

001

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, New Mexico 87508

(505) 466-8120

Lisha Cordova
Utah Div. of Oil, Gas, & Mining
P. O. Box 145801
Salt Lake City, Ut. 84114-5801

April 7, 2002
RECEIVED

APR 10 2002

DIVISION OF
OIL, GAS AND MINING

Dear Lisha,

On behalf of Samedan Oil Corporation, I am applying for approval of an exception location for the Evinrude 12-36-74. I am requesting an exception because of geology. The exception is to the quarter-quarter line (217' too far east and 263' too far north instead of $\geq 460'$), not to a well or lease. The location was picked based on 3-D seismic and is believed to be a one well algal mound.

An orthodox well could be drilled at 1780' FN & 860' FW 36-37s-24e, but it would be a dry hole. Request permission to drill at 1517' FNL & 1077' FWL 36-37s-24e. This is the only oil or gas well in the quarter section. There are no producing wells within 3,096'. Wells could be drilled in all eight offsetting quarter-quarters. Samedan is owner of all drilling units within a minimum 1,077' radius of the proposed exception. This includes three (N2NW4 & SENW Sec. 36) of the eight directly or diagonally offsetting drilling units.

Please call me if you have any questions.

Sincerely,



Brian Wood

cc: Steinke

003

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. LEASE DESIGNATION AND SERIAL NUMBER: ML-35744
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A		7. UNIT or CA AGREEMENT NAME: N/A
B. TYPE OF WELL: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>	2. NAME OF OPERATOR: SAMEDAN OIL CORPORATION 12600 NORTHBOROUGH, SUITE 250		8. WELL NAME and NUMBER: EVINRUDE 12-36-74
3. ADDRESS OF OPERATOR: HOUSTON STATE TX ZIP 77067	PHONE NUMBER: 281 874-6773	9. FIELD AND POOL, OR WILDCAT: <i>undesignated</i> PATTERSON CANYON	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1517 FNL & 1077 FWL AT PROPOSED PRODUCING ZONE: SAME	<i>4154914Y 37.52989</i> <i>655811 X -109.23665</i>	10. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW36 37s 24e SL	
13. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 19 AIR MILES NNE OF MONTEZUMA CREEK			11. COUNTY: SAN JUAN 12. STATE: UTAH
14. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1,077'	15. NUMBER OF ACRES IN LEASE: 640	16. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
17. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 3,096'	18. PROPOSED DEPTH: 5,625'	19. BOND DESCRIPTION: STATE WIDE 5224817	
20. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4,944 GR	21. APPROXIMATE DATE WORK WILL START: JUNE 1, 2002	22. ESTIMATED DURATION: 2 WEEKS	

23. **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 M-50 23#	1,300'	CLASS C	927 SX	1.16	15.8
7-7/8	4-1/2 M-50 10.5#	5,625'	CLASS C	1,650 SX	1.16	15.8

24. **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 checked="" 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) **BRIAN WOOD** (505) 466-8120 TITLE **CONSULTANT**

SIGNATURE *Brian Wood* DATE **4-7-02**

(This space for State use only)

API NUMBER ASSIGNED: **43-037-31823**

Approved by the Utah Division of Oil, Gas and Mining

Date: **07-08-02**

By: *[Signature]*

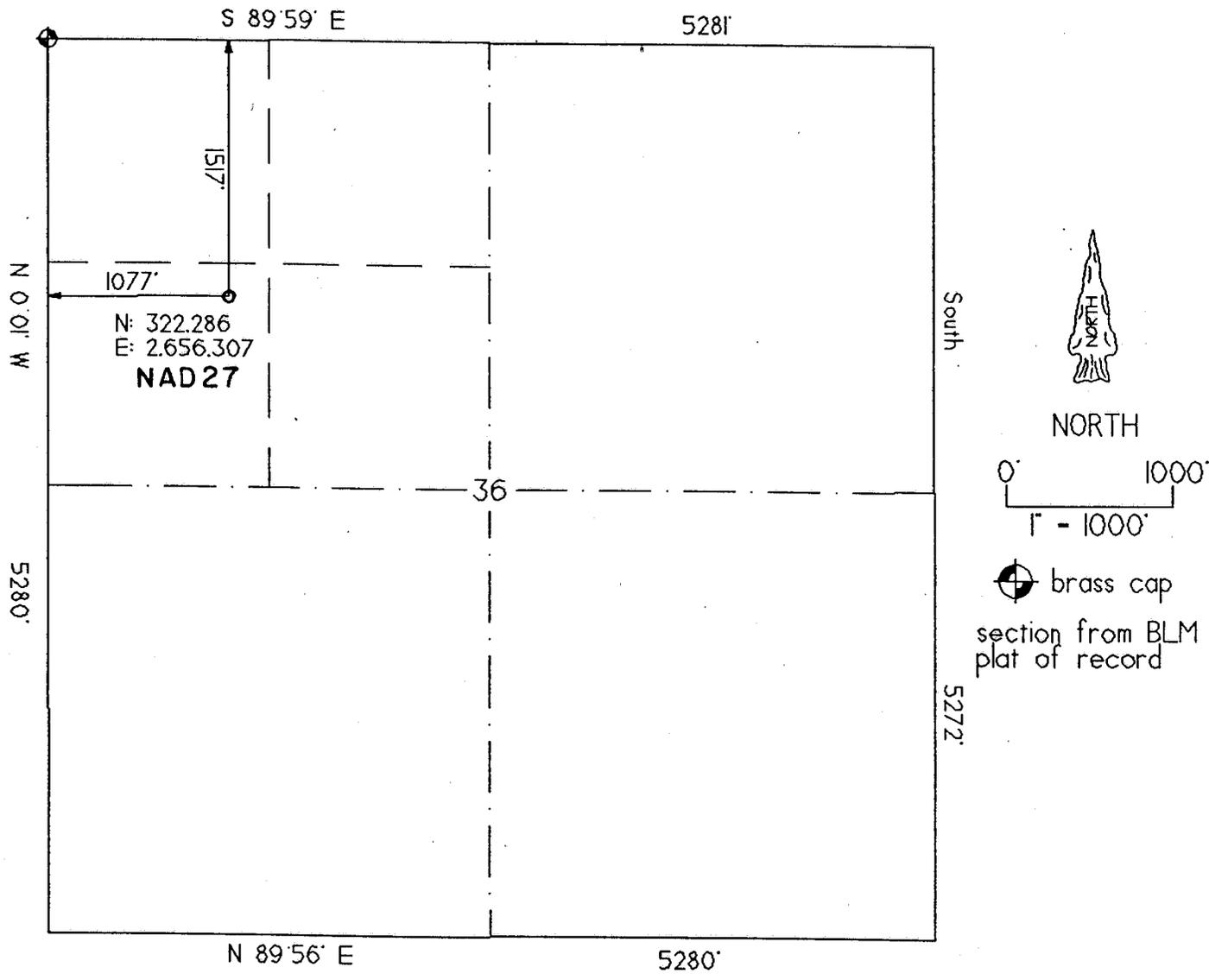
RECEIVED

APR 10 2002

DIVISION OF OIL, GAS AND MINING

002

Well Location Plat



Well Location Description

SAMEDAN OIL CORPORATION
 Evinrude
 1517' FNL & 1077' FWL
 Section 36, T.37 S., R.24 E., SLM
 San Juan County, UT
 4944' grd. el. (from GPS)



27 March 2002

Gerald G. Huddleston
 Gerald G. Huddleston, LS

The above is true and correct to my knowledge and belief.

Samedan Oil Corporation
Evinrude 12-36-74
1517' FNL & 1077' FWL
Sec. 36, T. 37 S., R. 24 E.
San Juan County, Utah

PAGE 1

Drilling Program

1. FORMATION TOPS

The estimated tops of important geologic markers are:

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Morrison	0'	10'	+4,944'
Entrada/Carmel Ss	200'	210'	+4,744'
Navajo Ss	369'	379'	+4,575'
Wingate Ss	1,104'	1,114'	+3,840'
Chinle Sh	1,248'	1,258'	+3,696'
Cutler Ss	2,229'	2,239'	+2,715'
Hermosa	4,194'	4,204'	+750'
Paradox	5,033'	5,043'	-89'
Ismay	5,177'	5,187'	-233'
Hovenweep Sh	5,291'	5,301'	-347'
Lower Ismay	5,332'	5,342'	-388'
Desert Creek	5,414'	5,424'	-470'
Total Depth (TD)*	5,625'	5,635'	-681'

* all elevations reflect the proposed graded ground level of 4,944'

2. NOTABLE ZONES

Oil and gas are possible in the Hermosa, Ismay (main goal), and Desert Creek (secondary). Fresh water may be found in the Entrada to Wingate interval. Oil and gas shows which appear to the well site geologist to be commercial will be tested. All fresh water and prospectively valuable minerals will be recorded by depth and protected with casing and cement.

3. PRESSURE CONTROL

Samedan Oil Corporation
Evinrude 12-36-74
1517' FNL & 1077' FWL
Sec. 36, T. 37 S., R. 24 E.
San Juan County, Utah

PAGE 2

An 8-5/8" x 11" casing head and 3000 psi double ram and annular preventer with a 3,000 psi choke manifold will be used. A diagram of a typical BOP is on Page 3. Actual model will not be known until bid is let.

BOP controls will be installed before drilling the surface casing plug, and will stay in use until the well is completed or P&A. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. All BOP mechanical and pressure tests will be recorded on the driller's log. BOPs will be inspected and operated at least daily to assure good mechanical working order. The inspection will be recorded on the daily drilling report. Call the Utah Division of Oil, Gas, & Mining (801 538-5340) before testing BOPs.

4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>I. D.</u>	<u>Drift</u>	<u>Weight</u>	<u>Grade</u>	<u>Thread</u>	<u>Age</u>	<u>Depth</u>
12-1/4"	8-5/8"	8.097	7.972	23 #	M-50	ST&C	New	1,300'
7-7/8"	4-1/2"	4.052	3.927	10.5 #	M-50	ST&C	New	5,625'

Surface casing will be cemented to the surface in one stage with 1,075 cubic feet cement mixed with 2% CaCl₂ + 1/4 pound per sack cellophane flakes. Will pump 100% excess over calculated hole volume. Cement will have a compressive strength of 500 psi before drill out. At least the last 200 sacks of cement will be Class C mixed at a weight of 15.8 pounds per gallon and 1.16 cubic feet per sack. Bring 1" pipe to location for a top job. Tail and 1" cement will be same. Casing will be equipped with a guide shoe, shoe joint, insert float collar (auto fill), and 13 centralizers. Thread lock shoe and float collar. Drop a top plug and displace with water.

Production casing will be cemented to 100' above the Hermosa in one stage. Cement across zones of interest will develop at least 1,000 psi compressive strength before perforating. Cement volumes will be determined by caliper log and then adding 25%.

Samedan Oil Corporation
Evinrude 12-36-74
1517' FNL & 1077' FWL
Sec. 36, T. 37 S., R. 24 E.
San Juan County, Utah

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Typical long string cements pumped in this area are Class C mixed at 15.8 pounds per gallon and 1.16 cubic feet per sack + necessary retarders and fluid loss additives. Production casing will be equipped with float shoe (auto fill), shoe joint, float collar (auto fill), and 25 centralizers.

Call the Utah Division of Oil, Gas, & Mining (801 538-5340) before running casing.

5. MUD PROGRAM

<u>Interval</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>	<u>Type</u>
0-1300'	8.4-8.8	27-45	N/C	Fresh water spud mud
1300'-5000'	8.4-8.6	28-32	N/C	Fresh water/poly/gel/lime
5000' - TD	8.8-9.2	34-45	8-12 cc/30 min.	LSND

Samples will be collected every 30' from base of surface casing to ≈5,000'. Samples will be collected every 10' from ≈5,000' to TD. A mud logger will be on location from ≈5,000' to TD. A trailer full of barite will be on location in case of a kick.

6. CORING, TESTING, & LOGGING

A 30' core may be cut in the Ismay. DSTs may be run in the Ismay and/or Desert Creek if warranted. GR/CAL/SP/Array Induction log suite will be run from TD to ground level. Array Induction, full wave dipole sonic, density, and neutron logs will be run from TD to 4,000'. Rotary side wall cores may be taken in one run. Single shot drift surveys will be run every 500' and on all bit trips and all casing points.

Samedan Oil Corporation
Evinrude 12-36-74
1517' FNL & 1077' FWL
Sec. 36, T. 37 S., R. 24 E.
San Juan County, Utah

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7. DOWN HOLE CONDITIONS

No abnormal temperatures or pressures or hydrogen sulfide are expected. Maximum pressure will be \approx 2,250 psi.

8. OTHER INFORMATION

The anticipated spud date is June 1, 2002. It is expected it will take \approx 2 weeks to drill and \approx 2 weeks to complete the well. Tubing will be 2-3/8".

Call the Utah Division of Oil, Gas, & Mining (801 538-5340) before plugging and abandoning the well.

Samedan Oil Corporation
Evinrude 12-36-74
1517' FNL & 1077' FWL
Sec. 36, T. 37 S., R. 24 E.
San Juan County, Utah

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Surface Use Plan

1. DIRECTIONS & EXISTING ROADS (See Pages 11 & 12)

From the Montezuma Creek Post Office, go North 14.1 miles on U-262
Then turn right and go East 6.8 mi. on paved N-5099 to just past Hatch TP
Then turn left and go N 8.7 miles on gravel County Road 446 to a gas plant
Then turn right and go N 2.8 miles on dirt County Road 146

Roads will be maintained to a standard at least equal to their present condition.

2. ROAD WORK

The dirt contractor will call the archaeologist (CASA @ 970-565-9229) at least 48 hours before starting construction. The archaeologist will fence an archaeology site on the south side of the pad before starting construction. The archaeologist will monitor construction.

An 18" x 50' CMP culvert will be installed on the east side of the county road. No new road will be built. No existing road will be upgraded.

3. EXISTING WELLS (See Page 12)

There are four oil or disposal wells, four plugged and abandoned wells, and five water wells within a mile. There are no existing gas wells within a mile radius.

4. PROPOSED PRODUCTION FACILITIES

Samedan Oil Corporation
Evinrude 12-36-74
1517' FNL & 1077' FWL
Sec. 36, T. 37 S., R. 24 E.
San Juan County, Utah

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A well head, pump, separator, meter run, dehydrator, and tank battery will be installed. All will be painted a flat tan or juniper green color. Tanks will be surrounded by an impermeable dike with sufficient capacity to hold 150% of the volume of the largest tank within the dike.

Gas will be piped north 60' west across the road to an existing Western Gas Resources pipeline. All of the route is on lease. Pipe will be a ≈ 4 " O. D. welded steel buried ≥ 36 " deep. Wall thickness will be 0.109". Operating pressure will be ≈ 300 psi. Burst pressure is $\approx 1,530$ psi. Pipe will be tested with gas to ≈ 500 psi before use.

5. WATER SUPPLY

Samedan will use Guy Tracy's permitted existing artesian wells in NENW 36-37s-24e (#09-1038, #09-1431, or #09-1741) or NWNW 25-37s-24e (#09-165); or Richard Perkins permitted (all #09-169) existing artesian wells in NESE 12-38s-24e or NWSW, NESE, or SESW 7-38s-25e.

6. CONSTRUCTION MATERIALS & METHODS (See Pages 13 & 14)

Dirt contractor will notify archaeologist (CASA at 970-565-9229) before construction starts. Archaeologist will erect a single strand wire fence between the pad and road and nearby archaeology sites.

Topsoil and brush will be stripped and stockpiled north of the pad. A ditch will be cut along the west side of the pad.

The reserve pit will be lined a minimum 12 mil liner or with at least 24 tons of commercial bentonite worked into 3:1 sides. No liquid hydrocarbons will be discharged to the pit, pad, or road. Should hydrocarbons escape, they will be cleaned up and removed within 48 hours.

Samedan Oil Corporation
Evinrude 12-36-74
1517' FNL & 1077' FWL
Sec. 36, T. 37 S., R. 24 E.
San Juan County, Utah

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The pit will be fenced 48" high on 3 sides with 32" high woven wire topped with 2 smooth wire stands 4" and 16" above the woven wire. Steel posts will be set \approx 16.5' apart. Corner posts will be \geq 6" O. D. wood and anchored with a dead man. The 4th side will be fenced the same when drilling stops. The fence will be kept in good repair while the pit dries.

7. WASTE DISPOSAL

The reserve pit will be lined. Once dry, contents of the reserve pit will be buried in place.

Human waste will be disposed of in chemical toilets, which will be hauled to a state approved dump station. All trash will be placed in a portable trash cage. It will be hauled to the county landfill. There will be no trash burial or burning.

8. ANCILLARY FACILITIES

There will be no air strips or camps. Camper trailers may be on location for the company man, tool pusher, and mud loggers.

9. WELL SITE LAYOUT

See PAGES 13 and 14 for depictions of the well pad, cross section, cut and fill diagram, reserve pit, trash cage, access onto the location, parking, living facilities, and rig orientation.

10. RECLAMATION & REVEGETATION

Samedan Oil Corporation
Evinrude 12-36-74
1517' FNL & 1077' FWL
Sec. 36, T. 37 S., R. 24 E.
San Juan County, Utah

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Upon completion of drilling, the well site will be cleared of all debris, material, and junk not needed for production.

Reclamation will start when the reserve pit is dry. All areas not needed for production will be back filled, contoured to natural contours, and reserved topsoil spread. If the well is a producer, then enough topsoil will be saved to reclaim the rest of the pad. The topsoil pile and all reclaimed areas will be broadcast seeded between October 1 and February 28 with the following mix. Sown areas will be left rough and lightly harrowed (4" deep) after seeding.

2 lb/ac galleta grass
4 lb/ac Indian ricegrass
1 lb/ac four wing saltbush
1/2 lb/ac scarlet globe mallow
1 lb/ac sand dropseed

11. SURFACE OWNER

All construction is on lease and on surface owned by Guy Tracy. His phone number is (435) 587-2314. His address is P. O. Box 763, Monticello, Utah 84535.

12. OTHER INFORMATION

The nearest hospital is over a 1 hour drive away in Monticello. It is 3 blocks northwest of the intersection of US 666 and US 191. Hospital phone number is (435) 587-2116. Or dial 1-800-332-1911 from anywhere in San Juan County, Utah.

Samedan Oil Corporation
Evinrude 12-36-74
1517' FNL & 1077' FWL
Sec. 36, T. 37 S., R. 24 E.
San Juan County, Utah

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13. REPRESENTATION

Anyone having questions concerning the APD should call:

Brian Wood, Consultant

Permits West, Inc.

37 Verano Loop

Santa Fe, NM 87508

(505) 466-8120

FAX: (505) 466-9682

Cellular: (505) 699-2276

The field representative will be:

Scott Steinke

Samedan Oil Corporation

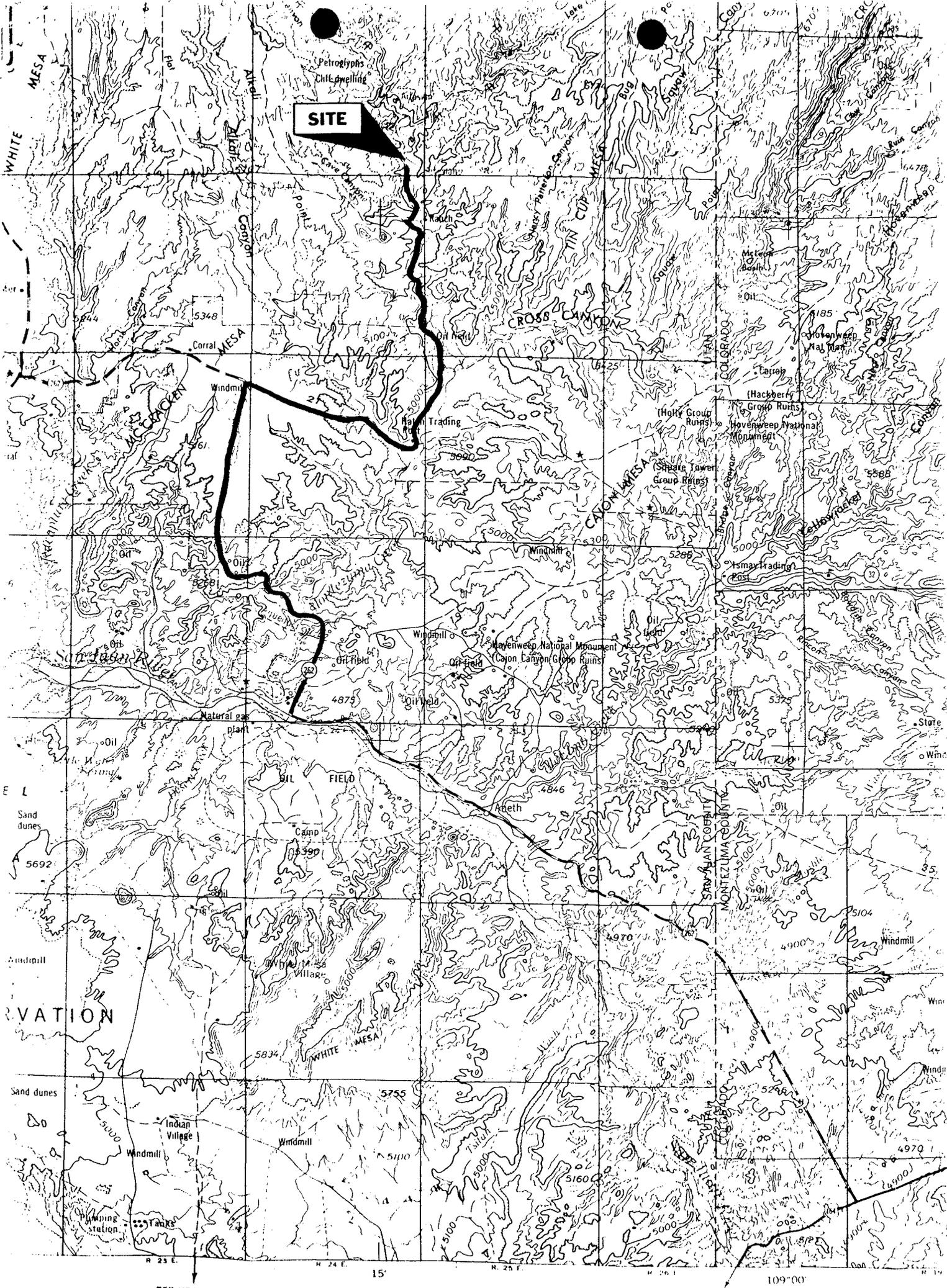
12600 Northborough, Suite 250

Houston, Tx. 77067

(281) 874-6773

The pumper will be:

Randy Shelton (435) 678-2169 or (435) 459-1027



SITE

Petroglyphs
Chilwelline

ROSS CANYON

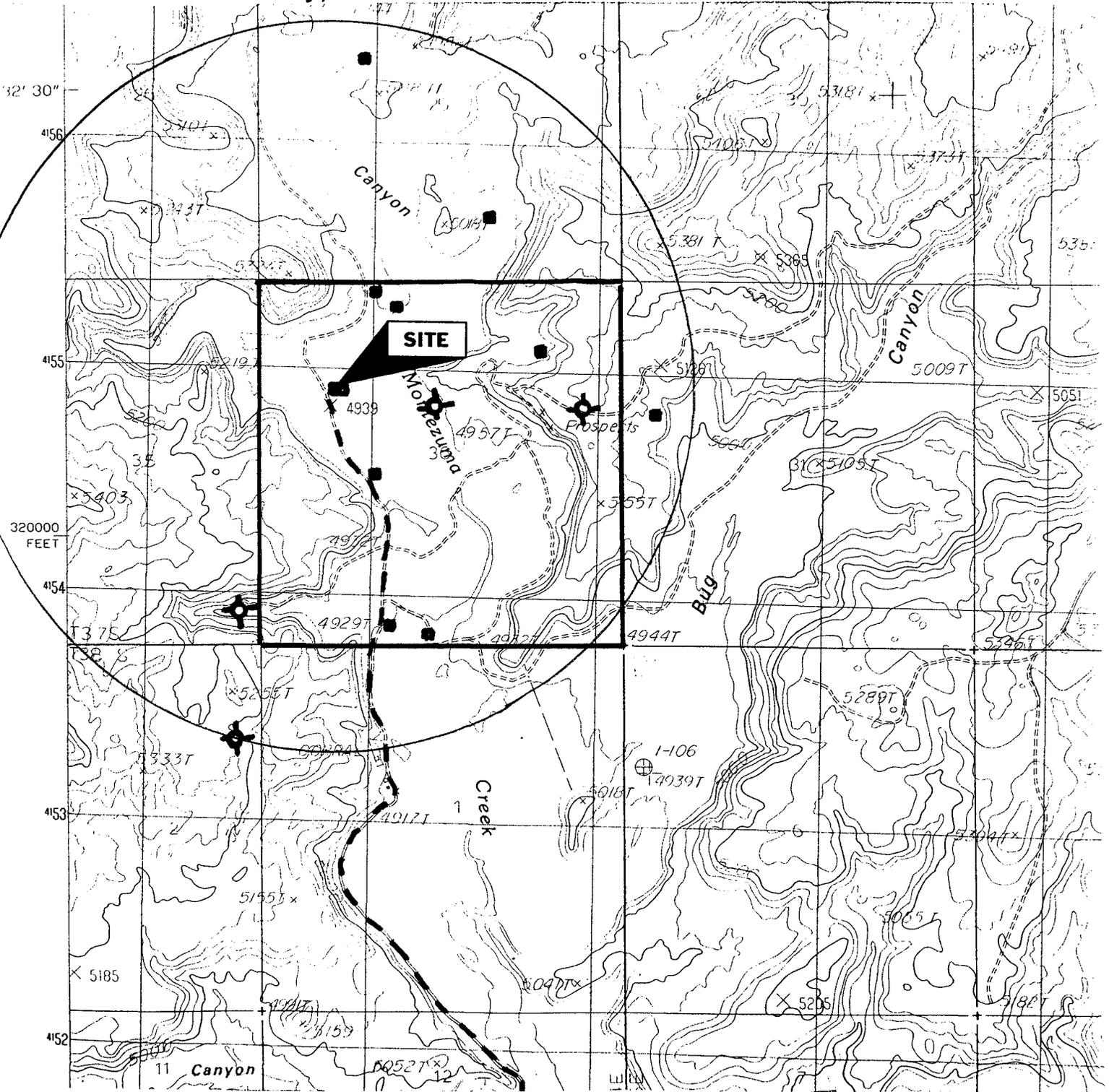
CANYON MESA

MAYHEW NATIONAL MONUMENT

OIL FIELD

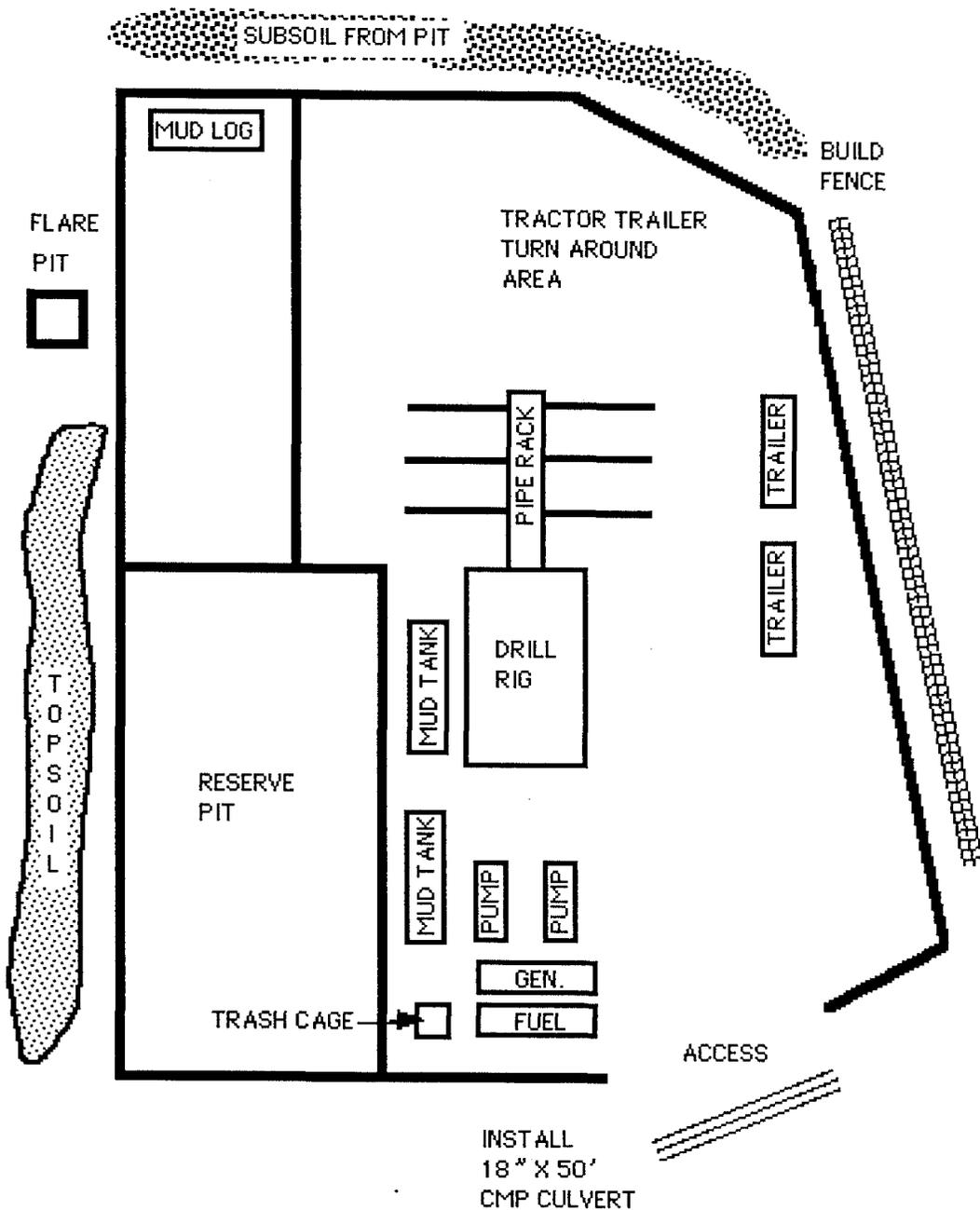
WHITE MESA

Samedan Oil Corporation
 Evinrude 12-36-74
 1517' FNL & 1077' FWL
 Sec. 36, T. 37 S., R. 24 E.
 San Juan County, Utah



PROPOSED WELL: ■ LEASE: 
 EXISTING WELL: ● ROAD: 
 P & A WELL: ⊕

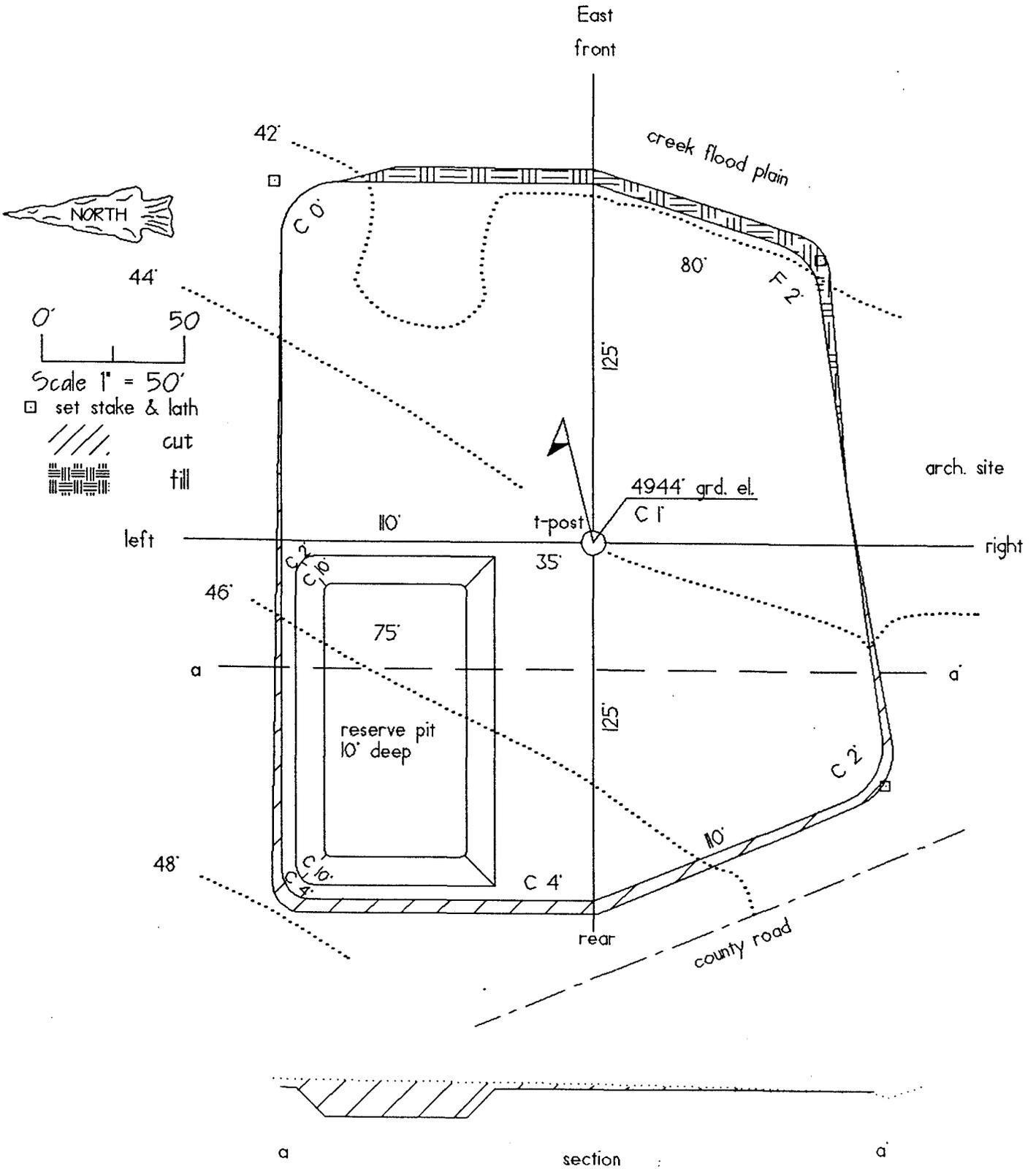
Samedan Oil Corporation
Evinrude 12-36-74
1517' FNL & 1077' FWL
Sec. 36, T. 37 S., R. 24 E.
San Juan County, Utah

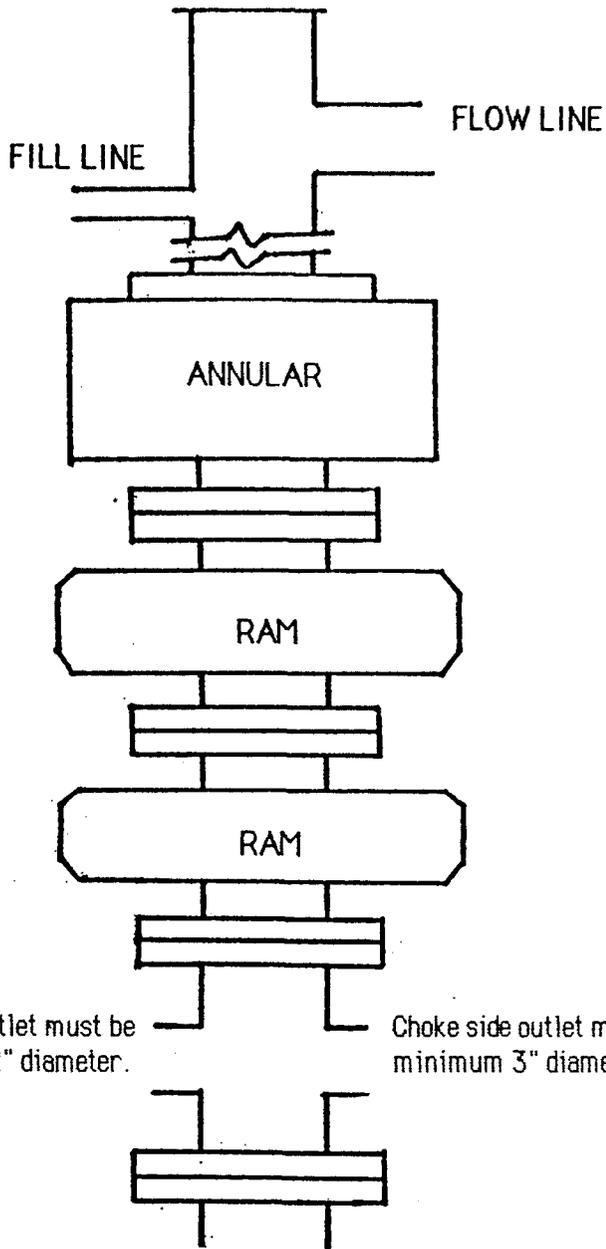


NORTH ←

1" = 50'

Evinrude
well pad & section





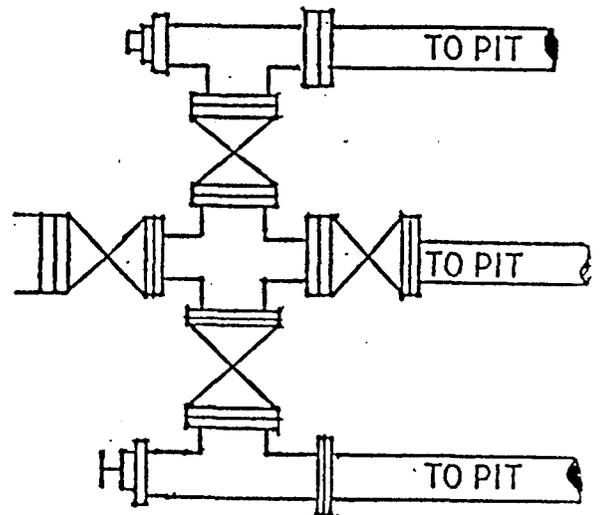
Kill side outlet must be minimum 2" diameter.

Choke side outlet must be minimum 3" diameter.

Kill line will be minimum 2" diameter and have 2 valves, one of which shall be a minimum 2" check valve.

TYPICAL BOP STACK & CHOKE MANIFOLD

There will be at least 2 chokes and 2 choke line valves (3" minimum). The choke line will be 3" in diameter. There will be a pressure gauge on the choke manifold.



Upper kelly cock will have handle available.
 Safety valve and subs will fit all drill string connections in use.
 All BOPE connections subjected to well pressure will be flanged, welded, or clamped.

004

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/10/2002

API NO. ASSIGNED: 43-037-31823

WELL NAME: EVINRUDE 12-36-74

OPERATOR: SAMEDAN OIL CORPORATION (N0185)

CONTACT: BRIAN WOOD, AGENT

PHONE NUMBER: 505-466-8120

PROPOSED LOCATION:

SWNW 36 370S 240E
SURFACE: 1517 FNL 1077 FWL
BOTTOM: 1517 FNL 1077 FWL
SAN JUAN
UNDESIGNATED (2)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DRD	4/02
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML-35744 ^{OK}

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: DSCR

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[3] Fee[]
(No. 2445567)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 09-1038)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement 0/N)

LOCATION AND SITING:

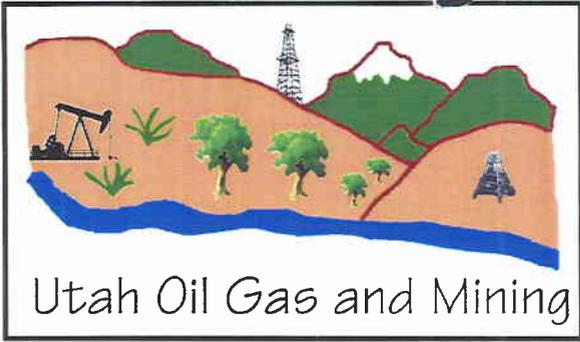
- R649-2-3. Unit _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS:

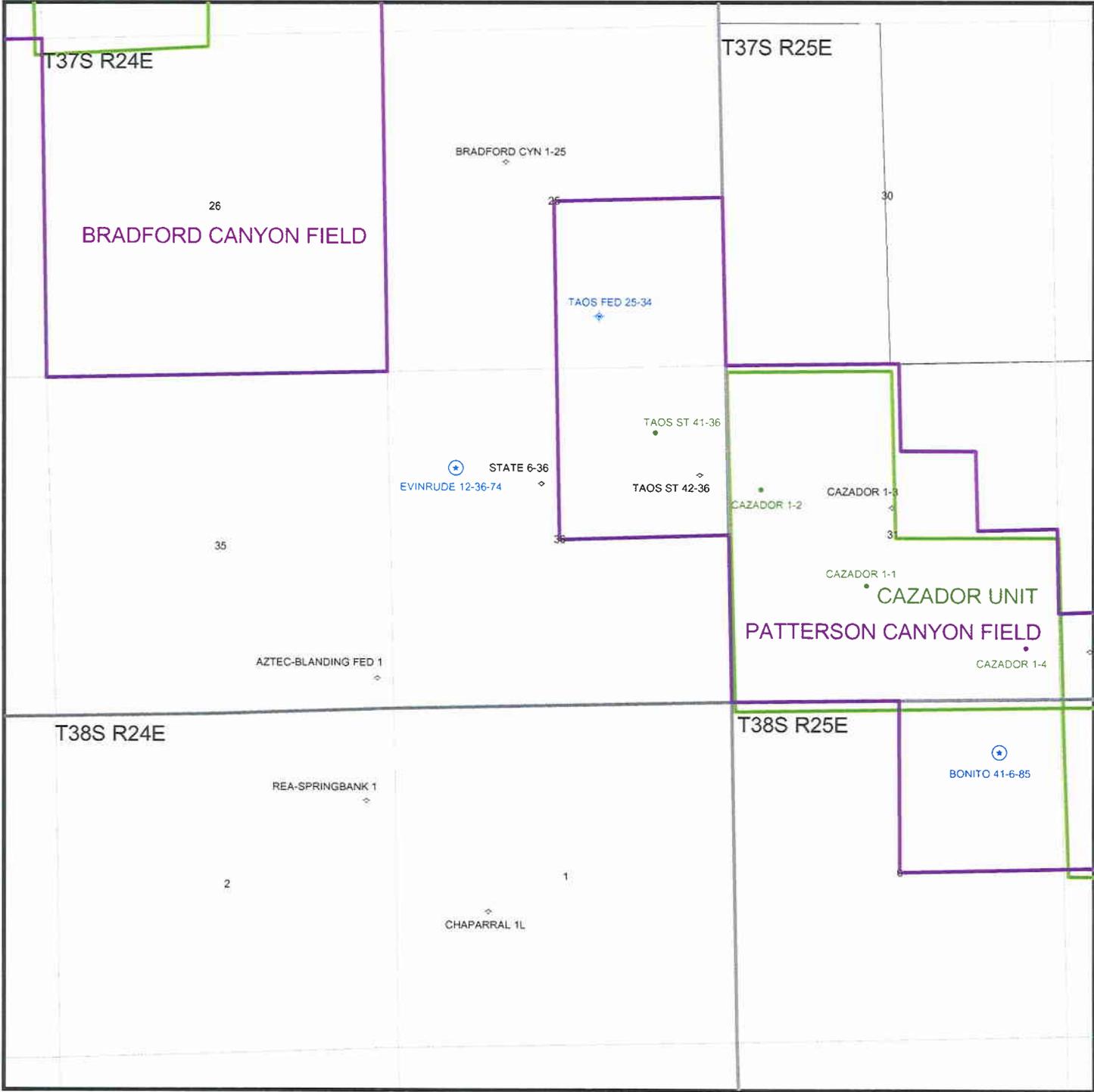
1- Need "Ex loc" Info. (Recd 4-16-02)
2- Need Prosite (5-13-02)

STIPULATIONS:

1- Statement of Basis
2- Spacing Stip.



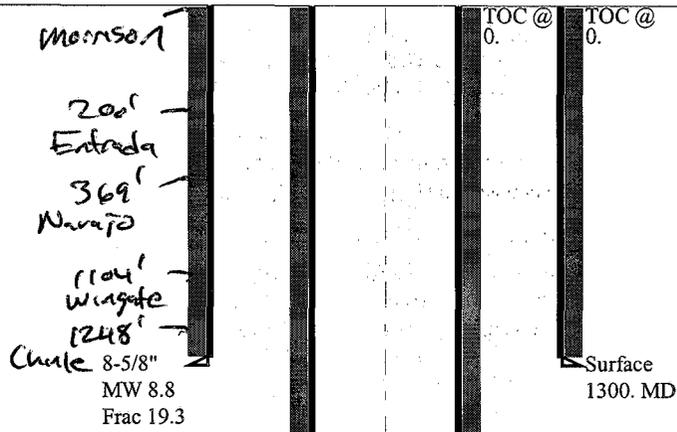
OPERATOR: SAMEDAN OIL CORP (N0185)
 SEC. 36, T37S, R24E
 FIELD: UNDESIGNATED (002)
 COUNTY: SAN JUAN



06-02 Samedan Evinrude 12-36-74

Casing Schematic

Surface



W/ 228 washout

BOP

BHP
 $(0.052)(9.2)(5625) = 269 \text{ psi}$
 Anticipated = 2250 psi

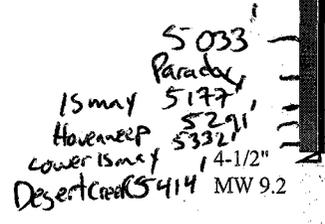
2229' -
Cutter

Gas
 $(0.12)(5625) = 675 \text{ psi}$

MASP = 2016 psi

3M BOP proposed
 Adequate
 DKD 6/21/02

4194' -
Hermosa



Production
5625. MD

W/ 158 washout

Well name: **06-02 Samedan Evinrude 12-36-74**
 Operator: **Samedan Oil Corporation**
 String type: **Surface**
 Location: **San Juan County**
 Project ID: **43-037-31823**

Design parameters:
Collapse
 Mud weight: 8.800 ppg
 Design is based on evacuated pipe.

Minimum design factors:
Collapse:
 Design factor 1.125

Environment:
 H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 83 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 300 ft

Burst
 Max anticipated surface pressure: 0 psi
 Internal gradient: 0.478 psi/ft
 Calculated BHP: 621 psi
 No backup mud specified.

Burst:
 Design factor 1.00

Cement top: Surface

Tension:
 8 Round STC: 1.80 (J)
 8 Round LTC: 1.80 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.
 Neutral point: 1,130 ft

Re subsequent strings:
 Next setting depth: 5,625 ft
 Next mud weight: 9.200 ppg
 Next setting BHP: 2,688 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 1,300 ft
 Injection pressure: 1,300 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1300	8.625	23.00	M-50	ST&C	1300	1300	7.972	59.4

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	594	1170	1.97	621	2540	4.09	30	199	6.66 J

Prepared by: Dustin K. Doucet
 Utah Dept. of Natural Resources

Phone: 801.538.5281
 FAX: 801.359.3940

Date: June 21, 2002
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE
 Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 1300 ft, a mud weight of 8.8 ppg. The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	06-02 Samedan Evinrude 12-36-74	
Operator:	Samedan Oil Corporation	
String type:	Production	Project ID: 43-037-31823
Location:	San Juan County	

Design parameters:

Collapse

Mud weight: 9.200 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 0 psi
Internal gradient: 0.478 psi/ft
Calculated BHP: 2,688 psi
No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 4,855 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 144 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Cement top: Surface

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	5625	4.5	10.50	M-50	ST&C	5625	5625	3.875	117.5

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2688	3770	<u>1.40</u>	2688	4360	<u>1.62</u>	59	115	<u>1.95 J</u>

Prepared by: Dustin K. Doucet
Utah Dept. of Natural Resources

Phone: 801.538.5281
FAX: 801.359.3940

Date: June 21, 2002
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 5625 ft, a mud weight of 9.2 ppg. The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

OPERATOR: Samedan Oil Corporation
WELL NAME & NUMBER: Evinrude 12-36-74
API NUMBER: 43-037-31823
LOCATION: 1/4,1/4 SW NW Sec: 36 TWP: 37 S RNG: 24 E 1517 FNL 1077 FWL

Geology/Ground Water:

The State of Utah Water Rights database has been reviewed and 20 points of diversion exist within one mile of this location. Six of these are underground wells or artesian wells of between 150 and 500 feet. The artesian well is of an unknown depth. The operator proposes to run 1,300 feet of surface casing 8 5/8 inches in diameter OD and to cement back to surface with 920 sx 15.8 lb/gal cement. This should prove sufficient to protect any USDW's. According to Technical Publication No.94 Base of the Moderately Saline Ground Waters in San Juan County, Utah, the base of those waters should be at a depth of about 2,100 feet in this well. Should a fresh water zone be encountered below the surface casing the production casing cementing program will need to address this problem and extra cement will be required. There do not appear to be any active springs in the mile radius. The surface formation is the Morrison, and the proposed producing formation is the Desert Creek. The Cutler Formation is the possible base of the saline waters formation at 2,229 feet.

Reviewer: K. Michael Hebertson **Date:** 23-May-2002

Surface:

Location is proposed to be built along Montezuma Creek on property owned by Guy Tracy. Proposed location is ~20 miles North NNE of Montezuma Creek town. County Roads will be utilized for access to the proposed location. Immediate access will be from County Road 146. No new access will be constructed for this well. Montezuma Creek runs in a N to S direction along the east side of the proposed pad. Flood plains come as close as 10' to the pad. According to CASA (archaeologist) there is a potential arch site on south side of pad. Provision was made to ensure site rehabilitation, litter and waste control, preservation of drainage patterns, and the integrity of local infrastructure, groundwater and other resources. Guy Tracy (surface owner) was notified and was present during the pre-site inspection.

Reviewer: Mark L. Jones **Date:** May 13, 2002

Conditions of Approval/Application for Permit to Drill:

1. Berm the location and pit.
2. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.
3. Fence along the South side of pad to protect potential archeology site.
4. Fence the reserve pit to keep wildlife and livestock out of pit.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: Samedan Oil Corporation
WELL NAME & NUMBER: Evinrude 12-36-74
API NUMBER: 43-037-31823
LEASE: State **FIELD/UNIT:** _____
LOCATION: 1/4, 1/4 SW NW Sec: 36 TWP: 37 S RNG: 24 E 1517 FNL 1077 FWL
LEGAL WELL SITING: F SEC. LINE; F 1/4, 1/4 LINE; F ANOTHER WELL.
GPS COORD (UTM): X = 655821 E; Y = 4154913 N SURFACE OWNER: Guy Tracy

PARTICIPANTS

Mark Jones (DOGM), Guy Tracy and Charlie Tracy (surface), Brian Wood (Permits West/Samedan).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Location is proposed to be built along Montezuma Creek on property owned by Guy Tracy. Proposed location is ~20 miles North NNE of Montezuma Creek town. County Roads will be utilized for access to the proposed location. Immediate access will be from County Road 146. No new access will be constructed for this well. Montezuma Creek runs in a N to S direction along the east side of the proposed pad. Flood plains come as close as 10' to the pad. According to CASA (archaeologist) there is a potential arch site on south side of pad.

SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: 230' X 250' with 125' x 75' x 10' pit included.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 4 oil or disposal wells, 4 PA wells, and 5 water wells are located within a 1 miles radius of the above proposed location.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: On location.

SOURCE OF CONSTRUCTION MATERIAL: Construction material obtained locally.

ANCILLARY FACILITIES: On location if any.

WASTE MANAGEMENT PLAN:

Portable chemical toilets which will be emptied into the municipal waste treatment system; garbage cans on location will be emptied into centralized dumpsters which will be emptied into an approved landfill. No crude oil is expected. Drilling fluid, completion/frac fluid and cuttings will be buried in the pit after evaporation and slashing the pit liner. Used oil from drilling operations and support will be hauled to a used oil recycling facility and disposed of. Produced water will be disposed of at an approved facility.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: Montezuma Creek runs North to South along the East side of proposed pad. Flood plains come as close as 10' to East side of pad.

FLORA/FAUNA: Greasewood, June grass, cactus, deer, coyote, various other small game and fowl.

SOIL TYPE AND CHARACTERISTICS: Sandy clay.

SURFACE FORMATION & CHARACTERISTICS: _____

EROSION/SEDIMENTATION/STABILITY: Erosive upon disturbance.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: Dugout Earthen Pit. 125' x 75' x 10'

LINER REQUIREMENTS (Site Ranking Form attached): Liner Required.

SURFACE RESTORATION/RECLAMATION PLAN

As per surface use agreement.

SURFACE AGREEMENT: Signed and on file.

CULTURAL RESOURCES/ARCHAEOLOGY: Archaeology study is completed and on file.

OTHER OBSERVATIONS/COMMENTS

Potential Arch site South side of location as per archaeologist. Fence will be placed along the south side of location prior to dirt work to keep equipment from disturbing this area.

ATTACHMENTS

Photos of this location were taken and placed on file.

Mark L. Jones
DOGM REPRESENTATIVE

May 13, 2002 / 4:00 PM
DATE/TIME

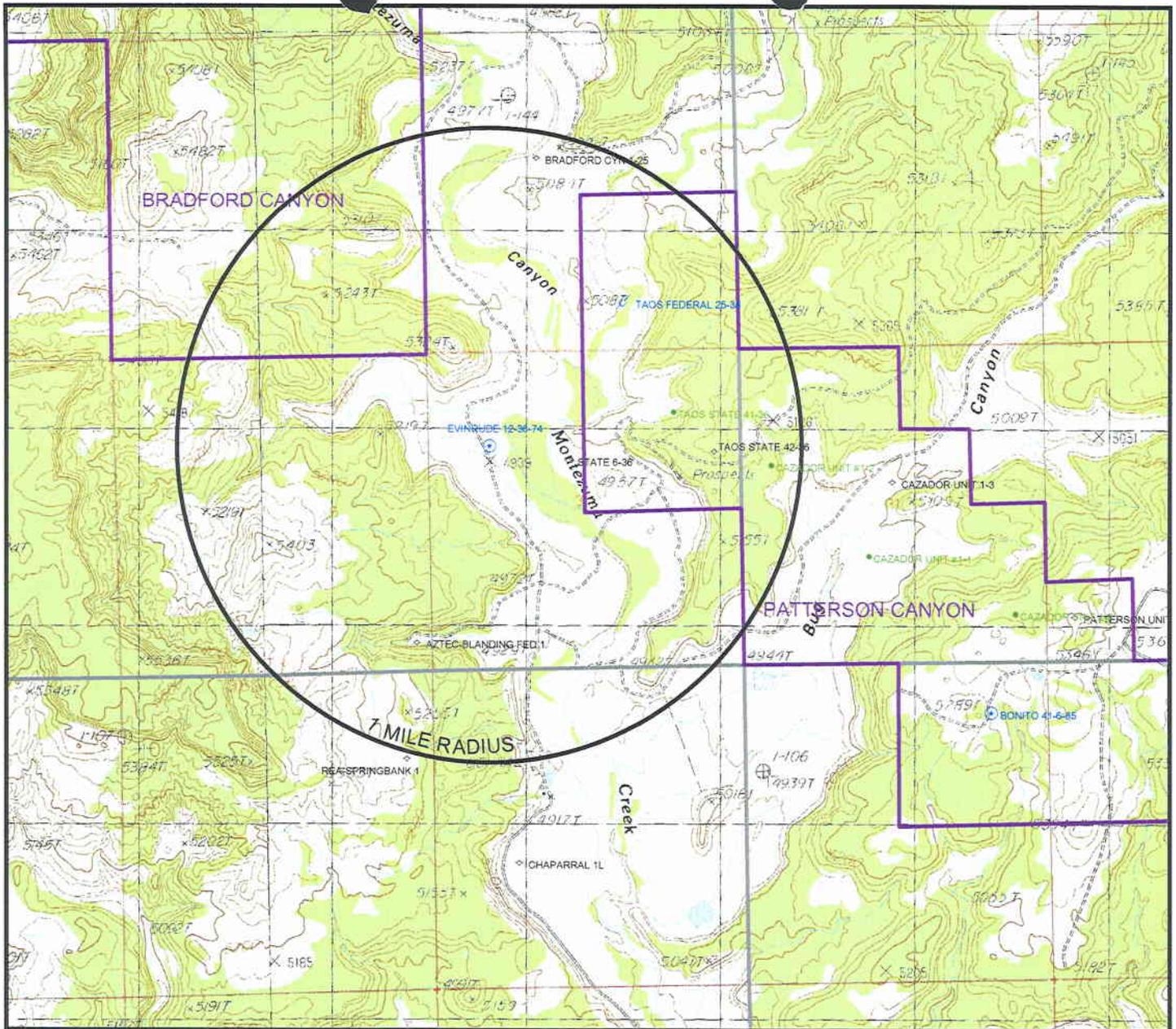
**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>10</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>2</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>20</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 37 (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.
Sensitivity Level II = 15-19; lining is discretionary.
Sensitivity Level III = below 15; no specific lining is required.



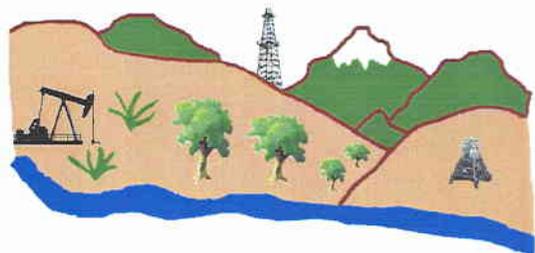


LEGEND

Well Status

- ◆ GAS INJECTION
- GAS STORAGE WELL
- ⋄ LOCATION ABANDONED
- ⊙ NEW LOCATION
- ⋆ PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- × TEMP. ABANDONED
- ⋄ TEST WELL
- ▲ WATER INJECTION
- WATER SUPPLY
- ⋆ WATER DISPOSAL

- County Boundary
- Sections
- Township
- Field Status
- ▭ ABANDONED
- ▭ ACTIVE
- ▭ COMBINED
- ▭ INACTIVE
- ▭ PROPOSED
- ▭ STORAGE
- ▭ TERMINATED



Utah Oil Gas and Mining



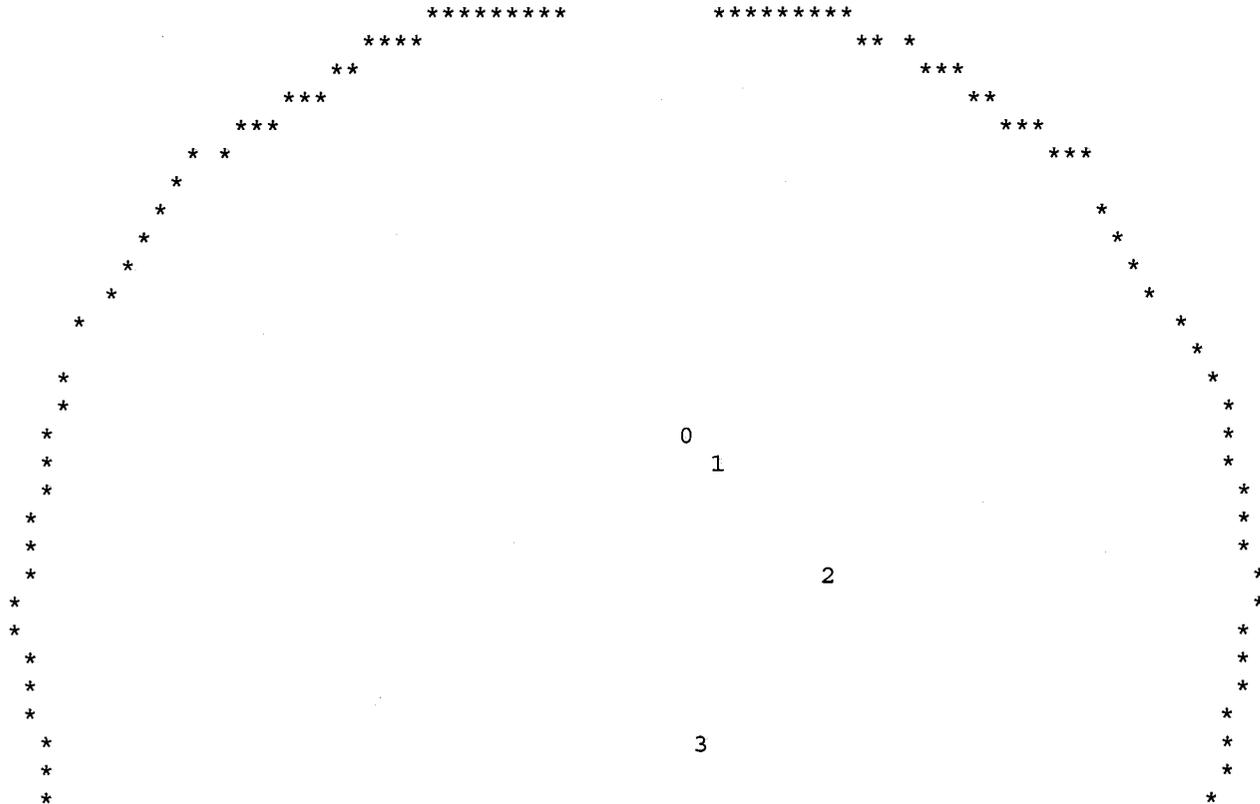
Prepared By: K. Michael Hebertson

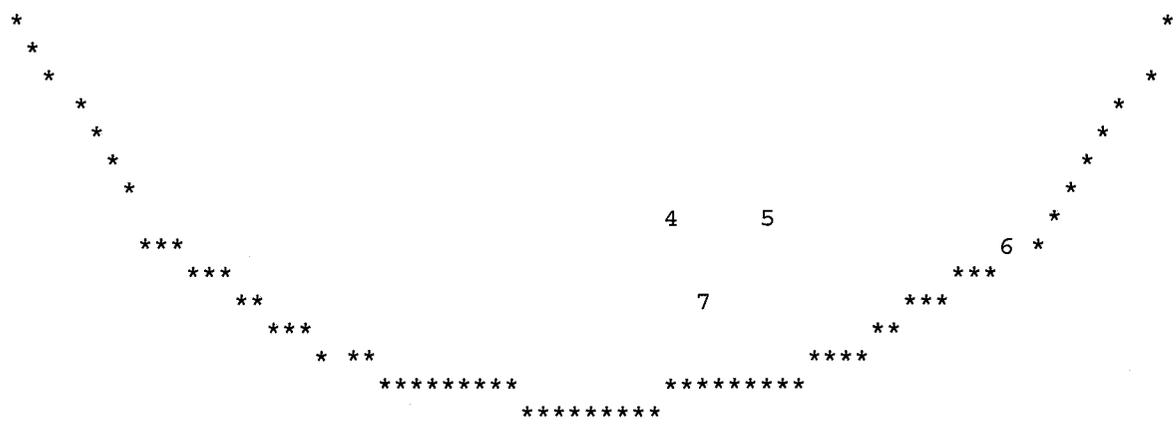
UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED THU, MAY 23, 2002, 8:20 AM
PLOT SHOWS LOCATION OF 20 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT
S 1517 FEET, E 1077 FEET OF THE NW CORNER,
SECTION 36 TOWNSHIP 37S RANGE 24E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET

N O R T H





UTAH DIVISION OF WATER RIGHTS
 NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	QUANTITY CFS	AND/OR AC-FT	SOURCE DESCRIPTION or WELL INFO DIAMETER	DEPTH	YEAR LOG	POINT OF DIVERSION DESCRIPTION NORTH	EAST	CNR	SEC	TWN	RNG	B&M
0	09 1038	2.0000	.00	14	150 - 300		S 120 E 1450		NW 36	37S	24E	SL	
	WATER USE(S): IRRIGATION												PRIORITY DATE: 03/28/19'
	Wagon Rod Ranch												Monticello
1	09 1741	.0170	.00	6	345		S 350 E 1810		NW 36	37S	24E	SL	
	WATER USE(S): IRRIGATION STOCKWATERING												PRIORITY DATE: 12/10/19'
	Wagon Rod Ranch												Monticello
1	09 1413	.0000	2.00	4	- 300		S 350 E 1810		NW 36	37S	24E	SL	
	WATER USE(S): OTHER												PRIORITY DATE: 02/06/19'
	Wagon Rod Ranch												Monticello
1	09 1431	.0000	13.83	4	300		S 350 E 1810		NW 36	37S	24E	SL	
	WATER USE(S): OTHER												PRIORITY DATE: 07/10/19'

	Wagon Rod Ranch		P.O. Box 305		Monticello
2	09 1519	.0000	.50 Montezuma Creek	S 1320 W 2640	NE 36 37S 24E SL PRIORITY DATE: 06/05/19:
	WATER USE(S): OTHER				Denver
	BWAB Incorporated		1801 California Street, Suite 1000		
2	09 1549	.0000	.50 Montezuma Creek	S 1320 E 2640	NW 36 37S 24E SL PRIORITY DATE: 12/07/19:
	WATER USE(S): OTHER				Denver
	BWAB Incorporated		1801 California Street Suite 1000		
3	09 1347	2.0000 OR	166.40 Montezuma Creek	E 1685	W4 36 37S 24E SL PRIORITY DATE: 05/28/19:
	WATER USE(S): IRRIGATION				Monticello
	Bar M. K. Ranches Incorporated		P.O. Box 576		
3	09 1348	2.0000 OR	136.15 Montezuma Creek	E 1685	W4 36 37S 24E SL PRIORITY DATE: 05/03/19:
	WATER USE(S): IRRIGATION				Monticello
	Bar M. K. Ranches Incorporated		P.O. Box 576		
3	a13129	2.0000	.00 Montezuma Creek	E 1685	W4 36 37S 24E SL PRIORITY DATE: 03/01/19:
	WATER USE(S): IRRIGATION				Monticello
	Bar MK Ranches Incorporated		P.O. Box 576		
3	a13128	2.0000	.00 Montezuma Creek	E 1685	W4 36 37S 24E SL PRIORITY DATE: 03/01/19:
	WATER USE(S): IRRIGATION				Monticello
	Bar MK Ranches Incorporated		P.O. Box 576		
4	09 297	.1380	.00 4 500	N 196 W 855	S4 36 37S 24E SL PRIORITY DATE: 08/18/19:
	WATER USE(S): STOCKWATERING				Monticello
	Dalton, Melvin K.				
4	09 1365	.0000	2.67 Max and Bonnie Dalton artesian	N 196 W 855	S4 36 37S 24E SL PRIORITY DATE: 05/14/19:
	WATER USE(S): OTHER				Denver
	Duncan, Raymond T.		1777 South Harrison Street - Penthouse 1		
5	09 307	4.6100 OR	313.85 Montezuma Creek	N 170 W 84	S4 36 37S 24E SL PRIORITY DATE: 05/03/19:
	WATER USE(S): IRRIGATION				Olathe,
	Gore, Richard W. & Josephine M.		5685 Fern Road		Monticello
	Bar MK Ranches Inc.		141 West 3rd North		
5	09 239	4.6100 OR	383.60 Montezuma Creek	N 170 W 84	S4 36 37S 24E SL PRIORITY DATE: 05/28/19:
	WATER USE(S): IRRIGATION				Olathe
	Gore, Richard W. & Josephine M.		5685 Fern Road		Monticello
	Bar MK Ranches Inc.		141 West 3rd North		
6	09 1518	.0000	.50 Max Dalton or Bonnie Dalton We	S 10 W 720	NE 01 38S 24E SL PRIORITY DATE: 06/05/19:
	WATER USE(S): OTHER				Denver
	BWAB Incorporated		1801 California Street, Suite 1000		

6	<u>09 1394</u>	.0000	3.00 Bonnie Dalton Artesian Well	S	10	W	720	NE	1	38S	24E	SL	
			Wintershall Oil & Gas Corporation										PRIORITY DATE: 10/26/19: Denver
			1020 15th Street Suite 22E										
6	<u>09 1395</u>	.0000	8.00 Bonnie Dalton Artesian Well	S	10	W	720	NE	1	38S	24E	SL	
			Duncan, Raymond T.										PRIORITY DATE: 10/26/19: Denver
			1777 South Harrison, P-1										
6	<u>09 1441</u>	.0000	8.00 Bonnie Dalton Artesian Well	S	10	W	720	NE	1	38S	24E	SL	
			Duncan, Raymond T.										PRIORITY DATE: 09/20/19: Denver
			1777 South Harrison, P-1										
6	<u>09 1534</u>	.0000	.50 Artesian Wells	S	10	W	720	NE	1	38S	24E	SL	
			BWAB Incorporated										PRIORITY DATE: 10/05/19: Denver
			1801 California Street, Suite 1000										
7	<u>09 1513</u>	.0000	10.00 Pond - Gore Property										
			Yates Petroleum Corporation										PRIORITY DATE: 04/03/19: Artesia
			105 South 4th Street										

SAMEDAN OIL CORPORATION

HOUSTON REGION

12600 Northborough, Suite 250
Houston, Texas 77067-3299

(281) 876-6150

Fax (281) 874-6753

April 22, 2002

AFFIDAVIT OF COMPLETION OF SURFACE USE AGREEMENT

On April 22, 2002, a written surface use agreement was entered into between Samedan Oil Corporation and Guy Tracy for the use of land connected with the Samedan-Evinrude 12-36-74 well, located in San Juan County, Utah.

We will abide by the conditions as stated in the Surface Use Agreement.

On behalf of Samedan Oil Corporation:



Ted Price
Vice President and General Manager
Onshore

1	<i>mb</i>
2	<i>Jan</i>
3	
4	
5	

Date: April 22, 2002

State of Texas §

§

County of Harris §

RECEIVED

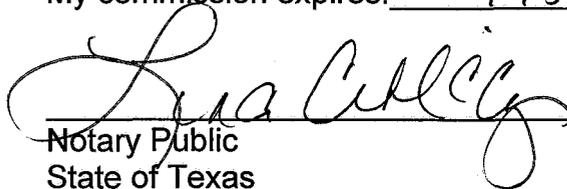
APR 24 2002

DIVISION OF
OIL, GAS AND MINING

Subscribed and sworn to before me this 22nd day of April, 2002 by Ted Price

Witness my hand and notarial seal.

My commission expires: 9.15.05


Notary Public
State of Texas



005



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

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

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

July 8, 2002

Samedan Oil Corporation
12600 Northborough, Suite 250
Houston, TX 77067

Re: Evinrude 12-36-74 Well, 1517' FNL, 1077' FWL, SW NW, Sec. 36, T. 37 South, R. 24 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.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby 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 43-037-31823.

Sincerely,

John R. Baza
Associate Director

pb
Enclosures

cc: San Juan County Assessor
SITLA

Operator: Samedan Oil Corporation
Well Name & Number Evinrude 12-36-74
API Number: 43-037-31823
Lease: ML-35744

Location: SW NW **Sec.** 36 **T.** 37 South **R.** 24 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**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

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. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

6. 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.

006



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

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

July 18, 2003

Brian Wood
Samedan Oil Corporation
12600 Northborough, Suite 250
Houston, TX 77067

Re: APD Rescinded – Evinrude 12-36-74 Sec. 36, T.37S, R. 24E San Juan County, Utah API No. 43-037-31823

Dear Mr. Wood:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on July 8, 2002. On July 18, 2003, you requested that the division rescind the approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective July 18, 2003.

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,

A handwritten signature in black ink that reads "Diana Mason".

Diana Mason
Engineering Technician

cc: Well File
Gil Hunt, Technical Services Manager