

UTAH OIL AND GAS CONSERVATION COMMISSION

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

DATE FILED **10-22-90**

LAND: FEE & PATENTED _____ STATE LEASE NO. _____ PUBLIC LEASE NO. **U-7303** INDIAN _____

DRILLING APPROVED: **11-25-90 (CAUSE NO. 156-3 4/15/80)**

SPUDDED IN: _____

COMPLETED: **8-10-92 LA** PUT TO PRODUCING: _____

INITIAL PRODUCTION: _____

GRAVITY A.P.I. _____

GOR: _____

PRODUCING ZONES: _____

TOTAL DEPTH: _____

WELL ELEVATION: _____

DATE ABANDONED: **LAD Per BLM EFF 8-10-92**

FIELD: **MEXICAN HAT**

UNIT: _____

COUNTY: **SAN JUAN**

WELL NO. **GEBAUER-GROOM 55** API NO. **43-037-31580**

LOCATION **1085' FNL** FT. FROM (N) (S) LINE. **1262' FEL** FT. FROM (E) (W) LINE. **NE NE** 1/4 - 1/4 SEC. **7**

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
------	------	------	----------	------	------	------	----------

42S	19E	7	WESGRA OIL CORPORATION
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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.
U-7303

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Gebauer-Groom

9. WELL NO.
55

10. FIELD AND POOL, OR WILDCAT
Mexican Hat 410

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec 7, 42S, 19E

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
Wesgra Oil Corp

3. ADDRESS OF OPERATOR
P.O. Box 367, Mexican Hat, Utah 84531

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface 1085' from the north line
At proposed prod. zone 1262' from the east line

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
one half mile

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

16. NO. OF ACRES IN LEASE
350

17. NO. OF ACRES ASSIGNED TO THIS WELL
5

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
300'

19. PROPOSED DEPTH
700' HNRRT

20. ROTARY OR CABLE TOOLS
rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
4121'

22. APPROX. DATE WORK WILL START*

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8	20 pd	30 ft	7 sacks
7 7/8	5 1/2	14 pd	200 ft	24 sacks

- 2, 4, 5, 8, 9
- surface fromation (Supai)
- estimated top of geological marker Goodridge 200'
- estimated depth of water, oil, or gas Goodridge zone 200'
- pressure equipment, 6" valve no gas pressure in these zones
- circulating medium, air and foam
- testing samples only
- abnormal pressures or temperatures, none no hydrogen sulfite
- anticipated starting time, when approved or reasonable time there after

duration of drilling operation 6 to 9 days
proposed depth, little loop zone, 600' to 700 ft

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.

SIGNED M.C. Speer TITLE president DATE 10-17-90

(This space for Federal or State office use)
APPROVAL NO. 43-037-31580 APPROVAL DATE

APPROVED BY _____ TITLE _____ DATE _____
BY: [Signature] DATE 11/15/90
WELL SPACING: 156-3

*See Instructions On Reverse Side

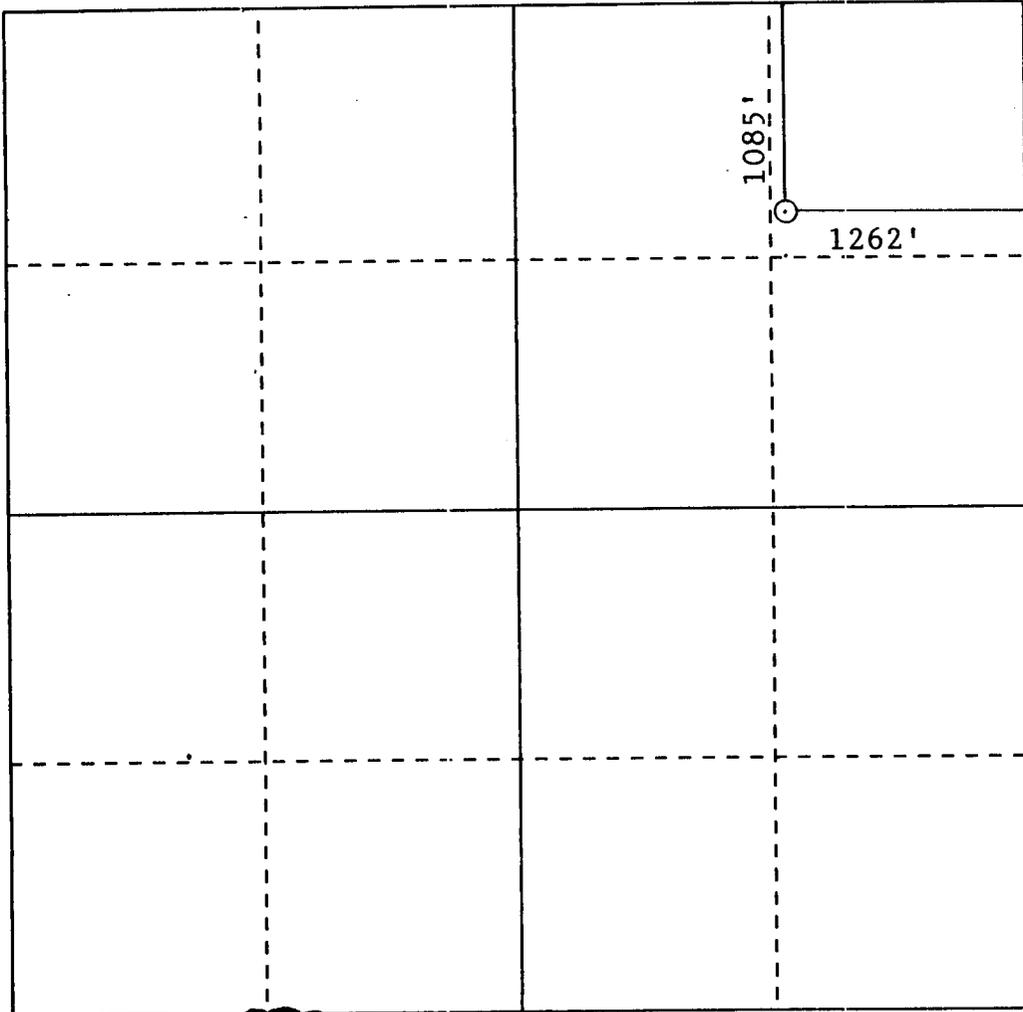
COMPANY WESGRO OIL CORPORATION

LEASE _____ WELL NO. 51 55

SEC. 7 T 42S R 19E S.L.P.M.

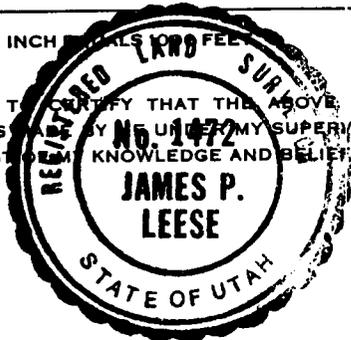
LOCATION 1085 F/NL & 1262 F/EL

ELEVATION 4121 GROUND



SCALE - 1 INCH = 40 FEET

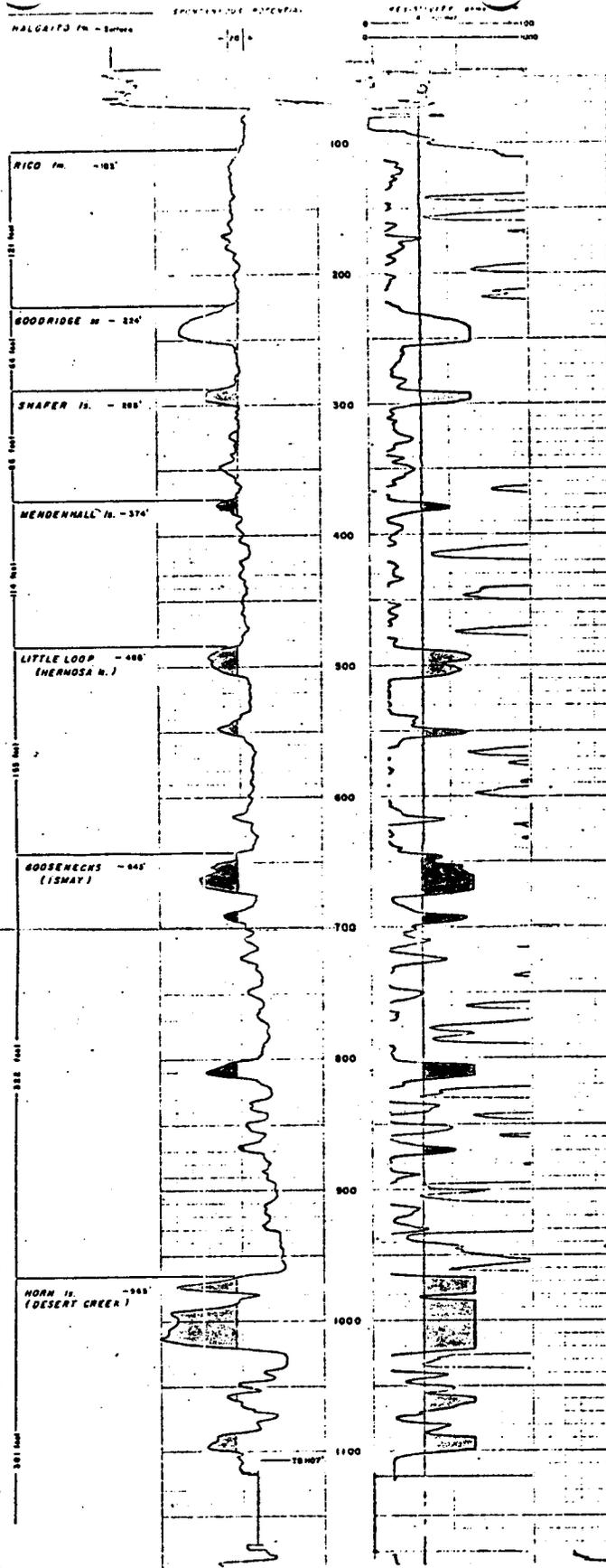
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



SEAL:

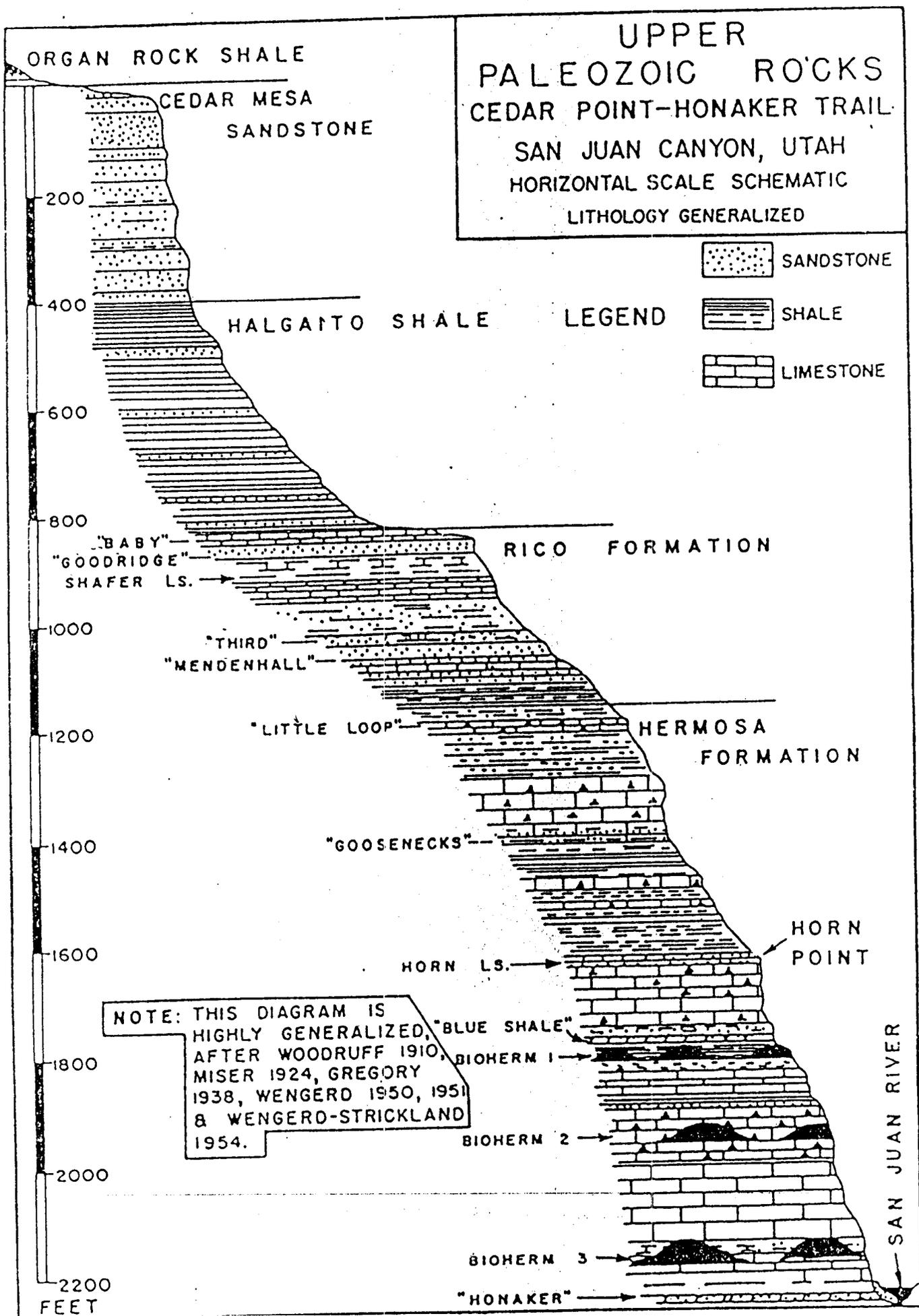
James P. Leese
Registered Land Surveyor. #1472

SURVEYED OCTOBER 2, 19 90

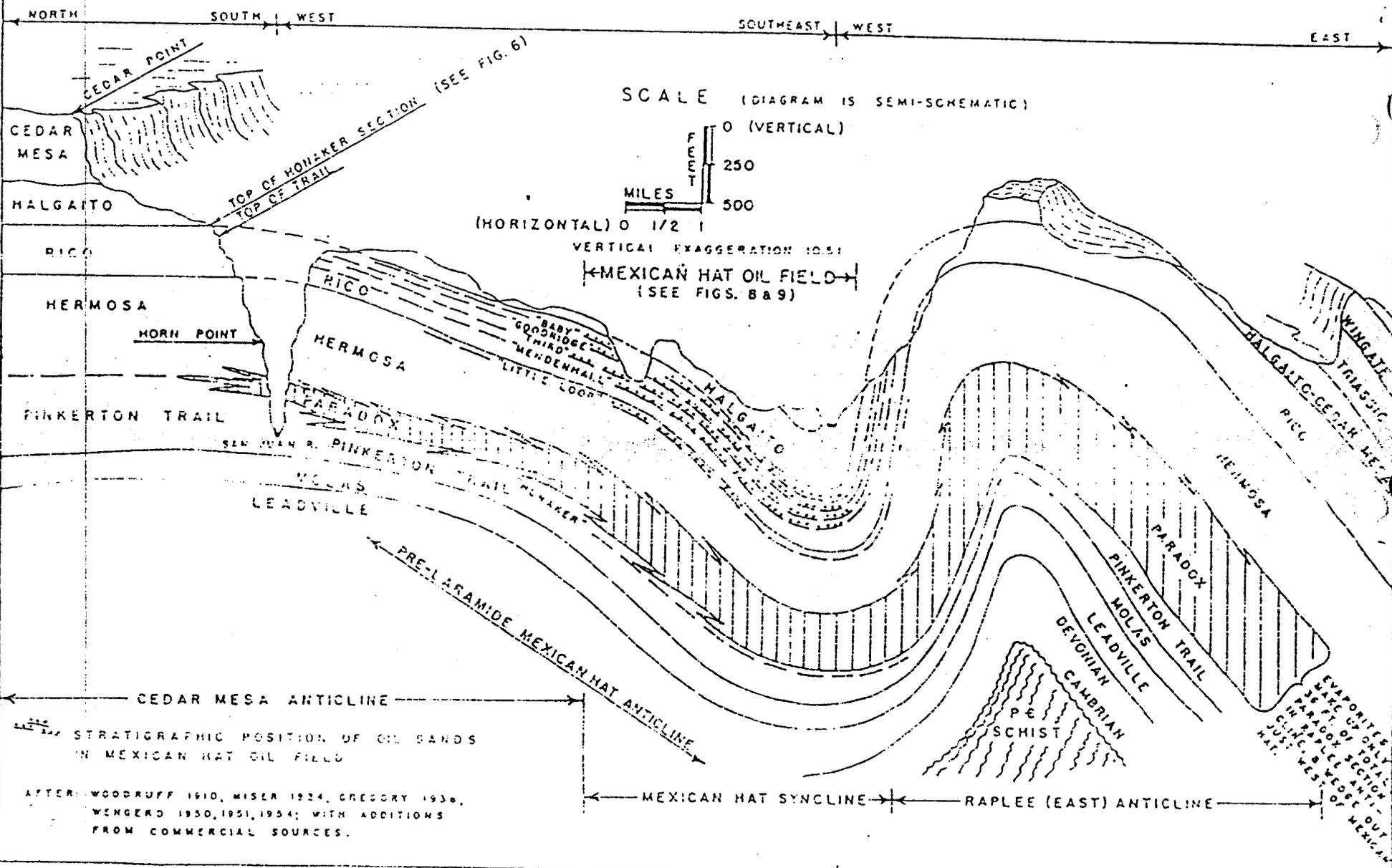


SHIPROCK OIL AND GAS CORPORATION
 NO. 1 DEBAUER
 MEXICAN HAT AREA
 SAN JUAN COUNTY, UTAH
 CORE DEC 7 - 1929, R702
 1010' P.M.L. 8:15' P.C.L.
 ELEV. 4821' 8/4

EXHIBIT b



CROSS SECTION-MEXICAN HAT AREA, SAN JUAN COUNTY, UTAH



Appendix C, Figure 6

AFTER: WOODRUFF 1910, MISER 1924, GREGORY 1936, WENGERD 1950, 1951, 1954; WITH ADDITIONS FROM COMMERCIAL SOURCES.

OPERATOR Wesque Oil Corp N-1060 DATE 10-016-90

WELL NAME Gibson-Groom #55

SEC NENE 7 T 40S R 19E COUNTY San Juan

43-037-31580
API NUMBER

Federal (1)
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

Cause shows unstructed spacing - Not within 1/4-1/4 boundaries
Water Permit

APPROVAL LETTER:

SPACING:

R615-2-3

N/A
UNIT

R615-3-2

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

R615-3-3

STIPULATIONS:

1- Needs water permit



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

November 25, 1990

Wesgra Oil Corporation
P. O. Box 367
Mexican Hat, Utah 84531

Gentlemen:

Re: Gebauer-Groom 55 - NE NE Sec. 7, T. 42S, R. 19E - San Juan County, Utah
1085' FNL, 1262' FEL

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

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Chapter 3, Title 73, Utah Code Annotated.

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 R. J. Firth, Associate Director, (Office) (801) 538-5340, (Home) 571-6068, 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.

Page 2
Wesgra Oil Corporation
Gebauer-Groom 55
November 25, 1990

6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 538-6121.
7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-037-31580.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

tas
Enclosures
cc: Bureau of Land Management
J. L. Thompson
we14/1-18

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
 Wesgra Oil Corp

3. ADDRESS OF OPERATOR
 P.O. Box 367, Mexican Hat, Utah 84531

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 1085' from the north line
 At proposed prod. zone 1262' from the east line
 43-037-31580 del

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 one half mile

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

16. NO. OF ACRES IN LEASE
 350

17. NO. OF ACRES ASSIGNED TO THIS WELL
 5

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 300'

19. PROPOSED DEPTH
 700'

20. ROTARY OR CABLE TOOLS
 rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 4121'

22. APPROX. DATE WORK WILL START*
 after approval

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT

RECEIVED
 MAR 14 1991
 DIVISION OF
 OIL GAS & MINING

proposed depth, little loop zone 600 to 700'

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 W.C. Stringer TITLE President DATE 10-17-90

(This space for Federal or State office use)

PERMIT NO. /S/ WILLIAM C. STRINGER Assistant District Manager for Minerals
 APPROVED BY _____ TITLE _____ DATE MAR 11 1991
 CONDITIONS OF APPROVAL, IF ANY: _____

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

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

11/14/80
 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.
 Dcgm

COMPANY WESGRO OIL CORPORATION

RECEIVED

LEASE _____

WELL NO. 51 55

MAR 14 1991

SEC. 7

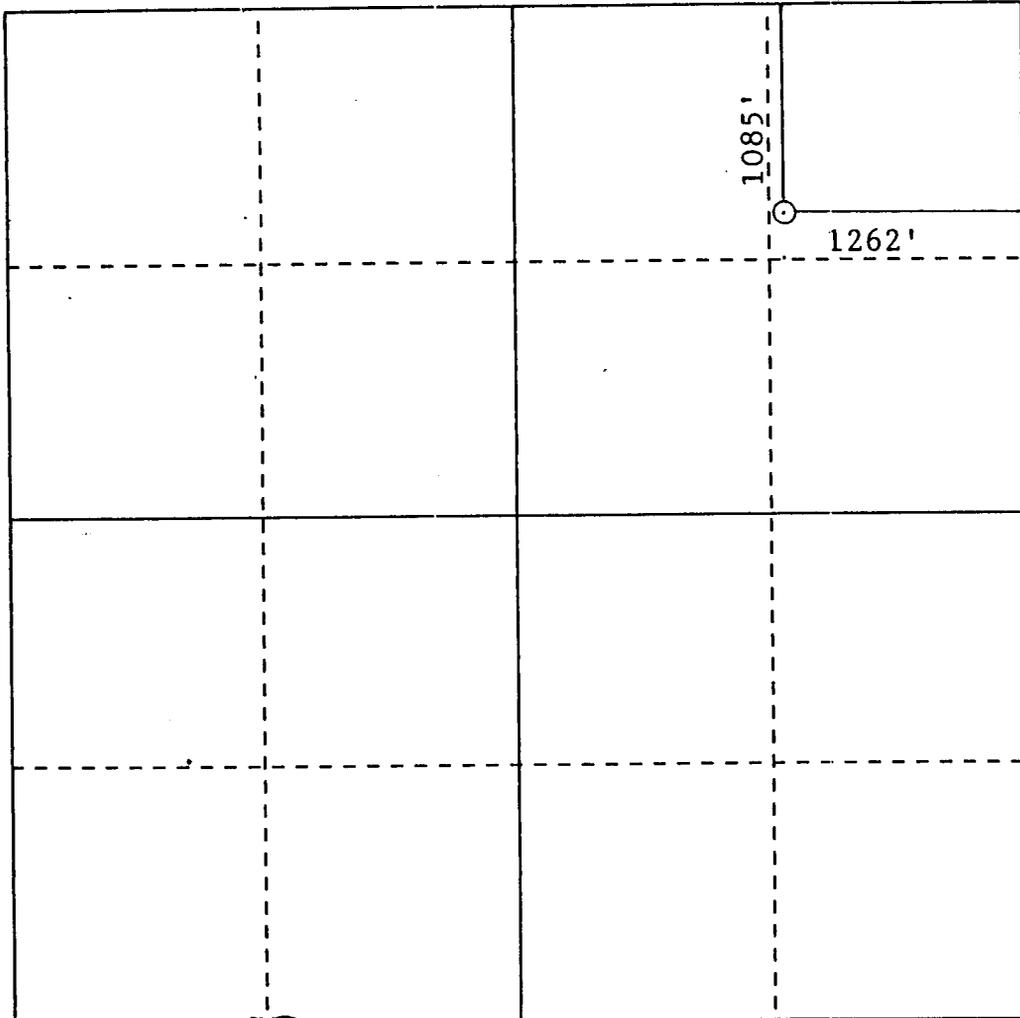
T. 42S

R. 19E S.L.P.M.

DIVISION OF
OIL GAS & MINING

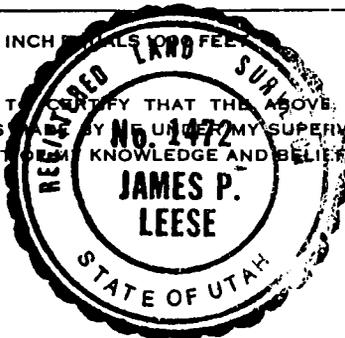
LOCATION 1085 F/NL & 1262 F/EL

ELEVATION 4121 GROUND



SCALE - 1 INCH = 100 FEET

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



SEAL:

James P. Leese
 Registered Land Surveyor. #1472

SURVEYED OCTOBER 2,

19 90

RECEIVED

MAR 14 1991

**DIVISION OF
OIL GAS & MINING**

Wesgra Corporation
Well No. Gebauer-Groom 55
NENE Sec. 7, T. 42 S., R. 19 E.
San Juan County, Utah
Lease U-7303

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

Bond coverage for this well is provided by UT0251 (Principal - Wesgra Corporation) via surety consent as provided for in 43 CFR 3104.2.

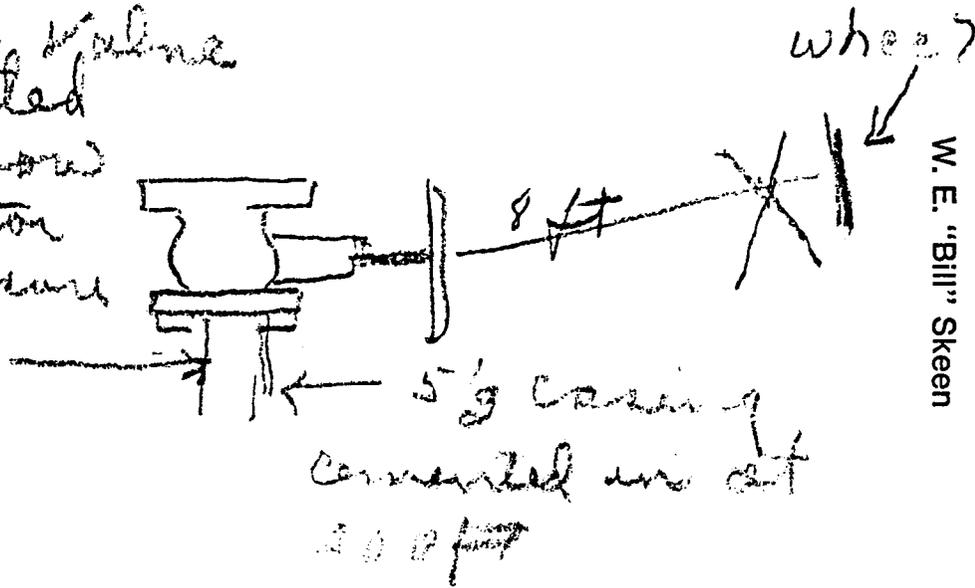
This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

A. DRILLING PROGRAM

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

1. 500 lb. pressure valve shall be tested according to Onshore Order No. 2. See attached diagram.
2. Casing and cementing requirements shall comply with Onshore Order No. 2 requirements.

Walworth valve
Hand operated
valve or blow
out preventer
500 psi pressure
Well
break



W. E. "Bill" Skeen

RECEIVED
MAR 14 1991
DIVISION OF
OIL GAS & MINING

B. Stipulations

1. All oil flow lines will be buried.
2. The disturbed areas of the buried lines will be seeded with fourwing saltbush in the same manner as required for rehabilitation.

The following stipulations were presented by Wesgra Oil Corporation in the APD.

1. All operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100, Onshore Oil and Gas Orders, and the approved plan of operations (Application for Permit to Drill)).
2. Approximately 100 feet of new road (25 feet of maximum disturbed width) would be constructed.
3. The access (including any existing non-county) road will be rehabilitated or brought to Resource (Class III) Road Standards within sixty (60) days of completion of drilling operations.
4. Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional area needed will be approved by the Area Manager in advance.
5. The topsoil from the access road will be reserved in place.
6. All permanent above-ground facilities (6 months or longer) would be painted a neutral, nonreflective (SAND) color to blend into the surrounding area, except for those required to comply with the Occupational Safety and Health Act or written company safety manual or documents.
7. If a tank battery is constructed on this location it will be surrounded by a dike of sufficient capacity to contain 1-1/2 times the storage capacity of the largest tank; all load lines and valves will be placed inside the dike surrounding the tank battery.
8. All site security guidelines identified in 43 CFR 3162.7-5 and ONSHORE OIL AND GAS ORDER NO. 3; SITE SECURITY will be adhered to.

9. Gas measurement will be conducted in accordance with the ONSHORE OIL AND GAS ORDER NO. 5; GAS MEASUREMENT and 43 CFR 3162.7-3.
10. Gas meter runs for each well will be located within five hundred (500) feet of the wellhead. The gas flowline will be buried from the well head to the meter and downstream for the remainder of the pad. Meter runs will be housed and/or fenced.
11. Oil measurement will be conducted in accordance with ONSHORE OIL AND GAS ORDER NO. 4; OIL MEASUREMENT as of the effective of August 23, 1989 and 43 CFR 3162.7-2.
12. All water needed for drilling purposes will be obtained from City of Mexican Hat, UT.
13. A temporary water use permit for this operation will be obtained from the Utah State Engineer in Price, Utah (801) 637-1303.
14. Pad construction material will be obtained from on site and in place materials.
15. The use of materials under BLM jurisdiction will conform to 43 CFR 3610
16. The reserve pit will be constructed with at least 1/2 of the capacity in cut material and will be lined with native material and foam.
17. No liquid hydrocarbons (i.e. fuels, lubricants, formation) will be discharged to the reserve pit.
18. No chrome compounds will be on location.
19. All trash will be placed in a trash basket and hauled to a county refuse facility . There will be no burning of trash on location.
20. Produced waste water will be confined to the reserve pit for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to NTL-2B.
21. Camp facilities will not be required.
22. Within 24 hours of completion of drilling, the location and surrounding area will be cleared of everything not required for production.
23. As soon as the reserve pit has dried all areas not needed for production (including access road) will be filled in, recontoured to approximately natural contours and (inches/as much top soil as was removed) replaced leaving sufficient for future restoration. The remaining top soil (if any) will be stabilized and seeded in place. If the well is a dry hole, the location and access road will be rehabilitated in total.
24. The area will be seeded between October 1 and February 28 with 6 lbs./acre of fourwing saltbush. Seed will be broadcast followed by a light harrowing.
25. 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.

26. "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.
27. The dirt contractor will be provided with an approved copy of the surface use plan.
28. 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.

29. 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.
30. If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligation determined by the authorized officer.

NOTIFICATIONS

Notify Bob Turri 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;
- 50 feet prior to reaching surface casing depth;
- 3 hours prior to testing BOP's and surface casing.

If the person at the above number cannot be reached, then notify Fred Oneyear in the Moab District Office at (801) 259-6111 or at home (801) 259-5937 (If unsuccessful, then notify one of the following people listed below).

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, Chief, Branch of Fluid Minerals	Office Phone:	(801) 259-6111
	Home Phone:	(801) 259-7990

24 HOURS ADVANCE NOTICE IS REQUIRED FOR ALL ABANDONMENTS

43-037-31580

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

3162
(U-7303)
(U-065)

JUL 21 1992

Wesgra Corporation
P. O. Box 310-367
Mexican Hat, Utah 84531

Re: Rescinding Application for Permit to Drill
Well No. Gebauer-Groom 55
NENE Sec. 7, T. 42 S., R. 19 E.
San Juan County, Utah
Lease U-7303

Gentlemen:

The Application for Permit to Drill the referenced well was approved on March 11, 1991. Since that date, no known activity has transpired at the approved location.

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

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

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

Sincerely,

/s/ WILLIAM C. STRINGER

Assistant District Manager
Mineral Resources

Enclosure

1. Application for Permit to Drill

cc: 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)
BLM San Juan Resource Area U-069 (wo/Enclosure)

VButts:vb:7/17/92

RECEIVED

JUL 23 1992

**DIVISION OF
OIL GAS & MINING**



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangarter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

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

August 10, 1992

Wesgra Corporation
P.O. Box 367
Mexican Hat, Utah 84531

Gentlemen:

Re: Well No. Gebauer-Groom 55, Sec. 7, T. 42S, R. 19E, San Juan County, Utah
API No. 43-037-31580

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

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

Sincerely,

A handwritten signature in cursive script that reads "Don Staley".

Don Staley
Administrative Manager
Oil and Gas

DME/lde
cc: R.J. Firth
Bureau of Land Management - Moab
Well file
WOI196