

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE\*  
(Other instructions on reverse side)

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

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  
 Ampolex (Texas), Inc.

3. ADDRESS OF OPERATOR  
 1225 17th Street, Suite #3000, Denver, CO 80202 (303) 297-1000 <sup>295-9000</sup>

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
 At surface: 816' FNL & 1,901' FWL  
 At proposed prod. zone: SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 See Topo Map "A"

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	816'	16. NO. OF ACRES IN LEASE	1,280	17. NO. OF ACRES ASSIGNED TO THIS WELL	320
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	N/A	19. PROPOSED DEPTH	5,978'	20. ROTARY OR CABLE TOOLS	Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.)	5,925' GR	22. APPROX. DATE WORK WILL START*		05/01/93	

5. LEASE DESIGNATION AND SERIAL NO.  
 UTU-59240

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 ---

7. UNIT AGREEMENT NAME  
 Cactus Park

8. FARM OR LEASE NAME  
 Cactus Park

9. WELL NO.  
 No. 2

10. FIELD AND POOL, OR WILDCAT  
 Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 Section 30-T36S-R25E

12. COUNTY OR PARISH  
 San Juan

13. STATE  
 Utah

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#, J-55	1,775'	To Surface
7-7/8"	5-1/2"	17#, K-55	TD	TOC above all pay zones

Be advised that Ampolex (Texas), Inc., is considered to be the operator of the proposed well and is responsible under the terms and conditions of the Leasee for all operations conducted on leased lands.

Bond coverage for this well is provided by Nationwide Surety #69HF3973.

RECEIVED

DEC 29 1992

CONFIDENTIAL

DIVISION OF OIL GAS & MINING

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 Robert C. Greenberg TITLE Senior Petroleum Engineer DATE 12/23/92

(This space for Federal or State office use)

PERMIT NO. 43-037-31700

APPROVAL DATE

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

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

DATE: 24-93  
 BY: Matthew  
 WELL SPACING: 649-32

\*See Instructions On Reverse Side



Ampolex (Texas), Inc.  
 Cactus Park #2  
 816' FNL & 1,901' FWL  
 NE NW Section 30-T36S-R25E  
 San Juan County, Utah  
 Lease No.: UTU-59240  
 Onsite Inspection Date: December 1, 1992

All lease and/or unit 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. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

**A.) DRILLING PROGRAM**

1. The estimated tops of important geologic markers are as follows:

<u>FORMATION</u>	<u>DEPTH</u>	<u>SUBSEA</u>	<u>THICKNESS</u>
Morrison	Surface	6,032'	804'
Entrada	707'	5,228'	150'
Carmel	857'	5,078'	35'
Navajo/Kayenta/ Wingate	892'	5,043'	820'
Chinle	1,712'	4,223'	690'
Shinarump	2,402'	3,533'	100'
Cutler (+Moenkopi)	2,502'	3,433'	1,910'
Upper Hermosa	4,412'	1,523'	1,200'
Upper Ismay	5,612'	323'	90'
Hovenweep Shale	5,702'	233'	62'
Lower Ismay	5,764'	171'	18'
Anhydrite	5,782'	153'	20'
Carbonate	5,802'	133'	10'
Gothic Shale	5,812'	123'	28'
Upper Desert Crk.	5,840'	95'	10'
Anhydrite	5,850'	85'	20'
Carbonate	5,870'	65'	10'
Lower Desert Crk.	5,880'	55'	10'
Anhydrite	5,890'	45'	5'
Pay Zone	5,895'	40'	20'
Base Pay	5,915'	20'	10'
Chimney Rock Sh.	5,925'	10'	20'
Akah	5,945'	-10'	30'
Salt	5,975'	-40'	3'
Total Depth	5,978'	-43'	

Ampolex (Texas), Inc.  
Cactus Park #2  
816' FNL & 1,901' FWL  
NE NW Section 30-T36S-R25E  
San Juan County, Utah

## DRILLING PROGRAM

Page Two

2. Estimated depth at which Oil, Gas, Water or other Mineral Bearing Zones are expected to be encountered are as follows:

Expected Oil & Gas Zones:	Upper Ismay	5,612'
	Lower Ismay	5,764'
	Lwr. Desert Crk.	5,895'

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.

3. Pressure Control Equipment:

- a.) After initial WOC time, a 8-5/8", 3,000# casing head will be installed. Minimum requirement for BOP equipment will consist of a 10", 3,000# double ram preventer with blind and pipe rams and one 10", 3,000# annular BOP.
- b.) BOP rams and accessories including upper kellycock, floor safety valve and choke manifold will be pressure tested as per BLM approved NTL-6. Enter BOP tests in the Daily Tour Book. The pipe rams will be operationally checked each 24 hrs. Blind rams will be operationally checked each time pipe is pulled out of the hole, but not more than once a day. Studs on all wellhead and BOP flanges should be checked for tightness each week. Hand wheels for locking screws shall be installed and operational and the entire BOP and wellhead assembly shall be kept clean of mud. A drill stem safety valve in the open position shall be available on the rig floor at all times.
- c.) BOP equipment will be pressure tested again prior to drilling into the Lower Desert Creek Formation.
- d.) Uncased hole is NOT to be pressured during BOP tests!

Ampolex (Texas), Inc.  
Cactus Park #2  
816' FNL & 1,901' FWL  
NE NW Section 30-T36S-R25E  
San Juan County, Utah

**DRILLING PROGRAM**

**Page Three**

e.) Keep hole full at all times during tripping operations. If pipe or tools are to be left stationary at any time in open hole, the kelly is to be picked up, the pipe rotated and circulation maintained.

4. Casing Program and Auxiliary Equipment:

a.) Surface Pipe:

8-5/8", 36#, J-55, LT&C to be set in 12-1/4" hole at 1,775' (minimum of 50' into the Chinle). Guide shoe and insert float collar with fill up to be run on bottom joint with one (1) centralizer in the middle. Additional centralizers to be spaced out every fourth joint.

b.) Cement:

Hole volume plus 100% excess of Light Cement lead slurry, approximately 550 sx with 2% CCL and 1/4#/sk Flocele and tail in with 150 sx Class "G" with 2% CCL and 1/4#/sk Flocele.

c.) Production Casing:

5-1/2", 17#, K-55 set at TD in 7-7/8" hole. Guide shoe and differential fill float collar to be run on first joint. Centralizers and scratchers to be run across all potential zones of production.

d.) Cement:

Skavenger slurry of 150 sx 50/50 Pozmix, tailed in with hole volume plus 30% excess of Class "B" cement to bring TOC above all possible pay zones. Estimate 200 sx. Final cementing program to be determined after logging.

Anticipated cement tops will be reported as to depth, not the expected number of sacks.

Ampolex (Texas), Inc.  
Cactus Park #2  
816' FNL & 1,901' FWL  
NE NW Section 30-T36S-R25E  
San Juan County, Utah

## DRILLING PROGRAM

### Page Four

#### 5. Mud Program and Circulating Medium:

##### a.) Surface Hole:

Drill with fresh water using gel and lime for viscosity and mica to control seepage.

##### b.) Main Hole:

Drill out from surface pipe using fresh water, lime and flocculants. At  $\pm$  4,400', clean out mud tanks and "mud-up" with a gel mud 8.8 - 9.0 ppg, 30-35 sec/qt. vis. and 10-15cc water loss. Maintain mud properties for DST at all times. At 5,880'  $\pm$  raise mud wt. to 11.0 ppg by adding barite before drilling into the Lower Desert Creek Formation and maintain weight to TD. A detailed mud program will be furnished by the mud supplier. All recommendations made by the mud engineer must be followed.

Operations will be conducted in accordance with ONSHORE OIL AND GAS ORDER NO. 2; DRILLING OPERATIONS, except where advance approval for a variance has been obtained.

#### 6. Coring, Logging, and Testing Program:

##### a.) Core:

One (1) 60' in the Lower Desert Creek Formation.

##### b.) Drill Stem Tests:

One (1) probable - Lower Desert Creek Formation.

One (1) possible - Upper & Lower Ismay Formations.

A test of the top of the porosity will be conducted under the following circumstances:

- 1.) Top of porosity should be indicated by a drilling break. Drill 10' into the break or until a definite decrease in drill rate is observed, whichever is the lesser.

Ampolex (Texas), Inc.  
Cactus Park #2  
816' FNL & 1,901' FWL  
NE NW Section 30-T36S-R25E  
San Juan County, Utah

**DRILLING PROGRAM**  
**Page Five**

2.) Circulate for samples and gas shows. If cuttings show good visual porosity and are accompanied by significant increases in gas notify Ampolex personnel of same and prepare to DST.

c.) Mud Logging:

One combination mud logger/geologist unit - install at 4,400'.

Continuous gas detector and chromatograph analysis will be required and must be fully operational prior to penetrating the Hermosa. Cuttings gas analysis should be run on each cuttings sample to TD (unless otherwise agreed by Ampolex geologist).

Drill rate, lithology and gas log to be maintained for inspection by Ampolex personnel. Weight on bit, RPM, bit history and mud parameters are to be recorded. Other relevant well details should be recorded on the mud log.

d.) Open Hole Logs:

DLL-MSFL - TD to 4,400'.

FDC-CNL - TD to 4,400'.

LSS - TD to base of surface casing.

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(b). Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other

Ampolex (Texas), Inc.  
Cactus Park #2  
816' FNL & 1,901' FWL  
NE NW Section 30-T36S-R25E  
San Juan County, Utah

**DRILLING PROGRAM**

**Page Six**

surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Moab District Manager.

7. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards:

**NOTE: ABNORMAL PRESSURE IS EXPECTED TO BE ENCOUNTERED IN THE LOWER DESERT CREEK - 3,300 - 3,400 PSI.**

8. Anticipated Starting Dates and Notifications of Operations:

Required verbal notifications are summarized in Table I, 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.

In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6, "Monthly Report of Operations", starting with 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 Minerals Management Service.

- a.) Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported 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.

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

Ampolex (Texas), Inc.  
Cactus Park #2  
816' FNL & 1,901' FWL  
NE NW Section 30-T36S-R25E  
San Juan County, Utah

**DRILLING PROGRAM**  
**Page Seven**

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the District Manager 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.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed thirty (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 (d) and Onshore Oil and Gas Order No. 2.

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

Well name and number, location by 1/4 1/4 Section, Township and Range, Lease Number and Operator.

Ampolex (Texas), Inc.  
Cactus Park #2  
816' FNL & 1,901' FWL  
NE NW Section 30-T36S-R25E  
San Juan County, Utah

**THIRTEEN-POINT SURFACE USE PLAN**

**Page Eight**

**B.) THIRTEEN-POINT SURFACE USE PLAN**

1. Existing Roads:

- a.) Location of proposed well in relation to town or other reference point: See Topo Map "A".
- b.) Proposed route to location: Set Topo Map "A" and Topo Map "B".
- c.) Plans for improvement and/or maintenance of existing roads: The existing roads that access this well will be brought to Resource (Class 111) Road Standards. Ditched, crowned, culverts in place where needed and surfaced with rock.
- d.) An encroachment permit will be obtained from the San Juan County Road Department (801) 587-2231, Ext. 43 for use of county roads.

2. Planned Access Roads:

Approximately .1 mile of new road, 40 feet of maximum disturbed width would be constructed with a 20 foot wide running surface.

There will be one cattleguard needed as shown on Topo Map "B".

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 of usage.

The topsoil from the access road will be reserved in place.

3. Location of Existing Wells:

None in a 1-Mile radius.

4. All permanent above-ground facilities (in place six months or longer) will be painted a neutral, juniper green color as required by the Authorized Officer,

Ampolex (Texas), Inc.  
Cactus Park #2  
816' FNL & 1,901' FWL  
NE NW Section 30-T36S-R25E  
San Juan County, Utah

**THIRTEEN-POINT SURFACE USE PLAN**  
**Page Nine**

4. (Cont.)  
except for those facilities or portions thereof required to comply with the Occupational Safety and Health Act or written company safety manual or documents. The paint on the surfaces of the facilities will be maintained as required by the Authorized Officer.

If a tank battery is constructed on this location it will be surrounded by a dike of sufficient capacity to contain 1.5 times the storage capacity of the largest tank + one days production entering the battery. All load lines and valves will be placed inside the dike surrounding the tank battery. The tank battery and berm, any pits, and any production facilities shall be fenced and the fence will be maintained. The gates shall be kept closed.

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.

Gas measurement will be conducted in accordance with the ONSHORE OIL AND GAS ORDER NO. 5; GAS MEASUREMENT and 43 CFR 3162.7-3.

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 wellhead to the meter and downstream for the remainder of the pad. Meter runs will be housed and/or fenced.

Oil measurement will be conducted in accordance with ONSHORE OIL AND GAS ORDER NO. 4; OIL MEASUREMENT and 43 CFR 3162.7-2.

5. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from privately owned sources. They are as follows:

- 1.) Water well owned by Clyde Watkins, located South 2,722' and East 10' from the NW corner, Section 1-T37S-R22E, S.L.B. & M.

Ampolex (Texas), Inc.  
Cactus Park #2  
816' FNL & 1,901' FWL  
NE NW Section 30-T36S-R25E  
San Juan County, Utah

**THIRTEEN-POINT SURFACE USE PLAN**

**Page Ten**

- 2.) Water well owned by Grady Ragsdale, located in the NE 1/4, NE 1/4, Section 23-T40N-R19W, Dolores County, Colorado.
- 3.) Water well owned by Richard Perkins, located North 2,350' and West 444' from the SE corner, Section 12-T38S-R24E, S.L.B. & M.
- 4.) Town of Dove Creek, Colorado.

Water obtained on private land, or land administered by another agency, will require approval from the owner or agency for use of that water.

6. Source of Construction Material:

Pad construction material will be obtained from onsite and in place materials.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.

7. Method of Handling Waste Disposal:

The reserve pit will be constructed with at least 1/2 of the capacity in cut material and will be lined with 24 tons of bentonite. The sides of the pit shall be sloped no greater than three to one. If bentonite is used as lining material it shall be worked into the soil.

The sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operations cease with four (4) strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four (4) feet. The fence will be kept in good repair while the pit is drying.

No liquid hydrocarbons (i.e. fuels, lubricants, formation) will be discharged to the reserve pit, location, or on the access road. In the event of an accident and hydrocarbons are allowed to escape, all hydrocarbons will be cleaned up and removed within 48 hours.

No chrome compounds will be on location.

Ampolex (Texas), Inc.  
Cactus Park #2  
816' FNL & 1,901' FWL  
NE NW Section 30-T36S-R25E  
San Juan County, Utah

**THIRTEEN-POINT SURFACE USE PLAN**  
**Page Eleven**

7. (Cont.)

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.

**OTHER:**

Portable Chemical Toilet will be provided.  
Garbage and trash will be disposed of in trash bin. The trash bin will be totally enclosed with small mesh wire to prevent wind scattering trash before being removed. Reserve pit will be fenced on three sides during drilling and the fourth side fenced upon removal of the rig.

After the rig moves out, all materials will be cleaned up and no adverse materials will be left on location. All open pits will be fenced during drilling and kept closed until the pit is leveled.

8. Ancillary Facilities:

Camp facilities will not be required.

9. Well Site Layout:

The reserve pit will be located: See attached layout sheet.

10. Plans for Restoration of Surface:

a.) Within 24 hours of completion of drilling, the location and surrounding area will be cleared of everything not required for production.

b.) As soon as the reserve pit has dried all areas not needed for production (including the access road) will be filled in, contoured to approximately natural contours and as much top soil as was removed, (approximately 12") replaced, leaving sufficient for future restoration. This area will then be seeded.

Ampolex (Texas), Inc.  
Cactus Park #2  
816' FNL & 1,901' FWL  
NE NW Section 30-T36S-R25E  
San Juan County, Utah

**THIRTEEN-POINT SURFACE USE PLAN**

**Page Twelve**

- b.) (Cont.)  
The remaining top soil will be stabilized and seeded in place. If the well is a dry hole, the location and access road will be rehabilitated in total.
- c.) The area will be seeded between October 1 and February 38 with:
- 1 lb./acre - Sand Dropseed
  - 4 lbs./acre - Crested Wheatgrass
  - 3 lbs./acre - Fourwing Saltbrush
  - 2 lbs./acre - Desert Bitterbrush
  - 1/2 lb./acre - Yellow Sweetclover
  - 1/2 lb./acre - Wild Sunflower
  - 2 lbs./acre - Russian Wildrye
- The pounds of seed listed above is pure live seed.
- d.) Seed will be broadcast followed by a light harrowing. If the seed is drilled, the seeding rate can be reduced by 25% and harrowing can be eliminated. The Authorized Officer may require additional soil manipulation at time of rehabilitation.

11. Surface and Mineral Ownership: B.L.M.
12. Other Information: Same on new construction as old.

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.

"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

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

Ampolex (Texas), Inc.  
Cactus Park #2  
816' FNL & 1,901' FWL  
NE NW Section 30-T36S-R25E  
San Juan County, Utah

**THIRTEEN-POINT SURFACE USE PLAN**  
**Page Thirteen**

12. (Cont.)

Prior to starting construction and while operations are in progress, all identified historic or archaeological sites will be fenced with a single strand wire or colored plastic tape.

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 time frame 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.

This permit will be valid for one (1) years from the date of approval. After permit termination; a new application will be filed for approval for any future operations.

Ampolex (Texas), Inc.  
Cactus Park #2  
816' FNL & 1,901' FWL  
NE NW Section 30-T36S-R25E  
San Juan County, Utah

**THIRTEEN-POINT SURFACE USE PLAN**  
**Page Fourteen**

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.

13. Lessee's or Operator's Representative and Certification:

Representative:

NAME: Robert C. Arceneaux  
ADDRESS: 1225 17th Street, Suite #3000  
Denver, Colorado 80202  
TELEPHONE NO.: (303) 297-1000

Certification:

Be advised that Ampolex (Texas), Inc. is considered to be the operator of Well Cactus Park #2 location as follows:

NE NW Section 30-T36S-R25E  
San Juan County, Utah

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. CO-0701. The principal is Ampolex (Wyoming), Inc. via surety consent as provided for in 43 CFR 3104.2. (Surety - Insurance Company of North America. Surety No. 69HF3973 - Nationwide Bond)

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

NAME: Robert C. Arceneaux  
Robert C. Arceneaux

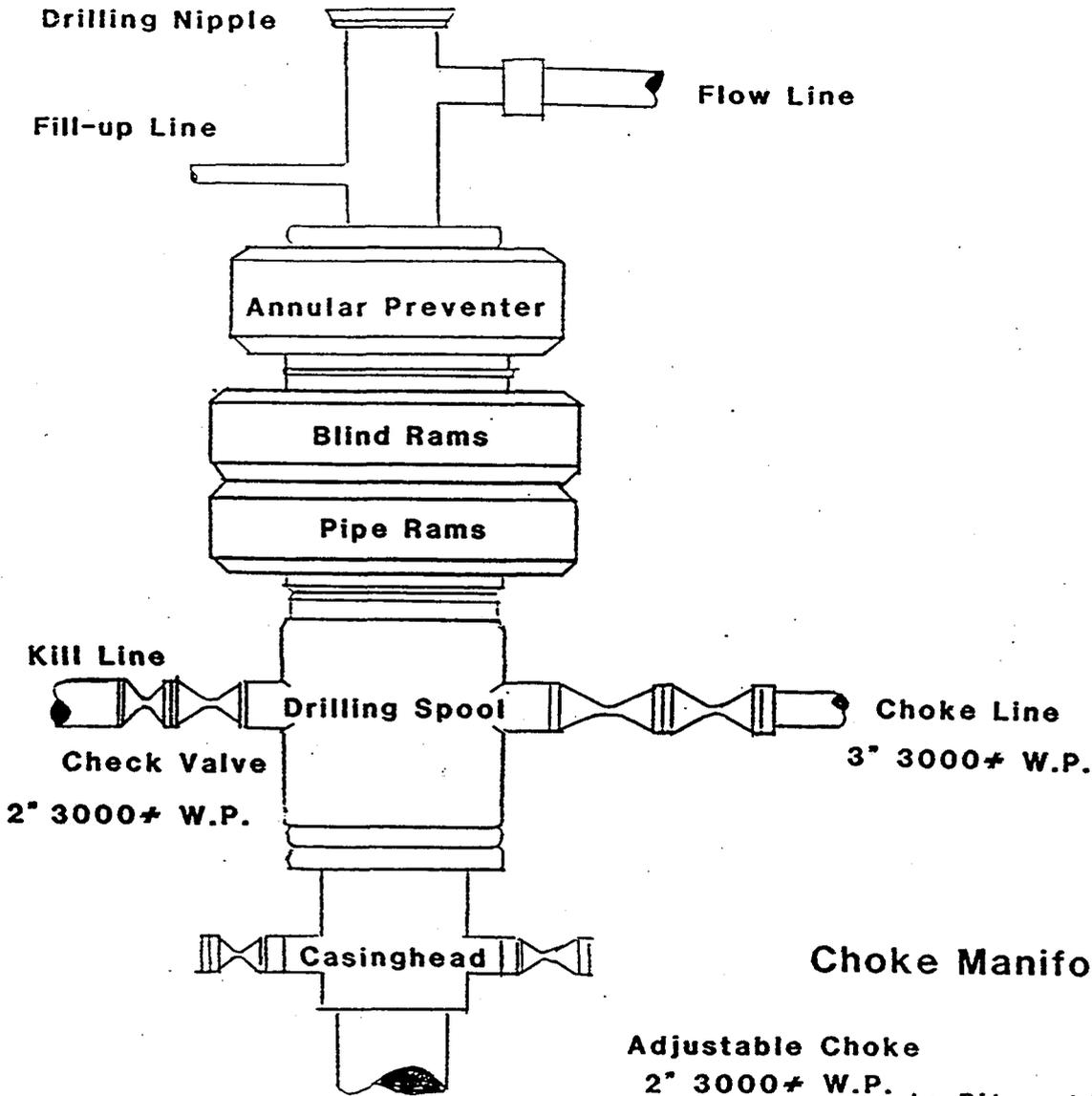
TITLE: Senior Petroleum Engineer

DATE: December 23, 1992

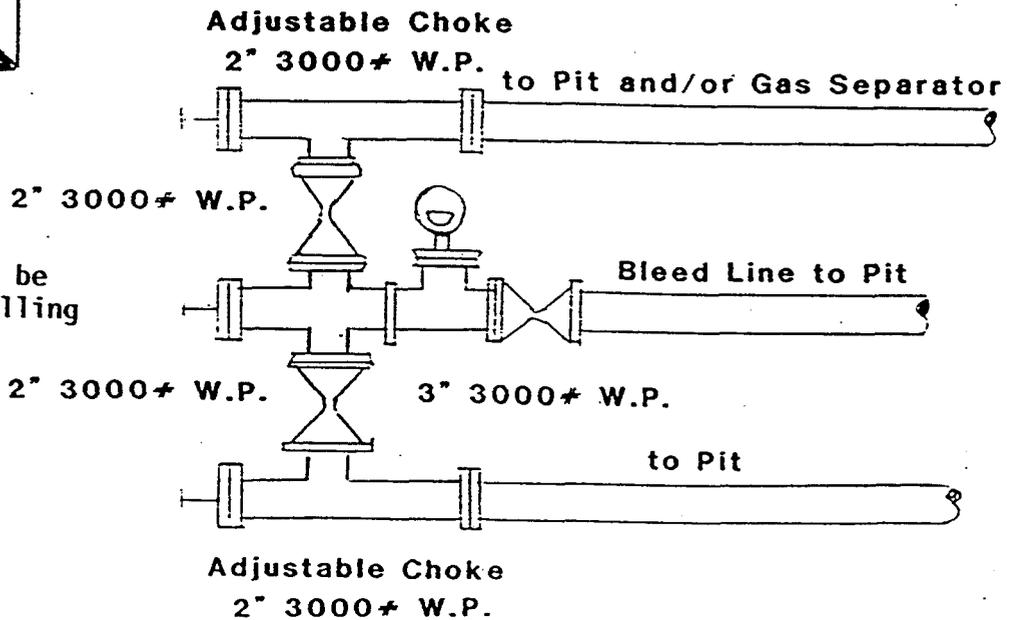
# EXHIBIT C

## Blow Out Preventer Equipment

### BOP Stack



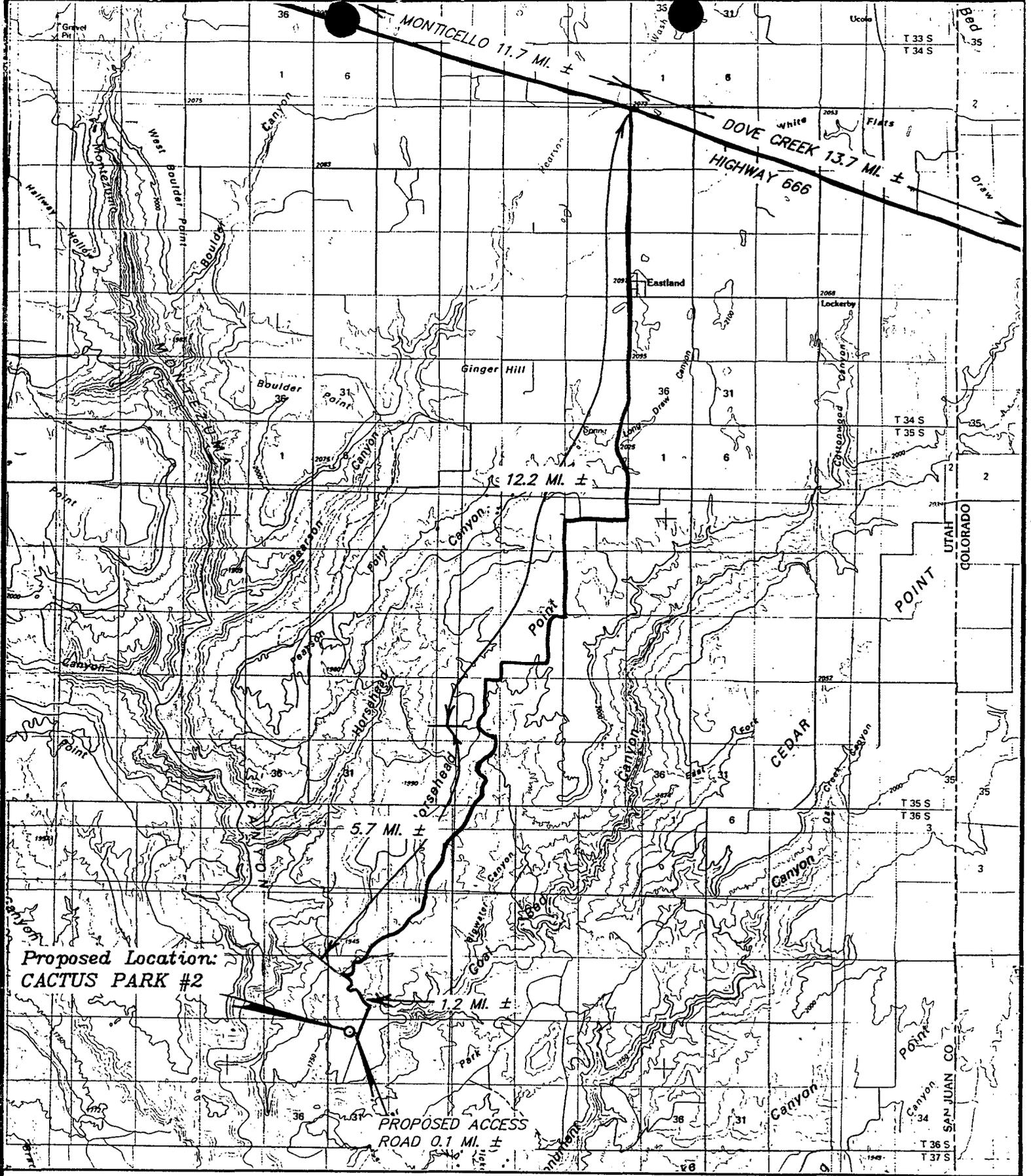
### Choke Manifold



**NOTE:** BOP side outlets may be used in place of drilling spool.

**B. Stipulations:**

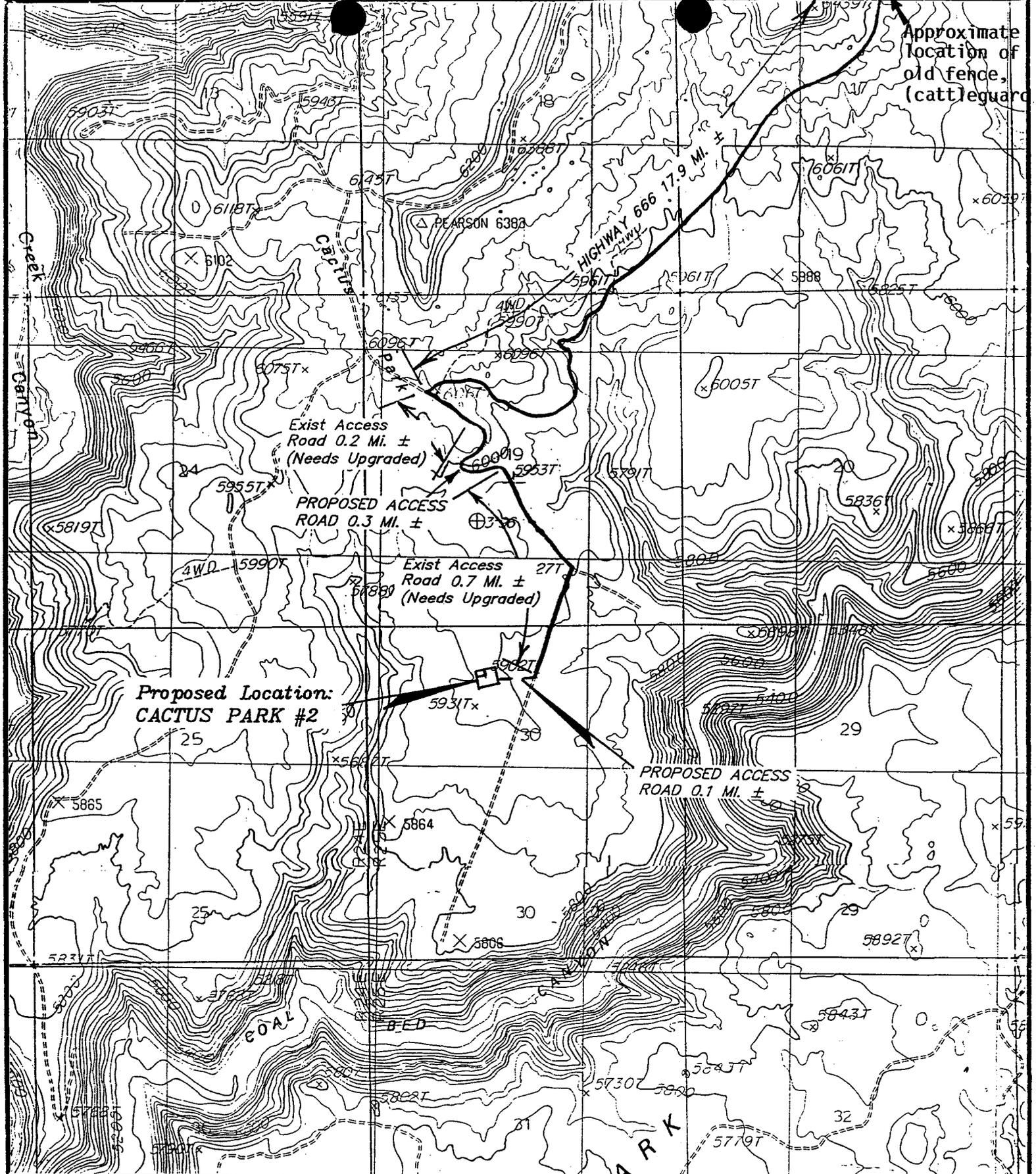
1. The location will be rehabilitated as per the conditions of approval in the APD.
2. If construction is delayed until February 1, 1993, the wildlife biologist will be notified and a survey would be done to ensure raptor safety during the critical nesting season. All raptor nests will be avoided by one-half mile from construction activities.
3. The cattleguard that is referenced as to location on revised topographic map B dated 12-2-92 (submitted as part of the APD) will be installed prior to the drilling rig being moved onto the location. This cattleguard will be a permanent installation and will not be removed.
4. In order to protect deer on their critical winter range, exploration, drilling, and other development activity will be allowed only during the period from May 1 to December 15.
5. An archaeological survey has been conducted for the well pad and access road. Two sites have been identified during the survey that need protection. A single strand wire fence will be erected, as was recommended in the archaeological report, for the protection of the two sites. An archaeologist will monitor the placement of the two fences. These fences will be in place prior to any construction of the access road and location.



REVISED: 12-2-92 J.L.G.  
 TOPOGRAPHIC  
 MAP "A"  
 DATE 11-17-92 R.E.H.



**AMPOLEX (TEXAS) INC.**  
 CACTUS PARK #2  
 SECTION 30, T36S, R25E, S.L.B.&M.



**Proposed Location:  
CACTUS PARK #2**

REVISED: 12-2-92 J.L.G.  
 TOPOGRAPHIC  
 MAP "B"  
 SCALE: 1" = 2000'  
 DATE 11-17-92 R.E.H.

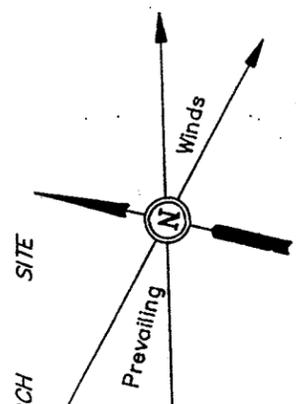
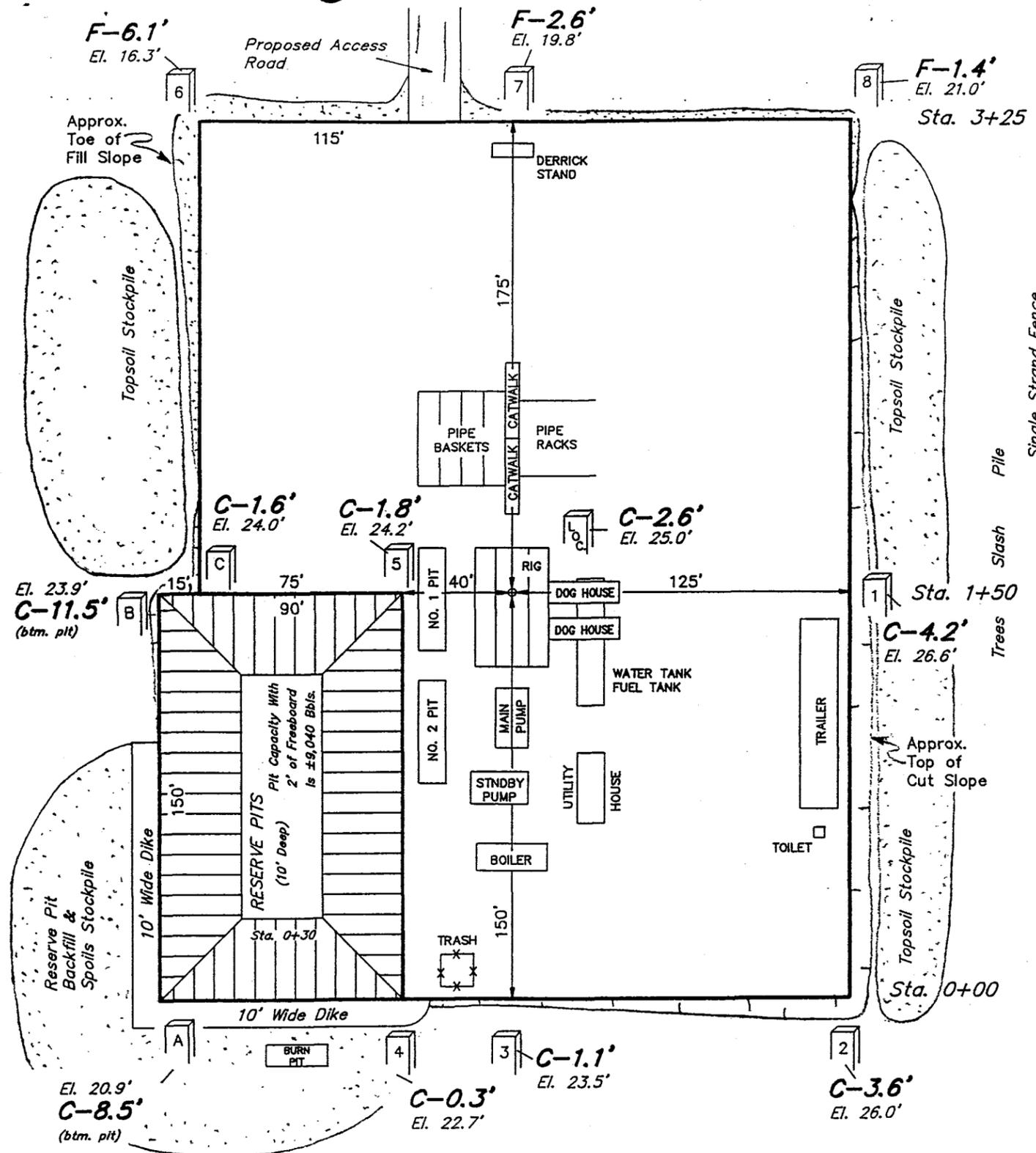


**AMPOLEX (TEXAS) INC.**

CACTUS PARK #2  
 SECTION 30, T36S, R25E, S.L.B.&M.

AMPOLEX (TEXAS) INC.

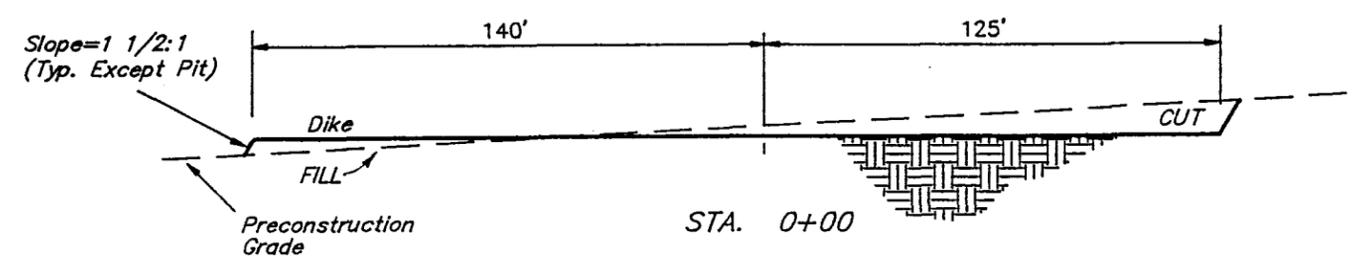
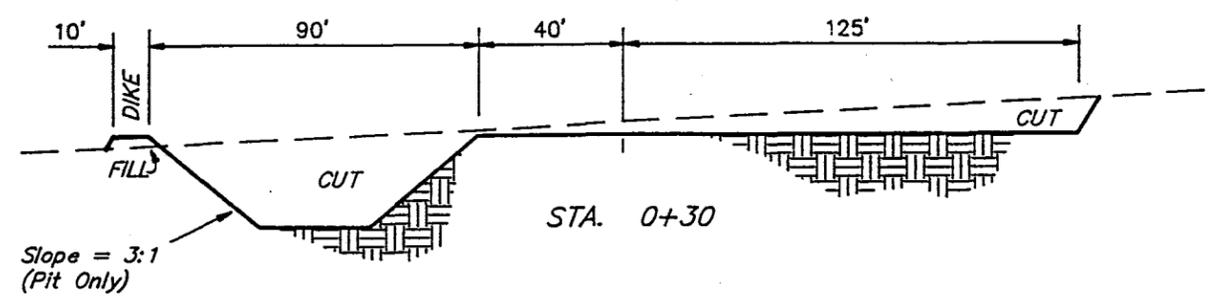
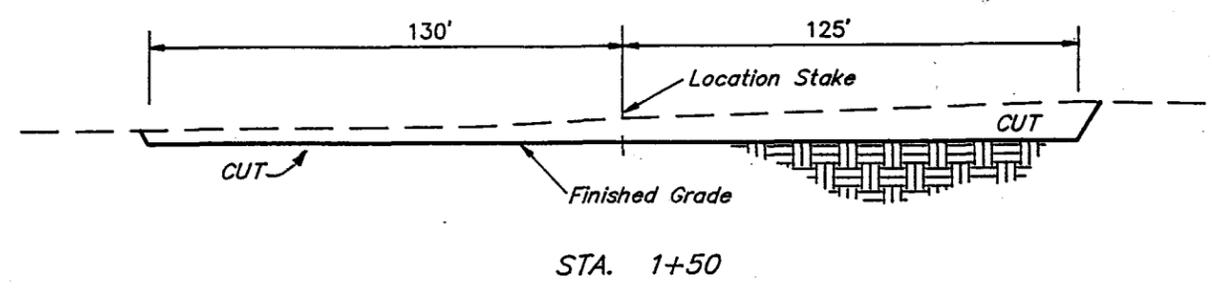
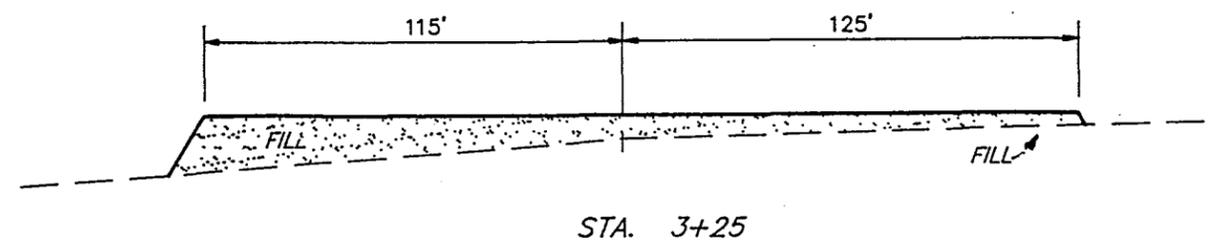
LOCATION LAYOUT FOR  
CACTUS PARK #2  
SECTION 30, T36S, R25E, S.L.B.&M.



SCALE: 1" = 50'  
DATE: 11-17-92  
Drawn By: T.D.H.  
REVISED: 12-2-92 J.L.G.

X-Section Scale  
1" = 50'

TYP. LOCATION LAYOUT  
TYP. CROSS SECTIONS



APPROXIMATE YARDAGES

CUT	
(12") Topsoil Stripping	= 2,980 Cu. Yds.
Remaining Location	= 5,250 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 8,230 CU.YDS.</b>
<b>FILL</b>	<b>= 3,670 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	= 4,370 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 4,370 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

NOTES:

Elev. Ungraded Ground At Loc. Stake = 5925.0'  
FINISHED GRADE ELEV. AT LOC. STAKE = 5922.4'

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

DATE RECEIVED: 12/29/92

OPERATOR: AMPOLEX (TEXAS) INC  
WELL NAME: CACTUS PARK 2

OPERATOR ACCT NO: N- 0385

API NO. ASSIGNED: 43-037-31700

LEASE TYPE: FED LEASE NO: UTU-59040  
LOCATION: NENW 30 - T36S - R25E SAN JUAN COUNTY  
FIELD: WILDCAT FIELD CODE: 001

RECEIVED AND/OR REVIEWED:

- Plat
- Bond  
(Number federal)
- Potash (Y/N)
- Oil shale (Y/N)
- Water permit  
(Number \_\_\_\_\_)
- RDCC Review (Y/N)  
(Date: 12-31-92)

LOCATION AND SITING:

- R649-2-3. Unit: \_\_\_\_\_
- R649-3-2. General.
- R649-3-3. Exception.
- Drilling Unit.
- Board Cause no: \_\_\_\_\_
- Date: \_\_\_\_\_

COMMENTS:

No producing well within Sec 30.

CONFIDENTIAL  
PERIOD  
EXPIRES  
ON 12-10-94

STIPULATIONS:

cc: San Juan county assessor

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, Utah 84180-1203
2. STATE APPLICATION IDENTIFIER NUMBER:  
(assigned by State Clearinghouse)
- 
3. APPROXIMATE DATE PROJECT WILL START:  
May 1, 1993
- 
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 Acquisition  
 Land Sale  Land Exchange  Other \_\_\_\_\_
- 
6. TITLE OF PROPOSED ACTION:  
Application for Permit to Drill
- 
7. Ampolex (Texas), Inc. proposes to drill the Cactus Park #2 well (wildcat) on federal lease UTU-68007 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 action and must issue approval before operations commence.
- 
8. LAND AFFECTED (site location map required) (indicate county)  
NE/4 NW/4, Section 30, Township 36 South, Range 25 East, San Juan County, Utah
- 
9. HAS THE LOCAL GOVERNMENT(S) BEEN CONTACTED?
- 
10. POSSIBLE SIGNIFICANT IMPACTS LIKELY TO OCCUR:  
See Attachment
- 
11. NAME AND PHONE NUMBER OF DISTRICT REPRESENTATIVE FROM YOUR AGENCY NEAR PROJECT SITE, IF APPLICABLE:
- 
12. FOR FURTHER INFORMATION, CONTACT:  
Frank R. Matthews  
PHONE: 538-5340
13. SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL:  
DATE: 12/31/92   
Petroleum Engineer

WO1187



State of Utah  
 DEPARTMENT OF NATURAL RESOURCES  
 DIVISION OF WILDLIFE RESOURCES

*RJ sent to feb:*

**RECEIVED**

JAN 26 1993

DIVISION OF  
 OIL GAS & MINING

Norman H. Bangarter  
 Governor  
 Dee C. Hansen  
 Executive Director  
 Timothy H. Provan  
 Division Director

1596 West North Temple  
 Salt Lake City, Utah 84116-3195  
 801-538-4700  
 801-538-4441 (Fax)

January 25, 1993

Mr. Lowell Braxton  
 Division of Oil, Gas and Mining  
 355 West North Temple  
 3 Triad Center, Suite 350  
 Salt Lake City, Utah 84180

*Ampolex  
 T365 R25E Sec 30*

Dear Lowell:

This letter is in regard to an application for a permit to drill a wildcat well (Cactus Park #2) on federal lease UTU-68007. We have the following comments regarding this application.

The Division of Wildlife Resources (DWR) is concerned with the potential impacts to wildlife resulting from intense oil exploration and production activities in the Montezuma Creek area. This area provides critical habitat to a number of wildlife species and is potential habitat to several species of special concern. We outlined our concerns regarding the impacts of increased development in the Montezuma Creek area in a letter to your office dated August 12, 1992. These issues and the cumulative impacts to wildlife of energy development, recreation, and livestock grazing are significant. In an effort to mitigate the impacts of this proposed well, we present the following for your consideration.

This well is to be located in an area classified as critical deer winter range. The impacts of disturbance on wintering big game are well documented. We recommend that no construction or drilling activities occur on this site from December 1 through April 15 in order to minimize the impact of this well on deer. We also urge that, in addition to grass and forb species, species such as bitterbrush, alfalfa, fourwing saltbush and serviceberry be included in the seed mix used for reclamation of this site in order to retain its value as deer winter range. The construction of new roads should be minimized as increased access results in significant disturbance to wildlife. Reclamation of any new roads should occur following an unsuccessful drilling attempt or when production ceases.

A pair of wintering bald eagles has been observed using the Montezuma Creek area. The cottonwood bottoms in this area provide potential nest sites for this pair. Golden eagles and red-tail hawks are known to nest in the vicinity and there is potential ferruginous hawk nesting habitat. Montezuma Creek and its side canyons are potential habitat for Mexican spotted owls and spotted



Mr. Lowell Braxton  
January 25, 1993  
Page 2

bats, both of which are federally protected. The potential for impacts to these species requires that precautions be taken to prevent any incidents of disruption or mortality. The following are time periods when the above species are particularly vulnerable to disturbance:

Wintering Bald Eagles	December 1 to April 15
Nesting Raptors	February 1 to July 15
Spotted Owls	March 15 to June 15
Spotted Bats	February 1 to June 30

An appropriate window for drilling this well would be from July 16 through November 30. However, should drilling be anticipated during any of these seasons, the DWR recommends that surveys be conducted prior to drilling in order to determine the presence of nest or roost sites that may be impacted. Should such sites be located, appropriate seasonal restrictions or buffer zones should be established. If these species are not present, no restriction will be necessary.

The San Juan Resource area of the Bureau of Land Management has implemented a program for the netting of reserve pits in order to prevent the contamination and mortality of birds, bats, and other wildlife species. We strongly recommend that this program be continued for this well. Water is often the limiting factor for wildlife in this area and all water sources are considered critical. It is important that these sources do not become contaminated or depleted in any way as a result of the proposed drilling activity.

We realize that the Bureau of Land Management is the lead agency with regard to issues concerning this well, but we wanted to make you aware of our concerns for impacts to wildlife in the Montezuma Creek area. We appreciate the opportunity to provide input on this action. If you have any questions, please contact Ken Phippen, Regional Habitat Manager (637-3310).

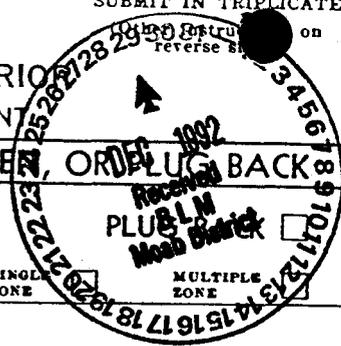
Sincerely,

  
Timothy H. Provan  
Director

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE\*  
on reverse

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



APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  
 DRILL  DEEPEN

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

2. NAME OF OPERATOR  
 Ampolex (Texas), Inc.

3. ADDRESS OF OPERATOR  
 1225 17th Street, Suite #3000 Denver, CO 80202 (303) 297-1000

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
 At surface 816' FNL & 1,901' FWL  
 At proposed prod. zone SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 See Topo Map "A"

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 816'

16. NO. OF ACRES IN LEASE 1,280

17. NO. OF ACRES ASSIGNED TO THIS WELL 320

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

19. PROPOSED DEPTH 5,978'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5,925' GR

22. APPROX. DATE WORK WILL START\* 05/01/93

5. LEASE DESIGNATION AND SERIAL NO.  
 UTU-59240

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 --

7. UNIT AGREEMENT NAME  
 Cactus Park

8. FARM OR LEASE NAME  
 Cactus Park

9. WELL NO.  
 No. 2

10. FIELD AND POOL, OR WILDCAT  
 Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 Section 30-T36S-R25E

12. COUNTY OR PARISH 13. STATE  
 San Juan Utah

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#, J-55	1,775'	To Surface
7-7/8"	5-1/2"	17#, K-55	TD	TOC above all pay zones

Be advised that Ampolex (Texas), Inc., is considered to be the operator of the proposed well and is responsible under the terms and conditions of the Lease for all operations conducted on leased lands.

Bond coverage for this well is provided by Nationwide Surety #69HF3973.

**RECEIVED**

FEB 19 1993

DIVISION OF  
OIL GAS & MINING

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 Robert C. Greenberg TITLE Senior Petroleum Engineer DATE 12/23/92

(This space for Federal or State office use)

PERMIT NO. /S/ WILLIAM C. STRINGER APPROVAL DATE Assistant District Manager for Minerals DATE FEB 17 1993

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

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

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.

Doam

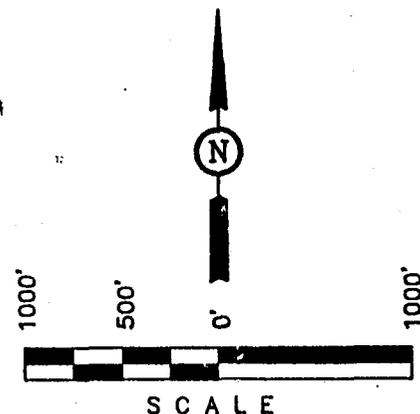
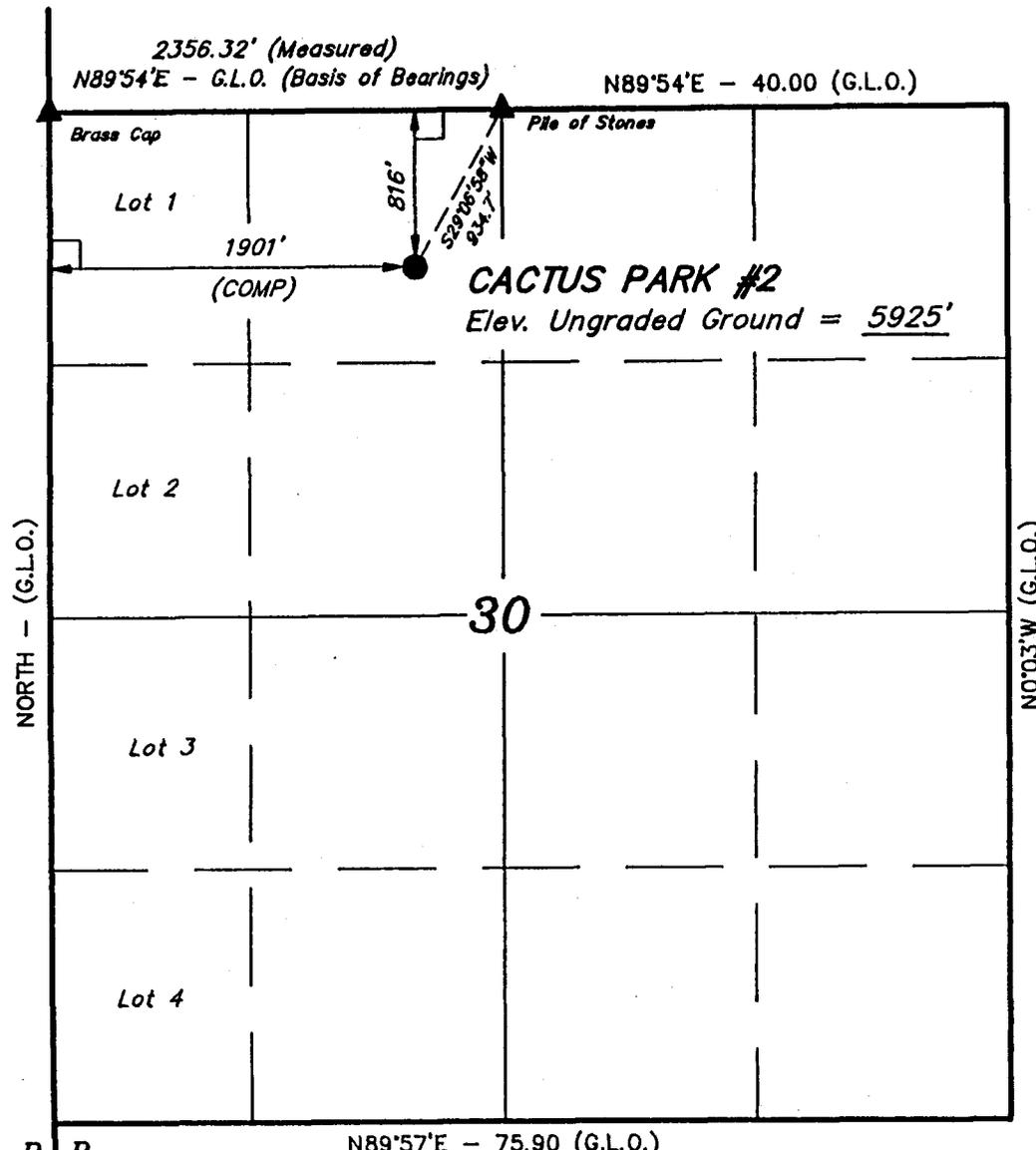
# T36S, R25E, S.L.B.&M.

AMPOLEX (TEXAS) INC.

Well location, CACTUS PARK #2, located as shown in the NE 1/4 NW 1/4 of Section 30, T36S, R25E, S.L.B.&M. San Juan County, Utah.

## BASIS OF ELEVATION

PEARSON TRIANGULATION STATION 1954 LOCATED IN THE SW 1/4 OF SECTION 18, T36S, R25E, S.L.B.&M. TAKEN FROM THE HORSEHEAD POINT QUADRANGLE, UTAH, SAN JUAN COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6383 FEET.



## CERTIFICATE

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.

*Robert L. Key*  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 5709  
 STATE OF UTAH

R  
2  
4  
E

N89°57'E - 75.90 (G.L.O.)

PROPOSED WELL HEAD  
 STATE PLANE COORDINATES:

X = 2,661,694  
 Y = 359,998

### LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

<b>UNTAH ENGINEERING &amp; LAND SURVEYING</b>		
85 SOUTH 200 EAST - VERNAL, UTAH 84078		
(801) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 11-14-92	DATE DRAWN: 11-17-92
PARTY L.D.T. B.C. R.E.H.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE AMPOLEX (TEXAS) INC.	

Ampolex (Texas), Inc.  
Cactus Park No. 2  
Lease U-59240  
Cactus Park Unit  
NENW Section 30, T.36S., R.25E.  
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 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 CO 0701 (Principal - Ampolex (Texas), Inc.) 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. Daily drilling and completion progress reports shall be submitted to the District Office on a weekly basis.
2. All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and will be cased and cemented. All oil and gas shows will be tested to determine commercial potential.
3. The 3M BOP system will be consistent with API RP 53 and Onshore Oil and Gas Order No. 2 and shall be tested accordingly. Pressure tests of the surface casing and all BOP equipment potentially subject to pressure will be conducted before drilling the surface casing shoe. Blowout preventer controls will be installed prior to drilling the surface casing shoe and will remain in use until the well is completed or abandoned. BOP tests and inspections shall be recorded in the drilling log and in the daily drilling report.
4. Due to potential for contamination of usable quality water aquifers, chromates are banned from Federal leases.
5. Centralizers shall be placed, at a minimum, on the bottom three joints of each casing string.
6. When running a DST, opening of the tool shall be restricted to daylight hours.



# 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

February 24, 1993

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

Gentlemen:

Re: Cactus Park #2 Well, 816 feet from the north line, 1901 feet from the west line, NE 1/4 NW 1/4, Section 30, Township 36 South, Range 25 East, San Juan County, Utah

Pursuant to Utah Admin. R. 649-3-2, Location and Siting of Wells and Utah Admin. R. 649-3-4, Permitting of Wells to be Drilled, Deepened or Plugged-Back, approval to drill the referenced well is hereby granted.

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

1. Compliance with the requirements of Utah Admin. R. 649-1 et seq., Oil and Gas Conservation General Rules.
2. Notification within 24 hours after drilling operations commence.
3. 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.
4. Submittal of the Report of Water Encountered During Drilling, Form 7.
5. 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.

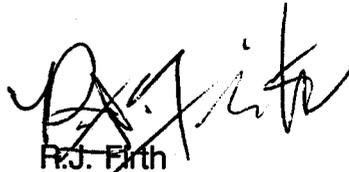
Page 2  
Ampolex (Texas), Inc.  
Cactus Park #2 Well  
February 24, 1993

6. 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 43-037-31700.

Sincerely,



R.J. Firth  
Associate Director, Oil and Gas

ldc  
Enclosures  
cc: Bureau of Land Management  
San Juan County Assessor  
J.L. Thompson  
WOH

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

NAME OF COMPANY: AMPLOEX

WELL NAME: CACTUS PARK # 2

API NO. 43-037-31700

Section 30 Township 36S Range 25E County SAN JUAN

Drilling Contractor FORE CORNERS

Rig # 4

SPUDDED: Date 10/22/93

Time 1:30 AM

How ROTARY

Drilling will commence

Reported by BOB ARCENEUX

Telephone # 1-595-9000

Date 10/27/93 SIGNED JLT

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**CONFIDENTIAL**

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reenter a well in a Federal Reserve  
Use "APPLICATION FOR PERMIT—" for such proposals

**RECEIVED**

SUBMIT IN TRIPLICATE

NOV 12 1993

1. Type of Well

Oil Well  Gas Well  Other

DRY HOLE

DIVISION OF

2. Name of Operator

Ampolex (Texas), Inc.

OIL, GAS & MINING

3. Address and Telephone No.

1050 17th Street, #2500, Denver, CO 80265 (303) 595-9000

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

816' FNL & 1,901' FWL

Section 30-T36S-R25E

5. Lease Designation and Serial No.

UTU-59240

6. If Indian, Allottee or Tribe Name

--

7. If Unit or CA, Agreement Designation

--

8. Well Name and No.

Cactus Park #2

9. API Well No.

43-037-31700

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

San Juan, Utah

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

TYPE OF SUBMISSION

TYPE OF ACTION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other

- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- 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.)\*

Set 8-5/8" @ 1,792'. Drilled to 5,952' TD. Core #1 from 5,880' - 5,901'. Ran open hole logs. No shows of oil. Plug as follows:

PLUG #1:	5,978' - 5,512'	466'	Ismay/Desert Creek
PLUG #2:	4,487' - 4,337'	150'	Cutler/Hermosa
PLUG #3:	1,850' - 1,700'	150'	Surface casing shoe
PLUG #4:	50' - Surface	50'	

ACCEPTED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

DATE: 11/16/93  
BY: *J. Matthew*

cc: State of Utah

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

Signed *Robert C. Arsenault* Title Senior Petroleum Engineer

Date November 10, 1993

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Conditions of approval, if any:

Logs received 11-12-93 for:

Cactus Park #2, API # 43 037 31700, Sec 30 T36S R25E

Simultaneous Dual Laterolog Micro-SFL  
Simultaneous Compensated Neutron - Formation Density  
Borehole Compensated Long Spaced Sonic

USE AS WCR

Form 3160-5  
(June 1990)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
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

NOV 12 1993

1. Type of Well

Oil Well  Gas Well  Other

DRY HOLE

DIVISION OF

OIL, GAS & MINING

2. Name of Operator

Ampolex (Texas), Inc.

3. Address and Telephone No.

1050 17th Street; #2500, Denver, CO 80265

(303) 595-9000

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

816' FNL & 1,901' FWL

Section 30-T36S-R25E

5. Lease Designation and Serial No.

UTE-59240

6. If Indian, Allottee or Tribe Name

--

7. If Unit or CA, Agreement Designation

--

8. Well Name and No.

Cactus Park #2

9. API Well No.

43-037-31700

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

San Juan County, Utah

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

TYPE OF SUBMISSION

TYPE OF ACTION

Notice of Intent

Subsequent Report

Final Abandonment Notice

Abandonment

Recompletion

Plugging Back

Casing Repair

Altering Casing

Other

Change of Plans

New Construction

Non-Routine Fracturing

Water Shut-Off

Conversion to Injection

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.)\*

Set cement plugs as follows:

PLUG #1: 200 SX 5,952' - 5,451'  
PLUG #2: 80 SX 4,487' - 4,337'  
PLUG #3: 80 SX 1,850' - 1,700'  
PLUG #4: 15 SX 62' - Surface

Cut off casing and installed above-ground dry hole marker. Plugging operations witnessed by Bureau of Land Management.

cc: State of Utah

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

Signed Robert C. [Signature] Title Senior Petroleum Engineer

Date November 10, 1993

(This space for Federal or State office use)

Approved by

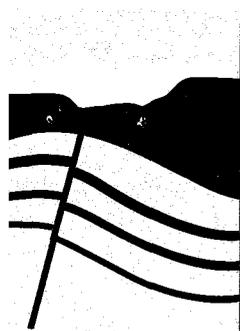
Title

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.

\*See Instruction on Reverse Side



January 23, 2009

Utah Division of Oil, Gas, and Mining  
Attn: Mr. Brad Hill, Oil and Gas Permitting Manager  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

RE: DJ Simmons, Inc. Application for Permit to Drill (Reentry) the Cactus Park 2 Well located in San Juan County, Utah.

Dear Mr. Hill:

Attached for your review and records is the Application for Permit to Drill the Cactus Park 2 Well located in the NENW/4 of Section 30, T36S, R25E, SLM, San Juan County, Utah. The status of the proposed reentry well is federal minerals and federal surface. The Cultural Resources Survey Report has been submitted to the Bureau of Land Management/Monticello Field Office for review and consultation with the Utah State Historical Preservation Office.

Thank you for your time and consideration in this matter and if you need further information please call me at 505-326-3753 Ext 127.

Sincerely



Steve Sacks  
Permitting Specialist  
D.J. Simmons, Inc.

Attachments:

RECEIVED

JAN 26 2009

DIV. OF OIL, GAS & MINING

DJ SIMMONS, INC.

1009 Ridgeway Place  
Suite 200  
Farmington,  
New Mexico 87401

505-326-3753

505-327-4659 FAX

info@djsimmonsinc.com

www.djsimmonsinc.com

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>			5. MINERAL LEASE NO: UTU-85275	6. SURFACE: Federal
1A. TYPE OF WORK: DRILL <input type="checkbox"/> REENTER <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>	7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A		8. UNIT or CA AGREEMENT NAME: None	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	9. WELL NAME and NUMBER: Cactus Park No. 2		10. FIELD AND POOL, OR WILDCAT: Wildcat	
2. NAME OF OPERATOR: DJ Simmons, Inc.			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 30 36S 25E S	
3. ADDRESS OF OPERATOR: 1009 Ridgeway Place CITY Farmington STATE NM ZIP 87401 (505) 326-3753			12. COUNTY: San Juan	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 817.06' FNL and 1902.83' FWL <i>657519X 37.633215</i> AT PROPOSED PRODUCING ZONE: 817.06' FNL and 1902.83' FWL <i>41664154 -109.214851</i>			13. STATE: UTAH	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 25.1			17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 1620 acres	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 817.06'	16. NUMBER OF ACRES IN LEASE: 2493.6 acres		20. BOND DESCRIPTION: <del>WOKUBSDF00072</del> & W B000048	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 40-feet	19. PROPOSED DEPTH: 5,252		23. ESTIMATED DURATION: 30 days	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5925' GL	22. APPROXIMATE DATE WORK WILL START: 4/16/2009			

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12-1/4"	8-5/8"	24#	J-55	1,792	Class G	270sx	1.43cuft/sx	13.1ppg
7-7/8"	5-1/2"	17#	K-55	5,952	Class G	156sx	1.25cuft/sx	15.20ppg

**ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN                                   |
| <input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER        | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Rodney L. Seale TITLE Engineering & Production Manager  
SIGNATURE *Rodney L. Seale* DATE 1/22/2009

(This space for State use only)

API NUMBER ASSIGNED: 43037-31708

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

APPROVAL:

Date: 01-29-09  
By: *Rodney L. Seale*

**RECEIVED  
JAN 26 2009**

DIV. OF OIL, GAS & MINING

### 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 24 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 into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Resource Area Office. The Resource Area Office shall be notified prior to the first sale.

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. When requested, samples (cuttings and/or samples) will be submitted to the District Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the authorized officer. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

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 District Office for approval pursuant to NTL-2B.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the District Office for off-lease measurement, off-lease storage and/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 District Office prior to initiating plugging operations.

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. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR § 3162.6. 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 in Monticello, Utah, at (801) 587-2141 for the following:

1 day prior to commencement of dirt work, construction and reclamation;

1 day prior to spudding;

50 feet prior to reaching surface and intermediate casing depths;

3 hours prior to testing BOPE;

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

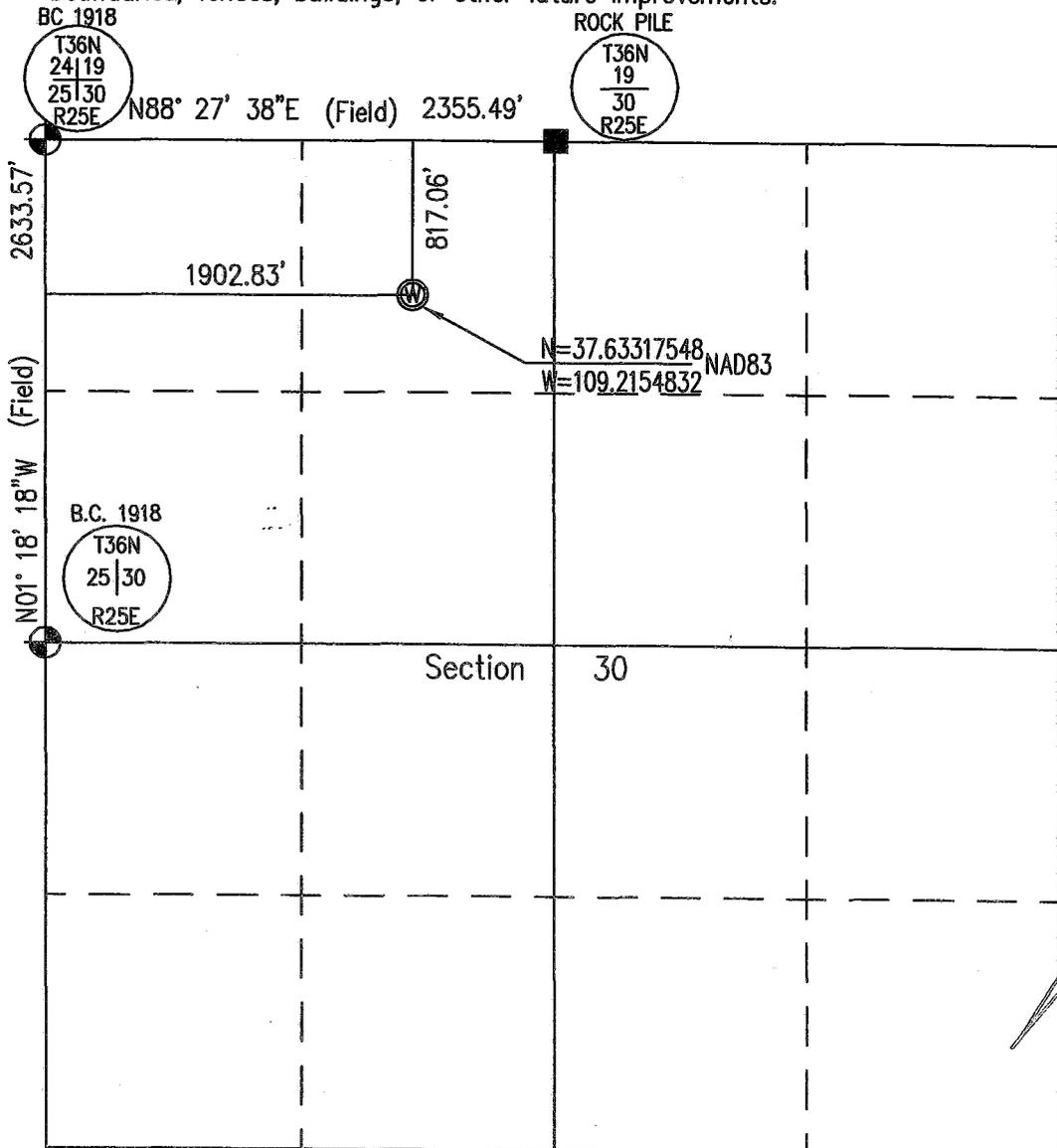
# UTAH WELL LOCATION PLAT

OPERATOR DJ SIMMONS INC  
 LEASE CACTUS PARK WELL NO. #2  
 SECTION 30 TOWNSHIP 36 South RANGE 25 East S.L.P.M.  
 COUNTY San Juan UTAH  
 FOOTAGE LOCATION OF WELL: 817.06 FEET FROM THE North LINE and  
1902.83 FEET FROM THE West LINE and  
 GROUND LEVEL ELEVATION: 5844.73  
 SURFACE USE WITHIN 200' RADIUS: No Improvements Within 200'  
 BASIS OF BEARING: GPS Data  
 BASIS OF ELEVATION: GPS Data - NAD 83 - PDOP #1.6

500' | 500'  
 1" = 1000'

Some information on this plat is based on information taken from previous surveys, record information, or collateral evidence and may not reflect that which may be disclosed by a complete boundary survey. This plat is not to be relied on for the establishment of surface boundaries, fences, buildings, or other future improvements.

-  GLO BC (1918)
-  WELL Location
-  ROCK PILE/STONE MONUMENT WITH BEARING TREE
-  ALUMINUM CAP



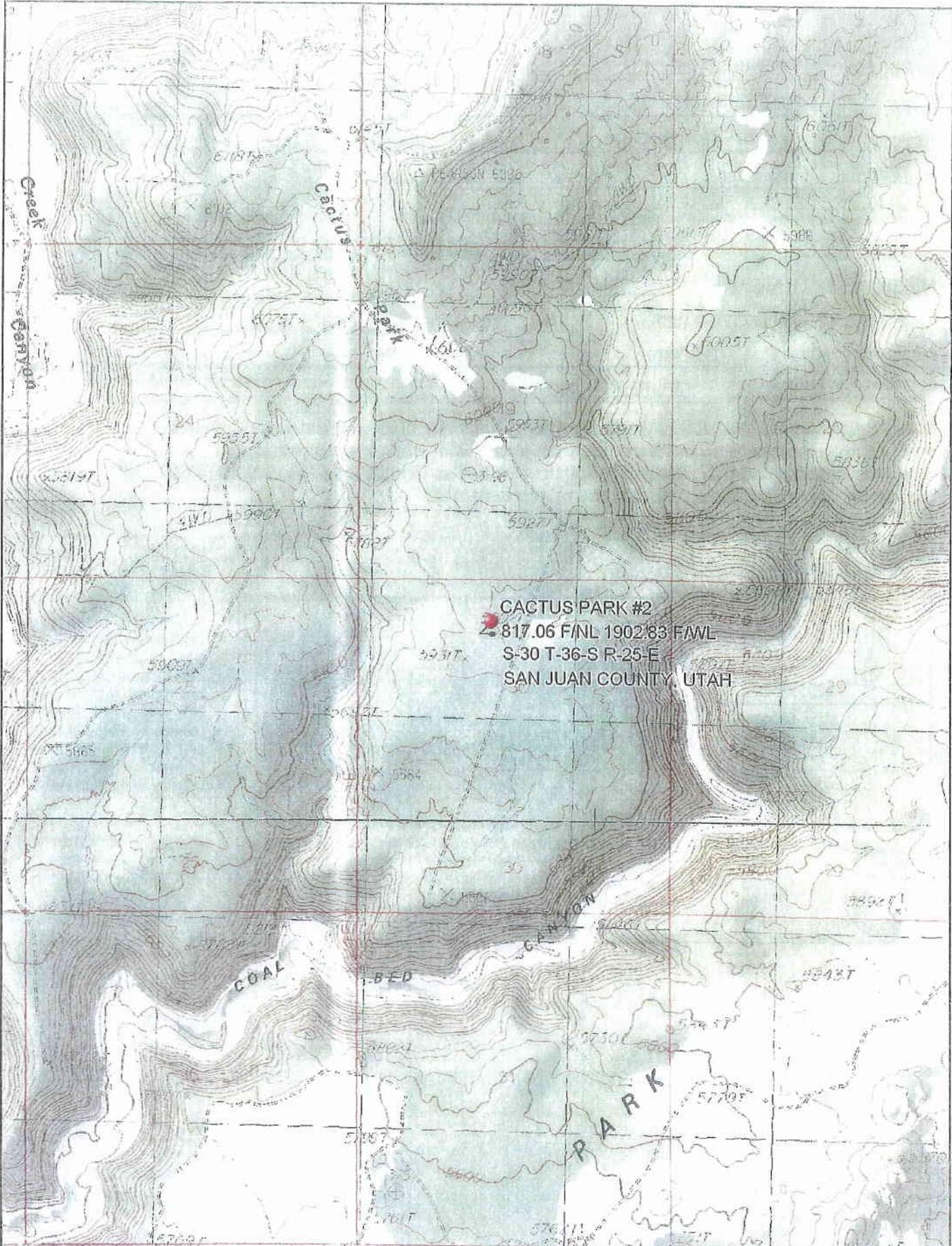
I hereby certify that the proposed well location shown on this plat was prepared from field notes of an actual survey by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief, and that there are no visible improvements within 200 feet of this proposed wellhead, unless noted otherwise.



  
 John D. Wayne  
 Professional L.S. #171252  
 State of Utah

OCTOBER 09, 2008  
 Date Surveyed:  
 OCTOBER 20, 2008  
 Date Platted:

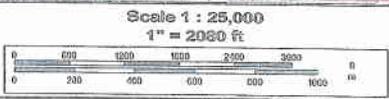
SCALE: 1" = 1000'

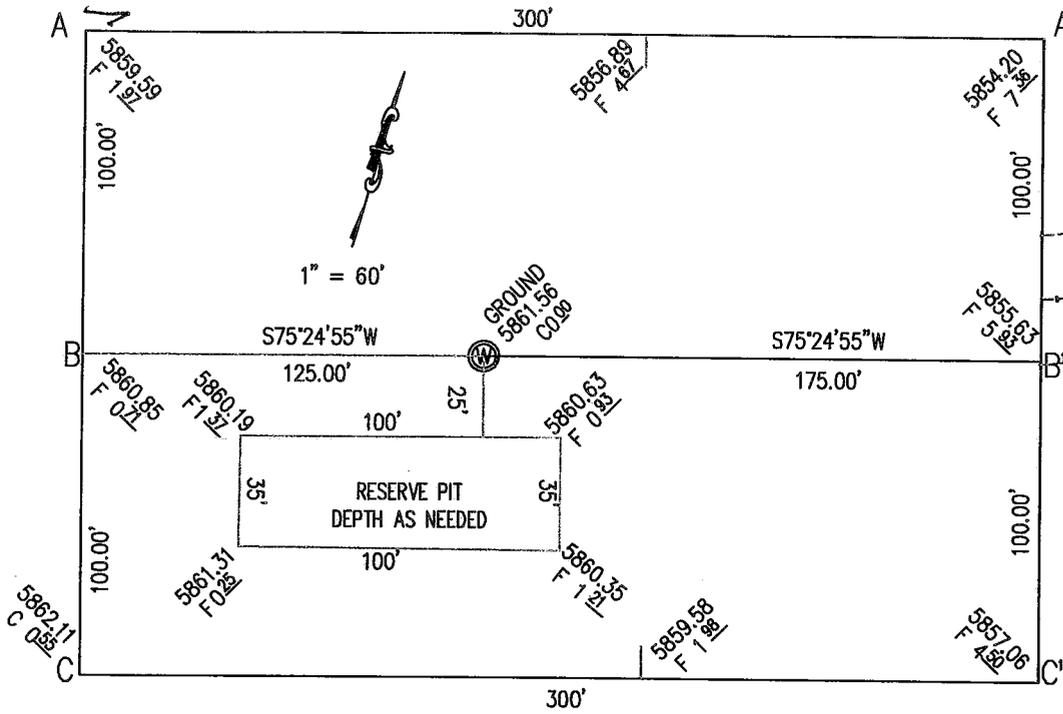


CACTUS PARK #2  
817.06 F/NL 1902/83 F/WL  
S-30 T-36-S R-25-E  
SAN JUAN COUNTY, UTAH



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www.delorme.com





DJ SIMMONS INC  
OPERATOR

CACTUS PARK #2  
WELL NAME and NUMBER

817.06 F/NL      1902.83 F/WL  
FOOTAGES

30	36S	25E
SEC.	TWP.	RGE.

San Juan,                  Utah  
COUNTY                  STATE

OCTOBER 20, 2008  
DATE

SCALE  
Horiz. 1" = 50'  
Vert. 1" = 30'

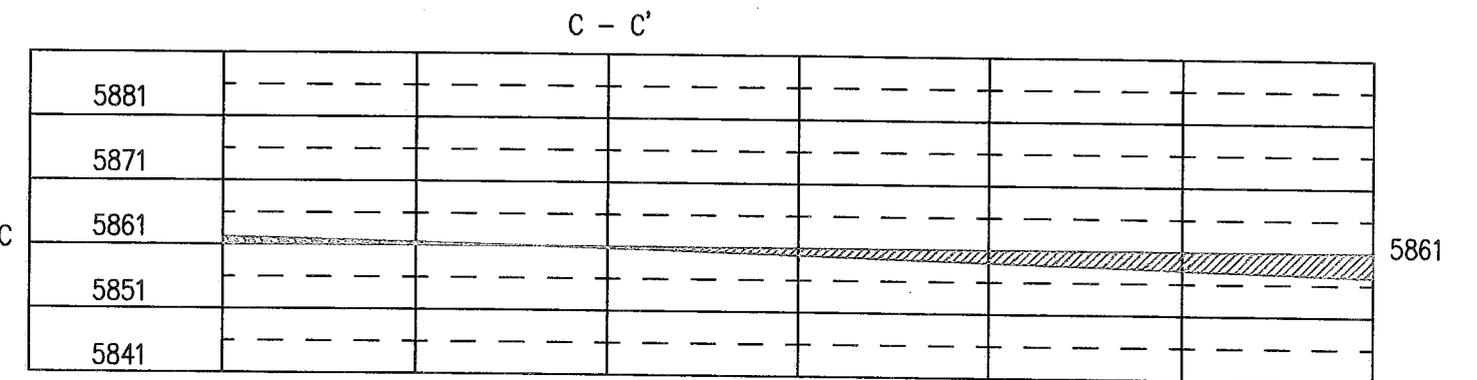
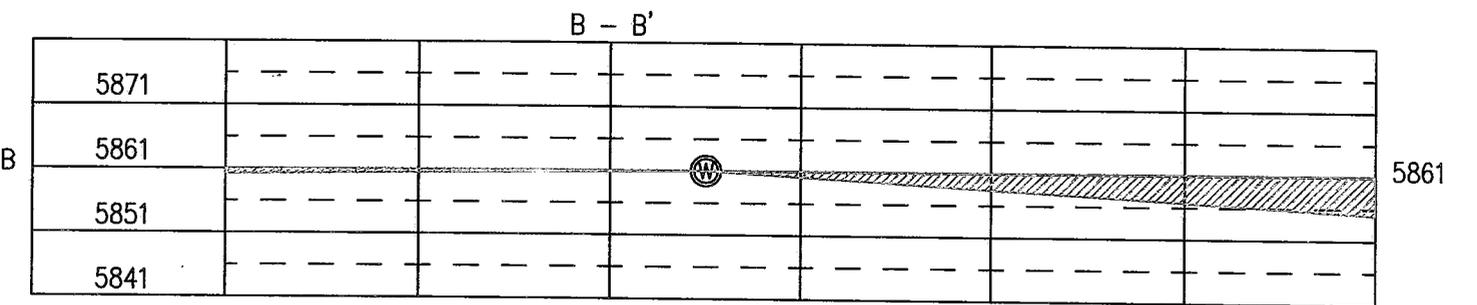
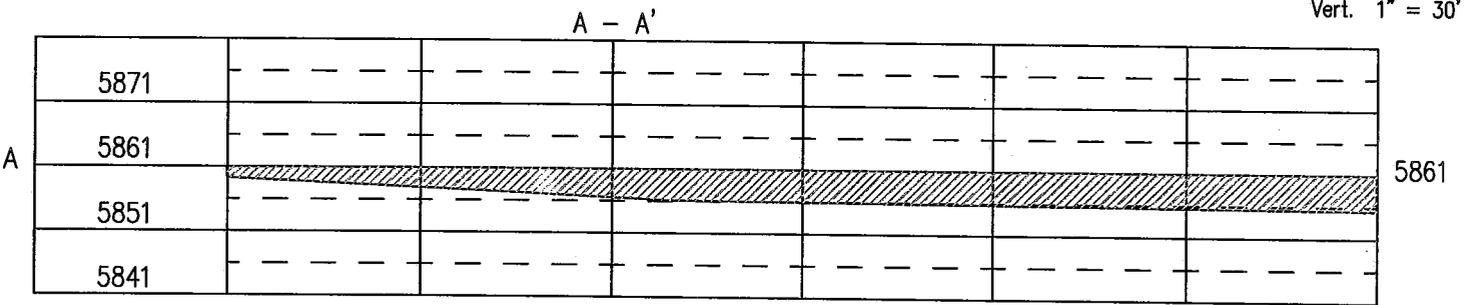
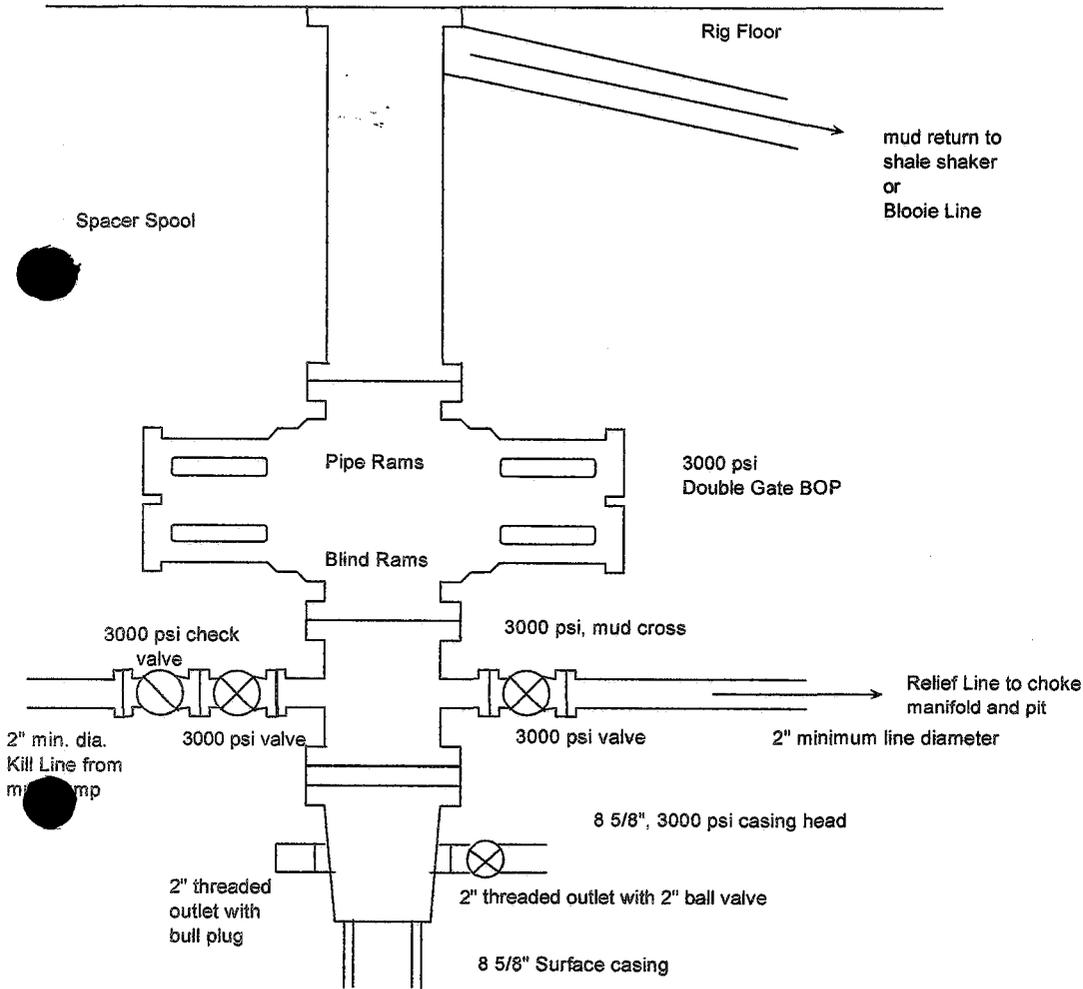


Figure 1

**BOPE SCHEMATIC  
CACTUS PARK #2**



BOP Installation from Surface Casing to TD . 3000 psi double gate BOP equipped with blind and pipe rams and rotating head. All equipment rated at 3000 psi or greater working pressure.

Figure 1

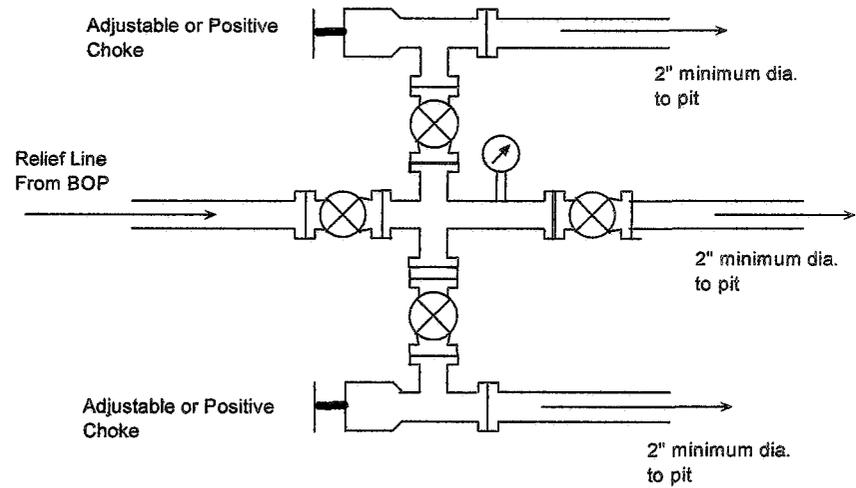


Figure 2

## CACTUS PARK No. 2

Multi Point Use Plan  
817.06' FNL & 1,902.83' FWL  
Sec. 30, T36S, R25E, SLB&M

### **1. Existing Roads and Driving Directions**

Beginning in Monticello, Utah proceed east on Utah State Highway 491 approximately 11.5 miles to the Eastland, Utah turnoff (San Juan County Road B312). Proceed south on San Juan County Road 312 (SJCR B312) approximately 2.7 miles to the center of Eastland, Utah. Continue south on SJCR B312 and then southwest approximately 7.3 miles to the Y of Cactus Park (SJCR B373). Proceed southeast approximately 1.2 miles to the fork in the road taking the right fork in a southwest direction and drive approximately 4.6 miles to the T in the road, turn left (SJCR D0870) and proceed in a southwest direction approximately 1.1 miles southeast and then turning southwest to the beginning of a bermed reclaimed road and then walk approximately 0.13 mile to the proposed reclaimed Cactus Park No. 2 well location.

The total distance from Monticello, Utah to the Cactus Park No. 2 well location is approximately 28.5 miles.

All existing roads to the proposed well location are State of Utah, BLM, or San Juan County Roads with exception of the last 0.13 mile into the Cactus Park No. 2 well location.

There would be no road access when mud conditions exist and vehicles will not exceed making ruts four inches or more. Also at no time will any equipment be pulled out by any type of equipment with tracks. Any sustained damage to the roads will be repaired as soon as possible and this would include B and D county roads with consultation with the San Juan County Road Department.

No construction, drilling, production or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support construction equipment and vehicles. If such equipment and vehicles create ruts in excess of 4 inches deep, the soil shall be deemed too wet. This applies to construction, drilling, production and maintenance activities on BLM and private lands. If wet weather access is necessary, the access road will be upgraded to an all weather surface. The operator will be responsible for the prompt repair of any road damage caused by activity associated with the project, both on BLM and private land.

### **2. Proposed Well, Access Road and Pipeline**

The proposed reentry to the Cactus Park No. 2 well is located in the NE1/4NW1/4 (817.06' FNL & 1902.83' FWL) Sec. 30, T36S, R25E, SLB&M (see vicinity map), in San Juan County, Utah. The land is under the jurisdiction of the Bureau of Land Management/Monticello Field Office (BLM/MFO), and the federal minerals being administered by the Bureau of Land Management/Moab District Office (BLM/MDO).

A cultural resource survey has been conducted 50-feet out from the edge of the existing access road, well pad, and potential pipeline tie by Aztec Archaeology Consultants, Aztec New Mexico BLM 05-UT-55139. A Cultural Resources Survey Report has been submitted to the BLM/MFO for their review. The Environmental Assessment will be written by the BLM/MFO for this project.

DJ Simmons, Inc. proposes to reconstruct the 0.13 mile (686.40-feet) in length by 24-foot width of access road that was reclaimed and reseeded in 2006. The reconstruction of the access road would require grading by a blade and windrowing the downed tree limbs and trunks that were placed on the reclaimed road in 2006. The approximate acreage for the proposed access road that will intersect with the existing road would be 0.38.

30-days prior to any construction of the access road or well pad a raptor survey will be conducted and a report submitted to the BLM/MFO for review and approval. Also, this area is a BLM/MFO critical wintering habitat for deer with a seasonal closure of November 1 to April 15. Exceptions may be filed with the BLM/MFO on March 15th should the winter be mild and there are no deer in the critical wintering habitat area.

Depending on the timing and location of activities, surveys for raptors may be required. The operator must provide 30 days prior notification to the BLM before commencing any activity. The BLM will notify the operator if a raptor survey is necessary. The operator will be responsible for accomplishing this survey. Surveys will be conducted by qualified individuals according to protocol. Depending on the results of any required survey, delays or other modifications to the project may be required.

The reconstructed well pad would be 300-feet by 200-feet that would be re-leveled by grading with a blade. No work will be conducted outside of the well pad survey stakes (pre-existing disturbance). The top eight (8) inches of soil will be stockpiled along the north line of the well pad (but within the survey stakes). A cut reserve pit would be excavated being 100-feet long by 35-feet wide and six to 10-feet deep (depending on need) and would be lined with a 12 mil biodegradable plastic liner. The well pad would also provide space for the completion well and associated facilities including trailers, light plant, pipe racks, and water tanks (if needed). The area of the well pad would encompass 1.89 acres.

The proposed surface pipeline tie would begin at the meter run on the well pad and would be placed on the ground surface adjacent to but beyond the existing disturbance of the well pad access road, and SJCR D0870. The pipeline will tie into the existing Summit Pipeline located adjacent to SJCR B312 and will amount to a total distance of 1.1 miles (5808-feet) located in the SW1/4SE1/4 of Sec. 29, T36S, R25E. The tie pipeline would require an additional 16 feet of right-of-way adjacent to the well pad access road and SJCR D0870. No blading of this 16 foot pipeline ROW would be required. Pipe laying equipment would utilize the adjacent roadway to the extent possible, or would be "walked" along the ROW as necessary. Clearing of vegetation would be minimized. At the switchback on SJCR D0870 the pipeline will not follow adjacent to the road but will continue straight up the hill (see map). The 2.5-4 inch (depending on produced volume after testing) diameter feldspar Fiber spar pipeline would be rolled out on the surface but

would be buried at two road crossings. The well tie pipeline will be going off lease to tie into the Summit Pipeline and therefore would require a BLM right-of-way. The approximate acreage for the well pipeline tie would be 4.95.

The total acreage of disturbance for this project would be approximately 7.22.

### **3. Location of Existing Wells**

Map No. 2 shows the existing wells within a one mile radius of the proposed well.

### **4. Location of Production Facilities**

In the event of production, anticipated production facilities are shown on Exhibit No. 1. The proposed production facilities will be located on the pre existing drill pad.

Facilities will be grouped on the pad to allow for maximum interim reclamation. Interim reclamation will include cuts and fills and will extend to within close proximity of the wellhead and production facilities.

The storage tank battery would be enclosed within a compacted earthen berm covered with gravel to contain any potential spills.

All above ground facilities including power boxes, buildings, roofs, and any visible equipment will be painted juniper green.

### **5. Water Supply**

Water for the recompletion of the well will be hauled by truck from Dove Creek, Colorado municipal water department. Transport route is shown on the attached Driving Map.

### **6. Source of Construction Materials**

No additional construction materials will be required to build the proposed well location, access road, or well tie pipeline.

### **7. Methods for Handling Waste Disposal**

Any cuttings, fluids and completion fluids will be placed in the reserve pit. The reserve pit will be fenced on three sides away from the pad during recompletion and the fourth side fenced as soon as the rig moves off location. The fence will be constructed using steel T or wood line posts set 16.5 feet apart. Corner posts will be 6-inches or greater diameter wood, and anchored with a rock dead man. Woven wire will be placed from 0 to 32-inches, and twisted smooth or barbed wire will be placed at 4-inch and 16-inch above the woven wire. When fencing is completed, netting will be placed over the pit and fence, extending to ground level, to prevent birds and small animals from becoming trapped in the pit. The netting will be adequately supported by crisscrossed cables to

maintain 4 to 5 feet clearance between the net and the contents of the pit. However, if the reserve pit is going to be closed within 60 days the above netting will suffice, however, if the reserve pit is not closed within 60 days cables will be crisscrossed and the netting then installed. The cables will support the netting in the event of snow piling up and weighting down the netting. The reserve pit will be lined (at minimum) as required by Utah Oil and Gas Commission with 12 mil biodegradable plastic.

Reclamation of the reserve pit will not occur until the pit contents are sufficiently dry. Any hydrocarbons must be removed and the pit liner removed to the solids level prior to backfilling with excavated material. Pit reclamation shall follow guidelines contained in the Gold Book.

The reserve pit will be allowed to dry and down-hole materials remaining in the reserve pit buried (unless stipulated otherwise by the BLM or State of Utah). The reserve pit will then be backfilled, leveled and contoured so as to prevent any materials from being carried into a watershed. The reserve pit area will be reseeded with the stipulated BLM seed mix. All earth pits will be constructed in such a manner as to prevent leakage from occurring and will not be located on a natural drainage.

Upon completion and if the well is a producer then the unused portion of the well pad (reserve pit and exterior areas of the well pad) will be reclaimed by contouring and reseeding (see attached BLM seed mix) to as near a natural state as possible. Surface equipment will be painted juniper green. The surface Fiber spar pipeline will be brown, reddish brown, or tan. The well tie pipeline would be installed underground when crossing any road.

In case of no production the well would be plugged and abandoned and the access road (0.13 mile) and well pad will be reclaimed by contouring and reseeding (see attached BLM seed mix) to as near a natural state as possible.

All garbage and trash materials will be contained on location in an industry approved trash container and will be removed from the site and disposed of in accordance with federal, state, or local laws governing the disposal of garbage and trash materials. No hazardous waste materials or the generation of any hazardous waste materials are anticipated on site. Should any hazardous waste material be generated through the recompletion process then the BLM/MFO will be notified and all federal and state regulations regarding handling and disposal will be adhered to.

Industry approved portable chemical toilets will be provided and maintained during the recompletion process. Said toilets will be tied down to prevent toppling.

#### **8. Ancillary Facilities**

No ancillary facilities are planned.

## **9. Well Site, Drilling Equipment, Access Road, and Well Tie Location**

Location of drilling equipment, rig orientation, access road approach, and well tie locations are shown on Exhibit No. 2.

## **10. Plans or Restoration of Surface and Vegetation**

The location of the Cactus Park No. 2 is predominately piñon/juniper woodland including sagebrush, rabbitbrush, prickly pear cactus and native grasses. The reclaimed well pad is primarily covered with cheat grass. After completion or abandonment, all equipment will be removed, the well location, access road and well pipeline tie will be restored as near to the original topographical contours as possible and reseeded with the stipulated BLM seed mix. All windrowed wood and rock will be scattered throughout the reclaimed area and will not be bunched up.

Interim reclamation of the well pad will begin as soon as practicable after the well is placed in production. Interim reclamation of the road will begin as soon as practicable after the road construction is completed. All areas not required for vehicle travel, including cut and fill slopes, will be reclaimed.

Final reclamation will involve recontouring of all disturbed areas, including well pads and access roads, to the original contour or a contour that blends with the surrounding topography, spreading reserved top soil, and seeding all disturbed areas. Seed can be drilled or broad cast. If seed is broadcast, the application rate will be doubled and the seed will be covered with some type of drag. The BLM seed mix to be used in interim and final reclamation is as follows:

<b>Species</b>	<b>Variety or Cultivator</b>	<b>PLS/A</b>
Fourwing saltbush	<i>Atriplex canescens</i>	2.0
Antelope Bitterbrush	<i>Purshia tridentata</i>	2.0
Crested wheatgrass	<i>Agropyron desertorum</i>	2.0
Indian ricegrass	<i>Oryzopsis hymenoides</i>	2.0
Galleta grass	<i>Hillaria jamesii</i>	1.0
Scarlet globemallow or	<i>Sphaeralcea coccinea</i>	1.0
Cicer milkvetch	<i>Astragalus sabulosus</i>	1.0

As applicable, trees, rocks, etc. that were reserved to the side during construction will be scattered across the drill pad and access road after seeding operations are completed. Unless instructed otherwise by the BLM, the well pad access road will be closed.

The operator will monitor for and control all noxious/invasive weeds within the proposed action area during the life of the project.

## **11. Surface Ownership**

The surface ownership is the United States under the jurisdiction of the BLM/MFO.

**12. Other Information**

All environmental and cultural resource stipulations as outlined by the BLM/MFO and/or the State of Utah will be strictly adhered during the life of this project.

**13. Lessee's or Operator's Representative**

Steve Sacks  
DJ Simmons, Inc.  
1009 Ridgeway Place, Suite 200  
Farmington, NM 87401

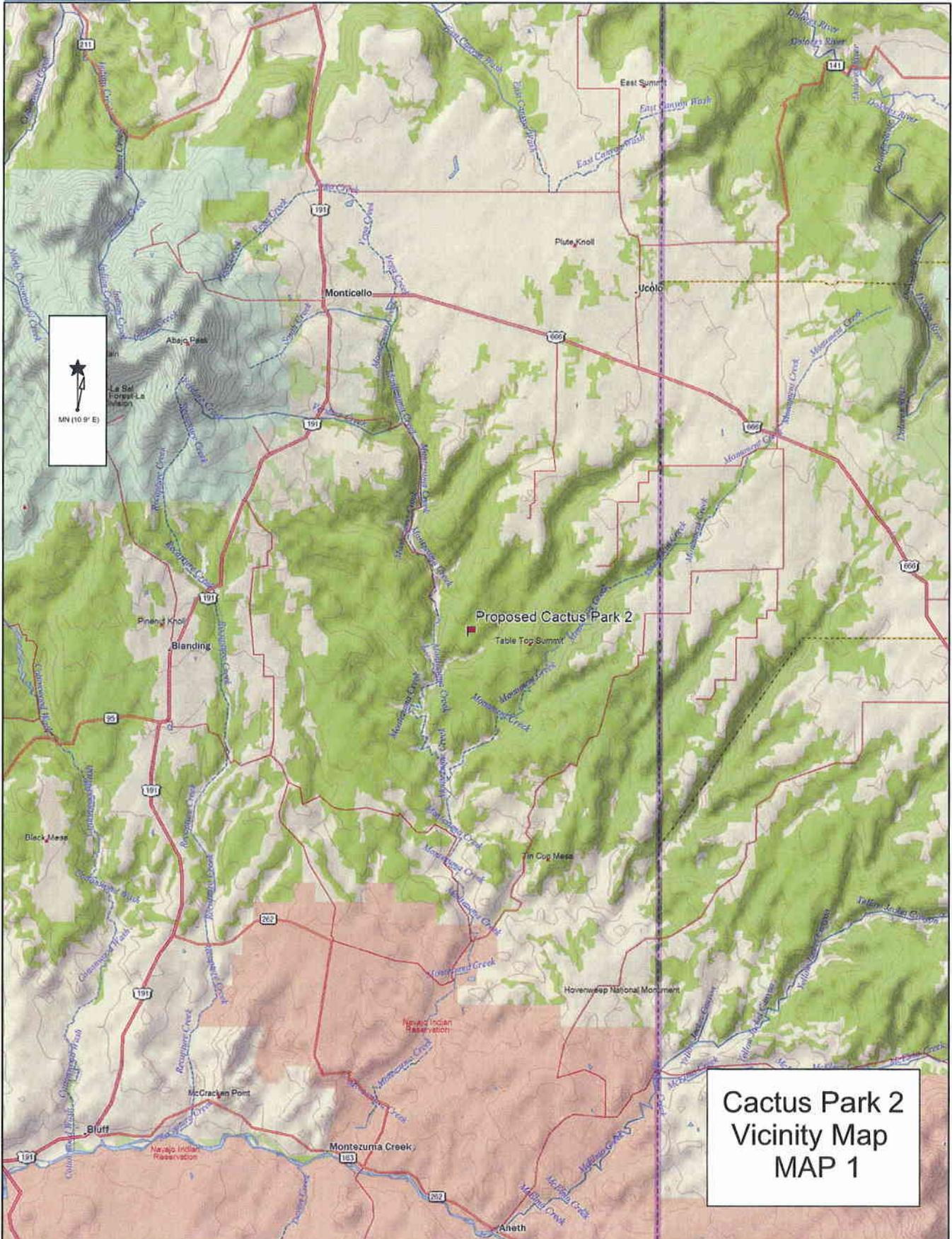
Telephone (505) 326-3753 Ext. 127  
Fax (505) 327-4659  
Email: ssacks@djsimmons.com

**14. Certification**

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the work associated with the proposed operations will be performed by DJ Simmons, Inc. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

  
Rodney L. Seale  
Operations Manager  
Petroleum Engineer

Dated 

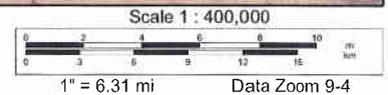


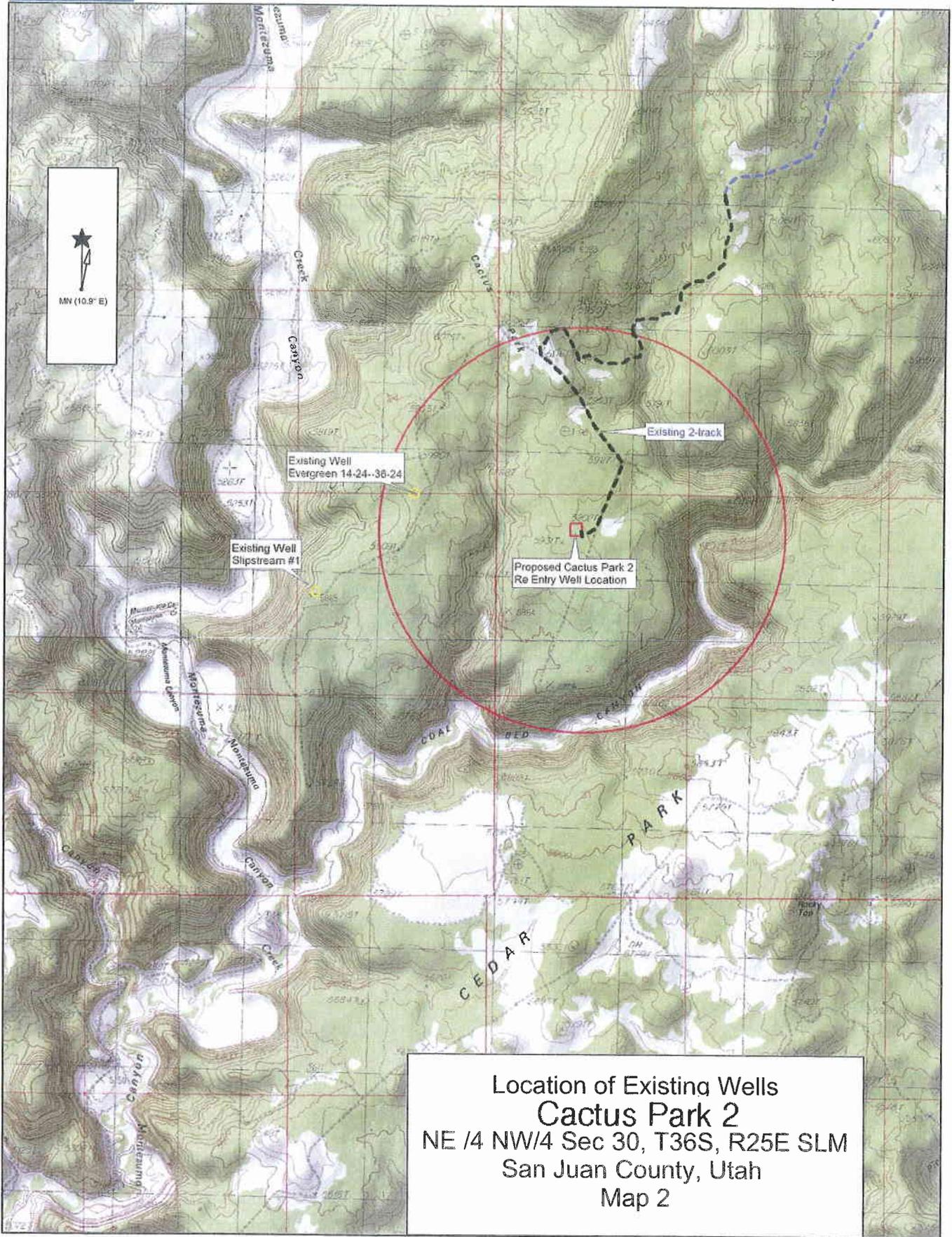
**Cactus Park 2  
Vicinity Map  
MAP 1**

Data use subject to license.

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Data use subject to license.

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www.delorme.com

Scale 1 : 40,625



1" = 3,385.4 ft

Data Zoom 12-4

250'

300'

300'

200'



Well Bore Location  
 N 37.63317548  
 W 109.2154832  
 GPS Data -NAD 83

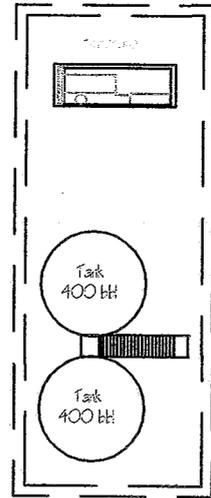
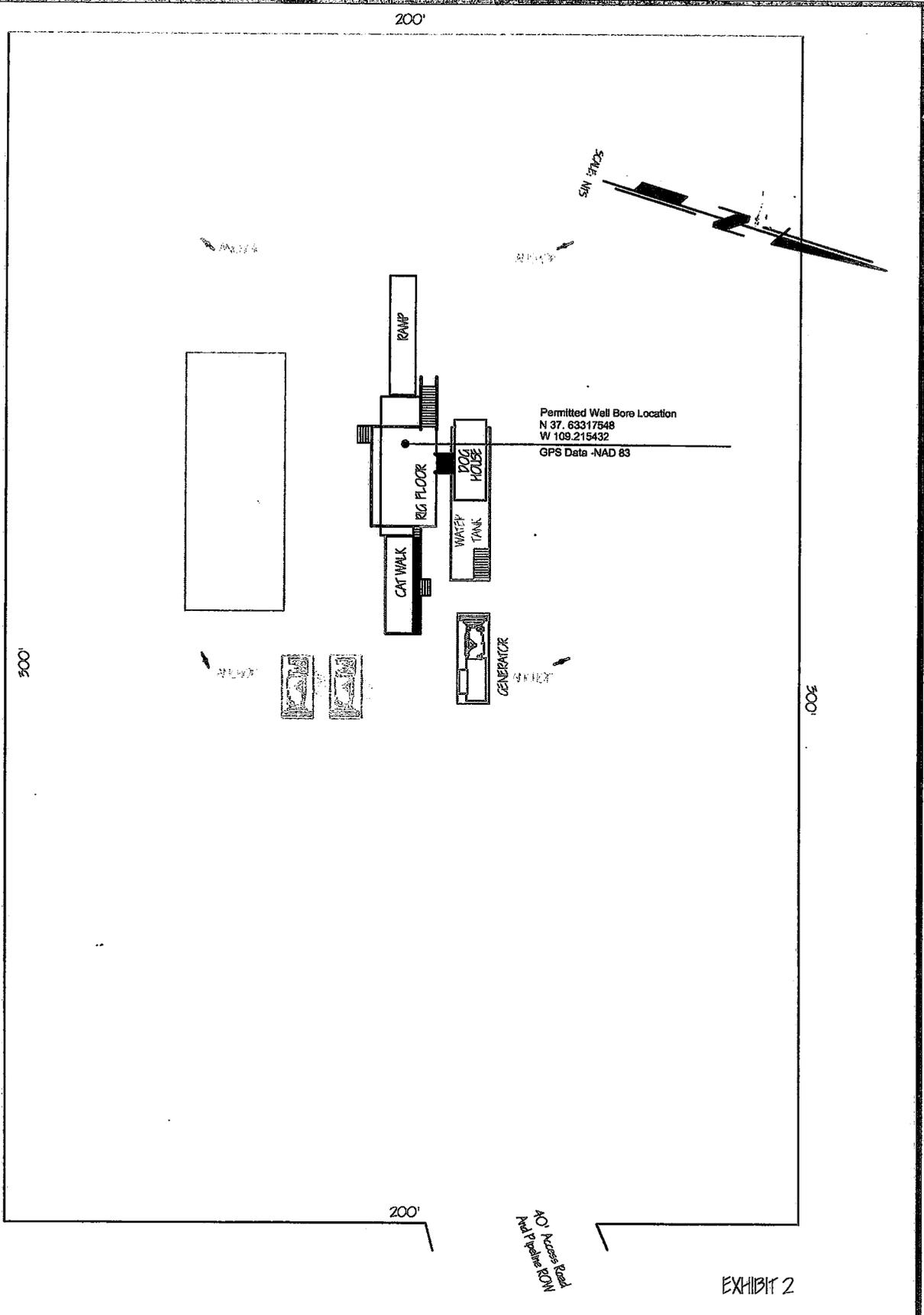


EXHIBIT 1

**DJ SIMMONS, INC.**  
 1009 Ridgeway Place, Suite 200  
 Farmington, NM. 87401  
 Phone 505 326-3753  
 Fax 505 327-4659

Reviewed By: Ken Manchester  
 Drawn By: Craig Starkey  
 Checked By: \_\_\_\_\_  
 Date: Jan. 5, 2009

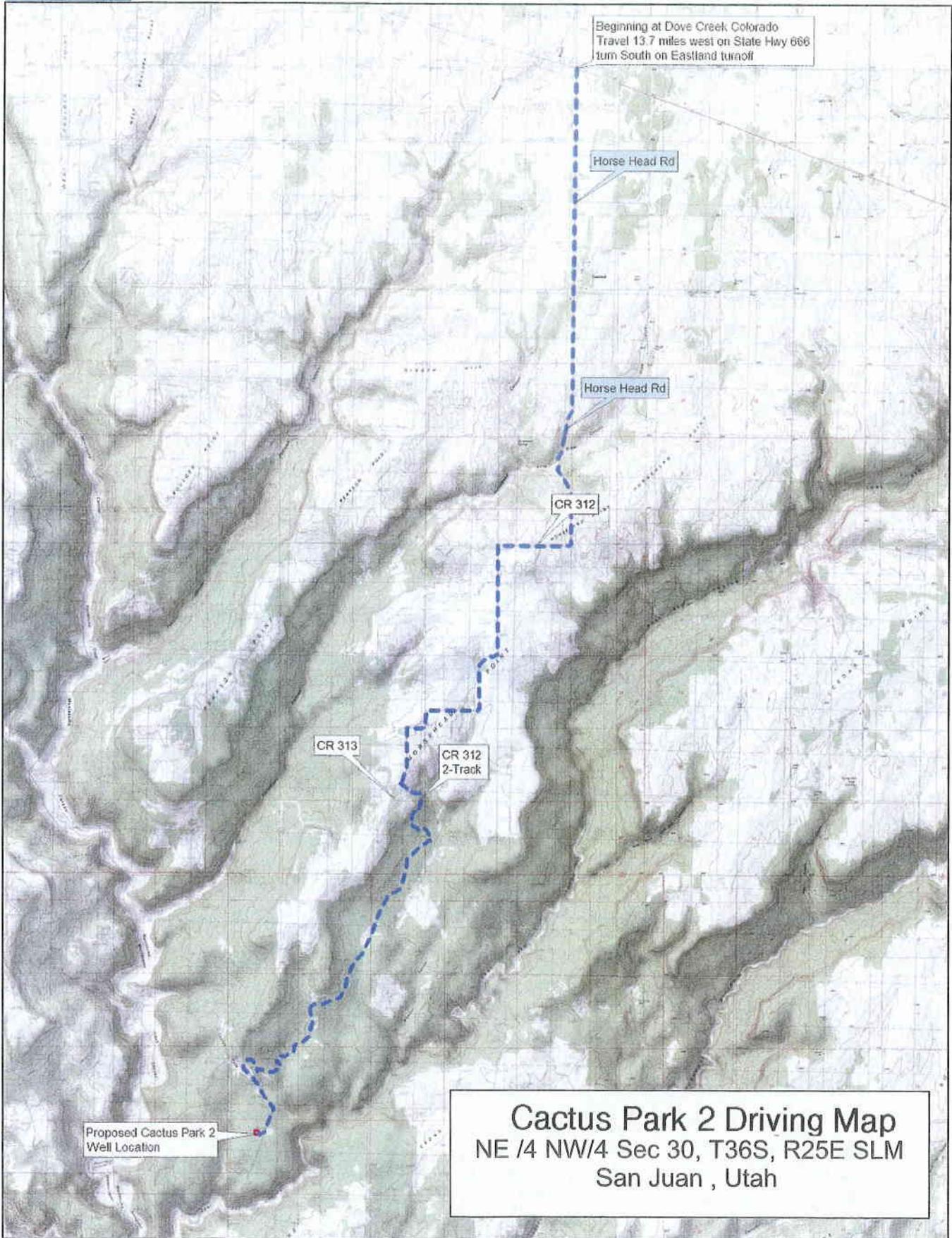
**CACTUS PARK 2**  
 Production Equipment Layout Plan  
 Section 30, T36S, R25E,  
 817.06 PNL. x 1902.83 PNL.  
 San Juan County, Utah



**DJ SIMMONS, INC.**  
 1009 Ridgeway Place, Suite 200  
 Farmington, NM. 87401  
 Phone 505 326-3753  
 Fax 505 327-4659

Reviewed By: Ken Manchester  
 Drawn By: Craig Starkey  
 Checked By: \_\_\_\_\_  
 Date: Jan 6, 2009

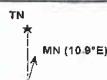
**CACTUS PARK #2**  
 Drilling Equipment Layout Plan  
 Section 30, T36S, R25E,  
 817.06 FNL x 1902.83' FNL  
 San Juan County, Utah



Data use subject to license.

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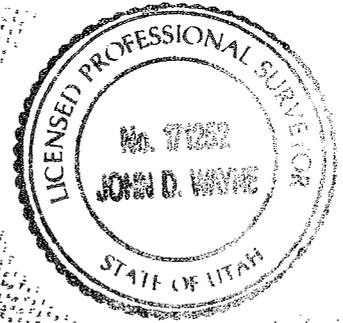
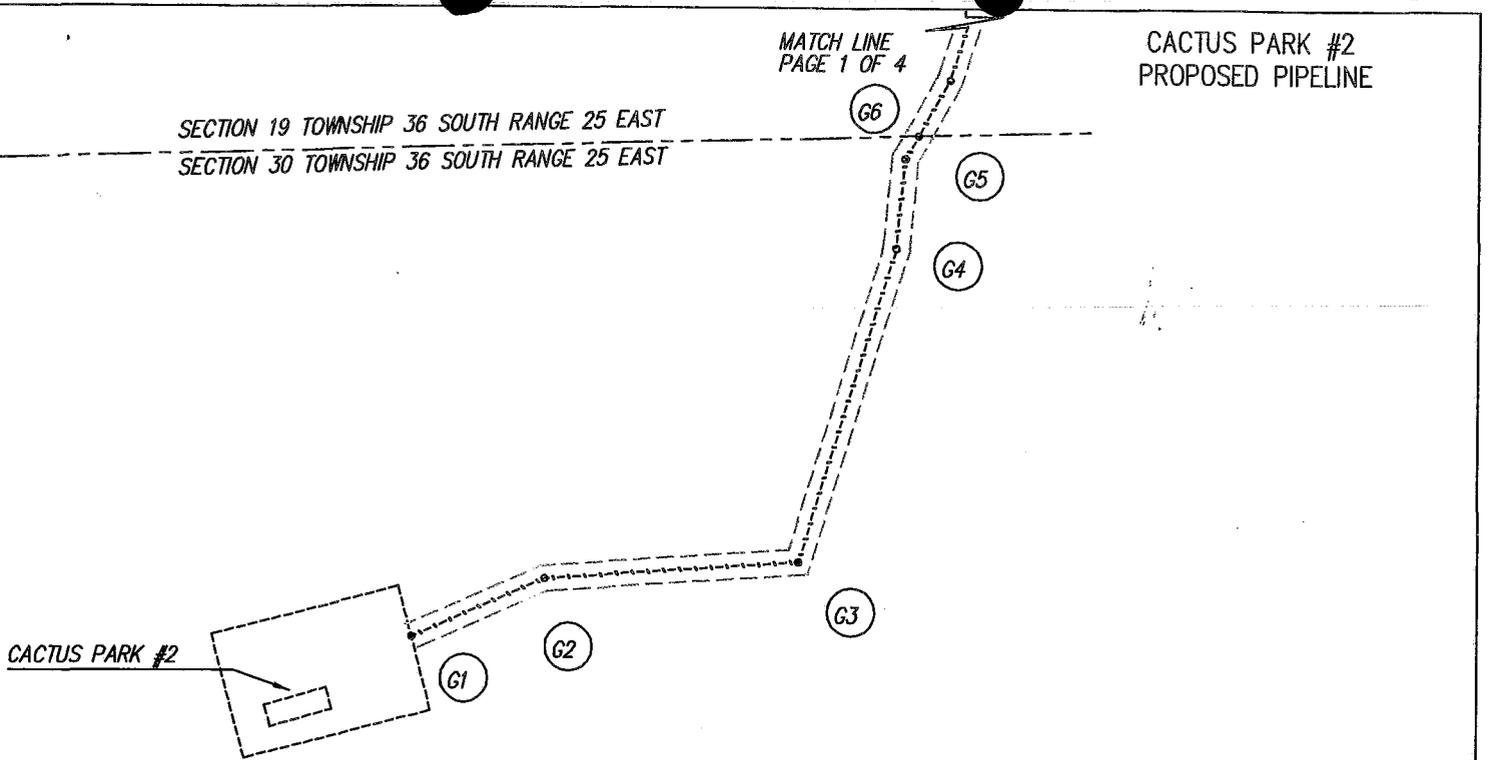


MATCH LINE  
PAGE 1 OF 4

CACTUS PARK #2  
PROPOSED PIPELINE

SECTION 19 TOWNSHIP 36 SOUTH RANGE 25 EAST  
SECTION 30 TOWNSHIP 36 SOUTH RANGE 25 EAST

CACTUS PARK #2



Some information on this plat is based on information taken from previous surveys, record information, or collateral evidence and may not reflect that which may be disclosed by a complete boundary survey. This plat is not to be relied on for the establishment of surface boundaries, fences, buildings or other future improvements.



150' 150'  
1" = 300'

John D. Wayne  
Professional Surveyor  
Utah Reg. No. 171252

DRAWING NO. 001068 CACTUS PARK

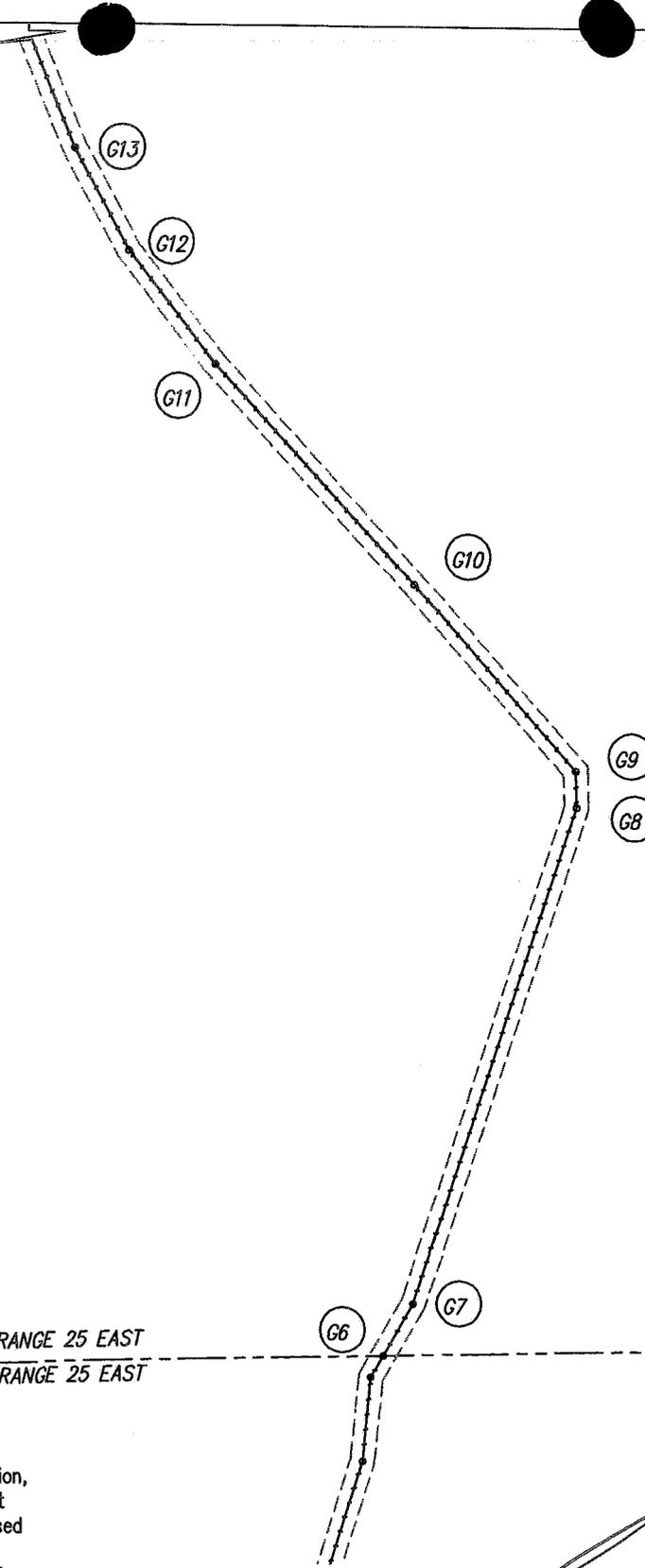
SEC.	TWP.	RGE.	1/4 SEC.	WIDTH	LENGTH			ACRES	
					FEET	RODS	MILES		
30	36S	25E	NW1/4	40'	1317.96	79.88	0.25	1.21	
TOTALS						1317.96	79.88	0.25	1.21

DJ SIMMONS INC  
PROPOSED PIPELINE  
CACTUS PARK #2  
SEC. 30 T-36-S, R-25-E, N.M.P.M.  
SAN JUAN COUNTY, UTAH

SCALE: 1"=300' DATE: 10/09/2008

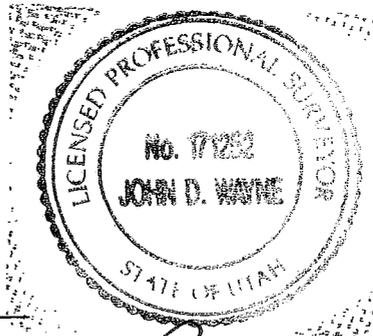
MATCH LINE  
PAGE 2 OF 4

CACTUS PARK #2  
PROPOSED PIPELINE



SECTION 19 TOWNSHIP 36 SOUTH RANGE 25 EAST  
SECTION 30 TOWNSHIP 36 SOUTH RANGE 25 EAST

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*John D. Wayne*  
John D. Wayne  
Professional Surveyor  
Utah Reg. No. 171252

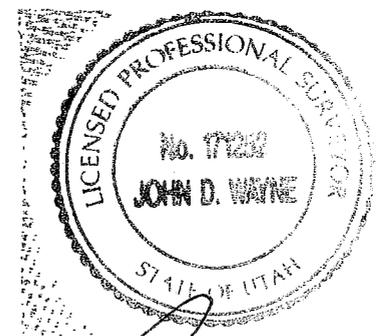
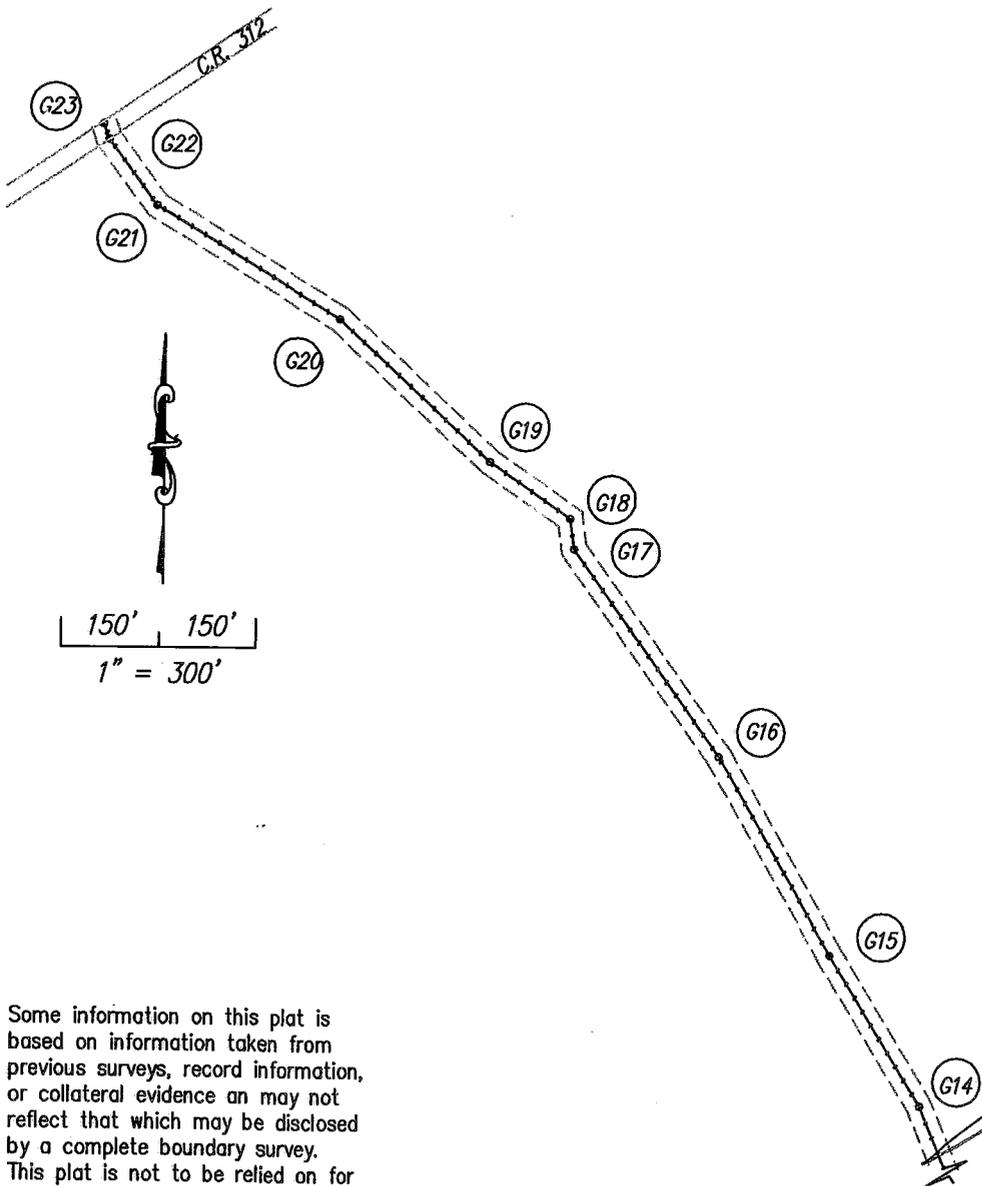
DRAWING NO: 001068 CACTUS PARK

SEC.	TWP.	RGE.	1/4 SEC.	WIDTH	LENGTH			ACRES
					FEET	RODS	MILES	
19	36S	25E	NW1/4	40'	4612.34	279.54	0.87	4.23
TOTALS					4612.34	279.54	0.87	4.23

DJ SIMMONS INC  
PROPOSED PIPELINE  
CACTUS PARK #2  
SEC. 30 T-36-S, R-25-E, N.M.P.M.  
SAN JUAN COUNTY, UTAH

SCALE: 1"=300'      DATE: 10/09/2008

CACTUS PARK #2  
PROPOSED PIPELINE



*[Signature]*  
John D. Wayne  
Professional Surveyor  
Utah Reg. No. 171252

MATCH LINE  
PAGE 3 OF 4

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DRAWING NO: 001068 CACTUS PARK

SEC.	TWP.	RGE.	1/4 SEC.	WIDTH	LENGTH			ACRES	
					FEET	RODS	MILES		
19	36S	25E	NW1/4	40'	4612.34	279.54	0.87	4.23	
TOTALS						4612.34	279.54	0.87	4.23

DJ SIMMONS INC  
PROPOSED PIPELINE  
CACTUS PARK #2  
SEC. 30 T-36-S, R-25-E, N.M.P.M.  
SAN JUAN COUNTY, UTAH

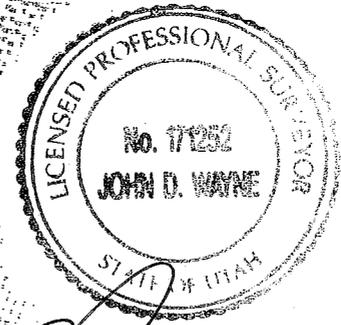
SCALE: 1"=300'      DATE: 10/09/2008

CACTUS PARK #2  
PROPOSED PIPELINE

START

IN 0+00 CACTUS PARK #2  
NE 69 16 23 175.00  
G1 0+00 R-1 @ EASTLINE OF PAD  
IN NE 66 12 50 226.41  
G2 2+26.41  
IN NE 86 05 06 400.58  
G3 6+27.00  
IN NE 17 16 44 510.06  
G4 11+37.05  
IN NE 05 11 59 139.92  
G5 12+76.97  
IN NE 29 25 40 40.99  
G6 14+17.10  
IN NE 29 25 40 99.14  
G7 14+17.10  
IN NE 17 49 27 864.56  
G8 22+81.66  
IN NW 01 50 12 60.22  
G9 23+41.88  
IN NW 41 36 21 407.14  
G10 27+49.02  
IN NW 42 55 33 490.40  
G11 32+39.42  
IN NW 38 13 24 235.63  
G12 34+75.05

IN NW 28 24 53 190.38  
G13 36+65.42  
IN NW 22 26 59 227.83  
G14 38+93.25  
IN NW 31 29 10 273.76  
G15 41+67.01  
IN NW 30 06 06 356.19  
G16 45+23.19  
IN NW 35 34 15 395.18  
G17 46+80.12  
IN NW 08 03 58 48.04  
G18 49+66.41  
IN NW 55 33 04 153.73  
G19 51+20.14  
IN NW 46 51 58 321.81  
G20 54+41.94  
IN NW 58 39 14 335.94  
G21 57+77.89  
IN NW 36 17 01 127.24  
G22 59+05.13  
IN NW 19 57 14 25.17  
G22 59+30.30



*John D. Wayne*  
John D. Wayne  
Professional Surveyor  
Utah Reg. No. 171252

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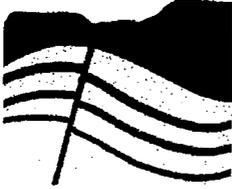


150' 150'  
1" = 300'

DRAWING NO: 001068 CACTUS PARK

SEC.	TWP.	RGE.	1/4 SEC.	WIDTH	LENGTH			ACRES	DJ SIMMONS INC PROPOSED PIPELINE CACTUS PARK #2 SEC. 30 T-36-S, R-25-E, N.M.P.M. SAN JUAN COUNTY, UTAH
					FEET	RODS	MILES		
30	36S	25E	NW1/4	40'	1317.96	79.88	0.25	1.21	
19	36S	25E	SW1/4	40'	4612.34	279.54	0.87	4.23	
TOTALS					5930.30	359.41	1.12	5.63	SCALE: 1"=300'

DATE: 10/09/2008



## Cactus Park No. 2

Surface: 817.06' FNL, 1902.83' FWL, Sec 30, T36S, R25E, San Juan County, Utah  
 Lease#: UTU-59240

**DJ SIMMONS, INC.** Undesignated

API #: 43-037-31700

Spud Date: Original: October 22, 1993, by  
 Ampolex (Texas), Inc.

Elevation: 5925'GR

TD: 5,952'KB

Wellhead:

Tubulars:

Surface: 8 5/8" 24# at 1792' with cement planned to surface, no report  
 Intermediate:  
 Production:  
 Liner:

### "To Do" Items before rigging up:

- Dig up PXA plate and 8 5/8" casing. Cut off casing below damage. Clean out inside below cut. Weld on slip collar. Make and screw in casing nipple such that flange of bradenhead is at ground level.
- Dig up mousehole and rathole. Make sure they are filled with gravel or cement, not location fill, rocks or junk.
- Install and test rig anchors.
- Dig and line a 400bbl reserve pit (60' long x 10' wide x 6' deep) with 12ml ripstop polyethylene.
- Rentals and purchase tools needed:
  - 2 - 400bbl fresh water supply tanks
  - 2 - light plants, 2nd light plant is optional
  - 2 7/8" drill pipe
  - 6 - 4" drill collars
  - catwalk with "V" door slide and snubbing pole
  - 60' pipe racks with plenty 2x4 wood stripping material
  - spare stripping rubbers for 2 7/8" drill pipe
  - open 7 7/8" mill tooth drill bit
  - several 4 3/4" mill tooth drill bits (journal bearing if available)
  - 2 pallets of fresh water gel
  - 2 buckets of polymer sweep
  - mud cross with 2 - 4" outlets flanged to fit between BOP and stripper
  - enough 4" suction hose to make 2 return lines from 4" mud cross to rig pit

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**JAN 29 2009**

**DIV. OF OIL, GAS & MINING**



## Cactus Park No. 2

### Procedure:

- ▶ Move in and rig up well service unit and equipment. Follow all the rules of government and company policies.
- ▶ Nipple up BOP. Make sure wellhead and valves are in good, safe working order and tightened with proper torque including the wellhead and casing nipple before continuing.
- ▶ Pick up an open 4 3/4" open mill tooth bit with 2 drill collars (if you have crown room) to drill a pilot hole in the surface plug.
- ▶ Circulate well to check condition of old drilling mud below plug.
- ▶ Lay down 4 3/4" bit and pick up 7 7/8" open mill tooth bit to drill surface plug to gauge.
- ▶ Lay down 7 7/8" bit and pick up 4 3/4" open mill tooth bit and the rest of the drill collars.
- ▶ Trip in hole to 2nd plug and drill a pilot hole circulating conventional. Possible gas under plug. **Open hole below this plug.** Be alert.
- ▶ Circulate well to check condition of old drilling mud below plug.
- ▶ Lay down 4 3/4" bit and pick up 7 7/8" open mill tooth bit to drill 2nd plug to gauge.
- ▶ Lay down 7 7/8" bit and pick up 4 3/4" open mill tooth bit.
- ▶ Trip in hole to 3rd plug and drill a pilot hole circulating conventional. Possible gas under plug.
- ▶ Circulate well to check condition of old drilling mud below plug.
- ▶ Lay down 4 3/4" bit and pick up 7 7/8" open mill tooth bit to drill 3rd plug to gauge.
- ▶ Continue drilling 4th plug with 7 7/8" open mill tooth bit to original TD of 5952'. Expect cement all the way to TD.

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DIV. OF OIL, GAS & MINING



## Cactus Park No. 2

- ▶ Use casing crew to help run 5 1/2" 17# N80 LTC casing as follows:
  - a. Float shoe. (thread locked)
  - b. Shoe joint. (thread locked)
  - c. Latch down plug baffle in top of shoe joint.
  - d. Use 1 centralizer 10' from shoe w/ stop band and 1 centralizer on each joint for 10 more joints (11 total) to centralize casing across Desert Creek, Gothic and Ismay zones.
- ▶ Put pump on casing and circulate hole with at least one casing volume (141 barrels).
- ▶ Cement with 20bbl flush, **LEAD:** 270 sx (69 bbl) 50:50 POZ:Class "G" + 4 LB/SK Gilsonite + 0.2% CD-20 + 0.6% Super FL-300 + 2% Bentonite and 6.87 gal/sx water @ 13.1ppg (1.43 cuft/sx), **TAIL:** 700sx (156 bbl) Class "G" + 0.4% Super FL-300 + 3 LB/SK Gilsonite + 0.1% Super CR-1 + 0.25 LB/SK Super Flake and 5.37 gal/sx water @ 15.20ppg (1.25 cuft/sx), wiper plug, 146 bbl freshwater. Bump plug to 500psi over differential. **Pump at 4 BPM.**
- ▶ Nipple down BOP. Nipple up tubing head.

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JAN 29 2009  
DIV. OF OIL, GAS & MINING

### Cactus Park No. 2

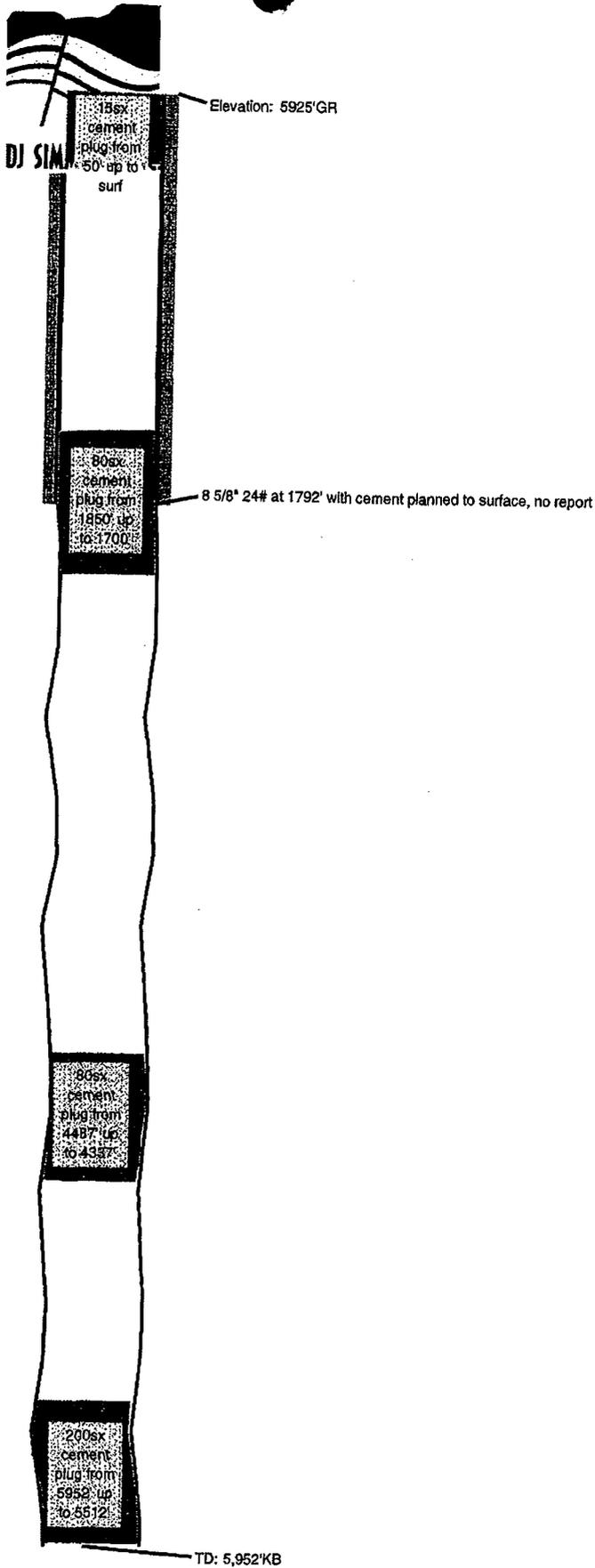
Location: Surface: 817.06' FNL, 1902.83' FWL, Sec 30, T36S, R25E, San Juan County, Utah  
Lease#: UTU-59240

Field: undesignated

Zone: Desert Creek

API #: 43-037-31700

Spud Date: Original: October 22, 1993, by Ampolex (Texas), Inc.



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DIV. OF OIL, GAS & MINING

11/10/1993 Set cement plugs

### Cactus Park No. 2



Elevation: 5925'GR

Location: Surface: 817.06' FNL, 1902.83'  
 FWL, Sec 30, T36S, R25E, San  
 Juan County, Utah  
 Lease#: UTU-59240

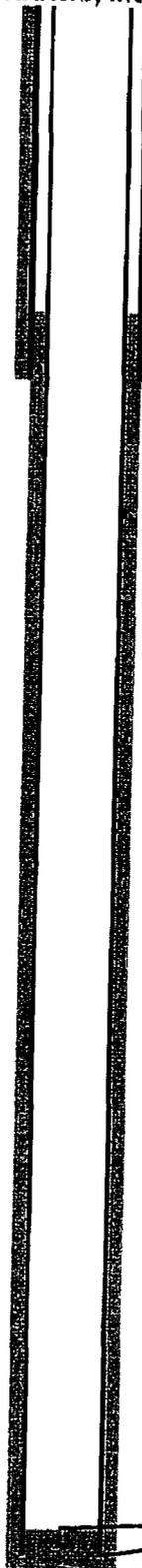
Field: undesignated

Zone: Wildcat

API #: 43-037-31700

Spud Date: Original: October 22, 1993, by  
 Ampolex (Texas), Inc.

8 5/8" 24# at 1792' with cement planned to surface, no report



**RECEIVED**

**JAN 29 2009**

**DIV. OF OIL, GAS & MINING**

PBDT 5901' float collar  
 5 1/2" 17# N80 LTC CSA 5952' w/ 341sx  
 TD: 5,952' KB

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 01/26/2009

API NO. ASSIGNED: 43-037-31700

WELL NAME: CACTUS PARK 2 *Re-entry*  
 OPERATOR: D J SIMMONS, INC (N2520 )  
 CONTACT: RODNEY SEALE

PHONE NUMBER: 505-326-3753

PROPOSED LOCATION:

NENW 30 360S 250E  
 SURFACE: 0817 FNL 1902 FWL  
 BOTTOM: 0817 FNL 1902 FWL  
 COUNTY: SAN JUAN  
 LATITUDE: 37.63322 LONGITUDE: -109.2149  
 UTM SURF EASTINGS: 657519 NORTHINGS: 4166415  
 FIELD NAME: WILDCAT ( 1 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU-85275  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: DSCR  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

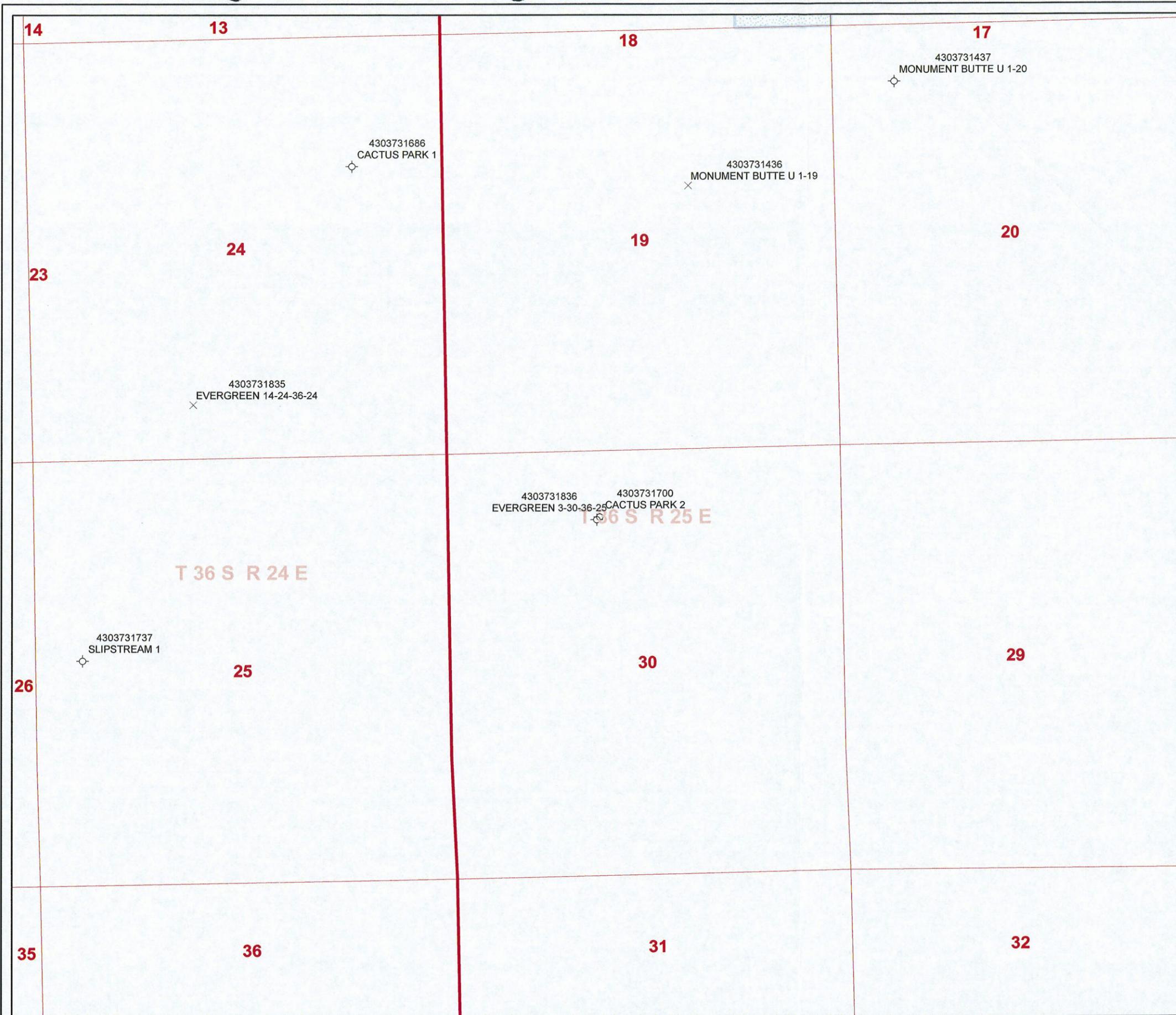
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. UTB000048 )
- N Potash (Y/N)
- N Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. MUNICIPAL )
- N RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- NA Fee Surf Agreement (Y/N)
- NA Intent to Commingle (Y/N)

LOCATION AND SITING:

- \_\_\_ R649-2-3.
- Unit: \_\_\_\_\_
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- \_\_\_ R649-3-3. Exception
- \_\_\_ Drilling Unit
- Board Cause No: \_\_\_\_\_
- Eff Date: \_\_\_\_\_
- Siting: \_\_\_\_\_
- \_\_\_ R649-3-11. Directional Drill

COMMENTS: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

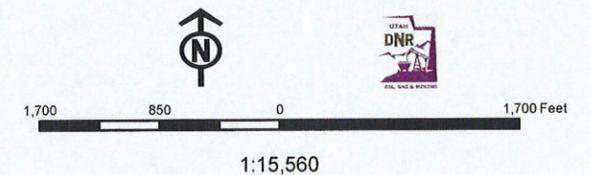
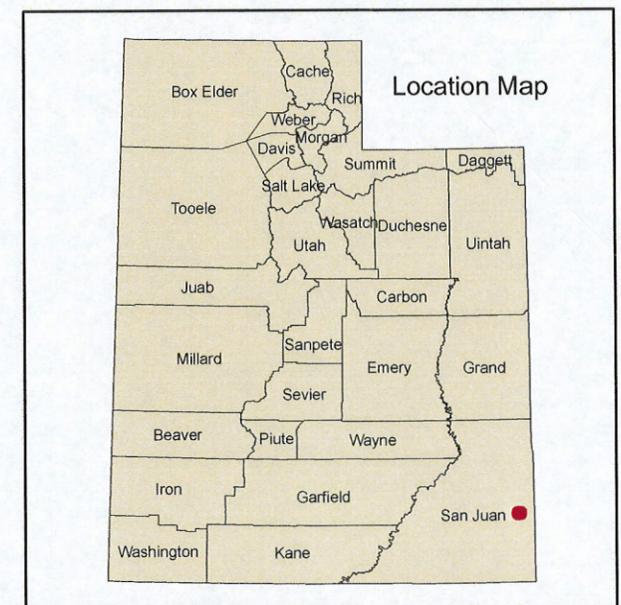
STIPULATIONS: 1- Sediment Approval  
2- Spacing Strip



**API Number: 4303731700**  
**Well Name: CACTUS PARK 2**  
 Township 36.0 S Range 25.0 E Section 30  
**Meridian: SLBM**  
 Operator: D J SIMMONS, INC

Map Prepared:  
 Map Produced by Diana Mason

- |               |                           |
|---------------|---------------------------|
| <b>Units</b>  | <b>Wells Query Events</b> |
| <b>STATUS</b> | ✕ <all other values>      |
| ACTIVE        | GIS_STAT_TYPE             |
| EXPLORATORY   | <Null>                    |
| GAS STORAGE   | APD                       |
| NF PP OIL     | DRL                       |
| NF SECONDARY  | GI                        |
| PI OIL        | GS                        |
| PP GAS        | LA                        |
| PP GEOTHERML  | NEW                       |
| PP OIL        | OPS                       |
| SECONDARY     | PA                        |
| TERMINATED    | PGW                       |
| <b>Fields</b> | POW                       |
| <b>STATUS</b> | RET                       |
| ACTIVE        | SGW                       |
| COMBINED      | SOW                       |
| Sections      | TA                        |
| Township      | TW                        |
|               | WD                        |
|               | WI                        |
|               | WS                        |





JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

January 29, 2009

D J Simmons, Inc.  
1009 Ridgeway Place  
Farmington, NM 87401

Re: Cactus Park No. 2 Well, 817' FNL, 1902' FWL, NE NW, Sec. 30, T. 36 South,  
R. 25 East, San Juan County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-037-31700.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: San Juan County Assessor  
Bureau of Land Management, Moab Office



Operator: D J Simmons, Inc.  
Well Name & Number Cactus Park No. 2  
API Number: 43-037-31700  
Lease: UTU-85275

Location: NE NW                      Sec. 30                      T. 36 South                      R. 25 East

### Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dustin Doucet at (801) 538-5281    (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-85275
	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
	<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b>	<b>8. WELL NAME and NUMBER:</b> CACTUS PARK 2
<b>2. NAME OF OPERATOR:</b> D J SIMMONS, INC	<b>9. API NUMBER:</b> 43037317000000
<b>3. ADDRESS OF OPERATOR:</b> 1009 RIDGEWAY PL, STE 200 , FARMINGTON, NM, 87401	<b>PHONE NUMBER:</b> 505 326-3753 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0817 FNL 1902 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NENW Section: 30 Township: 36.0S Range: 25.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> WILDCAT
	<b>COUNTY:</b> SAN JUAN
	<b>STATE:</b> UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

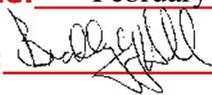
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 10/1/2010	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

DJ Simmons, Inc. is requesting an APD extension for the Cactus Park 2. The reason being the Bureau of Land Management Offices in Moab/Monticello, Utah have not approved the Federal APD at this time.

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

**Date:** February 18, 2010

**By:** 

<b>NAME (PLEASE PRINT)</b> Steve Sacks	<b>PHONE NUMBER</b> 505 326-3753	<b>TITLE</b> Permit Specialist
<b>SIGNATURE</b> N/A	<b>DATE</b> 2/18/2010	



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

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices**

**Request for Permit Extension Validation Well Number 43037317000000**

**API:** 43037317000000

**Well Name:** CACTUS PARK 2

**Location:** 0817 FNL 1902 FWL QTR NENW SEC 30 TWP 360S RNG 250E MER S

**Company Permit Issued to:** D J SIMMONS, INC

**Date Original Permit Issued:** 1/29/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated?  Yes  No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?  Yes  No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?  Yes  No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?  Yes  No
- Has the approved source of water for drilling changed?  Yes  No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?  Yes  No
- Is bonding still in place, which covers this proposed well?  Yes  No

**Approved by the Utah Division of Oil, Gas and Mining**

**Signature:** Steve Sacks **Date:** 2/18/2010  
**Title:** Permit Specialist **Representing:** D J SIMMONS, INC

**Date:** February 18, 2010

**By:** 

RECEIVED  
MOAB FIELD OFFICE

FORM APPROVED  
OMB No. 1004-0137  
Expires July 31, 2010

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

2009 JAN 29 10:02

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

1a. Type of work: <input type="checkbox"/> DRILL <input checked="" type="checkbox"/> REENTER		5. Lease Serial No. UTU-85275
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator DJ Simmons, Inc.		7. If Unit or CA Agreement, Name and No. Cactus Park No. 2
3a. Address 1009 Ridgeway Place, Suite 200 Farmington, NM 87401		8. Lease Name and Well No. Cactus Park No. 2
3b. Phone No. (include area code) 505-326-3753		9. API Well No. 43-037-31700
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 817.06' FNL and 1902.83' FWL At proposed prod. zone Same as at surface		10. Field and Pool, or Exploratory Desert Creek
14. Distance in miles and direction from nearest town or post office* Approximately 25.1 miles		11. Sec., T. R. M. or Blk. and Survey or Area Sec. 30, T36S, R25E SLM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 817.06'	16. No. of acres in lease 2,493.64	12. County or Parish San Juan County
17. Spacing Unit dedicated to this well 40 Acre	13. State UT	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. None	19. Proposed Depth 5,952' KB	20. BLM/BIA Bond No. on file <del>UATB000048</del> <del>BOK00000672</del> UTB0000048
21. Elevations (Show whether DF, KDB, RT, GL, etc.) GL 5925'	22. Approximate date work will start* 04/16/2009	23. Estimated duration 30 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

25. Signature <i>Rodney L. Seale</i>	Name (Printed/Typed) Rodney L. Seale	Date <i>January 22, 2009</i>
Title Production Manager		
Approved by (Signature) <i>Bl Russell W. von Koch</i>	Name (Printed/Typed) <i>Bl Russell W. von Koch</i>	Date <i>9/16/2010</i>
Title Acting Field Manager	Office Moab Field Office	

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, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Continued on page 2)

\*(Instructions on page 2)

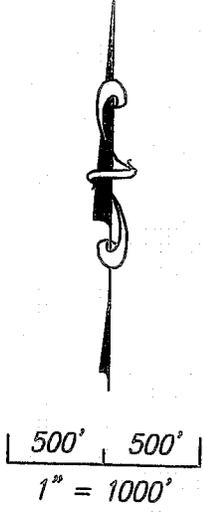
CONDITIONS OF APPROVAL ATTACHED  
RECEIVED

SEP 20 2010

DIV. OF OIL, GAS & MINING

# UTAH WELL LOCATION PLAT

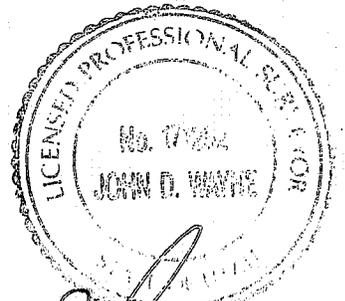
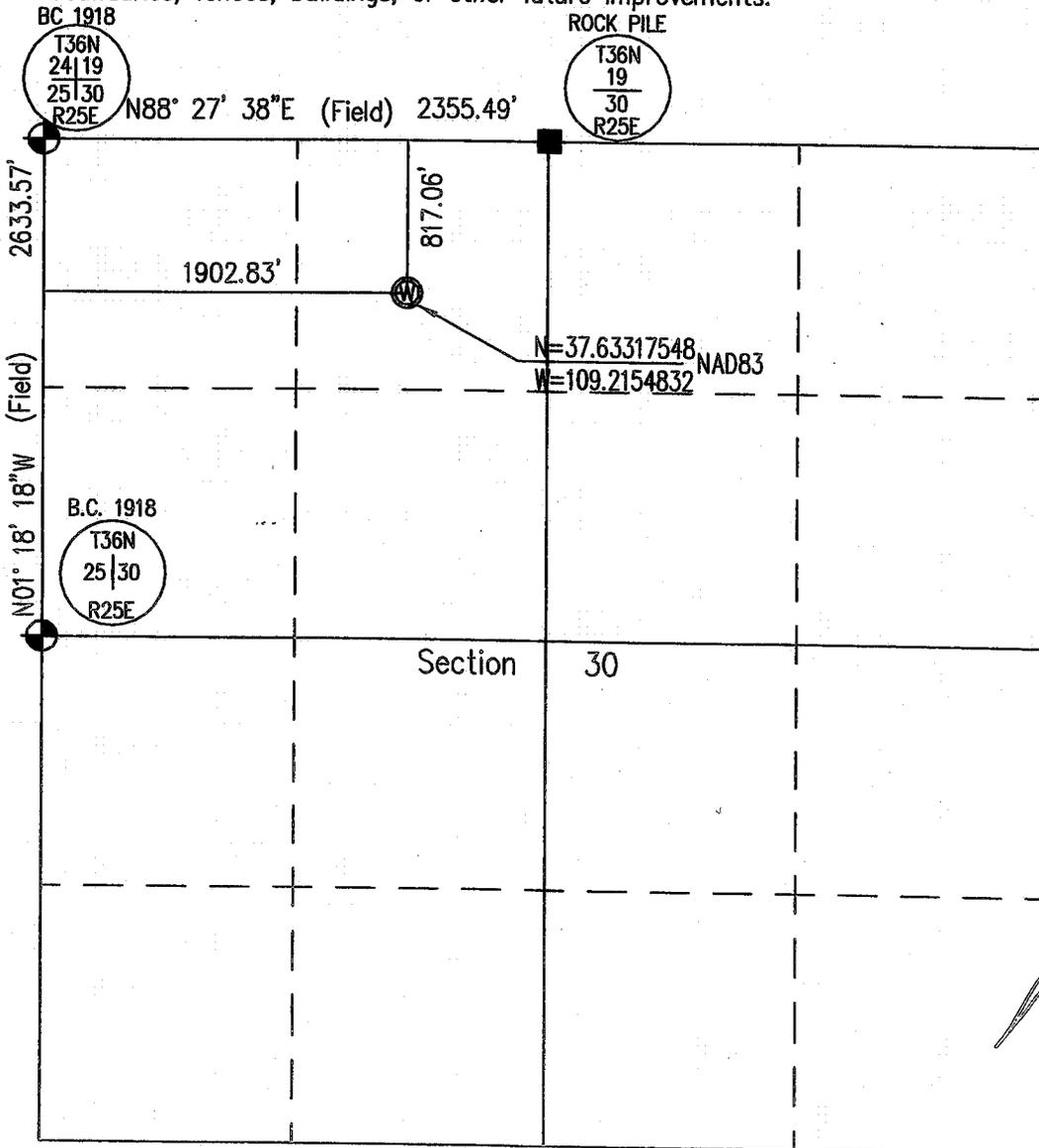
OPERATOR DJ SIMMONS INC  
 LEASE CACTUS PARK WELL NO. #2  
 SECTION 30 TOWNSHIP 36 South RANGE 25 East S.L.P.M.  
 COUNTY San Juan UTAH  
 FOOTAGE LOCATION OF WELL: 817.06 FEET FROM THE North LINE and  
1902.83 FEET FROM THE West LINE and  
 GROUND LEVEL ELEVATION: 5844.73  
 SURFACE USE WITHIN 200' RADIUS: No Improvements Within 200'  
 BASIS OF BEARING: GPS Data  
 BASIS OF ELEVATION: GPS Data - NAD 83 - PDOP #1.6

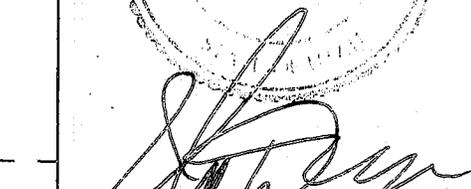


Some information on this plat is based on information taken from previous surveys, record information, or collateral evidence and may not reflect that which may be disclosed by a complete boundary survey. This plat is not to be relied on for the establishment of surface boundaries, fences, buildings, or other future improvements.

- GLO BC (1918)
- WELL Location
- ROCK PILE/STONE MONUMENT WITH BEARING TREE
- ALUMINUM CAP

I hereby certify that the proposed well location shown on this plat was prepared from field notes of an actual survey by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief, and that there are no visible improvements within 200 feet of this proposed wellhead, unless noted otherwise.



  
 John D. Wayne  
 Professional L.S. #171252  
 State of Utah

OCTOBER 09, 2008  
 Date Surveyed:

OCTOBER 20, 2008  
 Date Platted:

SCALE: 1" = 1000'

DJ Simmons, Inc.  
**Cactus Park 2 (Re-entry)**  
Lease UTU-85275  
NE/NW Section 30, T36S, R25E  
San Juan County, Utah

**A COMPLETE COPY OF THIS APPROVED PERMIT AND CONDITIONS OF APPROVAL shall be maintained on location during all construction and drilling operations, and shall be available to contractors to ensure compliance.**

#### 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 DJ Simmons, 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 **UTB000048** (Principal - DJ Simmons, Inc.) 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 two years from the date of approval. An extension of this permit will be considered only if a written request is received prior to APD expiration. 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. Failure to comply with the provisions of this permit, including applicable regulations, stipulations, and/or approval conditions, will be considered a violation subject to the enforcement provisions of 43 CFR Subpart 3163.

## A. DRILLING PROGRAM

1. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGM) is required before conducting any surface disturbing activities.
2. The proposed well control equipment is appropriate for anticipated conditions. Well control equipment for the production section of the well shall meet or exceed 2M standards. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
3. Drilling reports, which describe the activities of each day, shall be submitted to the BLM Moab Field Office on a weekly, or more frequent, basis. In addition to a daily summary of activities, drilling reports shall include the drilling fluid weight, details of casing and cement, water flows, lost circulation zones and any other information that would contribute to our understanding of drilling conditions.
4. A cement bond log, or other appropriate tool, shall be used to verify the top of cement behind the production casing. If cementing objectives are not met, remedial cementing may be necessary.

## B. SURFACE USE

### **Construction and Drilling**

1. D. J. Simmons, Inc. must have an approved APD and a ROW grant prior to conducting any surface disturbing activity.
2. Cultural Resources – D. J. Simmons, Inc. will have qualified cultural resource personnel monitoring surface disturbing construction activity occurring in the vicinity of cultural sites, as recommended in the cultural survey report. A map will be provided to D. J. Simmons, Inc. or their contractor showing the locations where monitoring is required.
3. Raptors and Migratory Birds - Depending on the timing and location of activities, surveys for raptors and/or migratory birds may be required. Field surveys will be conducted as determined by the Bureau of Land Management. D. J. Simmons, Inc. must provide 30 days prior notification to the BLM before commencing any construction or drilling activity. The BLM will notify D. J. Simmons, Inc. if a raptor and/or migratory bird survey is necessary. The operator will be responsible for accomplishing this survey. Surveys will be conducted by qualified individuals according to protocol. Based on the result of the field survey, the authorized officer will determine appropriate buffers and timing limitations.
4. Crucial Deer Winter Range - The proposed project is within the area designated in the Monticello Field Office Resource Management Plan as crucial deer winter range. No surface disturbing activities can occur between November 15 and April 15 to minimize stress and disturbance to deer during crucial winter months.
5. D. J. Simmons, Inc. will comply with Utah Air Conservation Regulation R307-205, which prohibits the use, maintenance, or construction of roadways or the clearing of land areas greater than ¼ acre without taking appropriate dust abatement measures.

## SURFACE USE Conditions of Approval continued

6. Maintenance work performed on San Juan County Road D0870 will occur within the extent of the existing disturbance.
7. During drilling operations, the reserve pit will be fenced on three sides. When drilling operations are complete the fourth side will be fenced. At a minimum, the fence will be constructed using steel T or wood line posts set 16.5 feet apart. Corner posts will be 6 inches or greater diameter wood, and anchored with a rock deadman. Woven wire will be placed from 0 to 32 inches, and twisted smooth or barbed wire will be placed at 4 and 16 inches above the woven wire. When fencing is completed, netting will be placed over the pit and fence, extending to below the ground level, to prevent birds and small animals from gaining access to and becoming trapped in the contents of the pit. The netting will be supported to maintain adequate clearance between the net and the contents of the pit. The fencing and netting will be maintained until the pit is closed and reclaimed. Emergency pits associated with production shall be subject to the same fencing and netting requirements as reserve pit.

### **Production**

1. The storage tank battery will be enclosed within a compacted earthen berm (secondary containment) covered with gravel to contain any potential spills. At a minimum, the berm must be constructed in conformance with 40 CFR 112 which requires that the berm have the capacity of the largest single container and sufficient freeboard to contain precipitation.
2. All above ground facilities including power boxes, buildings, roofs, and any visible equipment will be painted juniper green.
3. All new and replacement internal combustion oil and gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 gms of NO<sub>x</sub> per horsepower-hour. All new and replacement internal combustion oil and gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO<sub>x</sub> per horsepower-hour. This requirement does not apply to engines of less than or equal to 40 design-rated horsepower.
4. Due to the heavy fuels present in the area of the pipeline, steel pipe will be used to reduce the risk in the event of a wildfire.
5. During pipeline construction installation equipment will use the driving surface of the access road to the extent possible. The soil surface of the pipeline ROW will not be bladed. Clearing of vegetation will be minimized. The Right of Way corridor for the road and pipeline shall not exceed 40 feet in width.
6. The pipe will be buried at all road crossings.
7. The pipe will be placed on or as near to the surface of the ground as is practical. The pipe will not be supported in an elevated position by rocks, trees, or other obstacles.
8. The operator will monitor for and control, following BLM protocols, all noxious/invasive weeds within the proposed project area during the life of the project.
9. Only material and equipment necessary for daily production activities will be kept on location. All other materials and equipment will be removed.

## SURFACE USE Conditions of Approval continued

10. Secondary containment trays are required for all chemical containers and covered drip pans are required for oil and produced water load out points. Trays will be equipped with protection to prevent animals from gaining access to contents. The operator will promptly empty these trays of any spills or precipitation that may accumulate.
11. The operator shall maintain all equipment free of oil and produced water leaks. If leaks develop they will be promptly repaired and any contamination removed and properly disposed of.

### **Interim Reclamation**

1. Top soil, up to eight inches, will be salvaged from the spur road and the well pad, and reserved for interim and final reclamation.
2. Interim reclamation will begin as soon as practicable after production has been established and will be accomplished on all disturbed areas of the spur access road and well pad not required for travel or production. Interim reclamation will consist of:
  - a. Ripping areas where the soil has become compacted by the operation of equipment and vehicles.
  - b. Evenly spreading the reserved topsoil.
  - c. Seeding the prepared areas. Seed can be drilled or broad cast. If seed is broadcast, the application rate will be doubled and the seed will be covered with some type of drag.
3. Reclamation of the reserve pit will be accomplished in accordance with OOGO#1, XII, B., and the guidelines contained in the Gold Book. Closure and reclamation of the reserve pit will not occur until the pit contents are sufficiently dry. Any hydrocarbons must be removed and the pit liner removed to the solids level prior to backfilling with excavated material. Earthwork for pit closure and reclamation must be completed within six months of well completion or well plugging. If necessary, pit fluids will be pumped off and properly disposed of to allow for timely closure of the pit.

### **Final Reclamation**

1. If the well should prove unproductive or upon final abandonment, all disturbed areas will be subject to final reclamation. Final reclamation will include:
  - a. Removal of gravel or stone that may have been placed on the roadway or well pad to allow for all weather travel.
  - b. Reserving any topsoil that was spread during interim reclamation.
  - c. Recontouring of all disturbed areas to the original contour or a contour that blends with the surrounding topography.
  - d. Spreading reserved topsoil evenly over all disturbed areas.
  - e. Seeding all disturbed areas. Seed can be drilled or broad cast. If seed is broadcast, the application rate will be doubled and the seed will be covered with some type of drag.
  - f. The spur access road will be barricaded with a large berm or rocks to prevent vehicle access

SURFACE USE Conditions of Approval continued

2. The seed mix to be used in interim and final reclamation is as follows:

<b>Species</b>	<b>Variety or Cultivator</b>	<b>PLS/A</b>
Fourwing saltbush	<i>Atriplex canescens</i>	2.0
Antelope Bitterbrush	<i>Purshia tridentate</i>	2.0
Crested wheatgrass	<i>Agropyron desertorum</i>	2.0
Indian ricegrass	<i>Oryzopsis hymenoides</i>	2.0
Galleta grass	<i>Hillaria jamesii</i>	1.0
Scarlet globemallow or	<i>Sphaeralcea coccinea</i>	1.0
Cicer milkvetch	<i>Astragalus sabulosus</i>	1.0

3. As applicable, trees, rocks, etc. that were reserved to the side during construction will be scattered after seeding operations are completed.

**General**

1. The approval of the Cactus Park #2 APD does not constitute approval for other Federal, State of Utah, or San Juan County permits that may be required. D. J. Simmons, Inc. is responsible for obtaining any other applicable permits.
2. No construction, drilling, production or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support construction equipment and vehicles. If such equipment and vehicles create ruts in excess of 4 inches deep, the soil shall be deemed too wet. This applies to San Juan County B and D roads. If wet weather access is necessary, the roads will be upgraded to an all weather surface. The operator will be responsible for the prompt repair of any road damage caused by activity associated with the project.
3. All employees, contractors, and sub-contractors of the project will be informed that cultural sites are to be avoided by all personnel, personal vehicles and company equipment. Employees will also be notified that it is illegal to collect, damage, or disturb cultural resources. If any new cultural sites are encountered, the contractor will immediately stop all construction activities and notify the Bureau of Land Management, Monticello Field Office (MFO). The MFO will then evaluate the site. Should a site be evaluated as eligible for inclusion on the National Register of Historic Places, it will be treated in the proper manner to mitigate any effects of construction, according to the guidelines set by the MFO.
4. Notifications - The operator will notify the Bureau of Land Management, Monticello Field Office 30 days prior to any construction or drilling operations for the purpose of determining the need for raptor and/or migratory bird surveys. The operator will notify the Bureau of Land Management, Monticello Field Office three days prior to access road construction, well pad preparation, drilling operations, and pipeline construction.

### C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the BLM Natural Resource Protection Specialist at least three days prior to commencing construction of location.

Spud- The spud date will be reported to BLM 24-hours prior to spud. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field Office within 24-hours after spud, 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 Moab Field Office on a weekly, or more frequent, basis.

Oil and Gas Operations Reports (OGORs)- Production from this well shall be reported to Minerals Management Service (MMS) on a monthly basis.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed, with the Moab Field Office, for approval of all changes of plans and subsequent 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 Moab Field Office. 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 BLM 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 Monticello Field Office is to be notified.

First Production- Should the well be successfully completed for production, the Moab Field Office 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 business days following the date on which the well is placed into production.

A first production conference will be scheduled through the Monticello Field Office as soon as the productivity of the well is apparent.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion or Recompletion Report and Log" (Form 3160-4) will be submitted to the Moab Field Office not later than thirty-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. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

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 Moab Field Office for approval pursuant to Onshore Oil and Gas Order No. 7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/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 Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will be approved when the Monticello Field Office determines that surface reclamation work has successfully restored desirable vegetation.

#### TABLE 1

#### NOTIFICATIONS

Notify Jeff Brown (435-587-1525), or Cliff Giffen (435-587-1524) of the BLM, Monticello Field Office for the following:

30 days prior to any construction or drilling operations for the purpose of determining the need for raptor and/or migratory bird surveys (Giffen);

3 days prior to access road construction, well pad preparation, drilling operations, and pipeline construction (Giffen);

1 day prior to spud (Brown);

1 day prior to testing BOP (Brown).

If the person at the above number cannot be reached, notify the Moab Field Office at 435-259-2100. If unsuccessful, contact the person 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 Field Office at 435-259-2100. If approval is needed after work hours, you may contact:

Eric Jones, Petroleum Engineer      Office: (435) 259-2117  
Home: (435) 259-2214

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-85275
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b>	<b>8. WELL NAME and NUMBER:</b> CACTUS PARK 2
<b>2. NAME OF OPERATOR:</b> D J SIMMONS, INC	<b>9. API NUMBER:</b> 43037317000000
<b>3. ADDRESS OF OPERATOR:</b> 1009 RIDGEWAY PL, STE 200 , FARMINGTON, NM, 87401	<b>PHONE NUMBER:</b> 505 326-3753 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0817 FNL 1902 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NENW Section: 30 Township: 36.0S Range: 25.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> WILDCAT  <b>COUNTY:</b> SAN JUAN  <b>STATE:</b> UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 1/1/2011  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE  <input type="checkbox"/> CHANGE TO PREVIOUS PLANS  <input type="checkbox"/> CHANGE WELL STATUS  <input type="checkbox"/> DEEPEN  <input type="checkbox"/> OPERATOR CHANGE  <input type="checkbox"/> PRODUCTION START OR RESUME  <input type="checkbox"/> REPERFORATE CURRENT FORMATION  <input type="checkbox"/> TUBING REPAIR  <input type="checkbox"/> WATER SHUTOFF  <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING  <input type="checkbox"/> CHANGE TUBING  <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS  <input type="checkbox"/> FRACTURE TREAT  <input type="checkbox"/> PLUG AND ABANDON  <input type="checkbox"/> RECLAMATION OF WELL SITE  <input type="checkbox"/> SIDETRACK TO REPAIR WELL  <input type="checkbox"/> VENT OR FLARE  <input type="checkbox"/> SI TA STATUS EXTENSION  <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR  <input type="checkbox"/> CHANGE WELL NAME  <input type="checkbox"/> CONVERT WELL TYPE  <input type="checkbox"/> NEW CONSTRUCTION  <input type="checkbox"/> PLUG BACK  <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION  <input type="checkbox"/> TEMPORARY ABANDON  <input type="checkbox"/> WATER DISPOSAL  <input checked="" type="checkbox"/> APD EXTENSION  OTHER: <input style="width: 100px;" type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

On January 23, 2009, DJ Simmons, Inc. submitted to the US DOI, Bureau of Land Management (BLM) an Application for Permit to Re-enter the Cactus Park No. 2 Well - API No. 43-037-31700. That Permit was approved by BLM on August 16, 2010, with Conditions of Approval. Within those Conditions of Approval, it is noted that the Surface Use for Construction and Drilling is limited to a short time period annually due to raptors, migratory birds and deer. An Application for Permit to Drill/Re-enter the Cactus Park No. 2 Well was approved by the Utah Division of Oil, Gas and Mining on January 29, 2009. An APD Extension of that APD was submitted by DJ Simmons, Inc. and approved by the Utah Division of Oil, Gas and Mining on February 18, 2010. That APD Extension will expire on January 29, 2011. Therefore, DJ Simmons, Inc. is requesting another extension of that APD for another year.

**Approved by the Utah Division of Oil, Gas and Mining**

**Date:** 12/14/2010

**By:**

<b>NAME (PLEASE PRINT)</b> Robin Schiro	<b>PHONE NUMBER</b> 505 236-3753	<b>TITLE</b> Regulatory & Permitting Specialist
<b>SIGNATURE</b> N/A	<b>DATE</b> 12/13/2010	



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

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43037317000000**

**API:** 43037317000000

**Well Name:** CACTUS PARK 2

**Location:** 0817 FNL 1902 FWL QTR NENW SEC 30 TWNP 360S RNG 250E MER S

**Company Permit Issued to:** D J SIMMONS, INC

**Date Original Permit Issued:** 1/29/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated?  Yes  No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?  Yes  No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?  Yes  No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?  Yes  No
- Has the approved source of water for drilling changed?  Yes  No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?  Yes  No
- Is bonding still in place, which covers this proposed well?  Yes  No

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

**Signature:** Robin Schiro

**Date:** 12/13/2010

**Title:** Regulatory & Permitting Specialist **Representing:** D J SIMMONS, INC

**Date:** 12/14/2010  
**By:** 

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-85275
1. TYPE OF WELL	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: D J SIMMONS, INC	7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 1009 RIDGEWAY PL, STE 200, FARMINGTON, NM, 87401	8. WELL NAME and NUMBER: CACTUS PARK 2
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0817 FNL 1902 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENW Section: 30 Township: 36.0S Range: 25.0E Meridian: S	9. API NUMBER: 43037317000000
PHONE NUMBER: 505 326-3753 Ext	9. FIELD and POOL or WILDCAT: WILDCAT
COUNTY: SAN JUAN	STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 1/1/2013	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input checked="" type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

DJ Simmons is requesting an extension of the Cactus Park 2 APD until 1/29/2013.

**Approved by the Utah Division of Oil, Gas and Mining**

**Date:** February 13, 2012

**By:**

<b>NAME (PLEASE PRINT)</b> Chris S. Lopez	<b>PHONE NUMBER</b> 505 326-3753	<b>TITLE</b> Regulatory Socialist
<b>SIGNATURE</b> N/A	<b>DATE</b> 2/7/2012	



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

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43037317000000**

API: 43037317000000

Well Name: CACTUS PARK 2

Location: 0817 FNL 1902 FWL QTR NENW SEC 30 TWNP 360S RNG 250E MER S

Company Permit Issued to: D J SIMMONS, INC

Date Original Permit Issued: 1/29/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated?  Yes  No
  
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?  Yes  No
  
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?  Yes  No
  
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?  Yes  No
  
- Has the approved source of water for drilling changed?  Yes  No
  
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?  Yes  No
  
- Is bonding still in place, which covers this proposed well?  Yes  No

Signature: Chris S. Lopez

Date: 2/7/2012

Title: Regulatory Specialist Representing: D J SIMMONS, INC



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

March 29, 2013

DJ Simmons, Inc.  
1009 Ridgeway PL, Ste. 200  
Farmington, NM 87401

Re: APD Rescinded – Cactus Park 2 (DEEPENING), Sec. 30, T. 36S, R. 25E  
San Juan County, Utah API No. 43-037-31700

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on January 29, 2009. On February 18, 2010, December 14, 2010 and February 13, 2012 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 29, 2013.

A new APD 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 immediately.

Sincerely,

  
Diana Mason  
Environmental Scientist

cc: Well File  
Bureau of Land Management, Monticello