

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

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

2. NAME OF OPERATOR
 Wesgra Corporation

3. ADDRESS AND TELEPHONE NO.
 P.O. Box 310-367, Mexican Hat, Utah 84531

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 1194' from the north line
 1846' from the west line
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 three quarters of a mile

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

16. NO. OF ACRES IN LEASE
 420'

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.
 740'

19. PROPOSED DEPTH
 740'

20. ROTARY OR CABLE TOOLS
 rotary

21. ELEVATIONS (Show whether DP, RT, GR, etc.)
 4230'

22. APPROX. DATE WORK WILL START*
 after approval

5. LEASE DESIGNATION AND SERIAL NO.
 U-7303

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARMOR/LEASE NAME, WELL NO.
 Gebauer-Groom

9. AN WELL NO.
 66

10. FIELD AND POOL, OR WILDCAT
 Mexican Hat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec 7, 423, 19E

12. COUNTY OR PARISH
 San Juan

13. STATE
 Utah

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	10	22pd	30'	5 sacks
9"	6 5/8"	13 pd	280'	20 sacks

RECEIVED

OCT 13 1992

- 1, 2 4, 5, 8, 9
- 3. surface formation Supai
- 6. estimated top of geological marker, Goodridge 280'
- 7. estimated depth of water, oil or gas Goodridge 180'
- 10. pressure equipment not required
- 11. circulating medium air & foam
- 12. testing, samples only
- 13. abnormal pressures or temperatures, none expected, no hydrogen sulfite
- 14. anticipated starting time, when approved or reasonable time there after.

DIVISION OF OIL GAS & MINING

duration of drilling six to nine days
 proposed depth 740'

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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. P. Skeen TITLE President DATE 10-6-92

(This space for Federal or State office use)

PERMIT NO. 43-037-31690 APPROVAL DATE APPROVED BY THE STATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject land which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

DATE: 10/19/92
 BY: [Signature]

APPROVED BY _____ TITLE _____

*See Instructions On Reverse Side WELL SPACING: 156-3

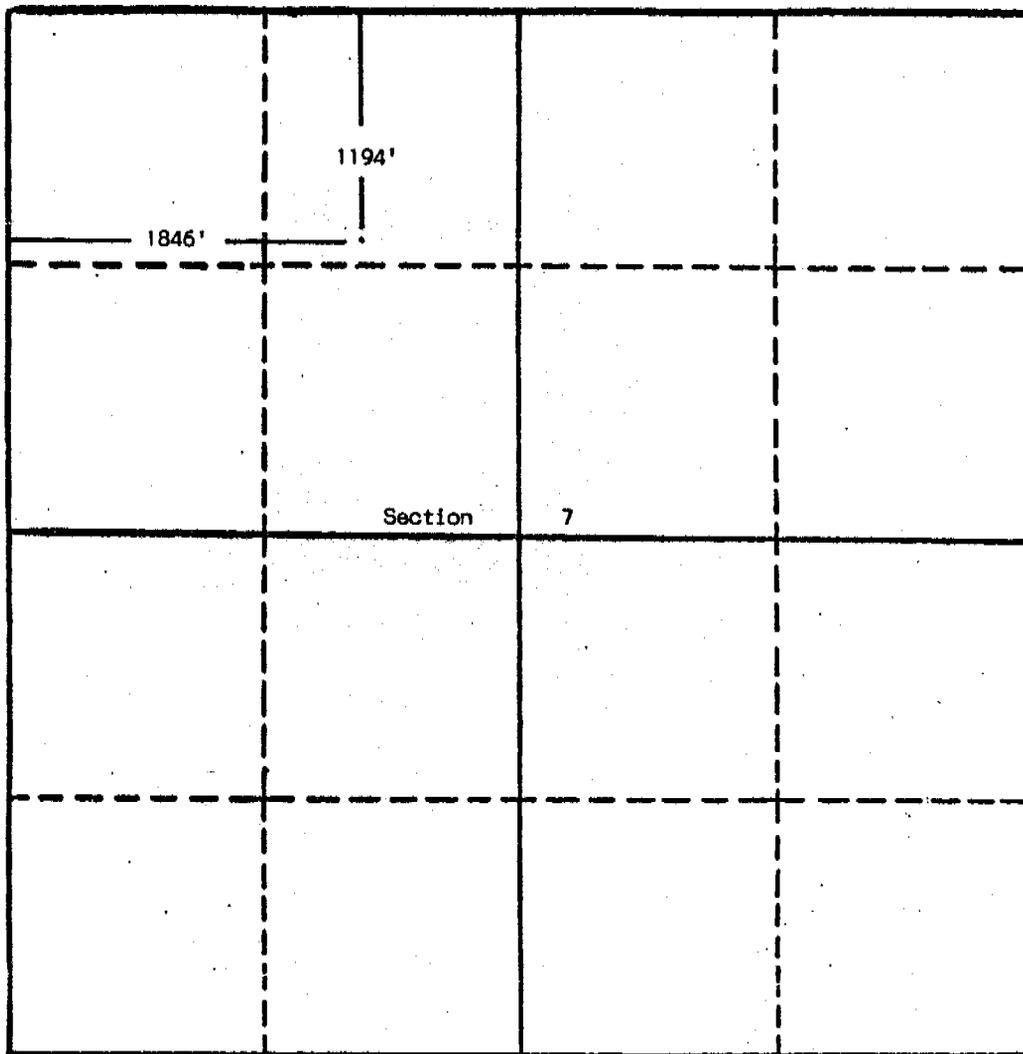
Company Wesgra Corporation

Well Name & No. Gebauer-Groom #66

Location 1194' F/NL 1846' F/WL

Sec. 7, T. 42 S., R. 19 E., S. L. M., County San Juan, Utah

Ground Elevation 4230 Est.



Scale, 1 inch = 1,000 feet

Surveyed April 27, 1992

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Seal:



Edgar L. Risenhoover

Edgar L. Risenhoover
Registered Land Surveyor
New Mexico Reg. No. 5979

Non-resident certification as
authorized by Utah State Law
58-22-21(b)

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

DATE RECEIVED: 10/13/92

OPERATOR: WESGRA CORPORATION
WELL NAME: GEBAUER-GROOM 66

OPERATOR ACCT NO: N-1000

API NO. ASSIGNED: 43-037-31090

LEASE TYPE: FED LEASE NO: U-7303
LOCATION: NENW 07 - T42S - R19E SAN JUAN COUNTY
FIELD: MEXICAN HAT FIELD CODE: 410

RECEIVED AND/OR REVIEWED:	LOCATION AND SITING:
<input checked="" type="checkbox"/> Plat	<input type="checkbox"/> R649-2-3. Unit: _____
<input checked="" type="checkbox"/> Bond (Number <u>federal</u>)	<input type="checkbox"/> R649-3-2. General.
<input checked="" type="checkbox"/> Potash (Y/N)	<input type="checkbox"/> R649-3-3. Exception.
<input checked="" type="checkbox"/> Oil shale (Y/N)	<input type="checkbox"/> Drilling Unit.
<input checked="" type="checkbox"/> Water permit (Number <u>no permit #</u>)	<input type="checkbox"/> Board Cause no: <u>150-3</u>
<input checked="" type="checkbox"/> RDCC Review (Y/N)	<input type="checkbox"/> Date: <u>4-15-80</u>
<input type="checkbox"/> (Date: _____)	

COMMENTS: Unrestricted spacing per Cause No.

STIPULATIONS: 1- 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

October 19, 1992

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

Gentlemen:

Re: Gebauer-Groom 66 Well, 1194 feet from the north line, 1846 feet from the west line, NE 1/4 NW 1/4, Section 7, Township 42 South, Range 19 East, San Juan County, Utah

Pursuant to Utah Code Ann. § 40-6-6, (1953, as amended) and the order issued by the Board of Oil, Gas and Mining in Cause No. 156-3 dated April 15, 1980, approval to drill the referenced well is hereby granted.

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

1. Submittal to the division of evidence providing assurance of an adequate and approved supply of water as required by Utah Code Ann. § 73-3, Appropriations, prior to commencing drilling operations.
2. Compliance with the requirements of Utah Admin. R. 649-1 et seq., Oil and Gas Conservation General Rules.
3. Notification within 24 hours after drilling operations commence.
4. Submittal of Entity Action Form, Form 6, within five working days following commencement of drilling operations and whenever a change in operations or interests necessitates an entity status change.
5. Submittal of the Report of Water Encountered During Drilling, Form 7.

Page 2
Wesgra Corporation
Gebauer-Groom 66 Well
October 19, 1992

6. Prompt notification prior to commencing operations, if necessary, to plug and abandon the well. Notify Frank R. Matthews, Petroleum Engineer, (Office) (801)538-5340, (Home) (801)476-8613, or R.J. Firth, Associate Director, (Home) (801)571-6068.
7. Compliance with the requirements of Utah Admin. R. 649-3-20, Gas Flaring or Venting, if the well is completed for production.

Trash and sanitary waste should be properly contained and transported to approved disposal locations, not retained in or disposed of in pits on location or downhole. Prior to the commencement of drilling operations, the operator should consult the local/county sanitarian and/or the Department of Environmental Quality, Division of Drinking Water/Sanitation, regarding appropriate disposal of sanitary waste.

This approval shall expire one year after date of issuance unless substantial and continuous operation is underway or a request for an extension is made prior to the approval expiration date. The API number assigned to this well is 43-037-31692.

Sincerely,



R.J. Firth
Associate Director, Oil and Gas

ldc
Enclosures
cc: Bureau of Land Management
J.L. Thompson
WO11

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER

SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Mesgra Corporation

3. ADDRESS AND TELEPHONE NO.
 P.O. Box 310-367, Mexican Hat, Utah 84551

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface: 1194' from the north line
 1846' from the west line
 At proposed prod. zone: 47-037-31692

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 three quarters of a mile

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
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 17. NO. OF ACRES ASSIGNED TO THIS WELL: 5

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 19. PROPOSED DEPTH: 740'

20. ROTARY OR CABLE TOOLS: rotary
 21. ELEVATIONS (Show whether DF, RT, GR, etc.): 4230'

22. APPROX. DATE WORK WILL START*
 after approval

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12"	10	22pd	30'	5 sacks
9"	6 5/8"	13 pd	280'	20 sacks

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- 3. surface formation Sunai
- 6. estimated top of geological marker, Goodridge 160'
- 7. estimated depth of water, oil or gas Goodridge 160'
- 10. pressure equipment not required
- 11. circulating medium air & foam
- 12. testing, samples only
- 13. abnormal pressures or temperatures, none expected, no hydrogen sulfide
- 14. anticipated starting time, when approved or reasonable time thereafter

duration of drilling: six to nine days
 proposed depth: 740'

WORK COPY

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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: 10-6-92

(This space for Federal or State office use)
 PERMIT NO. _____ APPROVAL DATE _____

Application approval 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.
 CONDITIONS OF APPROVAL, IF ANY:

/S/ WILLIAM C. STRINGER Assistant District Manager
 for Minerals DATE: NOV - 9 1992

APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

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

Wesgra Corporation
Gebauer-Groom No. 66
U-7303
Mexican Hat Field
NENW Section 7, T.42S., R.19E.
San Juan County, Utah

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.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, 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 field representatives to insure compliance.

A. DRILLING PROGRAM

1. There will be no deviation from the proposed drilling and/or workover program without prior approval from the Assistant District Manager. "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 3162.3-2. Safe drilling and operating practices must be observed.

2. Surface casing (6 5/8") must be cemented back to surface. The proposed 20 sacks of cement will not be sufficient. At least 50 sacks will be necessary to fill the annulus.

B. SURFACE USE PLAN

1. All electrical lines and flow lines will be buried.
2. During rehabilitation of the area, six pounds per acre of either fourwing saltbush or shadscale will be planted.

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the Resource Area, Natural Resource Protection Specialist at least 48 hours prior to commencing construction of location.

Spud- The spud date will be reported to the Resource Area Office 24 hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within 24 hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the District Office on a weekly basis.

Monthly Reports of Operations- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval from the Assistant District Manager. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2. Safe drilling and operating practices must be observed.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Authorized Officer. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

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

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Area Manager is to be notified.

First Production- Should the well be successfully completed for production, the Assistant District Manager, Minerals Division will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five (5) business days following the date on which the well is placed on production.

A first production conference will be scheduled as soon as production testing begins and hydrocarbons reach the surface. This conference should be coordinated through the Resource Area Office.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings and /or samples) will be submitted when requested by the Assistant District Manager.

Venting/Flaring of Gas- NTL-4A allows venting/flaring of gas during the initial well evaluation period not to exceed 30 days or 50 MMcf. Venting/flaring beyond the initial test period threshold must be approved by the District Office.

Produced Water- Produced waste water may be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted to the Assistant District Manager for approval pursuant to NTL-2B.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Assistant District Manager for off-lease measurement, off-lease storage or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the BLM, Moab District Office prior to initiating plugging operations. Table 1 of this document provides the after-hours phone numbers of personnel who are authorized to give plugging instructions.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Assistant District Manager, Minerals Division within thirty (30) days following completion of the well for 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.

TABLE 1

NOTIFICATIONS

Notify Jeff Brown, Robert Larsen or 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 and production casing depths;

3 hours prior to testing BOPE;

If the person at the above number cannot be reached, notify the Moab District Office at (801) 259-6111. If unsuccessful, notify one of the people listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab District Office, Branch of Fluid Minerals at (801) 259-6111. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer	Office: (801) 259-6111
	Home: (801) 259-2214

If unable to reach the above individuals, please call:

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

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

NAME OF COMPANY: WESGRA 43-037-31692

WELL NAME: GERBAUER-GROOM # 66

Section 7 Township 42S Range 19E County SAN JUAN

Drilling Contractor QUALITY

Rig # 1

SPUDDED: Date 4/6/93

Time

How ROTARY

Drilling will commence

Reported by BILL SKEEN

Telephone #

Date 4/6/93 SIGNED FRM

DIVISION OF OIL, GAS AND MINING
 ENTITY ACTION FORM - FORM 6

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

OPERATOR ACCT. NO. N -1060

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION				SPUD DATE	EFFECTIVE DATE	
					QQ	SC	TP	RG			COUNTY
B	99999 1104	11004 1104	43-037- 3192 ³¹⁶⁹²	Gebauer-Groom #66		7	42S	19E	San Juan	4-6693	

WELL 1 COMMENTS:

** Entity added 4-13-93. sec*

WELL 2 COMMENTS:

WELL 3 COMMENTS:

WELL 4 COMMENTS:

WELL 5 COMMENTS:

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

(3/89)

RECEIVED

APR 08 1993

DIVISION OF
 OIL GAS & MINING

W. E. Span
 Signature

President 4-6-93
 Title Date

Phone No. 801-683-2298
405-521-8960

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil well gas well other

2. NAME OF OPERATOR
Wesgra Corporation

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

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
1194' from the north line
1846' ~~AKK~~ from the west li

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF	<input type="checkbox"/>		<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>		<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>		<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>		<input type="checkbox"/>
PULL OR ALTER CASING	<input type="checkbox"/>		<input type="checkbox"/>
MULTIPLE COMPLETE	<input type="checkbox"/>		<input type="checkbox"/>
CHANGE ZONES	<input type="checkbox"/>		<input type="checkbox"/>
ABANDON*	<input type="checkbox"/>		<input type="checkbox"/>
(other)	<input type="checkbox"/>		<input type="checkbox"/>

5. LEASE U-7303

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Gebauer-Groom

9. WELL NO. 66

10. FIELD OR WILDCAT NAME
Mexican Hat

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

12. COUNTY OR PARISH | 13. STATE
San Juan | Utah

14. API NO.
X 43-037-31692

15. ELEVATIONS (SHOW DF, KDB, AND WD)

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

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

Plugged according to BLM regulations
witnessed by BLM personal

RECEIVED

APR 19 1993

DIVISION OF
OIL GAS & MINING

Subsurface Safety Valve: Manu. and Type _____ Set @ _____ Ft.

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

SIGNED W. A. Steen TITLE President DATE 4-15-93

(This space for Federal or State office use)

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