the face amount of the bond to which this rider attaches.

Executed this 1st day of July, 1987.

Witnesses: ATTEST:

[Signature]
DANIEL J. REID, Assistant Secretary

[Signature]
Witness: Lynn A. Sellers

[Signature]

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

By [Signature]
(Principal)

B. D. Emmett, Vice President

[Signature]
(Principal).

[Signature]
(Principal)

Insurance Company of North America

(Surety)

[Signature]
Attorney-in-fact

POWER OF ATTORNEY
INSURANCE COMPANY OF NORTH AMERICA
 PHILADELPHIA, PA.

574164

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 1983.



(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. 1983, 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. Phila. County
 My commission expires August 22, 1983

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 full, 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 19th day of July 1983.

(SEAL) JAMES S. WYLLIE
 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 Articles 3.19 and 4.1 of the By-Laws, the following Res. shall govern the resolution for the Company of bonds, undertakings, recognizances, contracts 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, undertakings, recognizances, contracts and other writings in the nature thereof the same to be issued 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 execute, or through any other Officer, execute or cause to be executed, any and all certificates or orders in the nature of all such writings on 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 as any case as though signed by the President and acknowledged by the Corporate Secretary
 - (3) The signatures of the President, or Senior Vice President, or Vice President, or an Assistant Vice President and the seal of the Company may be affixed by telefax or by means of Attorney prepared pursuant to this Resolution, and the signature of a certifying Officer and the seal of the Company may be affixed by telefax or by means of Attorney prepared pursuant to this Resolution
 - (4) Such other Officer of the Company, and Attorney-in-Fact, shall have authority to execute or verify copies of this Resolution, the By-Laws of the Company, and any statement or report of the Company necessary to the discharge of their duties.
 - (5) The passage of this Resolution does not revoke any earlier authority granted by Resolutions of the Board of Directors, adopted on June 9, 1983, May 26, 1976 and March 22, 1977.
- does hereby nominate, constitute and appoint JONELLE BAUSERMAN, and KARLA J REUTIMAN, both of the City of Denver, State of Colorado

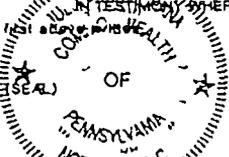
-----each individually if there be more than one named its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof in pen and ink of exceeding ONE MILLION -----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 has 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 *J. Fitzgerald Jr*
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 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.



Julia Anna Roberts
Julia Anna Roberts 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 this 13th day of June 1989

James B. Wilson
James B. Wilson Secretary

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

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



COPY

STATE OF UTAH
BOND OF LESSEE

KNOW ALL MEN BY THESE PRESENTS, that we Amplex (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 Amplex (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

[Signature]

Corporate Seal of Bonding Company Must be Affixed.

**POWER-OF
ATTORNEY**

Insurance Company of North America
a CIGNA company

CIGNA 141227

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 3.16 and 3.1 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, 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 (selected or appointed) of the Company and Attorney-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 thereon
- (2) Any such writing executed in accordance with these Rules shall be as binding upon the Company as if such 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 attested by facsimile on any power of attorney granted pursuant to this Resolution, and the signature of a Contracting Officer and the seal of the Company may be attested by facsimile on 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 in entirety or partly 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 the Resolution does not revoke any other authority granted by Resolutions of the Board of Directors adopted on June 8 1983, May 28 1975 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

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

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.



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

FILING FOR WATER IN THE

STATE OF UTAH

RECEIVED

JAN 02 1989

JAN 02 1989

Rec. by: 134-06
Fee Rec. 134-067
Receipt # 134-067
Microfilmed
O'Roll #
OIL, GAS & LEASING

APPLICATION TO APPROPRIATE WATER TEMPORARY

DIVISION OF

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 X

(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

Appropriate

8. List any other water right 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 Able 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).

Amopol Exploration
 Signature of Applicant(s)

Billy B. Hase agent

TEMPORARY

STATE ENGINEER'S ENDORSEMENT

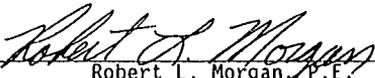
WATER RIGHT NUMBER: 99 - 104

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

OPERATOR Ampalex (Texas) Inc (No385) DATE 2-1-90
WELL NAME Federal # 21-26
SEC N4NW 26 T 355 R 15E COUNTY San Juan

43-037-31502
API NUMBER

Federal
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

No other well within 920'
Water Permit T64317 / 99-104 12-89 to 12-90
Archaeological Survey 11-14-89
RDOC 2-5-90 / Process 2-20-90
Need exception location request / Received 2-6-90

APPROVAL LETTER:

SPACING: R615-2-3

N/A
UNIT

R515-3-2

N/A
CAUSE NO. & DATE

R615-3-3

STIPULATIONS:



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

SEVENTEENTH STREET PLAZA, SUITE 3000
1225 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.

6 February 1990

RECEIVED
FEB 06 1990

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

DIVISION OF
OIL, GAS & MINING

RE: Application for Permit to Drill
Federal 21-26 565' FNL 1270' FNL Sec 26-T35S-R15E
Federal 33-9 2200' FSL 2450' FEL Sec 9-T34S-R15E
Federal 22-12 1620' FNL 1810' FWL Sec 12-T34S-R14E
San Juan County, Utah
Lease Numbers U-62997, U-62995, U-62994
Request for Exception to General State Spacing

Dear Lisha:

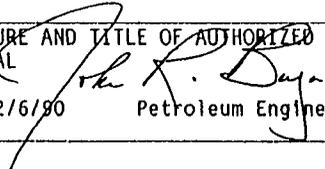
Pursuant to our conversation 5 February, I am requesting an exception to General State Spacing for the three referenced proposed oil well drilling locations, located in San Juan County, Utah. The only landowner within a 460 foot radius of any location is the Bureau of Land Management, and in each case that land is leased by Ampolex. The Federal 21-26 and 33-9 locations were picked based on seismic data (both proposed wells are located directly on seismic lines) and Ampolex hopes to gain a measure of sub-surface geologic control for the seismic line we shot through these locations. The Federal 22-12 location is the western-most test of our leased acreage in the area. It is requested that it be granted an exception to General State Spacing because of this and also, primarily because of terrain problems. The surface is solid rock with very little topsoil for building a drilling pad; the BLM required us to move this proposed well to its current location at the on-site pre-drill inspection held on November 7, 1989 because of the rough topography. Due to the nature of the terrain the BLM has also stipulated that Ampolex must construct a much smaller drill-site to minimize surface disturbance. If there are any other questions pertaining to the processing of this or another Application for Permit to Drill, please do not hesitate to call me in Denver at 303-297-1000.

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

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

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 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 Federal #21-26, on federal lease number U-62997 in San Juan, County, Utah. This action is being presented to RDCC for consideration of resource issues affecting state interests. The U.S. Bureau of Land Management is the primary administrative agency in this case and must issue approval to drill jointly with DOGM before operations can commence.
-
8. LAND AFFECTED (site location map required) (indicate county)
NE/4 NW/4, Section 26, Township 35 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
- 
DATE: 2/6/90
Petroleum Engineer
-

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5 LEASE DESIGNATION AND SERIAL NO	U-62997
6 IF INDIAN, ALLOTTEE OR TRIBE NAME	N/A
7 LEASE AGREEMENT NAME	N/A
8 FARM OR LEASE NAME	Federal
9 WELL NO	21-26
10 FIELD AND POOL, OR WILDCAT	Wildcat
11 SEC. T. R. N. OR BLE AND SURVEY OR AREA	Section 26-T35S-R15E
12 COUNTY OR PARISH	San Juan
13 STATE	Utah

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1A. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

B. TYPE OF WELL
 OIL WELL GAS WELL OTHER

2 NAME OF OPERATOR
 Amploplex (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..26-T35S-R15E 565' FNL & 1,270' FWL
 At proposed prod. zone: SAME

14 DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 41.3 miles west of Blanding, Utah

15 DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT
 650'

16 NO OF ACRES IN LEASE
 5,840

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
 3,200'

20 ROTARY OR CABLE TOOLS
 Rotary

21 ELEVATIONS (Show whether DP, RT, GR, etc.)
 4,900' GR (Est.)

22 APPROX DATE WORK WILL START*

FEB 20 1990
 OIL, GAS & MINING

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#	320'	200 Sks Class "G"
6-1/4"	4-1/2"	10.5#	3,200'	165 sks Light (Lead) 150 sks Class "G" (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 @ 320', cement with good returns.
3. Log B.O.P. checks in daily drilling reports & drill 6-1/2" hole to 3,200'.
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.

14. 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.

SIGNED: William C. Stringer TITLE: Petroleum Engineer DATE: December 19, 1989

(This space for Federal or State office use)

PERMIT NO: 1/3 037-31502 APPROVAL DATE: _____

APPROVED BY: /S/ WILLIAM C. STRINGER TITLE: Adm. Minerals DATE: FEB 15 1990

CONDITIONS OF APPROVAL IF ANY

CONDITIONS OF APPROVAL ATTACHED

*See Instructions On Reverse Side

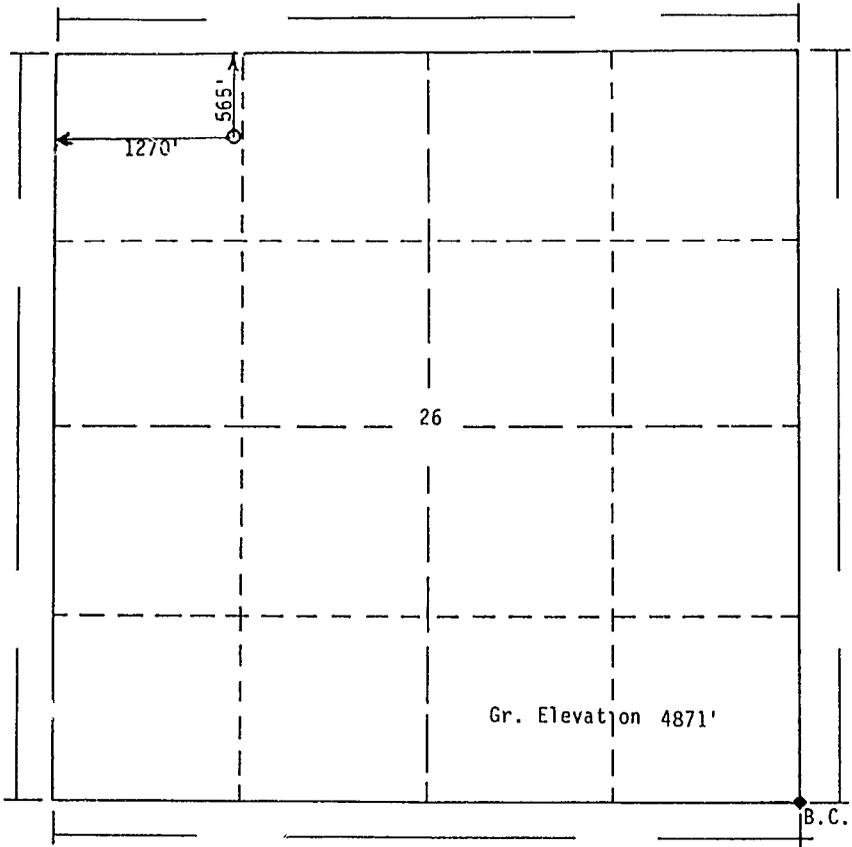
FLARING OR VENTING OF GAS IS SUBJECT TO NTL 4-A Dated 1/1/80

EXHIBIT A



Form PS-102

R. 15 E



T.
35
S

Scale: 1"=1000'

Powers Elevation, Inc. of Denver, Colorado has in accordance with a request from John Brooks for Anpol Exploration (U.S.A.) Inc. determined the location of Federal 21-26 to be 565fn1, 1270fw1 Section 26 , Township 35 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 Federal 21-26

Licensed Land Surveyor No. 8894
State of New Mexico



Date: 11-10-89

Ampolex (Texas) Inc.
Well No. Federal 21-26
Sec. 26, T. 35 S., R. 15 E.
San Juan County, Utah
Lease U-62997

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 Ampolex (Texas) Inc. 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 Bond No. C00701 (Principal: Ampol Exploration USA Inc., Bonded Subsidiary: Ampolex (Texas) Inc.) 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.

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

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

1. If unconsolidated rock is encountered, conductor shall be set ten (10) feet into underlying bedrock with cement circulated to surface.
2. If the well is productive, production casing will be cemented to a minimum of 50 feet above the Cedar Mesa Sandstone.
3. If the Cedar Mesa Sandstone proves to be a significant fresh water aquifer, we will require future wells to have surface casing set 50 feet below the base of the Cedar Mesa Sandstone.

8. SURFACE USE PLAN

1. There will be no deviation from the proposed drilling and/or workover program without prior approval from the District Manager. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned and/or separate facilities, will be identified in accordance with 43 CFR 3162.6.
2. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.6.
3. The dirt contractor will be provided with an approved copy of the surface use plan.
4. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:

-whether the materials appear eligible for the National Register of Historic Places;

-the mitigation measures the operator will likely have to undertake before the site can be used (assuming in-situ preservation is not necessary); and,

-a timeframe for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

5. This permit will be valid for a period of one (1) year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.
6. 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.

7. The restoration of the surface will commence within 60 days of completion of drilling for all areas not needed for production.
8. Access roads will be flat bladed a maximum of 20 feet wide.
9. Drilling fluids will not contain chromates or any other hazardous type of materials.

C. INFORMATIONAL ATTACHMENT / ONSHORE OIL AND GAS ORDER NO. 2 GUIDELINES

- 3000 psi BOP & BOPE:

Annular preventer

Pipe ram, blind ram, and if conditions warrant, another pipe ram shall also be required,

A second pipe ram preventer or variable bore pipe ram preventer shall be used with a tapered drill string,

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),

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

Kill line (2-inch minimum),

3-inch diameter choke line,

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

2 chokes,

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,

Fill-up line above the uppermost preventer,

- 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 filling fluid service.

- 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 annular 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 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 measured precharge pressure is found to be above or below the maximum or minimum limit specified within Onshore Order No. 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.

- BOP Testing:

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing if BOP stack is not isolated from casing. 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 plug shall be open during test of BOP stack.

Annular BOP pressure tests shall be tested to 50 percent of rated working pressure. Pressure 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 that 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.

- 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 test 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 at least the bottom three joints depending on severity of hole inclination.

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.

-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 directions 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.

- 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 bloopie pit;
- Float valve above bit;
- Automatic igniter or continuous pilot light on the bloopie line;
- Compressors located in the opposite direction from the bloopie 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.

D. Anticipated Starting Dates and Notifications of Operations.

Required verbal notifications are summarized in Table 1, attached. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within twenty-four (24) hours after spudding. If the spudding occurs on a weekend or holiday, the written report will be submitted on the following regular work day.

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

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

If a replacement rig is needed for completion operations, a Sundry Notice (Form 3160-5) to that effect will be filed for prior approval from the District Office, and the conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergency situations, verbal approval to bring on a replacement rig will be approved through the District Office.

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

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

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

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6.

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

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

NOTIFICATIONS

Notify Mike Wade of the San Juan Resource Area, at (801) 587-2141 for the following:

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

1 day prior to spudding;

1 day prior to running and cementing surface casing;

1 day prior to pressure testing of BOPE and/or 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 Assistant District Manager, Minerals Division. 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, Office Phone: (801) 259-6111

Chief, Branch of Fluid Minerals

Home Phone: (801) 259-7990

24 HOURS ADVANCE NOTICE IS REQUIRED FOR ALL ABANDONMENTS.



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

February 21, 1990

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

Gentlemen:

Re: Federal #21-26 - NW NW Sec. 26, T. 35S, R. 15E - San Juan County, Utah
565' FNL, 1270' FWL

Approval to drill the referenced well is hereby granted in accordance with Rule R615-3-3, 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
Ampolex (Texas), Incorporated
Federal #21-26
February 21, 1990

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 43-037-31502.

Sincerely,

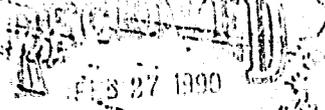


R. J. Barth
Associate Director, Oil & Gas

lcr
Enclosures
cc: Bureau of Land Management
D. R. Nielson
J. L. Thompson
WE14/9-10

P.O. Drawer 1062 Provo, Utah 84601 Phone 832-3111

WILLIAM D HOWELL
Executive Director



DIVISION OF
GAS & MINING
140147

AREAWIDE CLEARINGHOUSE A-95 REVIEW

NOI ___ Preapp ___ App ___ State Plan ___ State Action Subdivision ___ (ASP # 2-27-17)

Other (indicate) _____ SAI Number _____

Applicant (Address, Phone Number):

Federal Funds:
Requested: _____

Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84160-1203

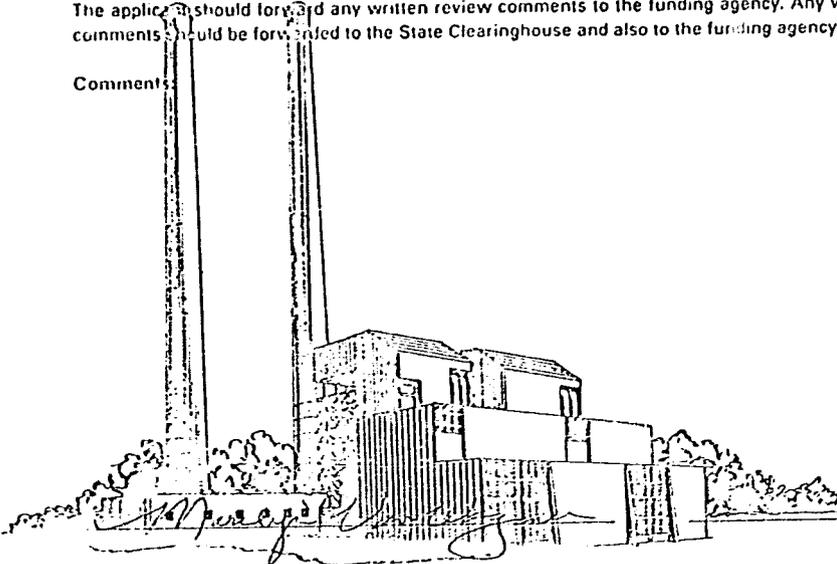
Title:

Amplifier 42-37-21503 - Det. 355 15E Sec. 26
APPLICATION FOR PERMIT TO DRILL
Federal #21-26 on U-62997

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

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

Comments:



2-22-90

Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Bureau of Land Management, 1034-9135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

1 Type of Well
 Oil Well Gas Well Other

2 Name of Operator
Ampolex (Texas), Inc.

3 Address and Telephone No
1225 17th Street, Suite #3000, Denver, CO 80202 (303) 297-1000

4 Location of Well (Footage Sec T R M or Survey Description)
**NE NW Section 26-T35S-R15E
 565' FNL & 1,270' FWL**

5 Lease Designation and Serial No
U-62997

6 If Indian All state or Tribe Name
N/A

7 If Unit or CA Agreement Designation
N/A

8 Well Name and No
Federal #21-26

9 API Well No
43-037-31502

10 Field and Pool or Exploratory Area
Wildcat

11 County or Parish, State
San Juan Cty, Utah

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

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

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

13 Describe Proposed or Completed Operations (Clearly state all pertinent details and give pertinent dates including estimated date of starting any proposed work. If well is directionally drilled give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Request for one (1) year extension to Application for Permit to Drill due to drilling a ten well program with two 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
Matthews

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

Signed *Richard L. Vane* Title Senior Engineer Date 11/05/92

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
 Conditions of approval if any _____

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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

5 Lease Designation and Serial No.
U-62997

6 If Indian Allottee or Tribe Name
N/A **MAR 21 1994**

7 If Unit or GA Agreement Designation
N/A

8 Well Name and No.
Federal #21-26

9 API Well No.
43-037-31502

10 Field and Pool, or Exploratory Area
Wildcat

11 County of Parish State
San Juan Cty, Utah

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

1 Type of Well
 Oil Well Gas Well Other

2 Name of Operator
Ampolex (Texas), Inc.

3 Address and Telephone No.
1050 17th St., Suite #2500, Denver, CO 80265 (303) 595-9000

4 Location of Well (Footage Sec T R M, or Survey Description)
**NE NW Section 26-T35S-R15E
565' FNL & 1,270' FWL**

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent <input checked="" type="checkbox"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input checked="" type="checkbox"/> Other A.P.D. CANCELLATION
	<input type="checkbox"/> Change of Plans <input type="checkbox"/> New Construction <input type="checkbox"/> Non Routine Fracturing <input type="checkbox"/> Water Shut Off <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Dispose Water <small>(Note: Report results of multiple completion or Well Completion or Recompletion Report and Log form.)</small>

13 Describe Proposed or Completed Operations (Clearly state all pertinent details and give pertinent dates including estimated date of starting any proposed work. If well is directionally drilled give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Please cancel our Permit to Drill for the above referenced well as it will not be drilled.

14 I hereby certify that the foregoing is true and correct

Signed *David M. Carrasco* Title Engineering Technician Date March 18, 1994

(Leave space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval if any

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

3162
(U-62997)
(UT-065)

MAR 31 1994

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

Re: Rescinding Application for Permit to Drill
Well No. Federal 21-26 43-039-31502
NENW Sec. 26, T. 35 S., R. 15 E.
San Juan County, Utah
Lease U-62997

Gentlemen:

The Application for Permit to Drill the referenced well was approved on April 4, 1991.

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

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

Sincerely,

/s/ WILLIAM C. STRINGER

Associate District Manager

Enclosure
Application for Permit to Drill

cc: UT-069, San Juan Resource Area (wo/Enclosure)
State of Utah
Division of Oil, Gas, and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203 (wo/Enclosure) ✓

VButts:vb:3/30/94

