

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. <b>UTU- 7303 D</b>
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR <b>SAN JUAN MINERALS EXPLORATION</b>		7. UNIT AGREEMENT NAME
3. ADDRESS AND TELEPHONE NO. <b>P.O. Box 310367 MEXICAN HAT, UT. 84531 (801) 683-2298</b>		8. FARM OR LEASE NAME WELL NO. <b>SOUTHERLAND FEDERAL 97-4</b>
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface <b>2553' F/WL 1844 F/SL NE.- SW. Sec. 5</b> At proposed prod. zone <b>T 42 S. R 19 E. S.L.M.</b>		9. AP WELL NO.
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <b>1 MILE NORTHEAST OF TOWN MEXICAN HAT, UTAH</b>		10. FIELD AND POOL, OR WILDCAT <b>MEXICAN HAT</b>
10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) <b>100'</b>	16. NO. OF ACRES IN LEASE <b>29</b>	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <b>Sec. 5 T 42 S R 19 E.</b>
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. <b>1 MILE</b>	19. PROPOSED DEPTH <b>900'</b>	12. COUNTY OR PARISH <b>SAN JAUN</b>
21. ELEVATIONS (Show whether DF, RT, GR, etc.) <b>4215 EST. GR.</b>	20. ROTARY OR CABLE TOOLS <b>ROTARY</b>	13. STATE <b>UTAH</b>
22. APPROX. DATE WORK WILL START* <b>AS SOON AS APPROVED</b>		

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
10 3/4"	8 5/8"	24 1/16/ft.	AS NEEDED	AS REQUIRED
7 7/8"	5 1/2"	17 1/16/ft.	415'	

1,2,4,5,8,9.

- |   |   |
|---|---|
| <p>3. SURFACE FORMATION</p> <p>6. ESTIMATED DEPTH OF FIRST FORMATION</p> <p>7. ESTIMATED DEPTH OF WATER OIL OR GAS</p> <p>10. PRESSURE EQUIPMENT</p> <p>11. CIRCULATING MEDIUM</p> <p>12. TESTING, LOGGING</p> <p>13. ABNORMAL PRESSURES OR TEMP.</p> <p>14. ESTIMATED START TIME</p> | <p>SUPI</p> <p>320' ( GOODRIDGE);</p> <p>380' ( SHAFER LIME POSSIBLE WATER IF ANY )</p> <p>NOT REQUIRED</p> <p>AIR &amp; FOAM</p> <p>5' SAMPLES ONLY</p> <p>NONE EXPECTED</p> <p>WITHIN ONE WEEK AFTER APPROVAL</p> |
|---|---|

AS PER PHONE CONVERSATION WITH FRANK MATHEWS (STATE OF UTAH) AND ERIC JONES (B.L.M.) I AM ENCLOSING SURVEY PLAT FOR SUTHERLAND # 2 WILL HAVE LOCATION RESURVEYED AND SEND CORRECTED PLAT AS SOON AS WE HAVE A SURVEYOR HERE TO STAKE MORE LOCATIONS. THANK YOU

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

24. SIGNED *Calvin Howell* TITLE PRODUCTION SUPERINTENDANT DATE 1/06/97

(This space for Federal or State office use)

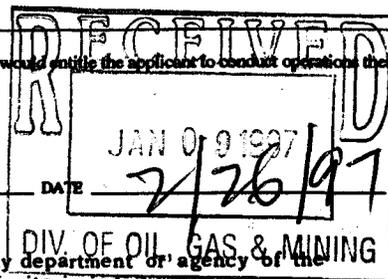
PERMIT NO. 43-037-31784 APPROVAL DATE \_\_\_\_\_

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

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY *[Signature]* TITLE \_\_\_\_\_

\*See Instructions On Reverse Side



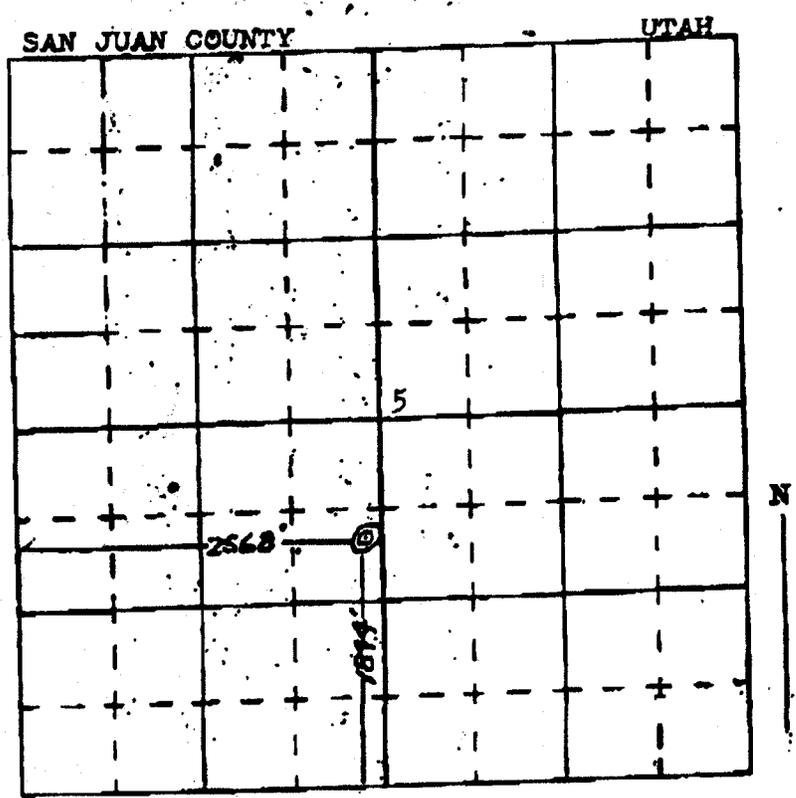
COMPANY SUTHERLAND OIL COMPANY

LEASE \_\_\_\_\_ WELL NO. (2)

SEC. 5 T. 42 S. R. 19 E. S.L.M.

LOCATION 1844 FEET FROM THE SOUTH LINE and  
2568 FEET FROM THE WEST LINE.

ELEVATION 4215 Ungraded Ground.



SCALE—1 INCHES EQUALS 1 MILE

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

SEAL: James P. Leese  
Registered Land Surveyor  
Utah Reg. No. 1472

SURVEYED 30 June 1987

SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.

SELF-CERTIFICATION STATEMENT

Be advised that SAN JUAN MINERALS EXPLORATION is considered to be the operator of Well No. SOUTHERLAND FED 97-4 (11) NE/SW, Sec. 5 , T. 42 S., R. 19 E., Lease UTU 7303 D, 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. 863E7020.

(Principal SAN JUAN MINERALS EXPLORATION 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.

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

Representative:

Name: CLINT HOWELL

Title: PRODUCTION SUPERINTENDANT

Address: P.O. Box 310367  
MEXICAN HAT, UTAH 84531

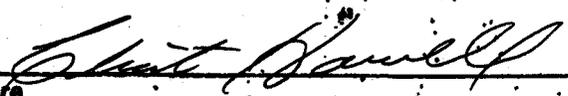
Phone No.: (801) 683-2298

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 currently exist; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by QUALITY DRILLING

and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided under BLM bond no. \_\_\_\_\_. This statement is subject to the provisions of 18 U.S.C. § 1001 for the filing of a false statement.

BOND NO. 863E7020

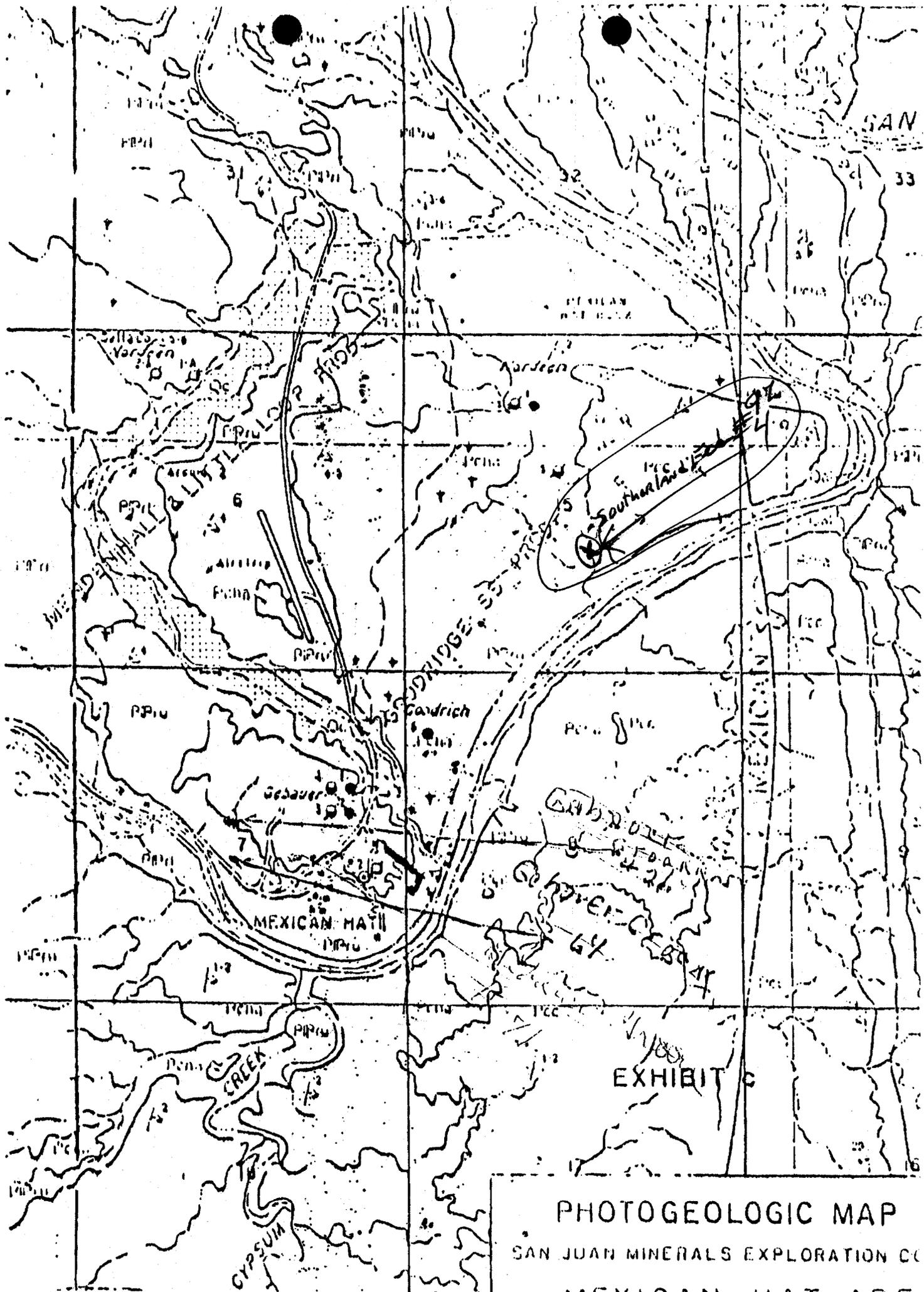
  
Signature

PRODUCTION SUPERINTENDANT

Title

1/06/97

Date



SAN

33

PERLAN  
MINE HOLES

*Southern Land*

BRIDGE 35

Gardrich

Gesauer

MEXICAN HAT

CREEK

GYP-SUM

EXHIBIT C

# PHOTOGEOLOGIC MAP

SAN JUAN MINERALS EXPLORATION CO.

MEXICAN HAT AREA

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 01/09/97

API NO. ASSIGNED: 43-037-31784

WELL NAME: SOUTHERLAND FEDERAL 97-4  
 OPERATOR: SAN JUAN MINERALS (N0810)

PROPOSED LOCATION:  
 NESW 05 - T42S - R19E  
 SURFACE: 1844-FSL-2553-FWL  
 BOTTOM: 1844-FSL-2553-FWL  
 SAN JAUN COUNTY  
 MEXICAN HAT FIELD (410)

INSPECT LOCATION BY: / /		
TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: FED  
 LEASE NUMBER: UTU - 7303 D

PROPOSED PRODUCING FORMATION: GDRSD

RECEIVED AND/OR REVIEWED:

Plat

Bond: Federal  State  Fee   
 (Number \_\_\_\_\_)

Potash (Y/N)

Oil shale (Y/N)

Water permit  
 (Number CITY OF MEXICAN HAT)

RDCC Review (Y/N)  
 (Date: \_\_\_\_\_)

LOCATION AND SITING:

\_\_\_ R649-2-3. Unit: \_\_\_\_\_

\_\_\_ R649-3-2. General.

\_\_\_ R649-3-3. Exception.

Drilling Unit.  
 Board Cause no: 156-3  
 Date: 4-15-80

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

\_\_\_\_\_

\_\_\_\_\_

STIPULATIONS: \_\_\_\_\_

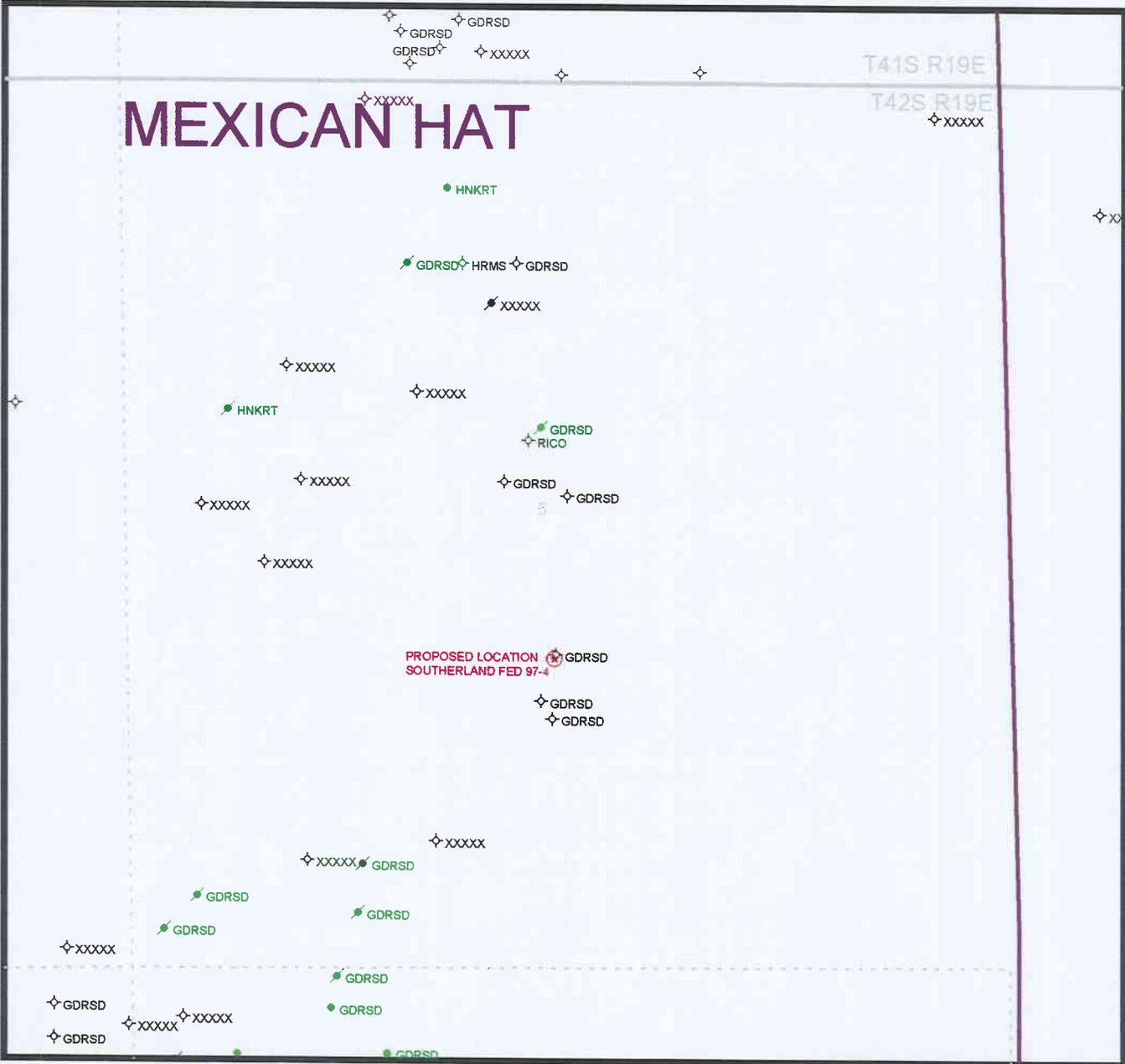
\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

OPERATOR: WESGRA CORP  
FIELD: MAXICAN HAT (410)  
SEC, TWP, RNG: 5, 42S, 19E  
COUNTY: SAN JAUN  
UAC: CAUSE 156-3 15-APR-80



PREPARED:  
DATE: 10-JAN-97

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED  
MOAB FIELD OFFICE

LEASE DESIGNATION AND SERIAL NO.  
7303 D

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK  
 DRILL  DEEPEN

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

2. NAME OF OPERATOR  
 SAN JUAN MINERALS EXPLORATION

3. ADDRESS AND TELEPHONE NO.  
 P.O. Box 310367 MEXICAN HAT, UT. 84531 (801) 683-2298

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
 At surface 2553' F/WL 1844 F/SL NE.- SW. Sec. 5  
 At proposed prod. zone T 42 S. R 19 E. S.L.M.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:  
 1 MILE NORTHEAST OF TOWN MEXICAN HAT, UTAH

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 100'  
 16. NO. OF ACRES IN LEASE 29  
 17. NO. OF ACRES ASSIGNED TO THIS WELL 5

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1 MILE  
 19. PROPOSED DEPTH 900'  
 20. ROTARY OR CABLE TOOLS ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4215 EST. GR.  
 22. APPROX. DATE WORK WILL START\* AS SOON AS APPROVED

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
10 3/4"	8 5/8"	24 15/16 FT.	AS NEEDED	AS REQUIRED
7 7/8"	5 1/2"	17 1/2 FT.	415'	

1,2,4,5,8,9.

- 3. SURFACE FORMATION SUPI
- 6. ESTIMATED DEPTH OF FIRST FORMATION 320' (GOODRIDGE);
- 7. ESTIMATED DEPTH OF WATER OIL OR GAS 380' (SHAFAER LIME POSSIBLE WATER IF ANY )
- 10. PRESSURE EQUIPMENT NOT REQUIRED
- 11. CIRCULATING MEDIUM AIR & FOAM
- 12. TESTING, LOGGING 5' SAMPLES ONLY
- 13. ABNORMAL PRESSURES OR TEMP. NONE EXPECTED
- 14. ESTIMATED START TIME WITHIN ONE WEEK AFTER APPROVAL

AS PER PHONE CONVERSATION WITH FRANK MATHEWS (STATE OF UTAH) AND ERIC JONES (B.L.M.) I AM ENCLOSEING SURVEY PLAT FOR SUTHERLAND # 2 WILL HAVE LOCATION RESURVEYED AND SEND CORRECTED PLAT AS SOON AS WE HAVE A SURVEYOR HERE TO STAKE MORE LOCATIONS. THANK YOU

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

24. SIGNED Eric Jones TITLE PRODUCTION SUPERINTENDANT DATE 1/06/97

(This space for Federal or State office use)

PERMIT NO. 43-037-31784 APPROVAL DATE FEB 24 1997

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

CONDITIONS OF APPROVAL, IF ANY:  
 /s/ Brad D. Palmer Assistant Field Manager, BLM, OF OIL Resource Management  
 DATE FEB 19 1997

\*See Instructions On Reverse Side

COMPANY SUTHERLAND OIL COMPANY

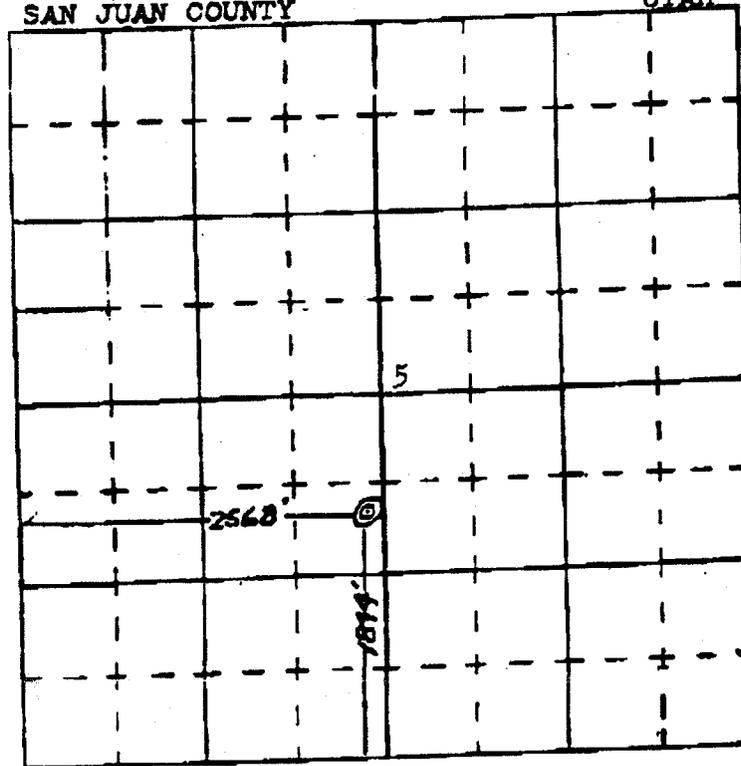
LEASE \_\_\_\_\_ WELL NO. 2

SEC. 5 T. 42 S. R. 19 E., S.L.M.

LOCATION 1844 FEET FROM THE SOUTH LINE and  
2568 FEET FROM THE WEST LINE.

ELEVATION 4215 Ungraded Ground.

SAN JUAN COUNTY UTAH



SCALE—4 INCHES EQUALS 1 MILE

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

*James P. Leese*  
Registered Land Surveyor

SEAL:

**James P. Leese**  
Utah Reg. No. 1472

SURVEYED 20 June 1982

San Juan Minerals Exploration  
Well: Federal 97-4  
Lease U-7303D  
NESW, Section 5, T. 42 S., R. 19 E.  
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 San Juan Minerals Exploration 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 UT-0093 (Principal - San Juan Minerals Exploration) 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. The geologic log (sample strip) must be submitted with the Well Completion Report. San Juan Minerals Exploration must ensure that the Well Completion Report documents the actual size and weight of the casing used. The Well Completion Report must be submitted within 30 days of completing the well.
2. A final survey plat must be submitted.
3. The conductor pipe must be cemented back to surface. The production casing must be set through (a minimum of 25' past) the Shafer Limestone. Any fluid bearing zones or lost circulation zones encountered while drilling will be isolated behind casing and cement.

## **B. SURFACE USE PLAN**

The following stipulations have been developed to mitigate adverse environmental impacts which may result from the action permitted by the accompanying decision. The action permitted and its anticipated impacts are fully described in the environmental assessment or categorical exclusion referenced above.

1. In order to alleviate the negative effects of the open reserve pit to both T & E and migratory birds, one of the following methods will be employed:
  - A. Entirely remove all hydrocarbons from the reserve pit and dispose of at an approved facility or place into stock tank for sales.
  - B. Use of absorbent materials either immediately upon discharge into the reserve pit or before leaving the well location for the day.
  - C. Effectively seal the reserve pit using netting material with a maximum opening of one inch.
2. If the well goes into production, all pipelines and electrical lines will be buried where soils are available.
3. All permanent production facilities will be painted a neutral non reflective earth tone color to blend in with the surrounding landscape.

### C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, enclosed.

Building Location- Contact the BLM Petroleum Engineering Technician (PET) Monticello BLM Field Office at least 48 hours prior to commencing construction of location.

Spud- The spud date will be reported to BLM 24 hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab BLM Field 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 Moab BLM Field 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. "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 Moab BLM 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 BLM is to be notified.

First Production- Should the well be successfully completed for production, the Moab BLM 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 (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 Monticello BLM Field Office. The Monticello BLM Field 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 Moab BLM Filed 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 Moab BLM 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 occurs first, without the prior, written approval

of the BLM. 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 BLM 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 BLM 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 BLM Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) shall be filed with the Moab BLM Field Office 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 BLM, or the appropriate surface managing agency.

### TABLE 1. NOTIFICATIONS

Notify Jeff Brown of the Monticello BLM Field Office in Monticello, Utah, at (801) 587-2141 for the following:

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

1 day prior to spudding;

50 feet prior to reaching each casing setting depth;

3 hours prior to testing BOPE

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

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

Gary Torres, Petroleum Engineer	Office: (801) 587-2141
	Home: (801) 587-2705

Eric Jones, Petroleum Engineer	Office: (801) 259-2117
	Home: (801) 259-2214



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

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

1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

February 26, 1997

San Juan Minerals Exploration  
P.O. Box 310367  
Mexican Hat, Utah 84531

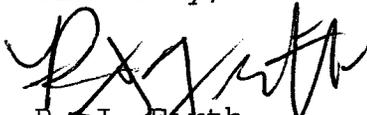
Re: Southerland Federal 97-4 Well, 1844' FSL, 2553' FWL, NE SW,  
Sec. 5, T. 42 S., R. 19 E., San Juan County, Utah

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 43-037-31784.

Sincerely,

  
R. J. Firth  
Associate Director

lwp

Enclosures

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

Operator: San Juan Minerals Exploration  
Well Name & Number: Southerland Federal 97-4  
API Number: 43-037-31784  
Lease: UTU-7303 D  
Location: NE SW Sec. 5 T. 42 S. R. 19 E.

### 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 following spudding the well or commencing drilling operations. Contact Jimmie Thompson at (801)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact R. J. Firth (801)538-5274 or Mike Hebertson at (801)538-5333.

3. Reporting Requirements

All required reports, forms and submittals shall 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.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: SAN JUAN MINERALS EXPLORATION

Well Name: SUTHERLAND FEDERAL 97-4

Api No. 43-037-31784

Section: 5 Township: 42S Range: 19E County: SAN JUAN

Drilling Contractor QUALITY

Rig # 1

SPUDDED:

Date 3/5/97

Time \_\_\_\_\_

How ROTARY

Drilling will commence \_\_\_\_\_

Reported by CLINT HOWELL

Telephone # \_\_\_\_\_

Date: 3/6/97 Signed: RJE

OPERATOR SAN JUAN MINERALS EXPL.

OPERATOR ACCT. NO. N 0810

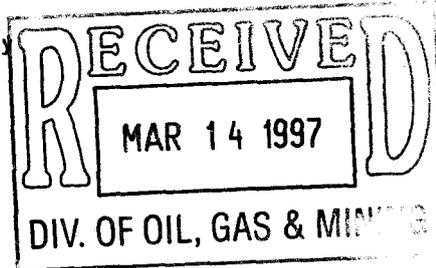
ADDRESS P.O. Box 310567

MEXICAN HAT, UTAH  
84531

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B	09080	→	43-037-31784	Southern Federal # 97-4	N.E. SW.	5	42S.	19E.	SAN JUAN	3/5/97	
WELL 1 COMMENTS: <p style="text-align: center;">New well Entity added 3-17-97. <i>J</i> <i>mc</i></p>											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

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

NOTE: Use COMMENT section to explain why each Action Code was selected.  
(3/89)



*Edwin Howell*  
Signature  
Production Superintendent + *3/11/97*  
Title Date  
Phone No. *(801) 683-2298*

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other In-  
structions on  
reverse side)

Form approved.  
Budget Bureau No. 1004-0137  
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

1a. TYPE OF WELL: OIL WELL  GAS WELL  DRY  Other \_\_\_\_\_

b. TYPE OF COMPLETION: NEW WELL  WORK OVER  DEEP-EN  PLUG BACK  DIFF. RENVR.  Other \_\_\_\_\_

2. NAME OF OPERATOR

SAN JUAN MINERALS EXPLORATION

3. ADDRESS OF OPERATOR

P.O. Box 310367 MEXICAN HAT, UTAH 84531

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*

At surface 2553' F/WL 1844' F/SL NE/SW Sec. 5

At top prod. interval reported below

At total depth

14. PERMIT NO. 43-037-31784 DATE ISSUED 02-26-97

5. LEASE DESIGNATION AND SERIAL NO. UTU-7303-D

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Sutherland Federal

9. WELL NO. 97-4

10. FIELD AND POOL, OR WILDCAT

MEXICAN HAT

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Sec. 5 T. 42S. R. 19E.

12. COUNTY OR PARISH SAN JUAN

13. STATE Utah

15. DATE SPUDDED 03-05-97

16. DATE T.D. REACHED 04-18-97

17. DATE COMPL. (Ready to prod.) 05-05-97

18. ELEVATIONS (OF. RNB, RT, OR, ETC.)\* 4215' Est.

19. BLEV. CASINGHEAD 880'

20. TOTAL DEPTH, MD & TVD 585'-600'

21. PLUG, BACK T.D., MD & TVD Hermosa

22. IF MULTIPLE COMPL., HOW MANY? 1

23. INTERVALS DRILLED BY ROTARY

24. PRODUCING INTERVAL(S) OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\* 585'-600' Hermosa

25. WAS DIRECTIONAL SURVEY MADE NO

26. TYPE ELECTRIC AND OTHER LOGS RUN SAMPLES ONLY

27. WAS WELL CORDED NO

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
5 1/2"	17.49/ft	132'	7 7/8"	17 SX	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	830'	

30. TUBING RECORD

INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

31. PERFORATION RECORD (Interval, size and number)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

33. PRODUCTION

DATE FIRST PRODUCTION 05-05-97 PRODUCTION METHOD Pumping WELL STATUS Producing

DATE OF TEST 05-05-97 HOURS TESTED 10 PROD'N FOR TEST PERIOD 04

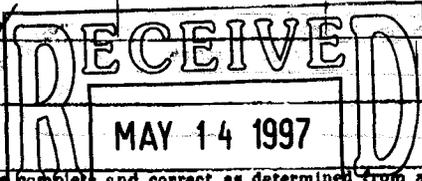
FLOW: TUBING PRESS. CASING PRESSURE CALCULATED 24-HOUR RATE 0.4 OIL—BBL. GAS—MCF. WATER—BBL. OIL GRAVITY-API (COBR.) 38

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) TEST WITNESSED BY Curtis Palmer

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Curt Howell TITLE Dir. of Oil, Gas & Mining DATE 5-12-97



\* (See Instructions and Spaces for Additional Data on Reverse Side)

# INSTRUCTIONS

**General:** This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 38, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments. Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 38. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

SOUTHERLAND FED 97-4

37. SUMMARY OF POROUS ZONES: SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF: CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURE, AND RECOVERIES		38. GEOLOGIC MARKERS	
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Hermosa	585'	600'	100% dry gran fine sil. flour bright yellow sh. much oil saturation
			Goodridge ss.
			SHAFFER L.S.
			MENDEN HALL
			HERMOSEA
			LITTLE LOOP
			Loose Necks

900' TD

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER:
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.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: San Juan Minerals Exploration Inc. <span style="float: right;">N0810</span>		8. WELL NAME and NUMBER: see attached list
3. ADDRESS OF OPERATOR: Hwy 163 P.O. Box 310367 CITY Mexican Hat STATE Ut ZIP 84531		9. API NUMBER:
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____  QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____		10. FIELD AND POOL, OR WILDCAT: Mexican Hat  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 type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____  <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>change of operator</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

San Juan Minerals Exploration Inc. is transferring operation of its oil wells in San Juan County at Mexican Hat, (see attached List ) To: Wesgra Corporation P.O. Box 310367 Mexican Hat Ut. 84531.  
Wesgra Corporation Is Bonded By Letter of credit # 7230.  
Would like to make this change effective as of April 30 2006

Wesgra Corporation:  
by: Clint Howell President N1060  
  
April /20/ 2006

NAME (PLEASE PRINT) <u>Clint Howell</u>	TITLE <u>President</u>
SIGNATURE	DATE <u>4/20/2006</u>

(This space for State use only)

**APPROVED** 513 106  
*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED  
**APR 24 2006**  
DIV. OF OIL, GAS & MINING

San Juan Minerals (N0810) to Wesgra Corporation (N1060)

well name	api	qtr	qtr	sec	twsp	rng	well	stat	l_num
GEBAUER FEDERAL 2	4303730190	SENE	07	420S	190E	OW	S		UTU-7303
SUTHERLAND FEDERAL 97-4	4303731784	NESW	05	420S	190E	OW	S		UTU-7303D
NORDEEN 1	4303720721	NENW	05	420S	190E	OW	S		FEE
NORDEEN 5	4303720722	SWNW	05	420S	190E	OW	P		FEE
NORDEEN 3	4303730149	NENW	05	420S	190E	OW	P		FEE
WILM RNCH GDRDGE 12	4303730432	NWNW	08	420S	190E	OW	P		FEE
GOODRIDGE 74	4303730526	NWNW	08	420S	190E	OW	S		FEE
GOODRIDGE 75	4303730527	NWNW	08	420S	190E	OW	S		FEE
GOODRIDGE 80.2	4303730561	NWNW	08	420S	190E	OW	P		FEE
GOODRIDGE 80.3	4303730562	NWNW	08	420S	190E	OW	P		FEE
GOODRIDGE 80.4	4303730563	NWNW	08	420S	190E	OW	P		FEE
GOODRIDGE 80.1	4303730570	NWNW	08	420S	190E	OW	S		FEE
NORDEEN 80.7	4303730584	SESW	05	420S	190E	OW	P		FEE
NORDEEN 80.6	4303730585	SESW	05	420S	190E	OW	S		FEE
GOODRIDGE 80.5	4303730680	NWNW	08	420S	190E	OW	P		FEE
NORDEEN 81-4	4303730957	SWSW	05	420S	190E	OW	S		FEE
NORDEEN 81-5	4303730958	SWSW	05	420S	190E	OW	S		FEE
GOODRIDGE 81-3	4303730960	SENE	07	420S	190E	OW	S		FEE
J & L 3	4303731207	NWSW	06	420S	190E	OW	TA		FEE
NORDEEN 86-6	4303731254	SENE	07	420S	190E	OW	S		FEE
GOODRIDGE 91-2	4303731605	SENE	07	420S	190E	OW	S		FEE
GOODRIDGE 91-7	4303731613	SWNW	08	420S	190E	OW	S		FEE
GOODRIDGE 91-16	4303731634	NENE	07	420S	190E	OW	S		FEE
GOODRIDGE 91-12	4303731637	NENE	07	420S	190E	OW	S		FEE
GOODRIDGE 1	4303731647	SENE	07	420S	190E	OW	S		FEE
J&L 3-X	4303731669	NESW	06	420S	190E	OW	S		FEE
DICKENSON/HOWARD 1	4303731845	NWSW	05	420S	190E	OW	NEW		FEE
UTAH 1	4303730101	NWSW	07	420S	190E	OW	PA		FEE
NELWYN A NORDEEN 2	4303730104	SENE	07	420S	190E	OW	PA		FEE
NELWYN NORDEEN 3	4303730108	SENE	07	420S	190E	OW	PA		FEE
NORDEEN 1A	4303730128	NENW	06	420S	190E	OW	PA		FEE
NORDEEN 2-A	4303730161	NENW	06	420S	190E	OW	PA		FEE
NORDEEN 7	4303730194	NENW	05	420S	190E	OW	PA		FEE
NORDEEN 11	4303730480	SWSW	05	420S	190E	D	PA		FEE
NORDEEN 80.13	4303730581	SESW	05	420S	190E	D	PA		FEE
GOODRIDGE 81-1	4303730961	SWNW	08	420S	190E	OW	PA		FEE
GOODRIDGE 71	4303730968	NWNW	08	420S	190E	D	PA		FEE
NORDEEN 86-4	4303731253	SENE	07	420S	190E	D	PA		FEE
NORDEEN 86-8	4303731255	SWNE	05	420S	190E	OW	PA		FEE
NORDEEN 86-10	4303731256	SENE	07	420S	190E	OW	PA		FEE
CROSSING NO 2 8	4303731445	SWSE	07	420S	190E	OW	PA		FEE
CROSSING NO 2 12	4303731446	SWSE	07	420S	190E	OW	PA		FEE
GOODRIDGE 91-10	4303731609	NENE	07	420S	190E	OW	PA		FEE
GOODRIDGE 91-5	4303731611	SENE	07	420S	190E	D	PA		FEE
GOODRIDGE 91-4	4303731614	SENE	07	420S	190E	OW	PA		FEE
GOODRIDGE 2	4303731640	NWNW	08	420S	190E	OW	PA		FEE
GOODRIDGE 92-3	4303731652	NWNE	07	420S	190E	OW	PA		FEE

**OPERATOR CHANGE WORKSHEET**

1. DJJ
2. CDW

Change of Operator (Well Sold)

Designation of Agent/Operator

**X Operator Name Change**

Merger

The operator of the well(s) listed below has changed, effective:

**4/30/2006**

<b>FROM: (Old Operator):</b> N0810-San Juan Minerals Exploration Inc. Hwy 163 PO Box 310367 Mexican Hat, UT 84531 Phone: 1-(435) 683-2298	<b>TO: (New Operator):</b> N1060-Wesgra Corporation PO Box 310367 Mexican Hat, UT 84531 Phone: 1-(435) 683-2298
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**CA No.**

**Unit:**

**WELL(S)**

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SUTHERLAND FEDERAL 97-4	05	420S	190E	4303731784	9080	Federal	OW	S
NORDEEN 1	05	420S	190E	4303720721	490	Fee	OW	S
NORDEEN 5	05	420S	190E	4303720722	490	Fee	OW	P
NORDEEN 3	05	420S	190E	4303730149	490	Fee	OW	P
NORDEEN 80.7	05	420S	190E	4303730584	490	Fee	OW	P
NORDEEN 80.6	05	420S	190E	4303730585	490	Fee	OW	S
NORDEEN 81-4	05	420S	190E	4303730957	490	Fee	OW	S
NORDEEN 81-5	05	420S	190E	4303730958	490	Fee	OW	S
NORDEEN 86-6	05	420S	190E	4303731254	490	Fee	OW	S
J & L 3	06	420S	190E	4303731207	10691	Fee	OW	TA
GEBAUER FEDERAL 2	07	420S	190E	4303730190	9080	Federal	OW	S
GOODRIDGE 81-3	07	420S	190E	4303730960	11206	Fee	OW	S
WILM RNCH GDRDGE 12	08	420S	190E	4303730432	495	Fee	OW	P
GOODRIDGE 74	08	420S	190E	4303730526	495	Fee	OW	S
GOODRIDGE 75	08	420S	190E	4303730527	495	Fee	OW	S
GOODRIDGE 80.2	08	420S	190E	4303730561	495	Fee	OW	P
GOODRIDGE 80.3	08	420S	190E	4303730562	495	Fee	OW	P
GOODRIDGE 80.4	08	420S	190E	4303730563	495	Fee	OW	P
GOODRIDGE 80.1	08	420S	190E	4303730570	495	Fee	OW	S
GOODRIDGE 80.5	08	420S	190E	4303730680	490	Fee	OW	P

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 4/24/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 4/24/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 4/26/2006
- Is the new operator registered in the State of Utah: YES Business Number: 670418-0142
- If **NO**, the operator was contacted on:
- a. (R649-9-2)Waste Management Plan has been received on: requested 4/26
- b. Inspections of LA PA state/fee well sites complete on: moving PA fee wells to new company
- c. Reports current for Production/Disposition & Sundries on: 5/1/2006



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>UTU7303D</b>
2. Name of Operator <b>WESGRA CORPORATION</b>		6. If Indian, Allottee or Tribe Name
3a. Address <b>P.O. Box 310367 Mexican Hat, UT. 84531</b>	3b. Phone No. (include area code) <b>435-683-2298</b>	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>Sec. 5 T. 42S R. 19E SLM Lots 6, 9, 10:</b>		8. Well Name and No. <b>Sutherland Federal 97-4</b>
		9. API Well No. <b>4303731784</b>
		10. Field and Pool, or Exploratory Area <b>Mexican Hat</b>
		11. County or Parish, State <b>San Juan Co. Utah</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other <b>Change of Operator</b>

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Operating Rights Assignment TO: Wesgra Corporation  
Effective : May 1, 2006

From: San Juan Minerals Exploration Inc..

Sutherland Federal 97-4

Bond # UT0934

2006 JUN 21 A 10:28  
 RECEIVED  
 DIVISION OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

**Clint Howell**

Title **Pres.**

Signature



Date

**06/17/2006**

**RECEIVED**

**JUN 26 2006**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

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

Approved by <b>ACCEPTED</b>	Title <b>Division of Resources</b>	Date <b>6/21/06</b>
Conditions of approval, if any, are attached. Approval of this notice 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.	Office <b>MOAB Field Office</b>	

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.

(Instructions on page 2)

cc: uDOGM

COPIES OF APPROVAL ATTACHED

Wesgra Corporation  
Well No. 97-4  
Section 5, T42S, R19E  
Lease UTU7303D  
San Juan County, Utah

#### CONDITIONS OF ACCEPTANCE

Acceptance of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Wesgra Corporation is considered to be the operator of the above well effective May 1, 2006, 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 UT0934 (Principal – Wesgra Corporation) via surety consent as provided for in 43 CFR 3104.2.

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