

**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: <b>UTU 082186</b>	6. SURFACE: <b>Federal</b>
1A. TYPE OF WORK: <b>DRILL</b> <input checked="" type="checkbox"/> <b>REENTER</b> <input type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: <b>OIL</b> <input checked="" type="checkbox"/> <b>GAS</b> <input type="checkbox"/> <b>OTHER</b> _____ <b>SINGLE ZONE</b> <input checked="" type="checkbox"/> <b>MULTIPLE ZONE</b> <input type="checkbox"/>			8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: <b>Bridwell Oil Management, LLC</b>			9. WELL NAME and NUMBER: <b>BOM Federal 1-19</b>	
3. ADDRESS OF OPERATOR: <b>810 8th Street</b>		CITY <b>Wichita Falls</b> STATE <b>TX</b> ZIP <b>76301</b>	PHONE NUMBER: <b>(940) 723-4351</b>	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: <b>1346' FNL x 938' FEL</b> AT PROPOSED PRODUCING ZONE: _____			10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>8 miles south, southwest, from Blanding Utah</b>			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SENE 19 37S 22E</b>	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) <b>938'</b>			12. COUNTY: <b>San Juan</b>	
16. NUMBER OF ACRES IN LEASE: <b>1318.16</b>			13. STATE: <b>UTAH</b>	
17. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>160</b>			18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) <b>None</b>	
19. PROPOSED DEPTH: <b>7,400</b>			20. BOND DESCRIPTION: <b>BLM UT 1273</b>	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>5679.72' GL</b>			22. APPROXIMATE DATE WORK WILL START: <b>8/15/2008</b>	
			23. ESTIMATED DURATION: <b>60 days</b>	

**24. PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
17 1/2"	13 3/8"	H40	48	250	class 'G', 330 sks	1.15 cf/sk	15.8 ppg
12 1/4"	9 5/8"	L80	40	2,400	65/35 Poz, 570 sks	1.75 cf/sk	12.8 ppg
					class 'G', 100 sks	1.15 cf/sk	15.8 ppg
7 7/8"	5 1/2"	J55	17	6,470	50/50 Poz, 530 sks	1.26 cf/sk	14.5 ppg
	5 1/2"	L80	20	7,400			

**25. 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) Mark Henderson TITLE Exploration Manager

SIGNATURE *Mark Henderson* DATE 5/28/08

(This space for State use only)

API NUMBER ASSIGNED: 43-037-31892

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

APPROVAL:  
Date: 06-17-08  
By: *[Signature]*

**RECEIVED  
MAY 29 2008  
DIV. OF OIL, GAS & MINING**

# UTAH WELL LOCATION PLAT

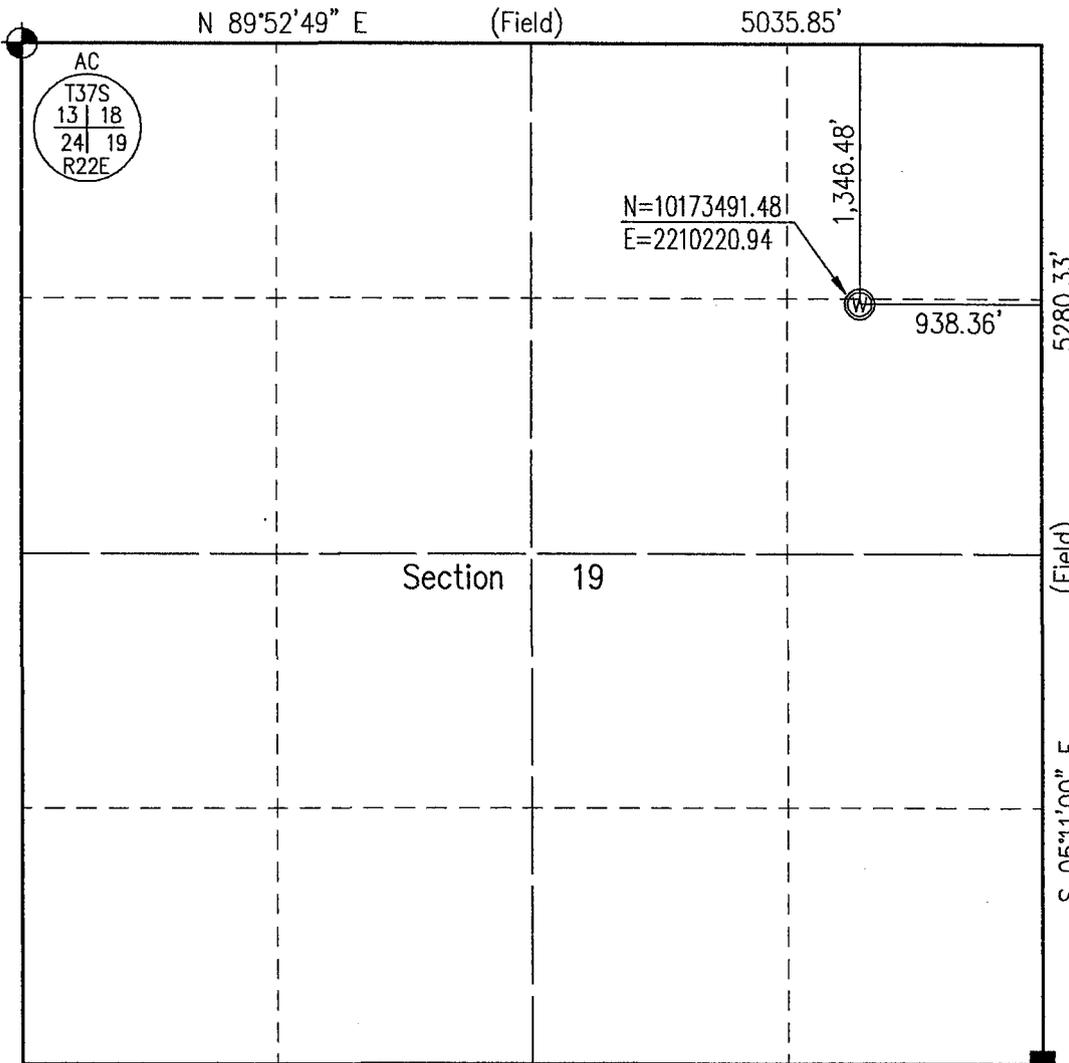
OPERATOR Bridwell Oil Management, LLC  
 LEASE Boma Federal WELL NO. 1-19  
 SECTION 19 TOWNSHIP 37 South RANGE 22 East 6th, P.M.  
 COUNTY San Juan UTAH  
 FOOTAGE LOCATION OF WELL: 1346.48 FEET FROM THE North LINE and  
938.36 FEET FROM THE East LINE and  
 GROUND LEVEL ELEVATION: 5679.72  
 SURFACE USE WITHIN 200' RADIUS: No Improvements Within 200'  
 BASIS OF BEARING: GPS Data  
 BASIS OF ELEVATION: GPS Data - NAD 83



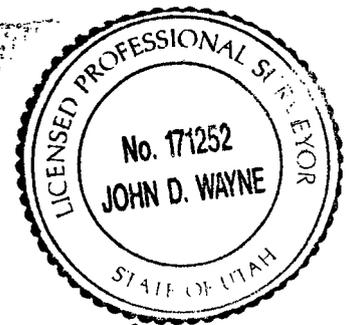
500' 500'  
 1" = 1000'

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 (1947)
- WELL Location
- STONE Marked
- 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 26, 2005  
 Date Surveyed:  
NOVEMBER 1, 2005  
 Date Platted:

SCALE: 1" = 1000'

## Drilling Plan

**Well Name:** BOM Federal 1-19

**Surface Location:** 1346' FNL x 938' FEL, Section 19, T37S, R22E  
San Juan County, Utah

**Target Formation:** Barker Creek

**Elevation:** 5680' GL

### Geology:

Formation	Top	Probable Content
Dakota	Surface	
Entrada	1200'	water
Navajo	1350'	water
Kayenta	1967'	water
Chinle	2327'	water
Shinarump	2750'	gas/water
Moenkopi	3086'	water
Cutler	3734'	gas/brine water
Hermosa	5191'	gas/brine water
Ismay	6111'	oil/gas/brine water
Upper Desert Creek	6349'	oil/gas/brine water
Lower Desert Creek	6407'	oil/gas/brine water
Akah	6451'	
Top of Salt	6484'	
Upper Barker Creek	6901'	oil/gas/brine water
Middle Barker Creek	7067'	oil/gas/brine water
Lower Barker Creek	7191'	oil/gas/brine water
Base of Salt	7396'	
TD	7400'	

**Logging Program:** 1<sup>st</sup> run: Density/Neutron, Induction, Platform Express from 6470' to surface casing shoe. Continue logging with Induction and GR to surface.

2<sup>nd</sup> run: Dual Laterolog, Density/Neutron, and Microlog from TD to 6470'. Long Spaced Sonic from TD to surface casing shoe.

## Drilling Fluid Program:

<u>Interval</u>	<u>Fluid Type</u>	<u>Density</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0 - 250'	fresh water spud mud	8.4 - 9.0 ppg	30 - 50 sec	no control
250' - 2400'	Fresh water/gel/lime/polymer	8.4 - 10.0 ppg	30 - 50 sec	no control
2400' - 6470'	Fresh water/gel/lime/polymer	8.4 - 9.5 ppg	30 - 50 sec	10 - 12
6470' - 7400'	saturated salt/gel	10.5 - 11.0 ppg	30 - 50 sec	8 - 12

## Casing Program:

<u>Interval</u>	<u>Hole Diameter</u>	<u>Casing O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Thread</u>
Conductor					
0 - 250'	17 1/2"	13 3/8"	48 ppf	H-40	STC
Surface Casing					
0 - 2400'	12 1/4"	9 5/8"	40 ppf	L-80	LTC
Production Casing					
0 - 6470'	7 7/8"	5 1/2"	17 ppf	J-55	LTC
6470' - 7400'	7 7/8"	5 1/2"	20 ppf	L-80	LTC

## Tubing Program:

0 – 7350', 2 7/8", 6.5 ppg, J-55, EUE

## BOPE and Wellhead Specifications and Testing:

From the conductor casing shoe (250') to 2400': 13 3/8", 2000 psi threaded casing head with two 2" outlets. 13 5/8", 2000 psi diverter system and 2000 psi choke manifold (see figures 1 and 2). Pressure test BOPE to 2000 psi and 9 5/8" conductor casing to 600 psi prior to drilling the conductor casing shoe.

From the surface casing shoe (2400') to TD (7400'): 9 5/8", 5000 psi weld-on casing head, 9 5/8", 5000 psi double gate BOP, and 5000 psi annular preventor. 5000 psi choke manifold (see figures 3 and 4).

For completion operations: 5 1/2" x 2 7/8", 5000 psi tree assembly. 7 1/16", 5000 psi double gate BOP system. 5000 psi choke manifold (see figures 5 and 6).

## General Operation:

- Actuate pipe rams once each day during drilling operations. Actuate blind rams once each trip.
- An upper Kelly-cock valve, with handle, will be available on the rig floor to fit each drilling string.
- BOP pit level drills will be conducted weekly for each drilling crew.
- All BOP tests and drills will be recorded in the daily drilling report.
- Blind and pipe rams will be equipped with extension hand wheels.

## Cementing Program:

13 3/8" Conductor Casing String: Run casing with saw tooth guide shoe on bottom, insert valve one joint from bottom, and install bowspring centralizers with one in the middle of the first joint and one every collar to surface. Cement to surface with 330 sks class 'G' with 1/4 #/sk flocele and 3 % CaCl<sub>2</sub> (yield – 1.16 cf/sk, density – 15.8 ppg). Perform top job if necessary.

9 5/8" Surface Casing String: Run casing with swirl pattern guide shoe on bottom and non-differential fill float collar one joint from bottom. Install bowspring centralizers with one centralizer in the middle of the first joint, one centralizer every other collar for the next three collars, and one centralizer inside the conductor casing shoe. Cement to surface with 570 sks 65/35 poz + 6 #/sk gilsonite + .25 #/sk cellophane (yield – 1.79 cf/sk, density – 12.7 ppg, water – 9.24 gals/sk) followed by 100 sks class 'G' + 2% CaCl<sub>2</sub> (yield – 1.16 cf/sk, density – 15.8 ppg).

5 1/2" Production Casing String: Run casing with float shoe on bottom and float collar one joint from bottom (regular fill, not differential). Install one centralizer in the middle of the first joint, one on every other collar from TD to the top of the Desert Creek formation, and one inside the surface casing shoe. Cement with 530 sks class 'G' 50/50 poz + 36% salt + additives (density – 14.5 ppg, yield – 1.26 cf/sk, water – 5.65 gals/sk). Precise slurry volumes are to be calculated from the open hole log caliper plus 25% excess. The top of the cement is designed to be at 5000'.

## Special Drilling Operations:

1. H<sub>2</sub>S could be encountered below the bottom of the Desert Creek formation. H<sub>2</sub>S sensors will be installed at the well head and shale shaker during drilling and completion operations, at all depths below the Desert Creek formation. Escape air packs (SCBA) and a cascade system will be on location from 6470' to TD. All rig crews and personnel on location will be trained for H<sub>2</sub>S operations and have a current training card. See Attachment 1, H<sub>2</sub>S Program.
2. The end of the flare line will be at least 150' from the well head and equipped with an automatic igniter. A flare gun with flares shall be on location as a back-up ignition source.

3. If H<sub>2</sub>S is encountered additional equipment (rotating head, mud/gas separator, and remotely operated choke) will be installed as necessary to ensure safe drilling operations pursuant to Onshore Oil and Gas Order No. 6.
4. Possible DST's at 6349' (Desert Creek) and 6901' (Barker Creek). The reserve pit needs to be large enough to handle water generated from water flows which can be encountered while drilling the 12 1/4" surface hole.
5. Massive salt zones with interbedded shale could be encountered from 6470' to TD. A saturated salt mud system will be utilized to drill through the salts to TD.
6. Abnormally high pressure may be encountered in the shales that are interbedded within the salt, and possibly in the Barker Creek formation. A saturated salt mud with a density of approximately 11 ppg will be used to control formation pressures. Adequate weighting material will be kept on location to maintain mud weight.

**Additional Information:**

1. This well is designed to be completed in the Barker Creek formation.
2. LCM will be added as needed to the mud system to maintain circulation.
3. Estimated formation pressures:
  - a. Desert Creek – 2800 psi
  - b. Interbedded Shales – 4000 psi
  - c. Barker Creek – 4000 psi

**Completion Information:**

The completion procedure will be prepared after open hole logs are analyzed.

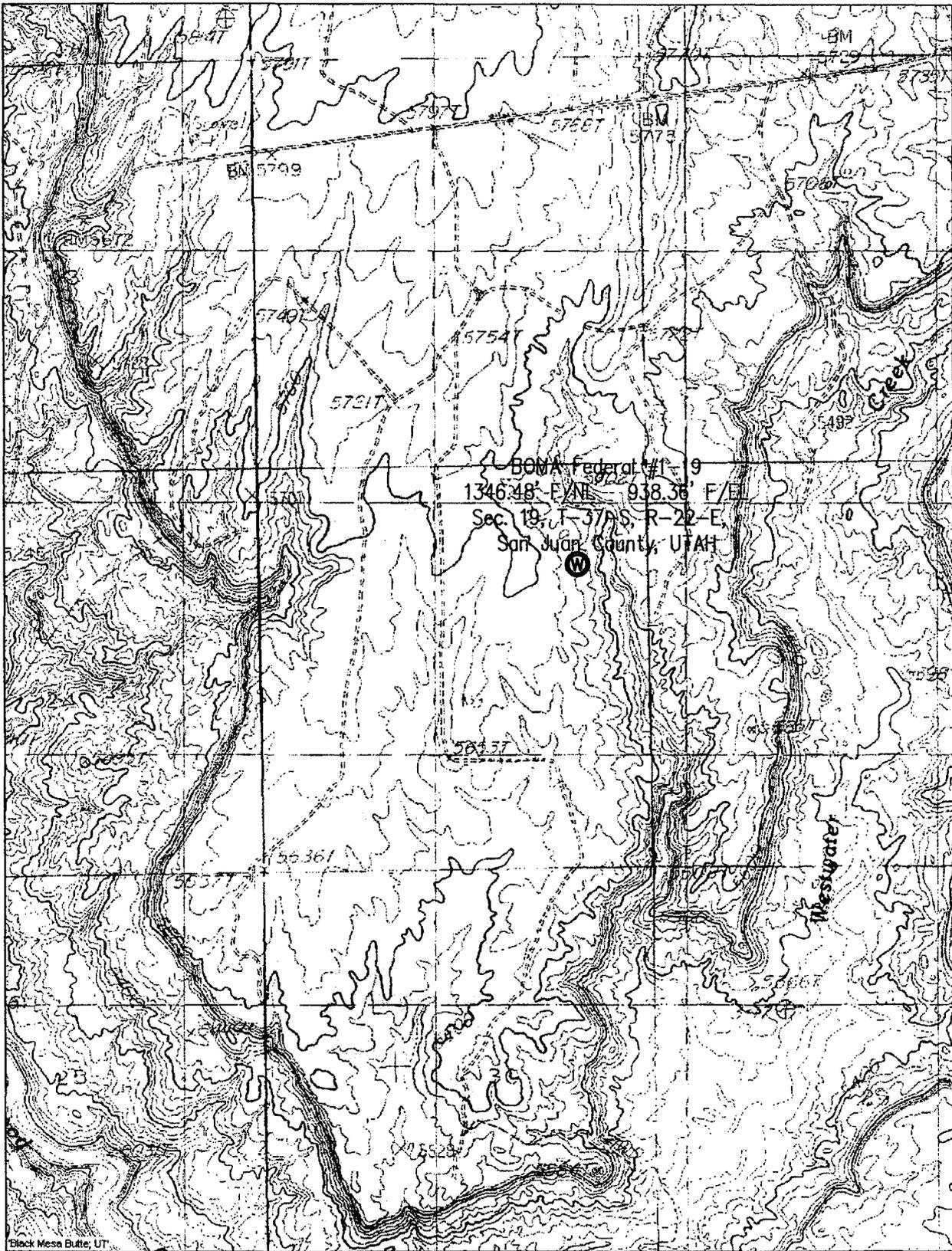
Prepared by:



Mark Henderson

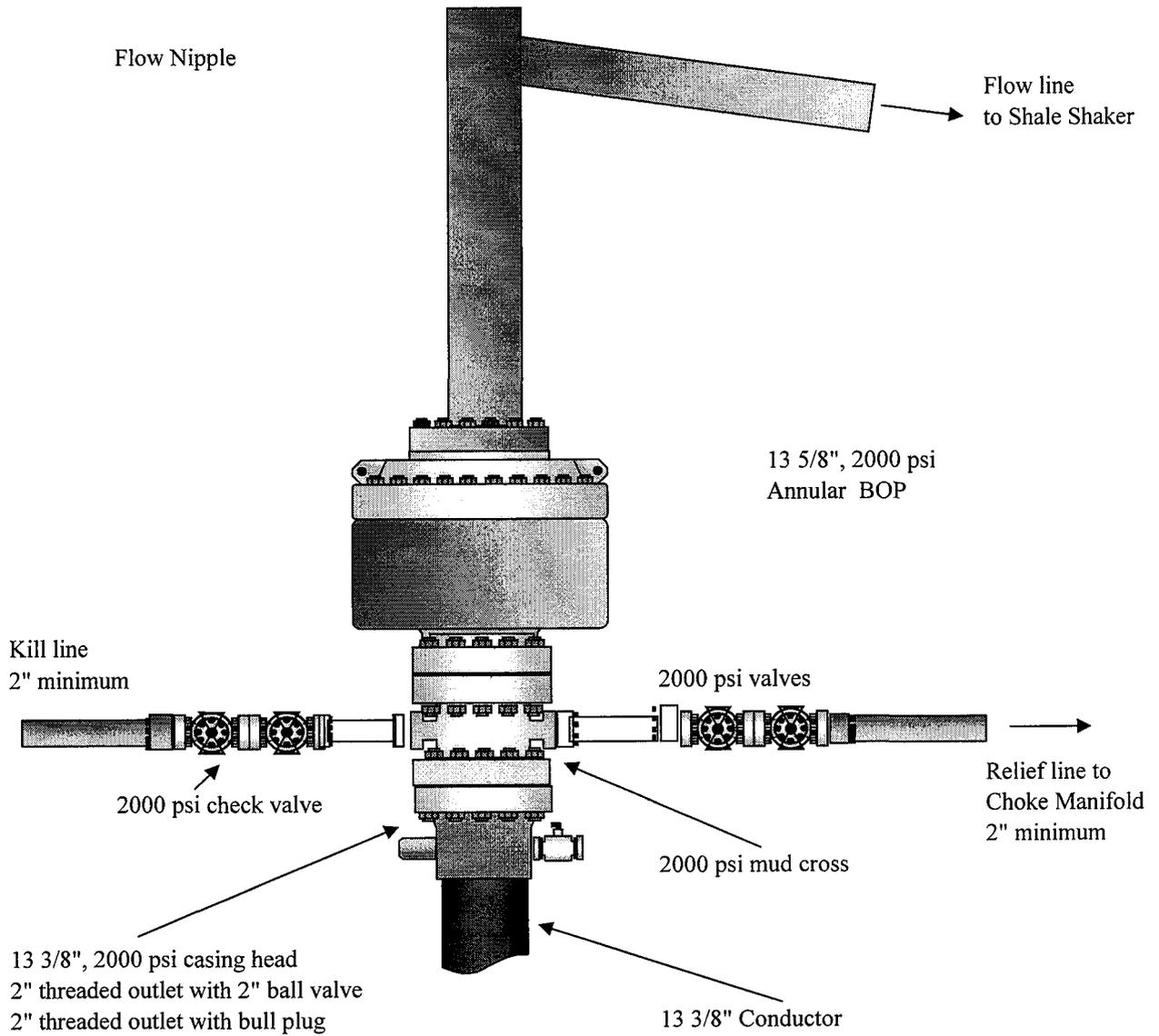
Date:

5/28/08



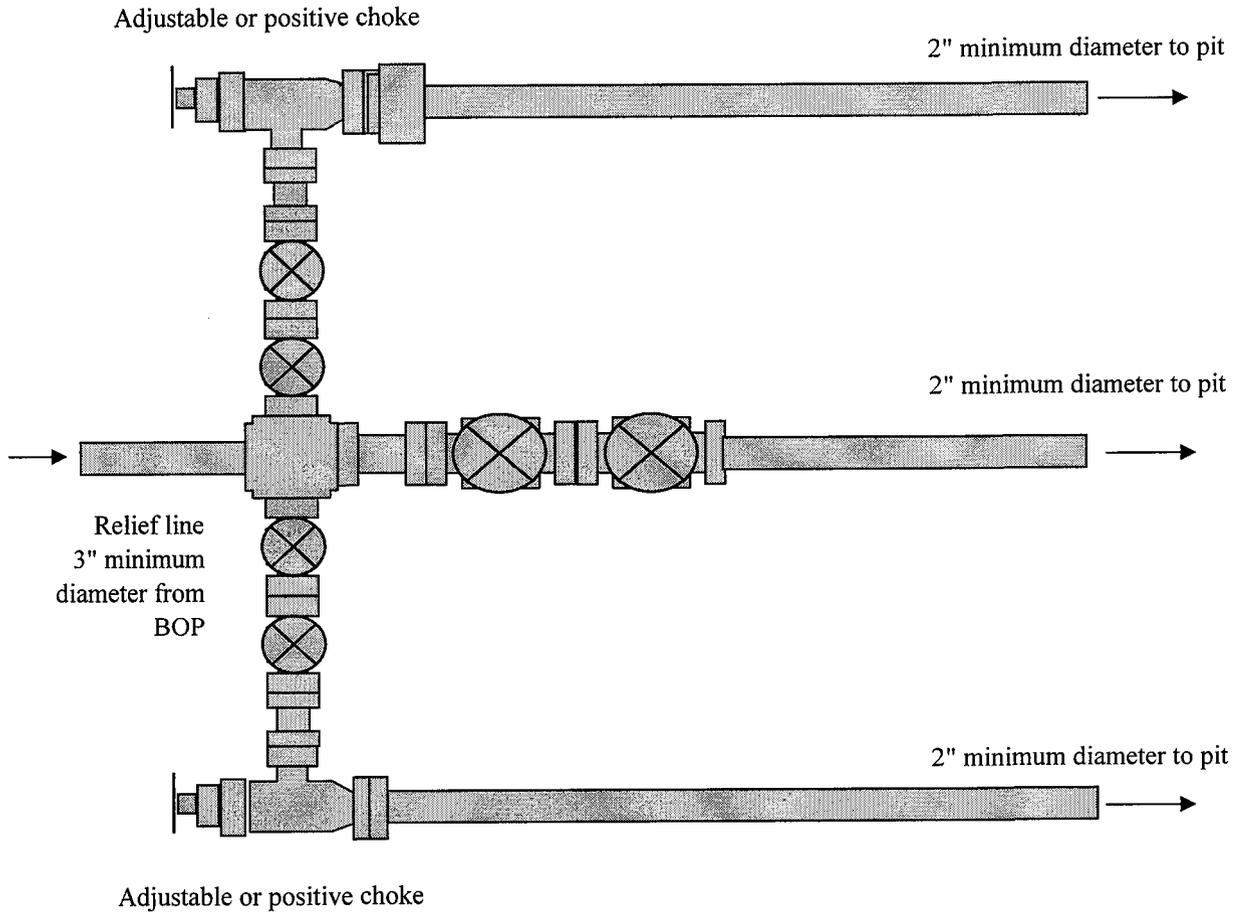


**FIGURE 1**



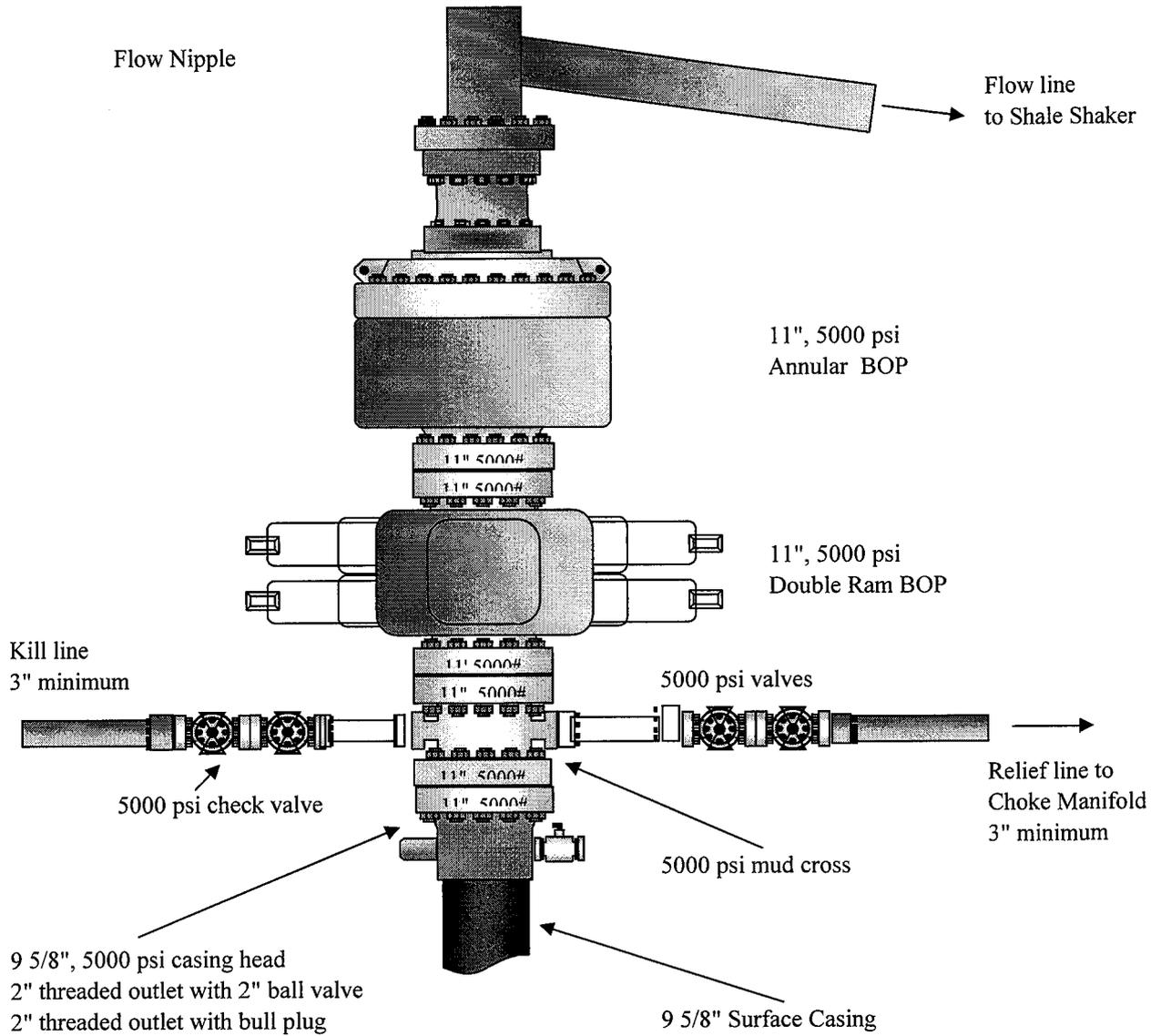
**BOP installation from Surface casing depth (250') to Surface casing depth (2400').  
13 5/8" 2000 psi diverter system equipped with annular preventor.  
Equipment rated to 2000 psi working pressure**

**FIGURE 2**



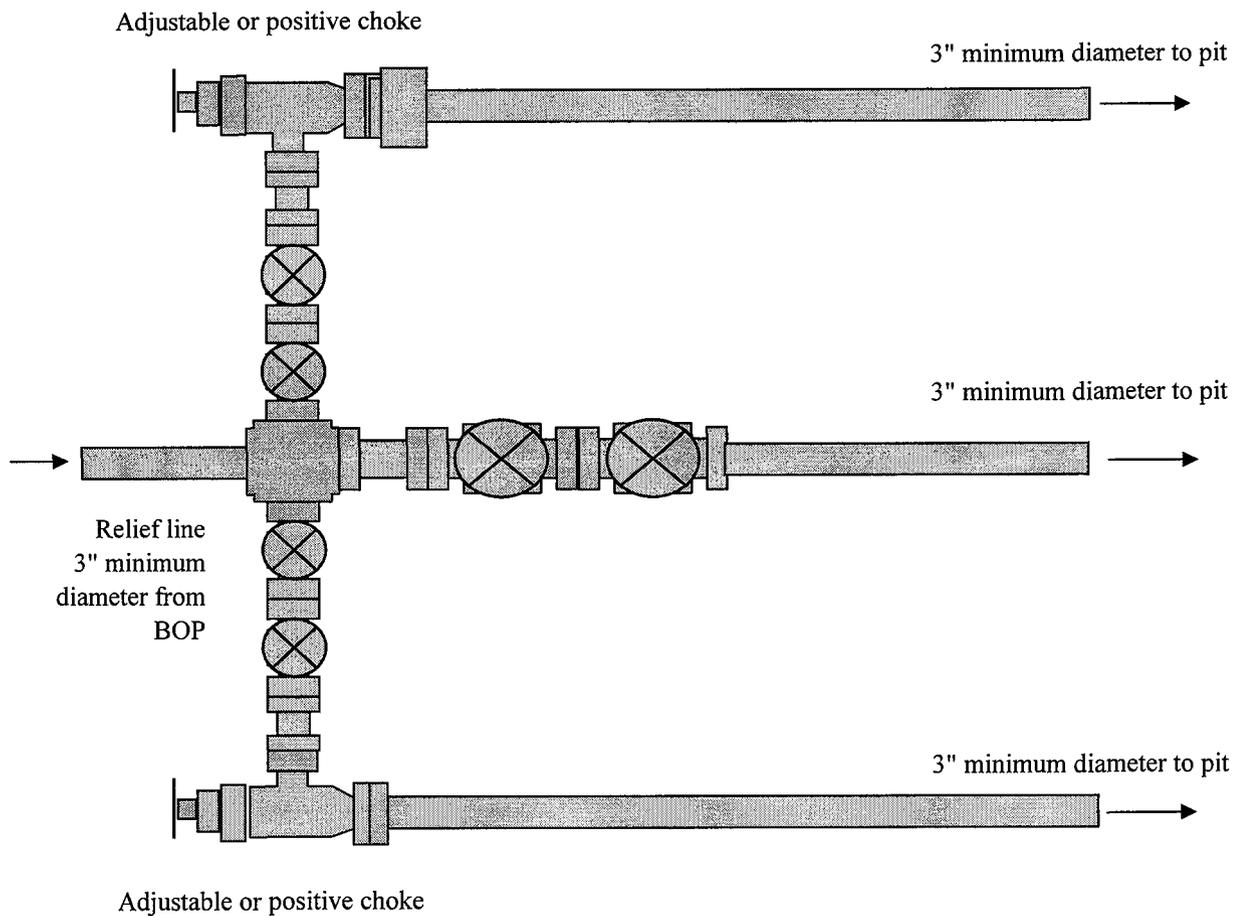
**Choke manifold for BOP system shown in Figure 1. All equipment to be rated at 2000 psi or greater.**

FIGURE 3



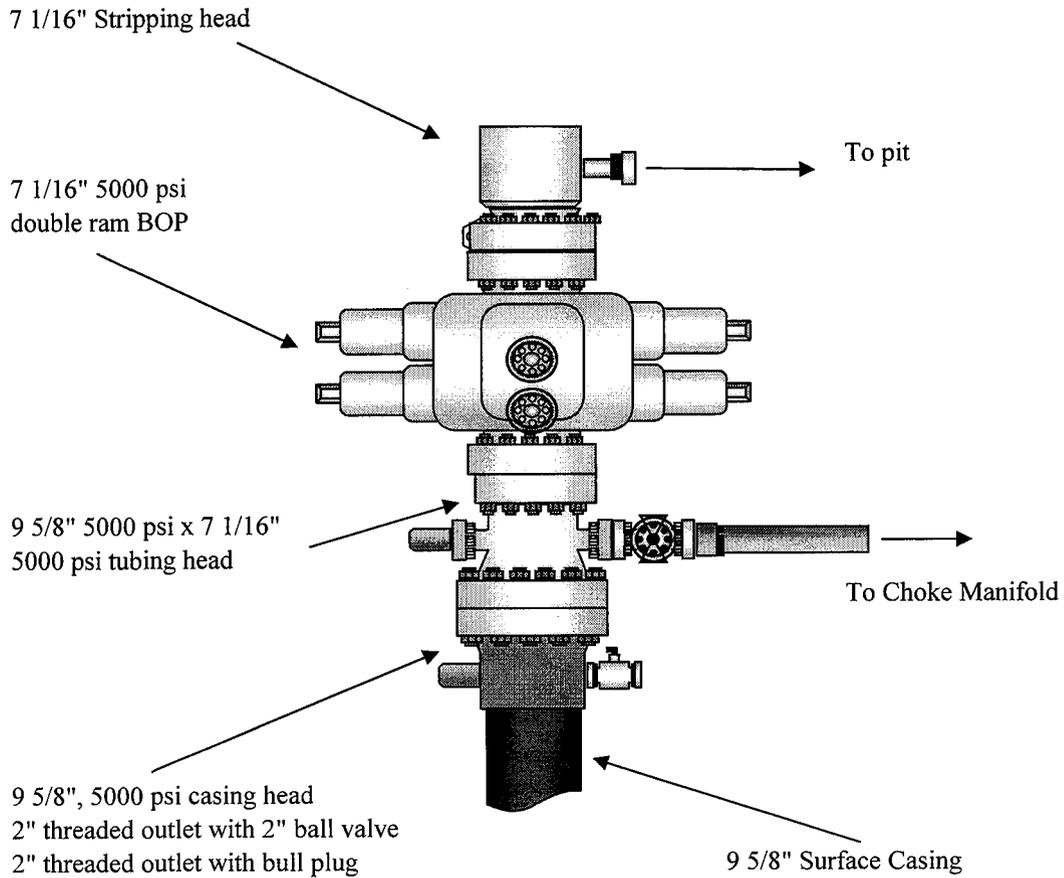
BOP installation from Surface casing depth (2400') to TD (7400'). 9 5/8" 5000 psi double gate BOP equipped with blind and pipe rams, 9 5/8" annular BOP. All equipment rated to 5000 psi working pressure

**FIGURE 4**



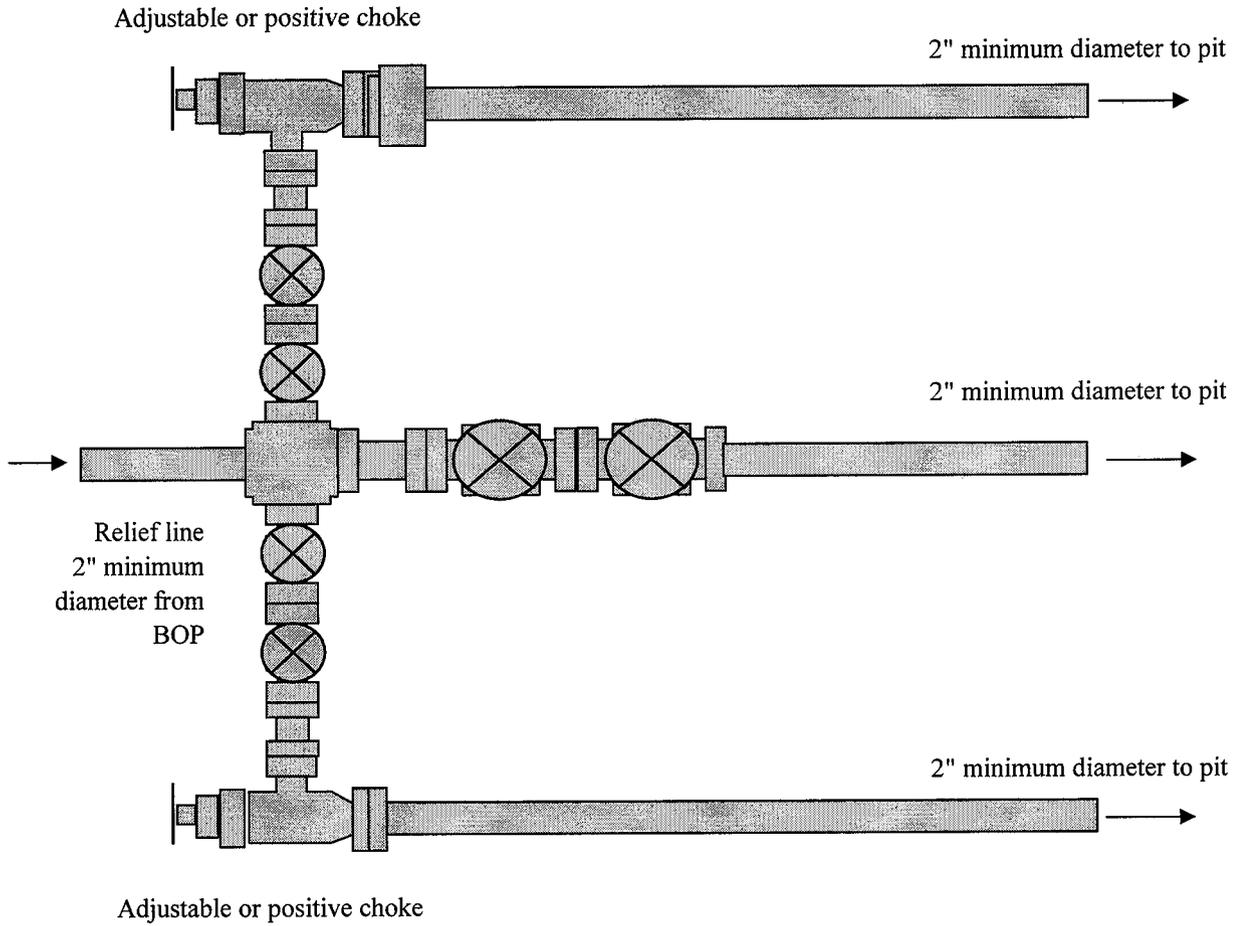
**Choke manifold for BOP system shown in Figure 3. All equipment to be rated at 3000 psi or greater. Flare line to be equipped with automatic igniter, ending 150' away from well head.**

**FIGURE 5**



**BOP installation for completion operations. 7 1/16" 5000 psi double ram BOP. Equipped with blind and pipe rams. All equipment rated to 5000 psi or greater working pressure**

**FIGURE 6**



**Choke manifold for BOP system shown in Figure 5. All equipment to be rated at 5000 psi or greater. Flare line to be equipped with automatic igniter, ending 150' away from well head.**

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 05/29/2008

API NO. ASSIGNED: 43-037-31892
--------------------------------

WELL NAME: BOM FED 1-19  
 OPERATOR: BRIDWELL OIL MANAGEMENT ( N1935 )  
 CONTACT: MARK HENERSON

PHONE NUMBER: 940-723-4351

PROPOSED LOCATION:

SENE 19 370S 220E  
 SURFACE: 1346 FNL 0938 FEL  
 BOTTOM: 1346 FNL 0938 FEL  
 COUNTY: SAN JUAN  
 LATITUDE: 37.55943 LONGITUDE: -109.5331  
 UTM SURF EASTINGS: 629564 NORTHINGS: 4157741  
 FIELD NAME: WILDCAT ( 1 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: UTU 082186  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: BRKCK  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. UT 1273 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. Municipal )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- 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- Federal Approval  
2- Spacing Strip  
 \_\_\_\_\_  
 \_\_\_\_\_



OPERATOR: BRIDWELL OIL MGMT (N1935)

SEC: 19 T.37S R. 22E

FIELD: WILDCAT (001)

COUNTY: SAN JUAN

SPACING: R649-3-3 / EXCEPTION LOCATION

- Field Status**
- ABANDONED
  - ACTIVE
  - COMBINED
  - INACTIVE
  - PROPOSED
  - STORAGE
  - TERMINATED

- Unit Status**
- EXPLORATORY
  - GAS STORAGE
  - NF PP OIL
  - NF SECONDARY
  - PENDING
  - PI OIL
  - PP GAS
  - PP GEOTHERML
  - PP OIL
  - SECONDARY
  - TERMINATED

**Wells Status**

- GAS INJECTION
- GAS STORAGE
- 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
- DRILLING



OIL, GAS & MINING



PREPARED BY: DIANA MASON  
DATE: 30-MAY-2008

# Bridwell Oil Management, LLC

Post Office Box 1830  
Wichita Falls, Texas 76307

940/723-4351  
940/397-0161 Fax  
[mhenderson@wf.net](mailto:mhenderson@wf.net)

June 9, 2008

Division of Oil, Gas & Mining  
1594 W. N. Temple Suite 1210  
Salt Lake City, Utah 84114-5801

Re: BOM Federal 1-19  
SENE 19-37S-22E  
San Juan Co., Utah

Gentlemen:

In reference to State Oil and Gas Conservation rule R649-3-3, the above referenced well is an exception to the rule due to topography and archeological issues.

There are no additional lease owners within 460' of the proposed location. If you have any questions concerning this matter please give me a call at the phone number listed above.

Your help is greatly appreciated.

Sincerely,



Mark Henderson  
Exploration Manager

/mh

Cc: Bridwell Trustees and Partners

**RECEIVED**

**JUN 12 2008**

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

# Bridwell Oil Management, LLC

Post Office Box 1830  
Wichita Falls, Texas 76307

940/723-4351  
940/397-0161 Fax  
[mhenderson@wf.net](mailto:mhenderson@wf.net)

June 11, 2008

Division of Oil, Gas & Mining  
1594 W. N. Temple Suite 1210  
Salt Lake City, Utah 84114-5801

Re: ~~BOM Federal 1-19~~  
SENE 19-37S-22E  
San Juan Co., Utah

Gentlemen:

As it applies to drilling and completion operation for the above referenced well, we do not plan to drill a water supply well.

Accordingly, all water will be purchased from the City of Blanding, (NW ¼, Sec 27-T36S-R22E), or from the City of Monticello (SW ¼, Sec 30-T33S-R24E).

Your help in this matter is greatly appreciated.

Sincerely,



Mark Henderson  
Exploration Manager

/mh

Cc: Bridwell Trustees and Partners

**RECEIVED**

**JUN 16 2008**

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



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

June 17, 2008

Bridwell Oil Management, LLC  
810 8th St.  
Wichita Falls, TX 76301

Re: BOM Federal 1-19 Well, 1346' FNL, 938' FEL, SE NE, Sec. 19, T. 37 South, R. 22 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 43-037-31892.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

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

Operator: Bridwell Oil Management, LLC  
Well Name & Number BOM Federal 1-19  
API Number: 43-037-31892  
Lease: UTU 082186

Location: SE NE                      Sec. 19                      T. 37 South                      R. 22 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.

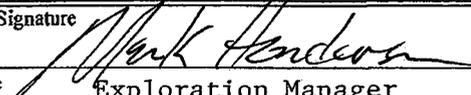
UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. UTU 082186	
6. If Indian, Allottee or Tribe Name n/a	
7. If Unit or CA Agreement, Name and No.	
8. Lease Name and Well No. BOM Federal 1-19	
9. API Well No. 43037 31892	
10. Field and Pool, or Exploratory Barker Creek	
11. Sec., T., R., M., or 131k. and Survey or Area Section 19, T37S, R22E	
12. County or Parish San Juan	13. State Utah
14. Distance in miles and direction from nearest town or post office* 8 miles south, southwest from Blanding, Utah	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 938'	16. No. of Acres in lease 1318.16
17. Spacing Unit dedicated to this well 160	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. None	19. Proposed Depth 7400'
20. BLJIA/BIA Bond No. on file BLM UT 1273	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5680' GL	22. Approximate date work will start* 07/15/08
	23. Estimated duration 60 days
24. Attachments drilling plan, surface use plan	

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

- |   |  |
|---|--|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification.   |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Mark Henderson	Date 5/28/08
Title Exploration Manager		

Approved by (Signature) /s/ M. Lynn Jackson	Name (Printed/Typed) /s/ M. Lynn Jackson	Date 6/30/08
Title Assistant Field Manager, Division of Resources		
Office Division of Resources 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.

\*(Instructions on reverse)

CONDITIONS OF APPROVAL ATTACHED

RECEIVED

JUN 30 2008

DIV. OF OIL, GAS & MINING

RECEIVED  
 DIVISION OF OIL, GAS & MINING  
 JUN 30 2008

# UTAH WELL LOCATION PLAT

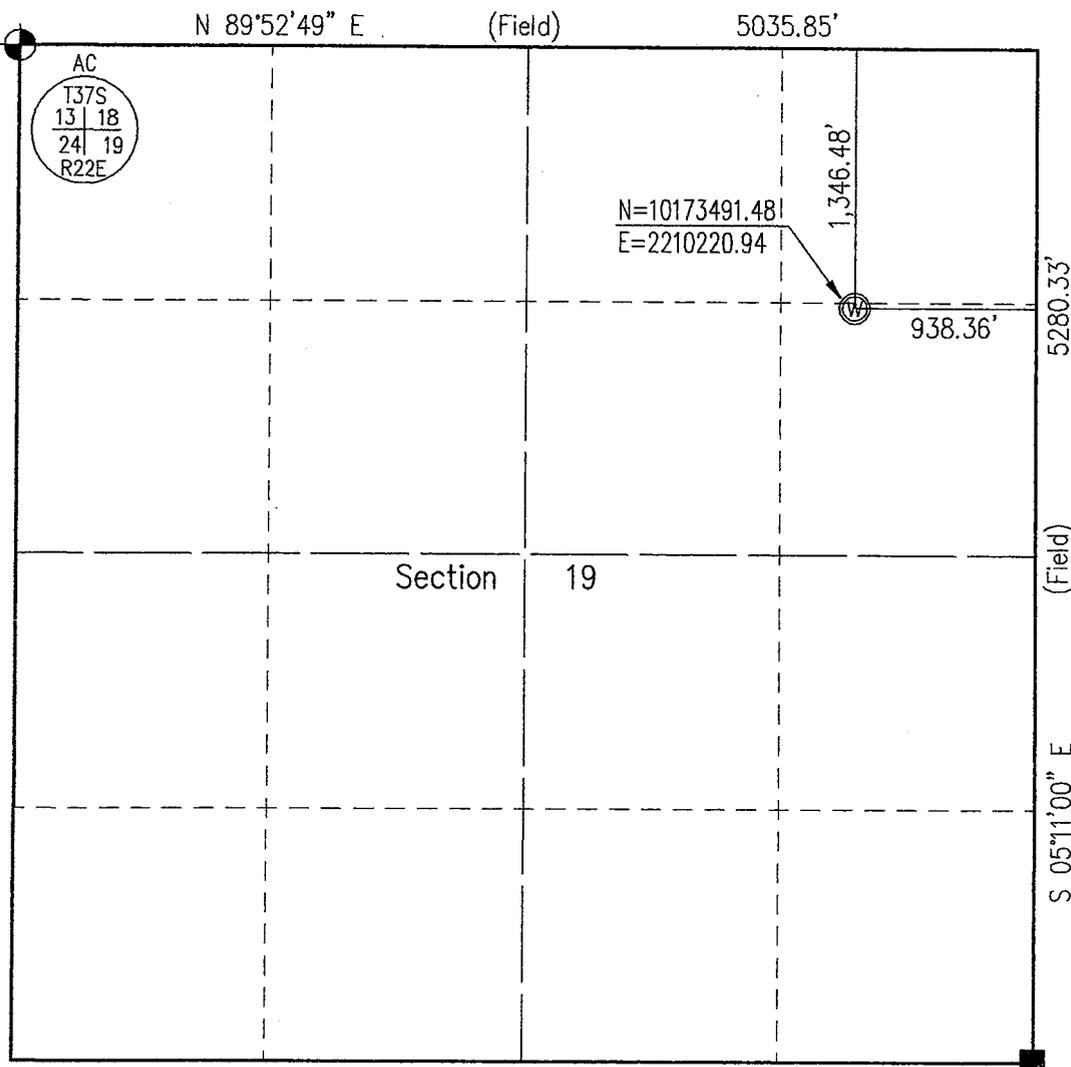
OPERATOR Bridwell Oil Management, LLC  
 LEASE Boma Federal WELL NO. 1-19  
 SECTION 19 TOWNSHIP 37 South RANGE 22 East 6th, P.M.  
 COUNTY San Juan UTAH  
 FOOTAGE LOCATION OF WELL: 1346.48 FEET FROM THE North LINE and  
938.36 FEET FROM THE East LINE and  
 GROUND LEVEL ELEVATION: 5679.72  
 SURFACE USE WITHIN 200' RADIUS: No Improvements Within 200'  
 BASIS OF BEARING: GPS Data  
 BASIS OF ELEVATION: GPS Data - NAD 83



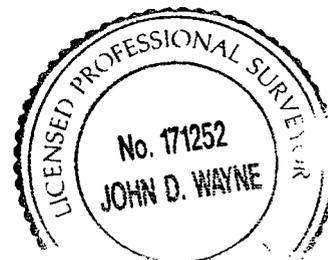
500' 500'  
 1" = 1000'

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 (1947)
- WELL Location
- STONE Marked
- 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 26, 2005  
 Date Surveyed:  
NOVEMBER 1, 2005  
 Date Platted:

SCALE: 1" = 1000'

Bridwell Oil Management, LLC  
**BOM Federal 1-19**  
Lease UTU-82186  
SE/NE Section 19, T37S, R22E  
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 Bridwell Oil Management, LLC 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 UT1273 (Principal - Bridwell Oil Management, LLC) 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.

## A. DRILLING PROGRAM

1. This lease (UTU-82186) is subject to a seasonal restriction which does not allow drilling/construction operations between December 15 and April 30.
2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGM) is required before conducting any surface disturbing activities.
3. Prior to commencing construction operations, a Well Site Diagram that depicts H<sub>2</sub>S safety systems is to be submitted. To be included on the diagram are: rig orientation; prevailing wind direction; terrain; briefing areas; access road(s); flare line(s); pit(s); location of "caution" and/or "danger" signs; and location of wind direction indicators.
4. The proposed pressure control equipment (2M system down to 2600', and 5M components in a 3M configuration from 2600' to 7650') is appropriate for anticipated conditions with the following amendment. Testing of BOPE (below the surface casing shoe) to 3M standards is acceptable.
5. 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.
6. Because of the possible presence of H<sub>2</sub>S, the flare line mouth shall be at least 150 feet from the wellhead, and shall be equipped with an automatic igniter. A flare gun with flares shall be on location as a back-up ignition source;
7. If H<sub>2</sub>S is detected in concentrations exceeding 100 ppm in the gas stream, contact Eric Jones (435-259-2117) of the BLM Moab Filed Office. Depending on well conditions at the time, additional equipment such as a rotating head, mud/gas separator and remotely operated choke may be necessary to ensure safe drilling operations pursuant to *Onshore Oil & Gas Order No. 6, Hydrogen Sulfide Operations*.
8. If water is encountered in the Chinle-Shinarump-Moenkopi-Cutler section, it must be isolated with cement behind the production casing.
9. A cement bond log, or other tool appropriate to determine the cement top, shall be run on the production casing.

## B. SURFACE

1. There will not be any deviation from the proposed surface use plan without prior written approval from the authorized officer.
2. If vertebrate fossil material is found during construction operations, the operator will immediately cease all operations that could alter or destroy the fossil material and notify the BLM authorized officer. Within 10 days of notification, the BLM will evaluate the discovery, take action to protect or remove the resource and allow operations to proceed.
3. As prescribed in the "Utah Field Office Guidelines for Raptor Protection from Human and Land Use Disturbances" written by the U.S. Fish and Wildlife Service, a raptor survey and clearance of the affected area surrounding the proposed drill site would be accomplished prior to work initiation if work is to be done between February 1 and August 31. If the survey locates an active raptor nesting territory which may be affected by the proposal, no work would be allowed until the nestlings have fledged.
4. Seed mixture species shall be planted in pounds of pure live seed per acre. Seed mixture must be certified. If a broadcast method is used seed mixture shall be doubled.

### 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 48-hours 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 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) of the BLM, Monticello Field Office for the following:

- 2 days prior to commencement of dirt work, construction and reclamation;
- 1 day prior to spud;
- 50 feet prior to reaching the surface casing (9-5/8") setting depth;
- 3 hours prior to testing BOP

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



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

August 5, 2009

Bridwell Oil Management, LLC  
810 8<sup>TH</sup> Street  
Wichita Falls, TX 76301

Re: APD Rescinded – BOM Federal 1-19, Sec. 19, T. 37S, R. 22E,  
San Juan County, Utah, API No. 43-037-31892

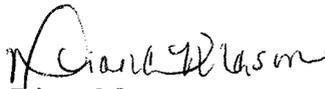
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on June 17, 2008. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective August 5, 2009.

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, Moab

