



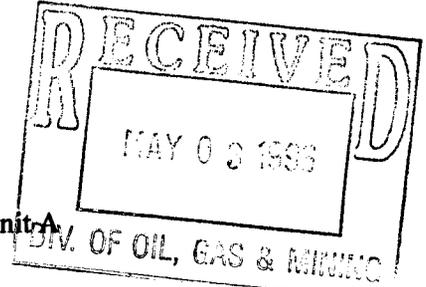
Texaco Exploration and Production Inc

3300 N Butler
Farmington NM 87401

Apr. 29, 1996

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RE: **Application for Permit to Drill (APD)**
State of Utah 'V' No. 36-16, Surf Loc: 1015' FNL, 615' FEL, Unit A
Sec. 36-T23S-R4E
Sevier County, Utah



Gentlemen:

Texaco Exploration and Production Inc. is seeking approval from the Division of Oil, Gas and Mining to drill an exploratory well to test the Ferron formation. Texaco requests confidential status of this well and all information pertaining to it.

Your attention to this matter is greatly appreciated. If you have any questions concerning this matter please contact me at 505-325-4397, ext. 20.

Sincerely,

Ted A. Tipton
Operating Unit Manager
RSD/s, Attachments

**STATE OF UTAH
DIVISION OF OIL, GAS AND MINING**

APPLICATION FOR PERMIT TO DRILL OR DEEPEN		5. Lease Designation and Serial No. ML-48472	
1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		6. If Indian, Alottee or Tribe Name	
1b. Type of Well SINGLE ZONE <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER COAL-BED METHANE MULTIPLE ZONE <input type="checkbox"/>		7. If Unit or CA, Agreement Designation	
2. Name of Operator TEXACO EXPLORATION & PRODUCTION, INC.		8. Well Name and Number STATE OF UTAH 'V'	
3. Address and Telephone No. 3300 N. Butler Ave., Suite 100 Farmington NM 87401 325-4397		9. API Well No. 36-16	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At Surface Unit Letter A : 1015 Feet From The NORTH Line and 615 Feet From The EAST Line At proposed prod. zone		10. Field and Pool, Exploratory Area WILDCAT	
14. Distance in Miles and Direction from Nearest Town or Post Office* APPROX. 16 MI. SOUTHWEST OF EMERY, UTAH		11. SEC., T., R., M., or BLK. and Survey or Area Sec. 36, Township T23S, Range R4E	
15. Distance From Proposed* Location to Nearest Property or Lease Line, Ft. (also to nearest drig. unit line, if any) 615'		12. County or Parish SEVIER 13. State UT	
16. No. of Acres in Lease 320 AC.		17. No. of Acres Assigned To This Well 160 AC.	
18. Distance From Proposed Location* to Nearest Well, Drilling, Completed or Applied For, On This Lease, Ft. -		20. Rotary or Cable Tools ROTARY	
19. Proposed Depth 2485'		22. Approx. Date Work Will Start* 6/1/96	
21. Elevations (Show whether DF, RT, GR, etc.) <input type="checkbox"/> KB <input type="checkbox"/> DF 6857 GR			

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48#	300'	400 SX
12-1/4"	8-5/8"	32#	1885'	420 SX
7-7/8"	6-1/2"	17#	2485'	190 SX

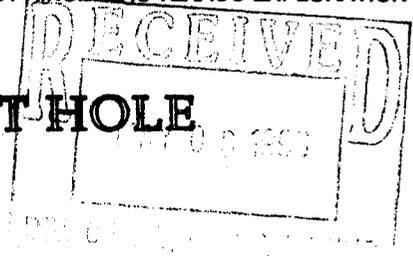
Describe Proposed Program: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured true verticle depths. Give blowout preventer program, if any.

TEXACO EXPLORATION & PRODUCTION, INC. PROPOSES TO DRILL A WELL TO A DEPTH OF 2485' TO TEST THE FERRON SAND AND ASSOCIATED COALS FOR PRODUCTIVE QUANTITIES OF NATURAL GAS. IF THE WELL IS UNPRODUCTIVE, IT WILL BE PLUGGED AND ABANDONED AS PER STATE OF UTAH REQUIREMENTS.

PLEASE BE ADVISED THAT TEXACO EXPLORATION & PRODUCTION, INC. HAS BEEN AUTHORIZED BY PROPER LEASE INTEREST OWNERS TO CONDUCT OPERATIONS ON THE ABOVE MENTIONED LOCATION. TEXACO EXPLORATION & PRODUCTION, INC. AGREES TO BE RESPONSIBLE UNDER THE TERMS AND CONDITIONS OF THE LEASE FOR OPERATIONS CONDUCTED UPON THE LEASE LANDS.

BOND COVERAGE FOR THIS WELL IS PROVIDED BY BOND NO. CO-0058 (NATIONWIDE BOND). THE PRINCIPAL IS TEXACO EXPLORATION & PRODUCTION, INC. VIA SURETY CONSENT AS PROVIDED FOR IN 43 CFR-3104.2.

CONFIDENTIAL-TIGHT HOLE



24. (This space for State use only)

SIGNATURE *Ted A. Tipton* TITLE Operating Unit Manager DATE 4/24/96

TYPE OR PRINT NAME Ted A. Tipton

API Number Assigned. 43-041-30028 APPROVAL *[Signature]* 6/11/96
Petroleum Engineer

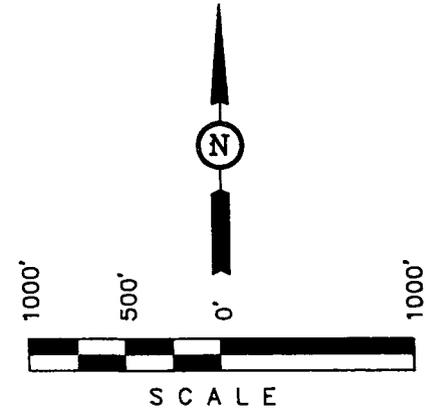
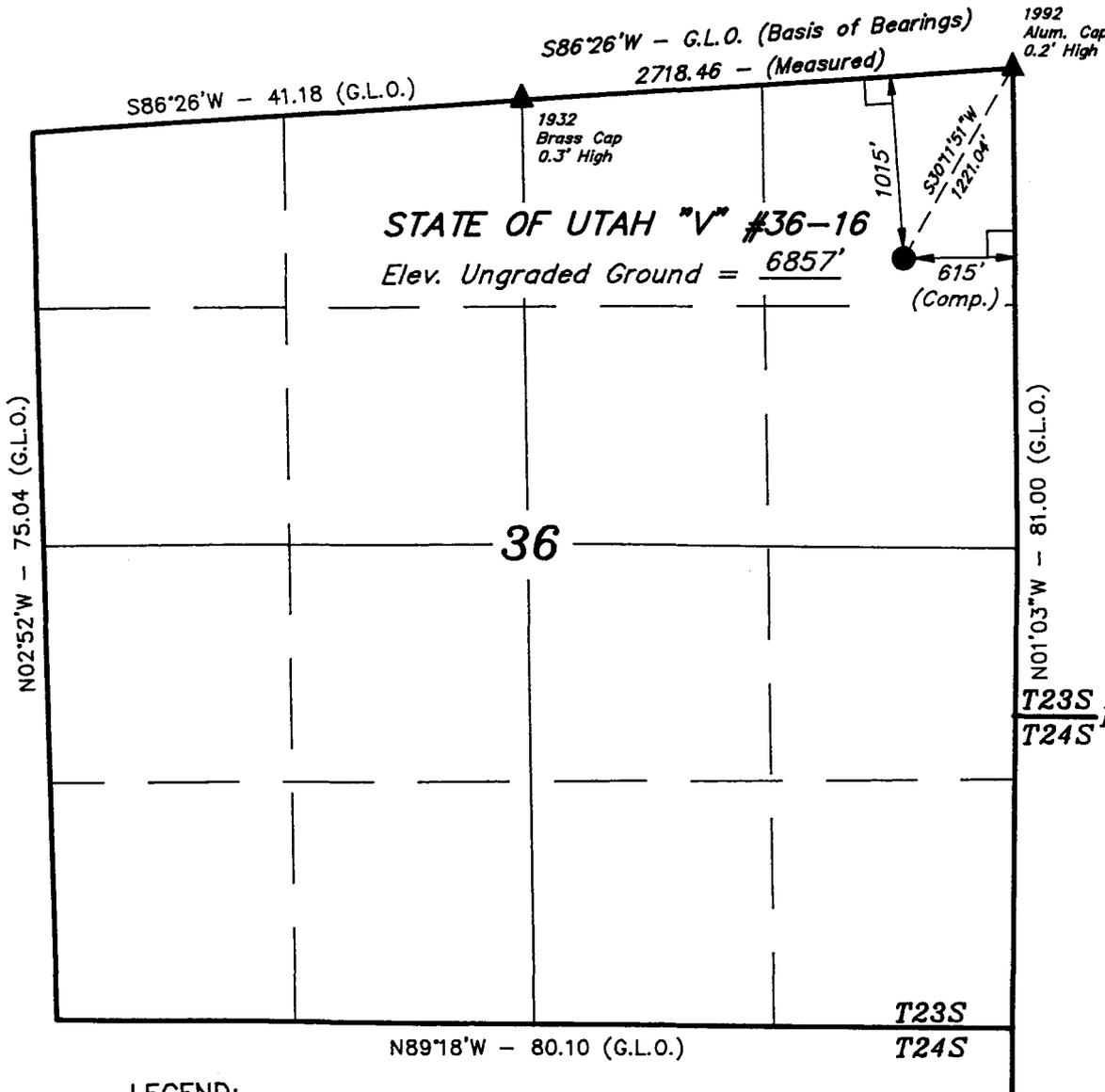
T23S, R4E, S.L.B.&M.

TEXACO EXPLR. & PROD., INC.

Well location, STATE OF UTAH "V" #36-16, located as shown in the NE 1/4 NE 1/4 of Section 36, T23S, R4E, S.L.B.&M. Sevier County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION IN THE SW 1/4 NW 1/4 OF SECTION 31, T23S, R5E, S.L.B.&M. TAKEN FROM THE OLD WOMAN PLATEAU QUADRANGLE, UTAH, SEVIER COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6924 FEET.



CERTIFICATE
 THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
Robert L. Libby
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

REVISED: 4-29-96 D.COX

UNTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (801) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 4-4-96	DATE DRAWN: 4-12-96
PARTY B.B. K.H. D.COX		REFERENCES G.L.O. PLAT
WEATHER WARM		FILE TEXACO EXPLR. & PROD., INC.

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

STATE ACTIONS

Mail to:
RDCC Coordinator
116 State Capitol
Salt Lake City, Utah 84114

1. ADMINISTERING STATE AGENCY OIL, GAS AND MINING
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

2. STATE APPLICATION IDENTIFIER NUMBER:
(assigned by State Clearinghouse)

3. APPROXIMATE DATE PROJECT WILL START:
June 1, 1996

4. AREAWIDE CLEARING HOUSE(S) RECEIVING STATE ACTIONS:
(to be sent out by agency in block 1)
Five County Association of Governments

5. TYPE OF ACTION: Lease Permit License Land Acquisition
 Land Sale Land Exchange Other _____

6. TITLE OF PROPOSED ACTION:
Application for Permit to Drill

7. DESCRIPTION:
Texaco Exploration and Production proposes to drill the State of Utah V 36-16 well (wildcat) on state lease ML-46472, Sevier County, Utah. This action is being presented to RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.

8. LAND AFFECTED (site location map required) (indicate county)
NE/4, NE/4, Section 36, Township 23 South, Range 4 East, Sevier County, Utah

9. HAS THE LOCAL GOVERNMENT(S) BEEN CONTACTED?

10. POSSIBLE SIGNIFICANT IMPACTS LIKELY TO OCCUR:
Degree of impact is based on the discovery of oil or gas in commercial quantities.

11. NAME AND PHONE NUMBER OF DISTRICT REPRESENTATIVE FROM YOUR AGENCY NEAR PROJECT SITE, IF APPLICABLE:

12. FOR FURTHER INFORMATION, CONTACT: 13. SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL:
Frank R. Matthews
PHONE: 538-5334


Petroleum Engineer

DATE: 6-4-96

DRILLING PROGRAM

OPERATOR: TEXACO EXPLORATION & PRODUCTION, INC.
WELL NAME: STATE OF UTAH 'V' #36-16
LEASE NUMBER: ML-46472
LOCATION: 1015' FNL - 615' FEL, SECTION 36, T23S/R4E SLPM, SEVIER CO.,UTAH

1. **ESTIMATED TOPS OF GEOLOGIC MARKERS.**

THE ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS ARE AS FOLLOWS:

<u>FORMATION</u>	<u>DEPTH</u>	<u>SUBSEA</u>
BLUEGATE	100'	+6770
FERRON	1885'	+5000'
T.D.	2485'	+4400'

2. **ESTIMATED DEPTHS OF ANTICIPATED OIL, GAS, WATER, OR OTHER MINERAL BEARING ZONES.**

<u>SUBSTANCE</u>	<u>FORMATION</u>	<u>DEPTH</u>
WATER,GAS	FERRON COALS	1885
GAS	FERRON SANDSTONES	1885
OIL	N/A	
OTHER MINERALS	N/A	

ALL FRESH WATER AND PROSPECTIVELY VALUABLE MINERALS ENCOUNTERED DURING DRILLING, WILL BE RECORDED BY DEPTH AND ADEQUATELY PROTECTED. ALL OIL AND GAS SHOWS WILL BE TESTED TO DETERMINE COMMERCIAL POTENTIAL.

ALL WATER SHOWS AND WATER-BEARING SANDS WILL BE REPORTED TO THE UTAH DEPT. OF MINERALS OFFICE ON FORM OGC-8-X. IF NOTICEABLE WATER FLOWS ARE DETECTED, SAMPLES WILL BE SUBMITTED TO THE STATE ALONG WITH ANY WATER ANALYSIS CONDUCTED.

3. **BOP EQUIPMENT.**

TEXACO'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL EQUIPMENT ARE AS FOLLOWS:

RAM TYPE: 11" HYDRAULIC DOUBLE, 2000 PSI W.P.

RAM TYPE PREVENTERS AND ASSOCIATED EQUIPMENT SHALL BE TESTED TO APPROVED STACK WORKING PRESSURE IF ISOLATED BY TEST PLUG OR TO 70 PERCENT OF INTERNAL YIELD PRESSURE OF CASING. PRESSURE SHALL BE MAINTAINED FOR AT LEAST 10 MINUTES OR UNTIL REQUIREMENTS OF TEST ARE MET, WHICHEVER IS LONGER. IF A TEST PLUG IS UTILIZED, NO BLEED-OFF PRESSURE IS ACCEPTABLE. FOR A TEST NOT UTILIZING A TEST PLUG, IF A DECLINE IN PRESSURE OF MORE THAN 10 PERCENT IN 30 MINUTES OCCURS, THE TEST SHALL BE CONSIDERED TO HAVE FAILED. VALVE ON CASING HEAD BELOW TEST PLUG SHALL BE OPEN DURING TEST OF BOP STACK.

ANNULAR TYPE PREVENTERS (IF USED) SHALL BE TESTED TO 50 PERCENT OF RATED WORKING PRESSURE. PRESSURE SHALL BE MAINTAINED AT LEAST 10 MINUTES OR UNTIL PROVISIONS OF TEST ARE MET, WHICHEVER IS LONGER.

AS A MINIMUM, THE ABOVE TEST SHALL BE PERFORMED:

- A. WHEN INITIALLY INSTALLED;
- B. WHENEVER ANY SEAL SUBJECT TO TEST PRESSURE IS BROKEN

- C. FOLLOWING RELATED REPAIRS; AND
- D. AT 30 DAY INTERVALS

VALVES SHALL BE TESTED FROM WORKING PRESSURE SIDE DURING BOPE TESTS WITH ALL DOWNSTREAM VALVES OPEN.

WHEN TESTING THE KILL LINE VALVE(S), THE CHECK VALVE SHALL BE HELD OPEN OR THE BALL REMOVED.

ANNULAR PREVENTERS (IF USED) SHALL BE FUNCTIONALLY OPERATED AT LEAST WEEKLY.

PIPE AND BLIND RAMS SHALL BE ACTIVATED EACH TRIP, HOWEVER, THIS FUNCTION NEED NOT BE PERFORMED MORE THAN ONCE A DAY.

A BOPE PIT LEVEL DRILL SHALL BE CONDUCTED WEEKLY FOR EACH DRILLING CREW.

PRESSURE TESTS SHALL APPLY TO ALL RELATED WELL CONTROL EQUIPMENT.

ALL OF THE ABOVE DESCRIBED TESTS AND/OR DRILLS SHALL BE RECORDED IN THE DRILLING LOG. TEST CHARTS, WITH INDIVIDUAL TEST RESULTS IDENTIFIED, SHALL BE MAINTAINED ON LOCATION WHILE DRILLING AND SHALL BE MADE AVAILABLE TO A BLM REPRESENTATIVE UPON REQUEST. PRESSURE TESTS SHALL APPLY TO ALL RELATED WELL CONTROL EQUIPMENT.

BOP SYSTEMS SHALL BE CONSISTENT WITH API RP53. PRESSURE TESTS WILL BE CONDUCTED BEFORE DRILLING OUT FROM UNDER CASING STRINGS WHICH HAVE BEEN SET AND CEMENTED IN PLACE. BLOWOUT PREVENTER CONTROLS WILL BE INSTALLED PRIOR TO DRILLING THE SURFACE CASING PLUG AND WILL REMAIN IN USE UNTIL THE WELL IS COMPLETED OR ABANDONED. PREVENTERS WILL BE INSPECTED AND OPERATED AT LEAST DAILY TO ENSURE GOOD MECHANICAL WORKING ORDER, AND THIS INSPECTION WILL BE RECORDED ON THE DAILY DRILLING REPORT. PREVENTERS WILL BE PRESSURE TESTED BEFORE DRILLING CASING CEMENT PLUGS.

THE UTAH DEPT. OF MINERALS OFFICE SHALL BE NOTIFIED, AT LEAST 24 HOURS PRIOR TO INITIATING THE PRESSURE TEST, IN ORDER TO HAVE A REPRESENTATIVE ON LOCATION DURING PRESSURE TESTING.

- A. THE SIZE AND RATING OF THE BOP STACK IS SHOWN ON THE ATTACHED DIAGRAM. ALTHOUGH A RIG HAS NOT BEEN CHOSEN TO DRILL THIS WELL, MOST OF THE EQUIPMENT FOR THIS DEPTH OF HOLE IN THE AREA USE A 11", 2000 PSI WORKING PRESSURE BLOWOUT PREVENTER.
- B. A CHOKE LINE AND A KILL LINE ARE TO BE PROPERLY INSTALLED. THE KILL LINE IS NOT TO BE USED AS A FILL UP LINE.
- C. THE ACCUMULATOR SYSTEM SHALL HAVE A PRESSURE CAPACITY TO PROVIDE FOR REPEATED OPERATION OF HYDRAULIC PREVENTORS.
- D. DRILL STRING SAFETY VALVE(S), TO FIT ALL TOOLS IN THE DRILL STRING, ARE TO BE MAINTAINED ON THE RIG FLOOR WHILE DRILLING OPERATIONS ARE IN PROGRESS.

4. **CASING AND CEMENTING PROGRAMS.**

- A. THE DEPT. OF MINERALS OFFICE SHALL BE NOTIFIED AT LEAST 24 HOURS PRIOR TO THE RUNNING AND CEMENTING OF ALL CASING STRINGS, IN ORDER TO HAVE A REPRESENTATIVE ON LOCATION WHILE RUNNING AND CEMENTING ALL CASING STRINGS.
- B. THE PROPOSED CASING AND CEMENTING PROGRAM SHALL BE CONDUCTED AS APPROVED TO PROTECT AND/OR ISOLATE ALL USABLE WATER ZONES, POTENTIALLY PRODUCTIVE ZONES, LOST CIRCULATION ZONES, ABNORMALLY PRESSURED ZONES, AND ANY PROSPECTIVELY VALUABLE DEPOSITS OF MINERALS. ANY ISOLATING MEDIUM OTHER THAN CEMENT SHALL RECEIVE APPROVAL PRIOR TO USE. THE CASING SETTING DEPTH SHALL BE CALCULATED TO POSITION THE CASING SEAT OPPOSITE A COMPETENT FORMATION WHICH WILL CONTAIN THE MAXIMUM

PRESSURE TO WHICH IT WILL BE EXPOSED DURING NORMAL DRILLING OPERATIONS. DETERMINATIONS OF CASING SETTINGS DEPTH SHALL BE BASED ON ALL RELEVANT FACTORS, INCLUDING; PRESENCE/ABSENCE OF HYDROCARBONS; FRACTURE GRADIENTS; USABLE WATER ZONES; FORMATION PRESSURES; LOST CIRCULATION ZONES; OTHER MINERALS; OR OTHER UNUSUAL CHARACTERISTICS. ALL INDICATIONS OF USABLE WATER SHALL BE REPORTED.

- C. CASING DESIGN SHALL ASSUME FORMATION PRESSURE GRADIENTS OF 0.44 TO 0.50 PSI PER FOOT FOR EXPLORATORY WELLS (LACKING BETTER DATA).
- D. CASING DESIGN SHALL ASSUME FRACTURE GRADIENTS FROM 0.70 TO 1.00 PSI PER FOOT FOR EXPLORATORY WELLS (LACKING BETTER DATA).
- E. CASING COLLARS SHALL HAVE A MINIMUM CLEARANCE OF 0.422 INCHES OF ALL SIDES IN THE HOLE/CASING ANNULUS, WITH RECOGNITION THAT VARIANCES CAN BE GRANTED FOR JUSTIFIED EXCEPTIONS.
- F. ALL WAITING ON CEMENT TIMES SHALL BE ADEQUATE TO ACHIEVE A MINIMUM OF 500 PSI COMPRESSIVE STRENGTH AT THE CASING SHOE PRIOR TO DRILLING OUT.
- G. ALL CASING EXCEPT THE CONDUCTOR CASING, SHALL BE NEW OR RECONDITIONED AND TESTED, USING CASING THAT MEETS OR EXCEEDS API STANDARDS FOR NEW CASING.
- H. THE SURFACE CASING SHALL BE CEMENTED BACK TO SURFACE EITHER DURING THE PRIMARY CEMENTING JOB OR BY REMEDIAL CEMENTING.
- I. ALL INDICATIONS OF USABLE WATER SHALL BE REPORTED TO THE AUTHORIZED OFFICER PRIOR TO RUNNING THE NEXT STRING OF CASING OR BEFORE PLUGGING ORDERS ARE REQUESTED, WHICHEVER OCCURS FIRST.
- J. THE SURFACE CASING SHALL HAVE CENTRALIZERS ON THE BOTTOM THREE JOINTS OF CASING (A MINIMUM OF ONE CENTRALIZER PER JOINT, STARTING WITH THE SHOE JOINT), THEN EVERY FOURTH JOINT OF CASING UP TO THE BOTTOM OF THE CELLAR.
- K. TOP PLUGS SHALL BE USED TO REDUCE CONTAMINATION OF CEMENT BY DISPLACEMENT FLUID. A BOTTOM PLUG OR OTHER ACCEPTABLE TECHNIQUE, SUCH AS A SUITABLE PREFLUSH FLUID, INNER STRING CEMENT METHOD, ETC. SHALL BE UTILIZED TO HELP ISOLATE THE CEMENT FROM CONTAMINATION BY THE MUD FLUID BEING DISPLACED AHEAD OF THE CEMENT SLURRY.
- L. ALL CASING STRINGS BELOW THE CONDUCTOR SHALL BE PRESSURE TESTED TO 0.22 PSI PER FOOT OF CASING STRING LENGTH OR 1500 PSI, WHICHEVER IS GREATER, BUT NOT TO EXCEED 70 PERCENT OF THE MINIMUM INTERNAL YIELD. IF PRESSURE DECLINES MORE THAN 10 PERCENT IN 30 MINUTES, CORRECTIVE ACTION SHALL BE TAKEN.
- M. ON ALL EXPLORATORY WELLS, AND ON THAT PORTION OF ANY WELL APPROVED FOR A 5M BOPE SYSTEM OR GREATER, A PRESSURE INTEGRITY TEST OF EACH CASING SHOE SHALL BE PERFORMED. FORMATION AT THE SHOE SHALL BE TESTED TO A MINIMUM OF THE MUD WEIGHT EQUIVALENT ANTICIPATED TO CONTROL THE FORMATION PRESSURE TO THE CASING DEPTH OR AT TOTAL DEPTH OF THE WELL. THIS TEST SHALL BE PERFORMED BEFORE DRILLING MORE THAN 20 FEET OF NEW HOLE.
- N. THE PROPOSED CASING PROGRAM WILL BE AS FOLLOWS:

<u>PURPOSE</u>	<u>DEPTH</u>	<u>HOLE SIZE</u>	<u>O.D.</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>TYPE</u>	<u>NEW OR USED</u>
SURFACE	0-300'	17-1/2"	13-3/8"	48#	H-40	ST&C	NEW
INTERMEDIATE	0-1885'	12-1/4"	8-5/8"	32#	K-55	LT&C	NEW
PRODUCTION LINER	1685'-2485'	7-7/8"	5-1/2"	17#	N-80	LT&C	NEW

O. CASING DESIGN SUBJECT TO REVISION BASED ON GEOLOGIC CONDITIONS ENCOUNTERED.

P. THE CEMENT PROGRAM WILL BE AS FOLLOWS:

<u>SURFACE</u>	<u>TYPE AND AMOUNT</u>
0-300'	CEMENT TO SURFACE WITH 400 SX CLASS 'G' CEMENT WITH 2% CaCl, AND 1/4#/SK FLOCELE. 15.8 PPG, 1.15 CU FT./SK
<u>INTERMEDIATE</u>	<u>TYPE AND AMOUNT</u>
LEAD 1550'-0'	CEMENT TO SURFACE WITH 210 SX CLASS 'G' CEMENT WITH 12% GEL, AND 1% SALT. 11.0 PPG, 3.91 CU FT/SK
TAIL 1885'-1385'	CEMENT WITH 210 SX RFC 10-1 BLEND. 14.2 PPG, 1.61 CU FT/SK
<u>PRODUCTION LINER</u>	<u>TYPE AND AMOUNT</u>
2485'-1685'	CEMENT TO 200' ABOVE INTERMEDIATE SHOE(TOC @+/- 1685') WITH 190 SX CEMENT RFC 10-1 BLEND. 14.2 PPG, 1.61 CU FT/SK

Q. THE DEPT. OF MINERALS OFFICE SHOULD BE NOTIFIED, WITH SUFFICIENT LEAD TIME, IN ORDER TO HAVE A REPRESENTATIVE ON LOCATION WHILE RUNNING AND CEMENTING ALL CASING STRINGS.

R. AFTER CEMENTING, BUT BEFORE COMMENCING ANY TEST, THE CASING STRING SHALL STAND CEMENTED UNTIL THE CEMENT HAS REACHED A COMPRESSIVE STRENGTH OF AT LEAST 500 PSI AT THE SHOE. WOC TIME SHALL BE RECORDED IN THE DRILLER'S LOG.

S. THE FOLLOWING REPORTS SHALL BE FILED WITH THE DEPT OF MINERALS WITHIN 30 DAYS AFTER THE WORK IS COMPLETED.

1. PROGRESS REPORTS, FORM 3160-5 (FORMERLY 9-331) "SUNDRY NOTICES AND REPORTS ON WELLS", MUST INCLUDE COMPLETE INFORMATION CONCERNING:

A. SETTING OF EACH STRING OF CASING, SHOWING THE SIZE, GRADE, WEIGHT OF CASING SET, HOLE SIZE, SETTING DEPTH, AMOUNTS AND TYPES OF CEMENT USED, WHETHER CEMENT CIRCULATED OR THE TOP OF THE CEMENT BEHIND THE CASING, DEPTH OF CEMENTING TOOLS USED, CASING TEST METHOD AND RESULTS, AND THE DATE WORK WAS DONE. SHOW THE SPUD DATE ON THE FIRST REPORT SUBMITTED.

T. AUXILIARY EQUIPMENT TO BE USED IS AS FOLLOWS:

1. KELLY COCK
2. NO BIT FLOAT IS DEEMED NECESSARY.
3. A SUB WITH A FULL OPENING VALVE.

5. **MUD PROGRAM**

A. THE PROPOSED CIRCULATING MEDIUMS TO BE EMPLOYED IN DRILLING ARE AS FOLLOWS:

<u>INTERVAL</u>	<u>MUD TYPES</u>	<u>MUD WEIGHT</u>	<u>VISC.</u>	<u>F/L</u>	<u>PH</u>
0-1885'	AIR	--	--	--	--
1885'-2485'	FRESH WATER GEL	8.6/8.9	--	--	--

IF TOO MUCH WATER IS ENCOUNTERED TO AIR DRILL, A FRESH WATER GEL MUD SYSTEM WILL BE UTILIZED BEFORE 1885'. AFTER SETTING INTERMEDIATE CASING STRING AT 1885', MUD SYSTEM WILL BE SWITCHED TO FRESH WATER GEL MUD.

B. THE RIG IS NOT EQUIPPED WITH AN AUTO-IGNITOR OR DEBUSTER EQUIPMENT.

C. HAZARDOUS SUBSTANCES SPECIFICALLY LISTED BY THE E.P.A. AS A HAZARDOUS WASTE OR DEMONSTRATING A CHARACTERISTIC OF A HAZARDOUS WASTE WILL NOT BE USED IN DRILLING, TESTING OR COMPLETION OPERATIONS. DUE TO POTENTIAL CONTAMINATION OF USABLE QUALITY WATER AQUIFERS, CHROMATES ARE BANNED FROM FEDERAL LEASES.

6. **EVALUATION PROGRAM.**

THE ANTICIPATED TYPE AND AMOUNT OF TESTING, LOGGING AND CORING ARE AS FOLLOWS:

A. NO DRILL STEM TESTS (DST) ARE ANTICIPATED, HOWEVER, IF DST'S ARE RUN, THE FOLLOWING REQUIREMENTS WILL BE ADHERED TO:

INITIAL OPENING OF DST TOOLS SHALL BE RESTRICTED TO DAYLIGHT HOURS, UNLESS SPECIFIC APPROVAL TO START DURING OTHER HOURS IS OBTAINED FROM THE AUTHORIZED OFFICER. HOWEVER, DST'S MAY BE ALLOWED TO CONTINUE AT NIGHT IF THE TEST WAS INITIATED DURING DAYLIGHT HOURS AND THE RATE OF FLOW IS STABILIZED AND IF ADEQUATE LIGHTING IS AVAILABLE (I.E. LIGHTING WHICH IS ADEQUATE FOR VISIBILITY AND VAPOR-PROOF FOR SAFE OPERATIONS). PACKERS CAN BE RELEASED, BUT TRIPPING SHALL NOT BEGIN BEFORE DAYLIGHT, UNLESS PRIOR APPROVAL IS OBTAINED FROM THE AUTHORIZED OFFICER. CLOSED CHAMBER DST'S MAY BE ACCOMPLISHED DAY OR NIGHT.

A DST THAT FLOWS TO THE SURFACE WITH EVIDENCE OF HYDROCARBONS SHALL BE EITHER REVERSED OUT OF THE TESTING STRING UNDER CONTROLLED SURFACE CONDITIONS. THIS WOULD INVOLVE PROVIDING SOME MEANS FOR REVERSE CIRCULATION.

SEPARATION EQUIPMENT REQUIRED FOR THE ANTICIPATED RECOVERY SHALL BE PROPERLY INSTALLED BEFORE A TEST STARTS.

ALL ENGINES WITHIN 100 FEET OF THE WELLBORE THAT ARE REQUIRED TO "RUN" DURING THE TEST SHALL HAVE SPARK ARRESTERS OR WATER COOLED EXHAUSTS.

B. THE LOGGING PROGRAM WILL CONSIST OF A GR-LDT-CNL FROM 885'-2485'. A HIGH RESOLUTION COAL LOG WILL BE RUN FROM 1885'-2485'. A GR-SFL-DIL LOG WILL BE RUN FROM 300'-2485'.

C. WELL WILL BE CORED FROM APPROXIMATELY 1885' TO 2285' IN THE FERRON INTERVAL.

D. 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 NOT LATER THAN 30 DAYS AFTER COMPLETION OF THE WELL OR AFTER COMPLETION OF OPERATIONS PERFORMED, IN ACCORDANCE WITH 43 CFR 3164. TWO COPIES OF ALL LOGS, CORE DESCRIPTIONS, CORE ANALYSES, WELL-TEST DATA, GEOLOGIC SUMMARIES, SAMPLE DESCRIPTION, AND ALL OTHER

SURVEYS OR DATA OBTAINED AND COMPILED DURING THE DRILLING, WORKOVER, AND/OR COMPLETION OPERATIONS, WILL BE FILED WITH FORM 3160-4. SAMPLES (CUTTINGS, FLUIDS, AND/OR GASES) WILL BE SUBMITTED WHEN REQUESTED BY THE AUTHORIZED OFFICER (AO).

E. THE ANTICIPATED COMPLETION PROGRAM IS AS FOLLOWS:

SET 5-1/2" PRODUCTION LINER. PERFORATE AND FRACTURE TREAT FERRON FORMATION. FLOW TEST.

7. **ABNORMAL PRESSURES AND H₂S GAS.**

- A. NO ABNORMAL CONDITIONS ARE ANTICIPATED; FORMATION IS SLIGHTLY OVER-PRESSURED. THE ESTIMATED BOTTOM-HOLE PRESSURE IS 1545 PSI. NO ABNORMAL TEMPERATURES ARE ANTICIPATED.
- B. NO HYDROGEN SULFIDE GAS IS ANTICIPATED.

8. **NOTIFICATION REQUIREMENTS AND OTHER INFORMATION.**

- A. SHOULD THE WELL BE SUCCESSFULLY COMPLETED FOR PRODUCTION, THE AO WILL BE NOTIFIED WHEN THE WELL IS PLACED IN A PRODUCING STATUS. SUCH NOTIFICATION WILL BE SENT BY TELEGRAM OR OTHER WRITTEN COMMUNICATIONS, NOT LATER THAN 5 DAYS FOLLOWING THE DATE ON WHICH THE WELL IS PLACED ON PRODUCTION.
- B. PRODUCTION DATA SHALL BE REPORTED TO THE MMS PURSUANT TO 30 CFR 216.5 USING FORM MMS/3160.
- C. THE DATE ON WHICH PRODUCTION IS COMMENCED OR RESUMED WILL BE CONSTRUED FOR OIL WELLS AS THE DATE ON WHICH LIQUID HYDROCARBONS ARE FIRST SOLD OR SHIPPED FROM A TEMPORARY STORAGE FACILITY, SUCH AS A TEST TANK, AND FOR WHICH A RUN TICKET IS REQUIRED TO BE GENERATED OR, THE DATE ON WHICH LIQUID HYDROCARBONS ARE FIRST PRODUCED INTO A PERMANENT STORAGE FACILITY, WHICHEVER FIRST OCCURS; AND FOR GAS WELLS AS THE DATE ON WHICH ASSOCIATED LIQUID HYDROCARBONS ARE FIRST SOLD OR SHIPPED FROM A TEMPORARY STORAGE FACILITY, SUCH AS A TEST TANK, AND FOR WHICH A RUN TICKET IS REQUIRED TO BE GENERATED OR THE DATE ON WHICH GAS IS FIRST MEASURED THROUGH PERMANENT METERING FACILITIES, WHICHEVER FIRST OCCURS.
- D. PURSUANT TO NTL-4A, LESSEES OR OPERATORS ARE AUTHORIZED TO VENT/FLARE GAS DURING INITIAL WELL EVALUATION TEST, NOT EXCEEDING A PERIOD OF 30 DAYS OR THE PRODUCTION OF 50 MMCF OF GAS, WHICHEVER OCCURS FIRST. AN APPLICATION MUST BE FILED WITH THE DISTRICT ENGINEER AND APPROVAL RECEIVED, FOR ANY VENTING/FLARING OF GAS BEYOND THE INITIAL 30 DAY OR AUTHORIZED TEST PERIOD.
- E. GAS PRODUCED FROM THIS WELL MAY NOT BE VENTED OR FLARED BEYOND AN INITIAL AUTHORIZED TEST PERIOD OF 30 DAYS OR 50 MMCF FOLLOWING ITS COMPLETION, WHICHEVER OCCURS FIRST, WITHOUT THE PRIOR WRITTEN APPROVAL OF THE AUTHORIZED OFFICER. SHOULD GAS BE VENTED OR FLARED WITHOUT APPROVAL BEYOND THE AUTHORIZED TEST PERIOD, THE OPERATOR MAY BE DIRECTED TO SHUT-IN THE WELL UNTIL THE GAS CAN BE CAPTURED OR THE OPERATOR SHALL BE REQUIRED TO COMPENSATE THE LESSOR FOR THAT PORTION OF THE GAS VENTED OR FLARED WITHOUT APPROVAL WHICH IS DETERMINED TO HAVE BEEN AVOIDABLY LOST.
- F. A SCHEMATIC FACILITIES DIAGRAM AS REQUIRED BY CFR 3162.7-2, 3162.7-3 AND 3162.7-4 SHALL BE SUBMITTED TO THE APPROPRIATE DISTRICT OFFICE WITHIN 30 DAYS OF INSTALLATION OR FIRST PRODUCTION, WHICHEVER OCCURS FIRST. ALL SITE SECURITY REGULATIONS AS SPECIFIED IN 43 CFR 3162.7 AND ONSHORE ORDER NO. 3 SHALL BE ADHERED TO. ALL PRODUCT LINES ENTERING AND LEAVING HYDROCARBON STORAGE TANKS WILL BE EFFECTIVELY SEALED IN ACCORDANCE WITH 43 CFR 3162.7-4.

- G. SECTION 102(B)(3) OF THE FEDERAL OIL AND GAS ROYALTY MANAGEMENT ACT OF 1982, AS IMPLEMENTED BY THE APPLICABLE PROVISIONS OF THE OPERATING REGULATIONS AT TITLE 43 CFR 3162.4-1(C), REQUIRES THAT "NOT LATER THAN THE 5TH BUSINESS DAY AFTER ANY WELL BEGINS PRODUCTION ON WHICH ROYALTY IS DUE ANYWHERE ON A LEASE SITE OR ALLOCATED TO A LEASE SITE, OR RESUMES PRODUCTION IN THE CASE OF A WELL WHICH HAS BEEN OFF PRODUCTION FOR MORE THAN 90 DAYS, THE OPERATOR SHALL NOTIFY THE AUTHORIZED OFFICER BY LETTER OR SUNDRY NOTICE, FORM 3160-5, OR ORALLY TO BE FOLLOWED BY A LETTER OR SUNDRY NOTICE, OF THE DATE ON WHICH SUCH PRODUCTION HAS BEGUN OR RESUMED."
- H. DRILLING WILL COMMENCE AS SOON AS POSSIBLE, UPON APPROVAL OF THIS APPLICATION.
- I. IT IS ANTICIPATED THAT THE DRILLING OF THIS WELL WILL TAKE APPROXIMATELY 8 DAYS.
- J. NO LOCATION WILL BE CONSTRUCTED OR MOVED, NO WELL WILL BE PLUGGED WITHOUT PRIOR APPROVAL OF THE AO. IF OPERATIONS ARE TO BE SUSPENDED, PRIOR APPROVAL OF THE AO WILL BE OBTAINED AND NOTIFICATION GIVEN BEFORE RESUMPTION OF OPERATIONS.
- K. IMMEDIATE REPORT: SPILLS, BLOWOUTS, FIRES, LEAKS, ACCIDENTS, OR ANY OTHER UNUSUAL OCCURRENCES SHALL BE PROMPTLY REPORTED IN ACCORDANCE WITH THE REQUIREMENTS OF NTL-3A OR ITS REVISION.
- L. IF A REPLACEMENT RIG IS USED FOR COMPLETION OPERATIONS, ALL CONDITIONS OF THIS APPROVED PLAN ARE APPLICABLE DURING ALL OPERATIONS CONDUCTED WITH THE REPLACEMENT RIG.
- M. PURSUANT TO ONSHORE ORDER NO. 7, WITH THE APPROVAL OF THE DISTRICT ENGINEER, PRODUCED WATER MAY BE TEMPORARILY DISPOSED OF INTO UNLINED PITS FOR A PERIOD OF UP TO 90 DAYS. DURING THE PERIOD SO AUTHORIZED, AN APPLICATION FOR APPROVAL OF THE PERMANENT DISPOSAL METHOD, ALONG WITH THE REQUIRED WATER ANALYSIS AND OTHER INFORMATION, MUST BE SUBMITTED TO THE DISTRICT ENGINEER.
- N. NO WELL ABANDONMENT OPERATIONS WILL BE COMMENCED WITHOUT THE PRIOR APPROVAL OF THE AO. IN THE CASE OF NEWLY DRILLED DRY HOLES OR FAILURES, AND IN EMERGENCY SITUATIONS, ORAL APPROVAL WILL BE OBTAINED FROM THE AO. A "SUBSEQUENT REPORT OF ABANDONMENT" FORM 3160-5, WILL BE FILED WITH THE AO WITHIN 30 DAYS FOLLOWING COMPLETION OF THE WELL FOR ABANDONMENT. THIS REPORT WILL INDICATE WHERE PLUGS WERE PLACED AND THE CURRENT STATUS OF SURFACE RESTORATION. FINAL ABANDONMENT WILL NOT BE APPROVED UNTIL THE SURFACE RECLAMATION WORK REQUIRED BY THE APPROVED APD OR APPROVED ABANDONMENT NOTICE HAS BEEN COMPLETED TO THE SATISFACTION OF THE AO OR HIS REPRESENTATIVE, OR THE APPROPRIATE SURFACE MANAGING AGENCY.

THIRTEEN POINT SURFACE USE PLAN

OPERATOR: TEXACO EXPLORATION & PRODUCTION, INC.
WELL NAME: STATE OF UTAH 'V' # 36-16
LEASE NUMBER: ML-46472
LOCATION: 1015' FNL - 615' FEL, SECTION 36, T23S/R4E SLPM, SEVIER CO., UTAH

1. EXISTING ROADS.

- A. THE PROPOSED WELL SITE IS LOCATED APPROXIMATELY 16 MILES SOUTHWEST OF EMERY, UTAH.
- B. DIRECTIONS TO THE LOCATION FROM EMERY, UTAH ARE AS FOLLOWS:

FROM EMERY, UTAH, PROCEED SOUTH ON HIGHWAY #10 APPROX. 12.7 MI. TO INTERSECTION WITH I-70, TAKE FRONTAGE ROAD ON SOUTH SIDE OF INTERSTATE WEST APPROX. 1.5 MI. TO ROADWAY UNDER I-70. TAKE THIS ROAD APPROX. 1.6 MI. TO OAK SPRING RANCH. FOLLOW ROAD FLAGS TO LOCATION.
- C. THIS WELL WILL REQUIRE APPROX. .2 MI NEW ACCESS ROAD.
- D. MINOR IMPROVEMENT AND GRADING WILL BE NECESSARY ON EXISTING ACCESS ROAD.
- E. ALL EXISTING ROADS WILL BE MAINTAINED AND KEPT IN GOOD REPAIR DURING ALL DRILLING AND COMPLETION OPERATIONS ASSOCIATED WITH THIS WELL.
- F. EXISTING ROADS AND THE EXISTING ACCESS ROAD UNDER THE JURISDICTION OF ANY SURFACE MANAGING AGENCY SHALL BE MAINTAINED IN ACCORDANCE WITH THE STANDARDS OF THE S.M.A.
- G. A SURFACE USE AGREEMENT WITH JOHNSON CATTLE CO. HAS BEEN NEGOTIATED AND IS AWAITING SIGNATURE FOR RIGHT-OF-WAY FOR USE OF THE EXISTING ACCESS ROAD.

2. PLANNED ACCESS ROAD.

- A. .2 MI. OF NEW ACCESS ROAD IS REQUIRED FOR THE SUBJECT WELL. APPROXIMATELY .5 MI. OF ROUGH GRADED ROAD WILL REQUIRE SOME UPGRADING. THE ROAD WILL BE FLATBLADED WITH A RUNNING SURFACE OF APPROXIMATELY 25 FT.. IF NECESSARY, APPROPRIATE WATER CONTROL CULVERTS WILL BE INSTALLED TO CONTROL EROSION. CONSTRUCTION WILL NOT CHANGE EXISTING DRAINAGE.
- B. THE ROAD WILL BE UPGRADED AND MAINTAINED AS REQUIRED BY THE S.M.A.
- C. MAXIMUM GRADE WILL BE 8%.
- D. TURNOUTS WILL BE CONSTRUCTED AS REQUIRED BY THE S.M.A.
- E. LOW WATER CROSSINGS WILL BE INSTALLED ALONG THE ACCESS WHERE NEEDED.
- F. SURFACING MATERIAL WILL BE DEPENDENT UPON S.M.A. REQUIREMENTS.
- G. GATES AND CATTLEGUARDS WILL BE INSTALLED AS NECESSARY, AS PER SURFACE USE AGREEMENT WITH SURFACE OWNER.
- H. SURFACE DISTURBANCE AND VEHICULAR TRAVEL WILL BE LIMITED TO THE APPROVED LOCATION AND APPROVED ACCESS ROUTE. ANY ADDITIONAL AREA NEEDED WILL BE APPROVED IN ADVANCE.

3. **LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS OF THE PROPOSED LOCATION.**

- A. WATER WELLS -
- B. INJECTION WELLS - NONE
- C. PRODUCING WELLS - NONE
- D. DRILLING WELLS - NONE

4. **LOCATION OF TANK BATTERIES AND PRODUCTION FACILITIES.**

- A. ALL PERMANENT STRUCTURES (ONSITE FOR SIX MONTHS OR LONGER) CONSTRUCTED OR INSTALLED WILL BE PAINTED A NEUTRAL COLOR TO BLEND WITH THE SURROUNDING ENVIRONMENT. FACILITIES REQUIRED TO COMPLY WITH THE OCCUPATIONAL SAFETY AND HEALTH ACT (OSHA) WILL BE EXCLUDED.
- B. IF STORAGE FACILITIES/TANK BATTERIES ARE CONSTRUCTED ON THIS LEASE, THE FACILITY /BATTERY OR THE WELLPAD SHALL BE SURROUNDED BY A CONTAINMENT DIKE OF SUFFICIENT CAPACITY TO CONTAIN AT A MINIMUM, THE ENTIRE CONTENT OF THE LARGEST TANK WITHIN THE FACILITY/BATTERY, UNLESS MORE STRINGENT PROTECTIVE REQUIREMENTS ARE DEEMED NECESSARY BY THE AUTHORIZED OFFICER.
- C. ALL LOADING LINES WILL BE PLACED INSIDE THE BERM SURROUNDING THE TANK BATTERY.
- D. GAS MEASUREMENT DEVICES WILL BE LOCATED IN ACCORDANCE WITH THE REGULATORY BODY.
- E. ALL METER MEASUREMENT FACILITIES WILL CONFORM WITH ONSHORE OIL AND GAS ORDER NO. 4 FOR LIQUID HYDROCARBONS AND ONSHORE OIL AND GAS ORDER NO. 5 FOR NATURAL GAS MEASUREMENT.
- F. ANY NECESSARY PITS WILL BE PROPERLY FENCED TO PREVENT ANY WILDLIFE ENTRY.
- G. ALL SITE SECURITY GUIDELINES IDENTIFIED IN 43 CFR 3162.7 REGULATIONS WILL BE ADHERED TO.
- H. ALL OFF-LEASE STORAGE, OFF-LEASE MEASUREMENT, OR COMMINGLING ON-LEASE OR OFF-LEASE WILL HAVE PRIOR WRITTEN APPROVAL FROM THE AUTHORIZED OFFICER.
- I. ALL ACCESS ROADS WILL BE MAINTAINED AS NECESSARY TO PREVENT EROSION AND ACCOMMODATE YEAR-ROUND TRAFFIC.
- J. THE ROAD WILL BE MAINTAINED IN A SAFE USEABLE CONDITION.
- K. WATER PRODUCED DURING THE TEST PHASE OF THIS WELL WILL BE STORED IN STORAGE TANKS ON LOCATION AND HAULED TO AN APPROVED DISPOSAL SITE. IF THE PROJECT SEEMS VIABLE BASED ON TEST RESULTS, A DISPOSAL METHOD WILL BE SUBMITTED.

5. **LOCATION AND TYPE OF WATER SUPPLY.**

- A. ALL WATER NEEDED FOR DRILLING PURPOSES WILL BE OBTAINED FROM A LOCAL WATER SOURCE. THIS WATER SOURCE IS ADDRESSED IN THE SURFACE USE AGREEMENT, NEGOTIATED WITH JOHNSON CATTLE CO. SINCE THIS WELL WILL BE PRIMARILY DRILLED WITH AIR, MINIMAL WATER WILL BE NECESSARY.
- B. WATER WILL BE HAULED TO LOCATION OVER THE ROADS MARKED ON MAPS ATTACHED.
- C. NO WATER WELL IS TO BE DRILLED ON THIS LEASE, WITHOUT PROPER APPROVAL OF DIVISION OF WATER RIGHTS IN PRICE, UTAH.

- D. ALL APPROPRIATE PERMITS WILL BE FILED WITH THE DIVISION OF WATER RIGHTS IN PRICE, UTAH.

6. **SOURCE OF CONSTRUCTION MATERIALS.**

- A. SURFACE AND SUBSOIL MATERIALS IN THE IMMEDIATE AREA WILL BE UTILIZED.
- B. ANY GRAVEL USED WILL BE OBTAINED FROM A COMMERCIAL SOURCE.
- C. THE USE OF MATERIALS UNDER BLM JURISDICTION WILL CONFORM WITH 43 CFR 3610.2.3.
- D. NO CONSTRUCTION MATERIALS WILL BE REQUIRED TO BE REMOVED FROM FEDERAL LAND AND ALL CONSTRUCTION ITEMS WILL BE PURCHASED FROM A THIRD PARTY.

7. **METHODS OF HANDLING WASTE DISPOSAL.**

- A. SINCE THE PROPOSED WELL WILL BE AIR-DRILLED, ONLY A SMALL RESERVE PIT WILL BE NECESSARY. THE RESERVE PIT WILL BE CONSTRUCTED SO AS NOT TO LEAK, BREAK, OR ALLOW DISCHARGE. THE RESERVE PIT WILL BE LINED IF DETERMINED NECESSARY AT THE TIME OF CONSTRUCTION.
- B. IF THE PIT IS LINED, A PLASTIC NYLON REINFORCED LINER WILL BE USED. IT WILL BE A MINIMUM OF 12 MIL THICKNESS WITH SUFFICIENT BEDDING (EITHER STRAW OR DIRT) TO COVER ANY ROCKS. THE LINER WILL OVERLAP THE PIT WALLS AND BE COVERED WITH DIRT AND/OR ROCKS TO HOLD IT IN PLACE. NO TRASH, SCRAP PIPE, ETC., THAT COULD PUNCTURE THE LINER WILL BE DISPOSED OF IN THE PIT.
- C. ALL TRASH WILL BE CONTAINED IN A TRASH CAGE AND ITS CONTENTS REMOVED AT THE END OF DRILLING OPERATIONS AND HAULED TO AN APPROVED DISPOSAL SITE.
- D. AFTER FIRST PRODUCTION, PRODUCED WATER WILL BE CONFINED TO A STORAGE TANK FOR A PERIOD NOT TO EXCEED NINETY (90) DAYS. DURING THE 90-DAY PERIOD, IN ACCORDANCE WITH ONSHORE ORDER NO. 7, AN APPLICATION FOR APPROVAL OF A PERMANENT DISPOSAL METHOD AND LOCATION, ALONG WITH THE REQUIRED WATER ANALYSIS, WILL BE SUBMITTED FOR THE AO'S APPROVAL.
- E. DRILL CUTTINGS ARE TO BE CONTAINED AND BURIED IN THE RESERVE PIT.
- F. ANY SALTS AND/OR CHEMICALS WHICH ARE AN INTEGRAL PART OF THE DRILLING SYSTEM, WILL BE DISPOSED OF IN THE SAME MANNER AS THE DRILLING FLUID.
- G. SEWAGE WILL BE PLACED IN A PORTABLE CHEMICAL TOILET OR HOLDING TANK AND DISPOSED OF IN ACCORDANCE WITH STATE AND COUNTY REGULATIONS.
- H. THE PRODUCED FLUIDS WILL BE PRODUCED INTO A TEST TANK UNTIL SUCH TIME AS CONSTRUCTION OF PRODUCTION FACILITIES IS COMPLETED. ANY SPILLS OF OIL, GAS, SALT WATER OR OTHER PRODUCED FLUIDS WILL BE CLEANED UP.

8. **ANCILLARY FACILITIES.**

- A. THERE ARE NO AIRSTRIPS, CAMPS, OR OTHER FACILITIES PLANNED DURING THE DRILLING OF THE PROPOSED WELL.

9. **WELL SITE LAYOUT.**

- A. THE RESERVE PIT WILL BE LOCATED ON THE NORTH SIDE OF THE LOCATION.
- B. THE STOCKPILED TOPSOIL (FIRST SIX INCHES) WILL BE STORED ALONG THE WEST SIDE OF THE WELLPAD AS SHOWN ON THE RIG LAYOUT.
- C. SEE LOCATION LAYOUT FOR ORIENTATION OF RIG, CROSS SECTION OF DRILL PAD AND CUTS AND FILLS.
- D. THE LOCATION OF MUD TANKS, RESERVE PIT, TRASH CAGE, PIPE RACKS, LIVING FACILITIES AND SOIL STOCKPILES ARE SHOWN ON THE LOCATION LAYOUT.
- E. ALL PITS WILL BE FENCED TO PREVENT WILDLIFE ENTRY.
- F. THE RESERVE PIT FENCING WILL BE ON THREE SIDES DURING OPERATIONS AND ON THE FOURTH SIDE WHEN THE RIG MOVES OFF LOCATION. PITS WILL BE FENCED AND MAINTAINED UNTIL CLEANUP.

10. **PLANS FOR RESTORATION OF SURFACE.**

PRODUCING LOCATION

- A. IMMEDIATELY UPON WELL COMPLETION, THE LOCATION AND SURROUNDING AREA WILL BE CLEARED OF ALL UNUSED TUBING, EQUIPMENT, DEBRIS, MATERIALS, TRASH AND JUNK NOT REQUIRED FOR PRODUCTION.
- B. IMMEDIATELY UPON WELL COMPLETION, ANY HYDROCARBONS ON THE PIT SHALL BE REMOVED IN ACCORDANCE WITH 43 CFR 3162.7-1.
- C. IF A PLASTIC NYLON REINFORCED LINER IS USED, IT SHALL BE TORN AND PERFORATED BEFORE BACKFILLING OF THE RESERVE PIT.
- D. ONCE THE RESERVE PIT IS DRY, THE RESERVE PIT AND THAT PORTION OF THE LOCATION NOT NEEDED FOR PRODUCTION FACILITIES/OPERATIONS WILL BE RECONTOURED TO THE APPROXIMATE NATURAL CONTOURS.
- E. THE LOCATION WILL BE RECLAIMED AND RESEEDED AS REQUESTED BY THE SURFACE USE AGREEMENT.

DRY HOLE

- F. AT SUCH TIME AS THE WELL IS PLUGGED AND ABANDONED, THE OPERATOR SHALL SUBMIT A SUBSEQUENT REPORT OF ABANDONMENT AND WILL RECLAIM LANDS AS PER GUIDELINES PURSUANT TO AO.

11. **SURFACE OWNERSHIP.**

- A. ACCESS ROADS - ALL EXISTING IMPROVED ROADS ARE COUNTY MAINTAINED AND ENCROACHMENT IS BEING APPLIED FOR. THE EXISTING ACCESS ROAD IS OWNED AND MANAGED BY THE JOHNSON CATTLE CO. AND EASEMENT IS NEGOTIATED, APPROVAL PENDING.
- B. WELLPAD - THE WELLPAD IS LOCATED ON LANDS OWNED AND MANAGED BY JOHNSON CATTLE CO.

OWNER ADDRESS:

JOHNSON CATTLE CO.
P.O. BOX 177
AURORA, UT
84620
(801)529-7443
MR. BRAD JOHNSON

12. **OTHER INFORMATION.**

- A. ALL LEASE AND/OR UNIT OPERATIONS WILL BE CONDUCTED IN SUCH A MANNER THAT FULL COMPLIANCE IS MADE WITH ALL APPLICABLE LAWS, REGULATIONS, ONSHORE OIL AND GAS ORDERS, THE APPROVED PLAN OF OPERATIONS, AND ANY APPLICABLE NOTICE TO LESSEES. THE OPERATOR IS FULLY RESPONSIBLE FOR THE ACTIONS OF HIS SUBCONTRACTORS. A COPY OF THESE CONDITIONS WILL BE FURNISHED TO THE REPRESENTATIVE TO INSURE COMPLIANCE.
- D. A COMPLETE COPY OF THE APPROVED APD SHALL BE ON LOCATION DURING CONSTRUCTION OF THE LOCATION AND DRILLING ACTIVITIES.
- E. THERE WILL BE NO DEVIATION FROM THE PROPOSED DRILLING AND/OR WORKOVER PROGRAM WITHOUT PRIOR APPROVAL FROM THE AO. SAFE DRILLING AND OPERATING PRACTICES MUST BE OBSERVED. ALL WELLS, WHETHER DRILLING, PRODUCING, SUSPENDED, OR ABANDONED WILL BE IDENTIFIED IN ACCORDANCE WITH 43 CFR 3162.H.
- F. "SUNDRY NOTICE AND REPORT ON WELLS" (FORM 3160-5) WILL BE FILED FOR APPROVAL FOR ALL CHANGES OF PLANS AND OTHER OPERATIONS IN ACCORDANCE WITH 43 CFR 3162.3-2.
- G. THIS PERMIT WILL BE VALID FOR A PERIOD OF ONE YEAR FROM THE DATE OF APPROVAL. AN EXTENSION PERIOD MAY BE GRANTED, IF REQUESTED, PRIOR TO THE EXPIRATION OF THE ORIGINAL APPROVAL PERIOD.
- H. A PRODUCTION FLOWLINE AND WATER GATHERING LINE WILL BE PLACED ON LEASE.

13. **LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION.**

PERMIT MATTERS
TEXACO E. & P., INC.
TED A. TIPTON
3300 N. BUTLER AVE.
FARMINGTON, NM 87401
(505) 325-4397

DRILLING AND COMPLETION MATTERS
TEXACO E. & P., INC.
P.O. BOX 46510
DENVER, CO 80201-6510
(303) 793-4000 MAIN NUMBER
(303) 793-4936 - (W) STEVE GODFREY
(303) 347-0737 - (H)

CERTIFICATION

I HEREBY CERTIFY THAT I, OR PERSONS UNDER MY DIRECT SUPERVISION, HAVE INSPECTED THE PROPOSED DRILLSITE AND ACCESS ROUTE; THAT I AM FAMILIAR WITH THE CONDITIONS WHICH PRESENTLY EXIST; THAT THE STATEMENTS MADE IN THIS PLAN ARE, TO THE BEST OF MY KNOWLEDGE, TRUE AND CORRECT; AND, THAT THE WORK ASSOCIATED WITH THE OPERATIONS PROPOSED HEREIN WILL BE PERFORMED BY TEXACO EXPLORATION & PRODUCTION, INC. AND ITS CONTRACTORS AND SUBCONTRACTORS IN CONFORMITY WITH THE PLAN AND THE TERMS AND CONDITIONS UNDER WHICH IT IS APPROVED.

THIS STATEMENT IS SUBJECT TO THE PROVISIONS OF 18.U.S.C. 1001 FOR THE FILING OF A FALSE STATEMENT.

4-21-96

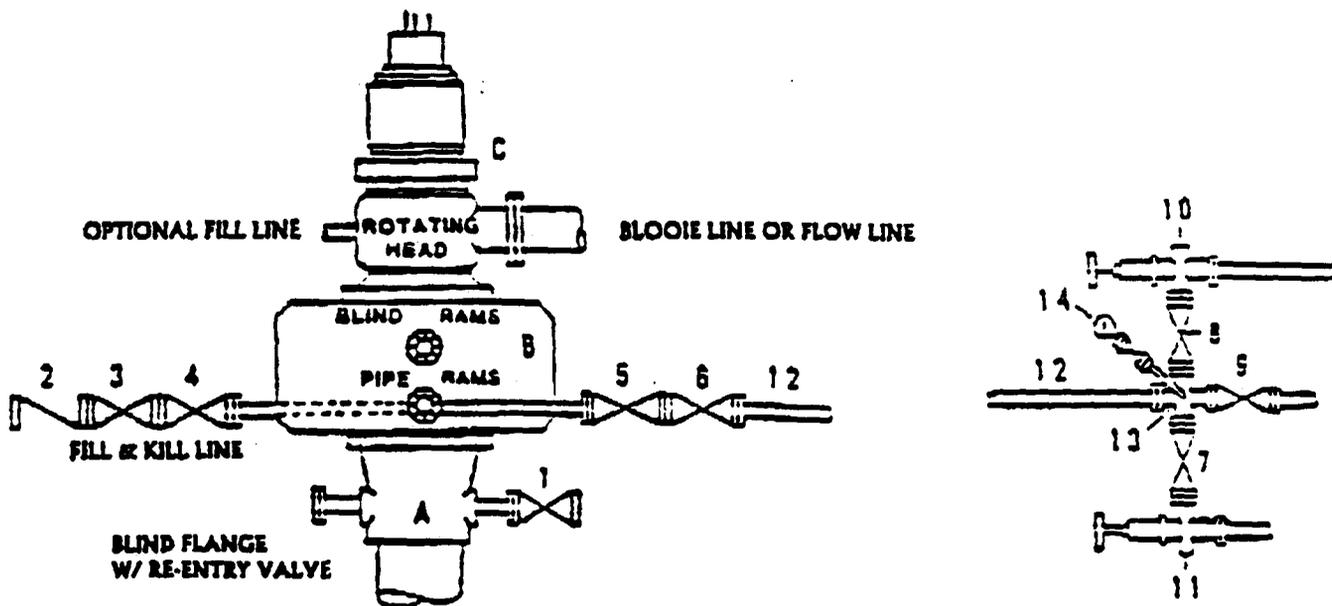
DATE:



TED A. TIPTON
OPERATIONS UNIT MANAGER
TEXACO E. & P., INC.



TYPICAL 2000 p.s.i.
BLOWOUT PREVENTER SCHEMATIC
FOR AIR DRILLING



DRILLING CONTROL

MATERIAL LIST*

- A Texaco Wellhead.
- B 2000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 2000# W.P. control lines (where sub-structure height is adequate, 2 - 2000# W.P. single ram type preventers may be utilized).
- C Rotating head with extended Bore Line (optional fill up outlet).
- 1, 3, 4 2" minimum 2000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
- 2 2" minimum 2000# W.P. back pressure valve.
- 5, 6, 9 2" minimum 2000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
- 12 2" minimum schedule 80, Grade "B", seamless line pipe.
- 13 2" minimum x 2" minimum 2000# W.P. flanged cross.
- 10, 11 2" minimum 2000# W.P. adjustable choke bodies.
- 14 Cameron Mud Gauge or equivalent (location optional in choke line).
- 15 2" minimum 2000# W.P. flanged or threaded full opening steel gate valve, or Halliburton Lo Torc Plug valve.

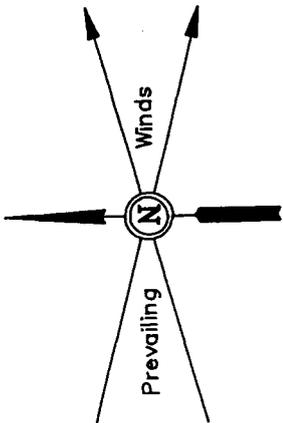
*(OR EQUIVALENT)

TEXACO EXPLR. & PROD., INC.

LOCATION LAYOUT FOR

STATE OF UTAH "V" #36-16
SECTION 36, T23S, R4E, S.L.B.&M.

1015' FNL 615' FEL



SCALE: 1" = 50'
DATE: 4-11-96
DRAWN BY: C.B.T.

F-6.9'
El. 49.9'

APPROX.
TOE OF
FILL SLOPE

F-6.3'
El. 50.5'

F-0.7'
El. 56.1'

Sta. 2+00

Total Pit Capacity
W/2' of Freeboard
is 2,260 Bbbls. ±

C-5.7'
El. 54.5'
(Btm. Pit)

F-0.8'
El. 56.0'

C-0.5'
El. 57.3'

C-3.8'
El. 60.6'

Sta. 1+00

C-9.1'
El. 57.9'
(Btm. Pit)

C-3.0'
El. 59.8'

APPROX.
TOP OF
CUT SLOPE

Sta. 0+00

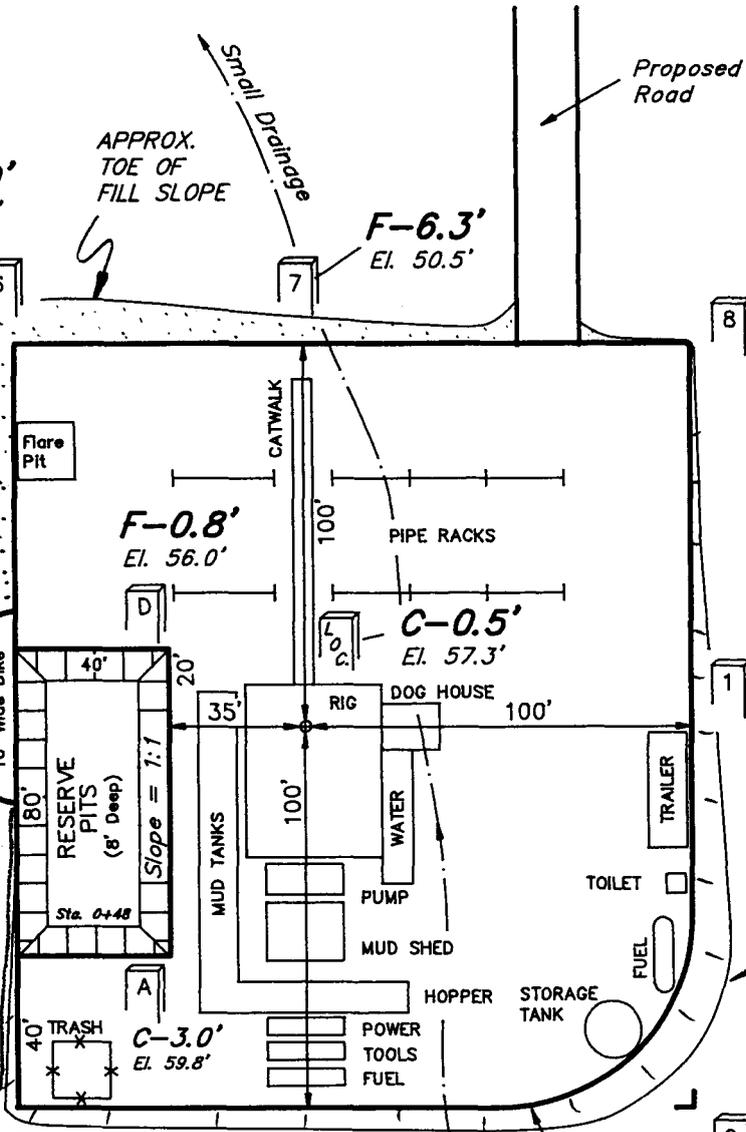
C-2.4'
El. 59.2'

Topsail Stockpile

C-4.9'
El. 61.7'

Round Corners
as Needed

C-8.3'
El. 65.1'



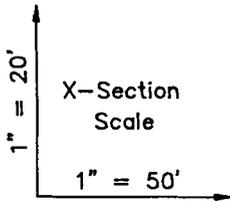
Elev. Ungraded Ground at Location Stake = **6857.3'**
Elev. Graded Ground at Location Stake = **6856.8'**

TEXACO EXPLR. & PROD., INC.

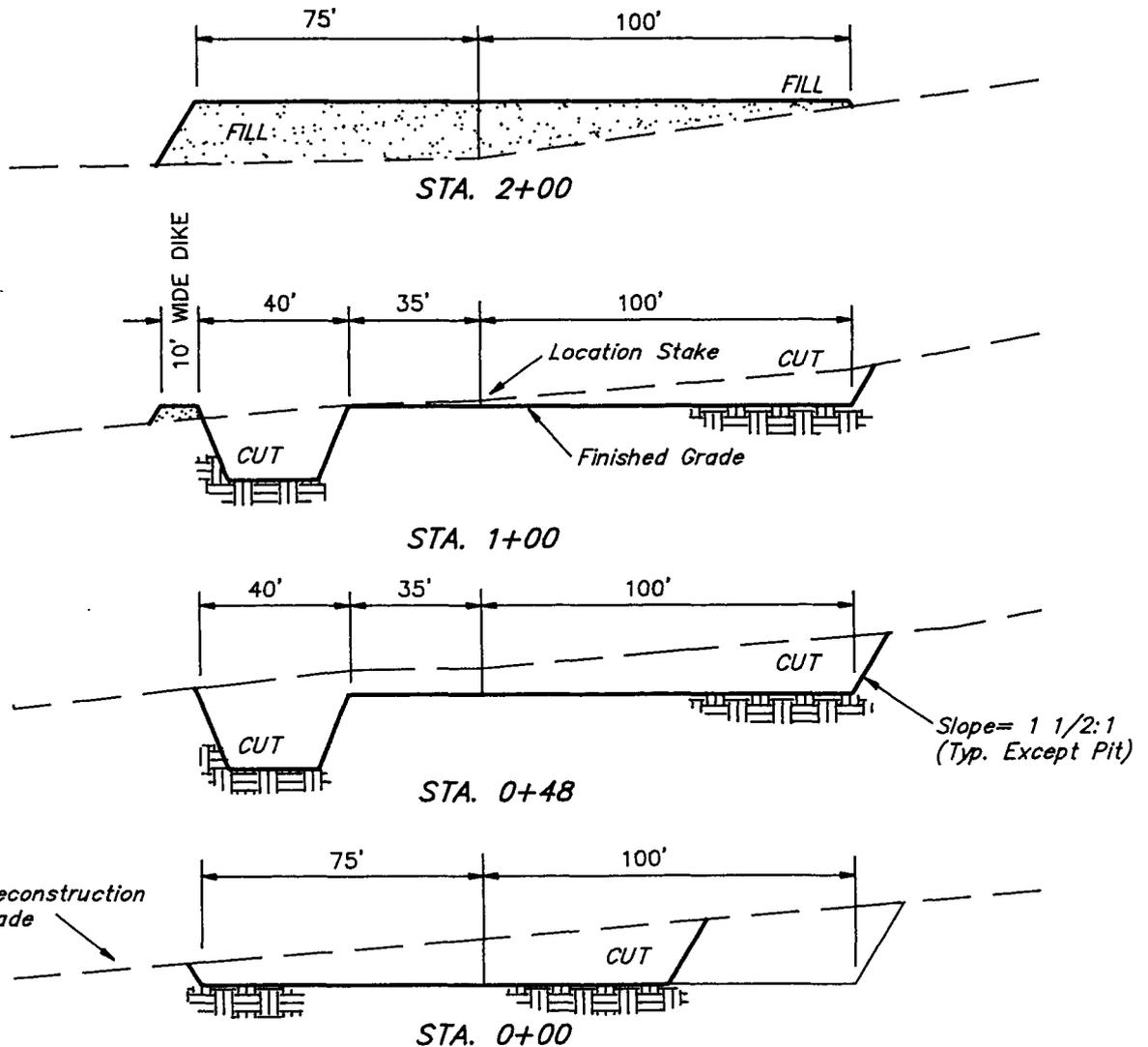
TYPICAL CROSS SECTIONS FOR

**STATE OF UTAH "V" #36-16
SECTION 36, T23S, R4E, S.L.B.&M.**

1015' FNL 615' FEL



DATE: 4-11-96
DRAWN BY: C.B.T.

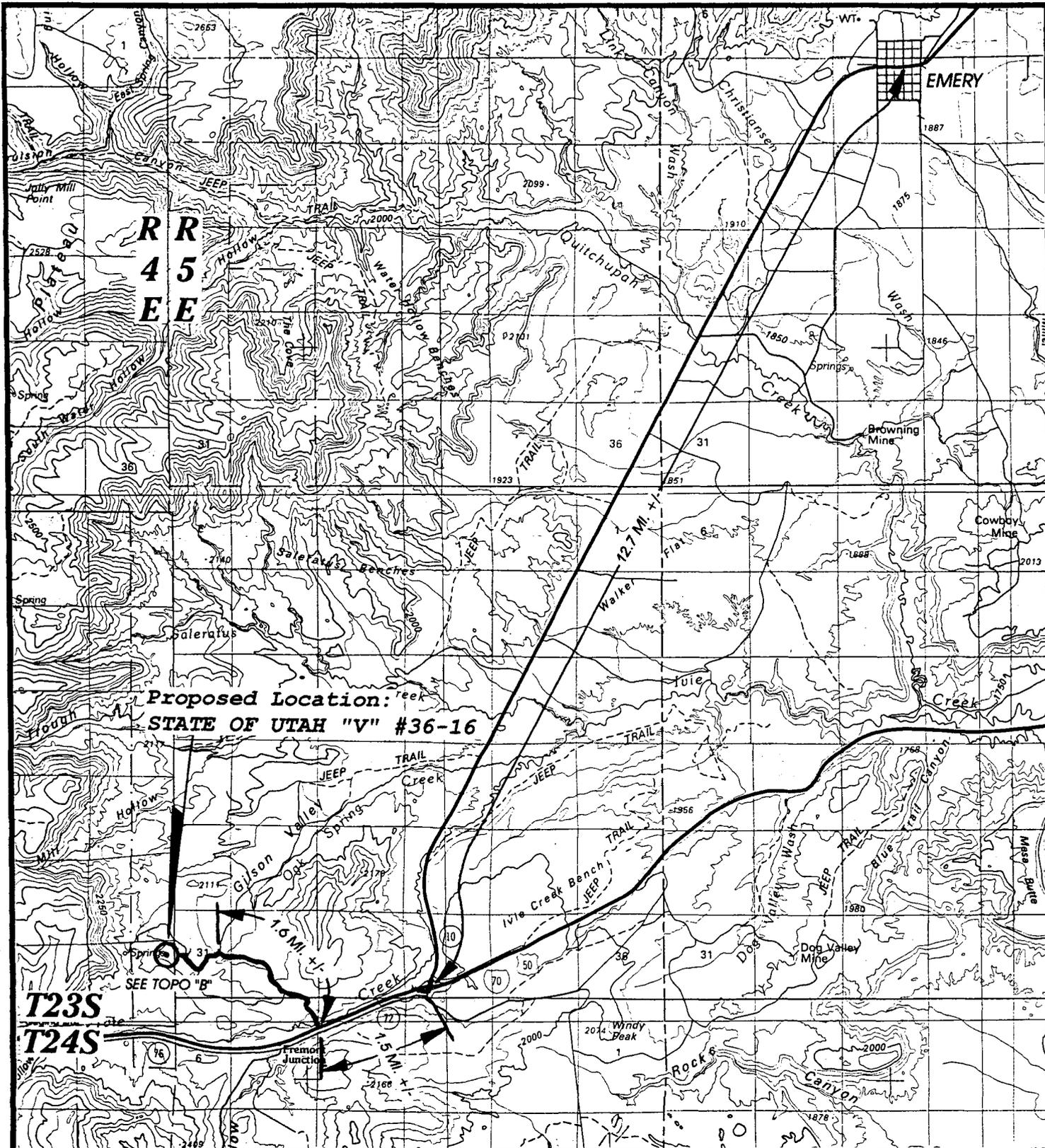


APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 650 Cu. Yds.
Remaining Location	= 2,830 Cu. Yds.
TOTAL CUT	= 3,480 CU.YDS.
FILL	= 1,680 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 1,710 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 1,000 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 710 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (801) 789-1017



Proposed Location:
STATE OF UTAH "V" #36-16

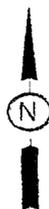
T23S
T24S

UELS

TOPOGRAPHIC
MAP "A"

DATE: 4-13-96
Drawn by: D.COX

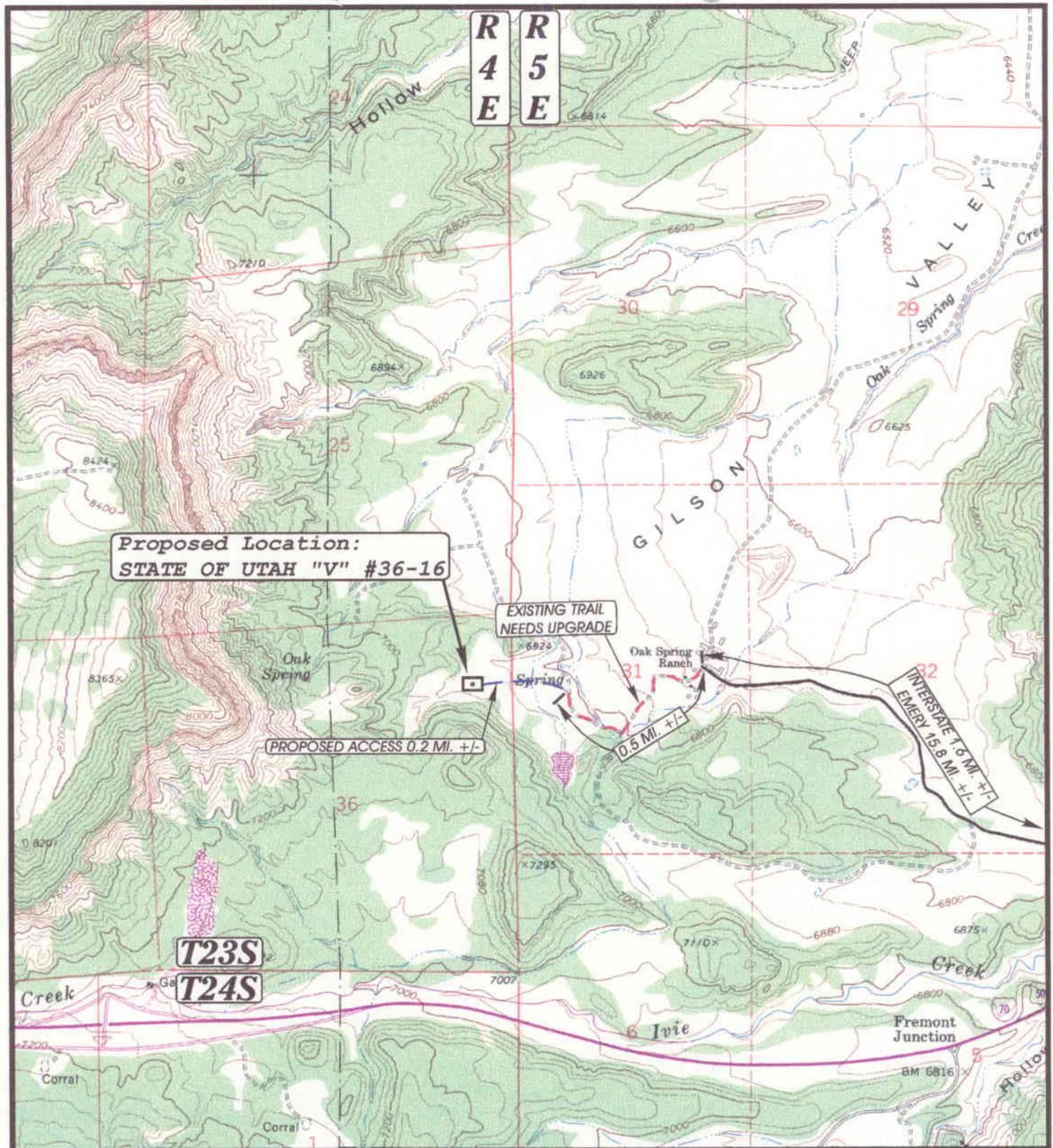
UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017



TEXACO EXPLR. & PROD., INC.

STATE OF UTAH "V" #36-16
SECTION 36, T23S, R4E, S.L.B.&M.
1015' FNL 615' FEL

SCALE: 1" = 2000'



**R
4
E** **R
5
E**

**Proposed Location:
STATE OF UTAH "V" #36-16**

**EXISTING TRAIL
NEEDS UPGRADE**

PROPOSED ACCESS 0.2 MI. +/-

0.5 MI. +/-

INTERSTATE 15.8 MI. +/-

**T23S
T24S**

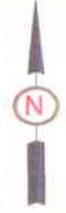
**UE
EL
S**

**TOPOGRAPHIC
MAP "B"**

**DATE: 4-13-96
Drawn by: D.COX**

TEXACO EXPLR. & PROD., INC.

**STATE OF UTAH "V" #36-16
SECTION 36, T23S, R4E, S.L.B.&M.
1015' FNL 615' FEL**



SCALE: 1" = 2000'

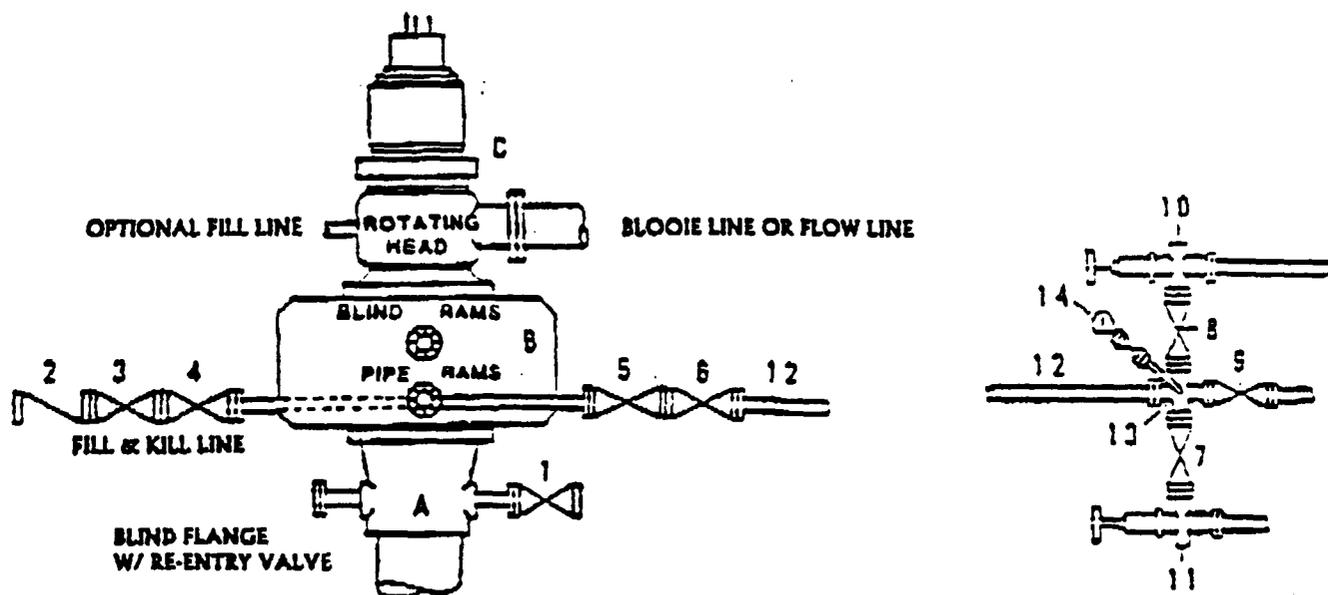
**UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017**

TEXACO EXPLORATION & PRODUCTION, INC.



Texaco

TYPICAL 2000 p.s.i.
BLOWOUT PREVENTER SCHEMATIC
FOR AIR DRILLING

DRILLING CONTROLMATERIAL LIST*

- | | |
|---------|---|
| A | Texaco Wellhead. |
| B | 2000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 2000# W.P. control lines (where sub-structure height is adequate, 2 - 2000# W.P. single ram type preventers may be utilized). |
| C | Rotating head with extended Bloeie Line (optional fill up outlet). |
| 1, 3, 4 | 2" minimum 2000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve. |
| 2 | 2" minimum 2000# W.P. back pressure valve. |
| 5, 6, 9 | 2" minimum 2000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve. |
| 12 | 2" minimum schedule 80, Grade "B", seamless line pipe. |
| 13 | 2" minimum x 2" minimum 2000# W.P. flanged cross. |
| 10, 11 | 2" minimum 2000# W.P. adjustable choke bodies. |
| 14 | Cameron Mud Gauge or equivalent (location optional in choke line). |
| 15 | 2" minimum 2000# W.P. flanged or threaded full opening steel gate valve, or Halliburton Lo Torc Plug valve. |

*(OR EQUIVALENT)

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL OR DEEPEN		5. Lease Designation and Serial No. ML-46472
1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		6. If Indian, Alottee or Tribe Name
1b. Type of Well SINGLE ZONE <input checked="" type="checkbox"/>		7. If Unit or CA, Agreement Designation
OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER COAL-BED METHANE MULTIPLE ZONE <input type="checkbox"/>		8. Well Name and Number STATE OF UTAH 'V'
2. Name of Operator TEXACO EXPLORATION & PRODUCTION, INC.		36-16
3. Address and Telephone No. 3300 N. Butler Ave., Suite 100 Farmington NM 87401 325-4397		9. API Well No.
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At Surface Unit Letter A : 1015 Feet From The NORTH Line and 615 Feet From The EAST Line At proposed prod. zone		10. Field and Pool, Exploratory Area WILDCAT
14. Distance In Miles and Direction from Nearest Town or Post Office* APPROX. 16 MI. SOUTHWEST OF EMERY, UTAH		11. SEC., T., R., M., or BLK. and Survey or Area Sec. 36 , Township T23S , Range R4E
15. Distance From Proposed* Location to Nearest Property or Lease Line, Ft. (also to nearest drlg. unit line, if any) 615'	16. No. of Acres in Lease 320 AC.	12. County or Parish SEVIER
17. No. of Acres Assigned To This Well 160 AC.	13. State UT	18. Distance From Proposed Location* to Nearest Well, Drilling, Completed or Applied For, On This Lease, Ft. --
19. Proposed Depth 2485'	20. Rotary or Cable Tools ROTARY	21. Elevations (Show whether DF, RT, GR, etc.) <input type="checkbox"/> KB <input type="checkbox"/> DF 6857 GR
22. Approx. Date Work Will Start* 6/1/96		

23. **PROPOSED CASING AND CEMENT PROGRAM**

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48#	300'	400 SX
12-1/4"	8-5/8"	32#	1885'	420 SX
7-7/8"	5-1/2"	17#	2485'	190 SX

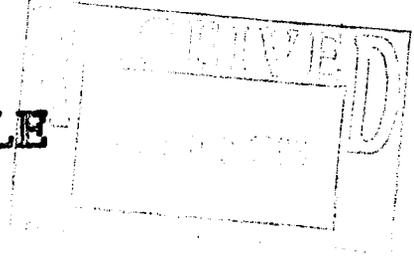
Describe Proposed Program: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured true verticle depths. Give blowout preventer program, if any.

TEXACO EXPLORATION & PRODUCTION, INC. PROPOSES TO DRILL A WELL TO A DEPTH OF 2485' TO TEST THE FERRON SAND AND ASSOCIATED COALS FOR PRODUCTIVE QUANTITIES OF NATURAL GAS. IF THE WELL IS UNPRODUCTIVE, IT WILL BE PLUGGED AND ABANDONED AS PER STATE OF UTAH REQUIREMENTS.

PLEASE BE ADVISED THAT TEXACO EXPLORATION & PRODUCTION, INC. HAS BEEN AUTHORIZED BY PROPER LEASE INTEREST OWNERS TO CONDUCT OPERATIONS ON THE ABOVE MENTIONED LOCATION. TEXACO EXPLORATION & PRODUCTION, INC. AGREES TO BE RESPONSIBLE UNDER THE TERMS AND CONDITIONS OF THE LEASE FOR OPERATIONS CONDUCTED UPON THE LEASE LANDS.

BOND COVERAGE FOR THIS WELL IS PROVIDED BY BOND NO. CO-0058 (NATIONWIDE BOND). THE PRINCIPAL IS TEXACO EXPLORATION & PRODUCTION, INC. VIA SURETY CONSENT AS PROVIDED FOR IN 43 CFR-3104.2.

CONFIDENTIAL-TIGHT HOLE



24. (This space for State use only)

SIGNATURE *Ted A. Tipton* TITLE Operating Unit Manager DATE 4/24/96

TYPE OR PRINT NAME Ted A. Tipton

API Number Assigned. 43-041-30028 APPROVAL *Matthew Peterson Engineer*
6/11/96

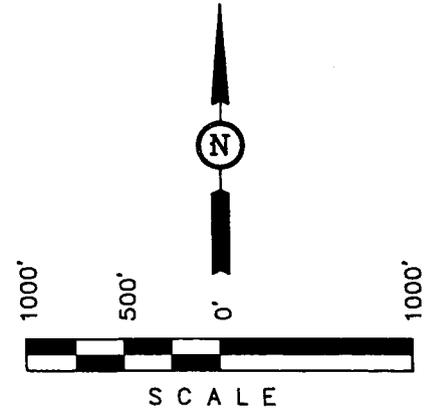
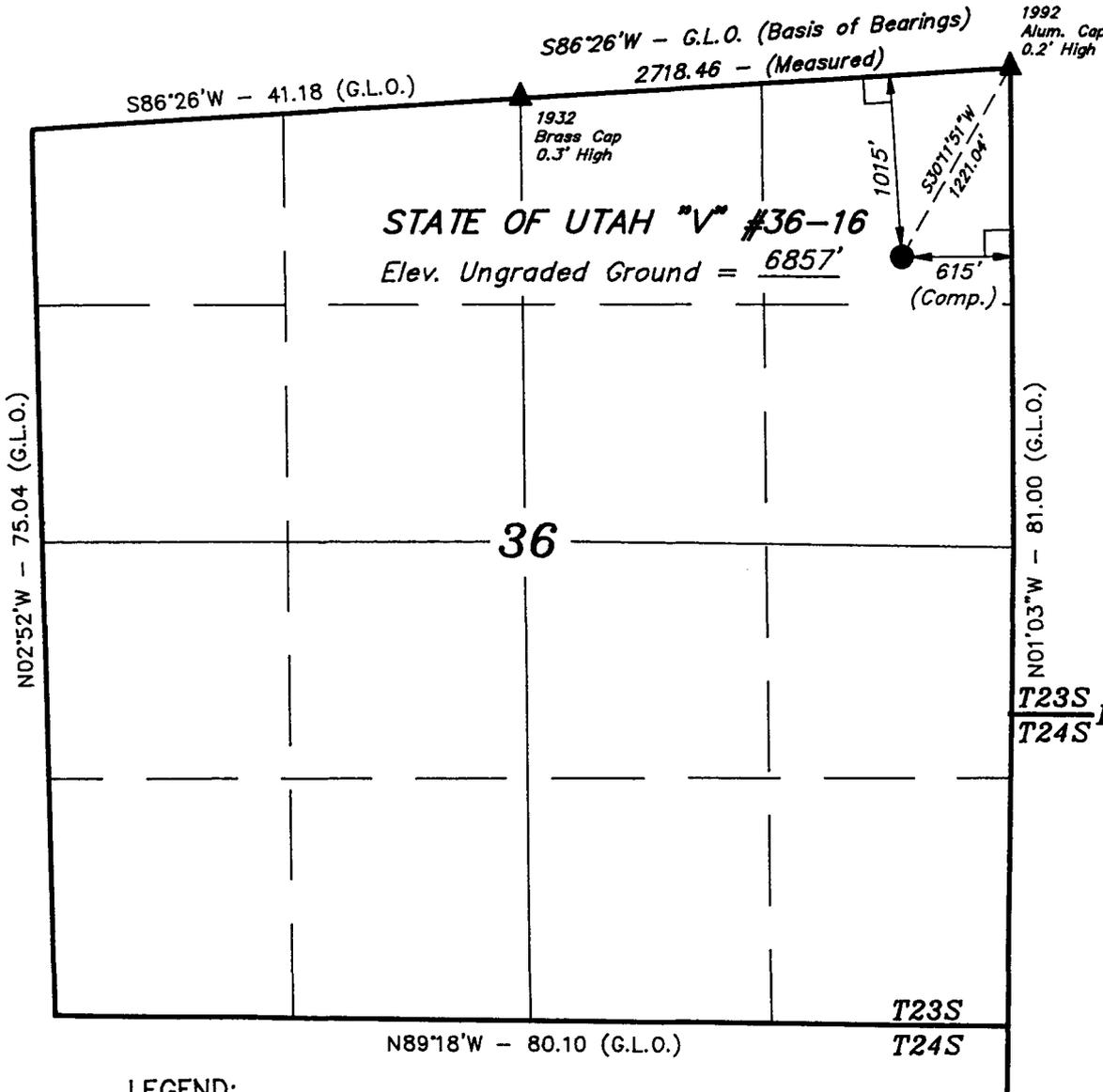
T23S, R4E, S.L.B.&M.

TEXACO EXPLR. & PROD., INC.

Well location, STATE OF UTAH "V" #36-16, located as shown in the NE 1/4 NE 1/4 of Section 36, T23S, R4E, S.L.B.&M. Sevier County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION IN THE SW 1/4 NW 1/4 OF SECTION 31, T23S, R5E, S.L.B.&M. TAKEN FROM THE OLD WOMAN PLATEAU QUADRANGLE, UTAH, SEVIER COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6924 FEET.



CERTIFICATE

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

Robert L. Key
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

REVISED: 4-29-96 D.COX

UNTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (801) 789-1017

LEGEND:

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

SCALE 1" = 1000'	DATE SURVEYED: 4-4-96	DATE DRAWN: 4-12-96
PARTY B.B. K.H. D.COX		REFERENCES G.L.O. PLAT
WEATHER WARM		FILE TEXACO EXPLR. & PROD., INC.

ON-SITE PREDRILL EVALUATION

Division of Oil, Gas and Mining

OPERATOR: Texaco Exploration and Production

WELL NAME & NUMBER: State of Utah V 36-16

API NUMBER: 43-041-30028

LEASE: ML-46472 FIELD/UNIT: Wildcat

LOCATION: 1/4, 1/4NE/NE Sec:36 TWP:23S RNG:4E 1015 FnL 615 FEL

LEGAL WELL SITING: 460 F SEC. LINE; 660 F 1/4, 1/4 LINE; 960 F ANOTHER WELL.

GPS COORD (UTM): 464696 E, 4291209 N

SURFACE OWNER: Brad Johnson

PARTICIPANTS

Larry Slauterback, Texaco, Brad Johnson, Landowner, Jackie Montgomery, Archeologist, Dan Jarvis and Brad Hill, DOGM

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Located at the base of the Wastach Plateau. The location sits in a broad basin at the base of some cliffs. A major drainage runs by the east side of the location. The location itself sits on a relatively flat area. Numerous springs feed the area of the drainage.

SURFACE USE PLAN

CURRENT SURFACE USE: Livestock grazing

PROPOSED SURFACE DISTURBANCE: A wellsite pad of approximately 200 feet by 200 feet will be constructed. The well will require .2 mile of new access road.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: There are no existing wells in the 1 mile radius

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All well equipment and compressors will be on the well pad.

SOURCE OF CONSTRUCTION MATERIAL: Native materials will be used.

ANCILLARY FACILITIES: There are no ancillary facilities.

WASTE MANAGEMENT PLAN:

A small pit will be used to contain the drill cuttings. All other waste will be handled as per outlined in the submitted application.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAIN AND/OR WETLANDS: There are no affected floodplain or wetlands

FLORA/FAUNA: The location is covered with sagebrush, greasewood, prickly pear, salt brush and grass. Rodents, reptiles and deer occupy the area.

SOIL TYPE AND CHARACTERISTICS: Sandy clay

SURFACE FORMATION AND CHARACTERISTICS: Quaternary alluvium derived from the Mancos Formation.

EROSION/SEDIMENTATION/STABILITY: The location sits in an area drained by the cliffs to the north. Diversions will be required to keep runoff away from the location.

PALEONTOLOGICAL POTENTIAL: None was observed.

RESERVE PIT

CHARACTERISTICS: A 40 foot by 80 foot pit will be built to contain cuttings

LINER REQUIREMENTS (Site Ranking Form attached): 12 mill plastic

SURFACE RESTORATION/RECLAMATION PLAN

The surface will be restored as per the landowners requests.

SURFACE AGREEMENT: pending

CULTURAL RESOURCES/ARCHAEOLOGY: A survey has been done and a number of sites were found. The well pad and road will constructed away from any of these sites.

OTHER OBSERVATIONS/COMMENTS

ATTACHMENTS:

Pictures of this location were taken and will be placed on file

Dan Jarvis
DOGM REPRESENTATIVE

5/30/96/11:00 am
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>15</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>15</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>0</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud	15	
Fluid containing significant levels of hazardous constituents	20	<u>0</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> </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		<u>30</u> (Level II)

Sensitivity)

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

Operator Name: Texaco Exploration

Name & Number: State of Utah 36-16

API Number: 43-041-30028

Location: 1/4, 1/4 NE/NE Sec. 36 T. 23S R. 4E

Geology/Ground Water:

Ground water is present in the alluvium and shallow sands. Water will also be encountered in the Ferron sands. The proposed casing and cement program will adequately any water encountered.

protected

Reviewer: D. Jarvis

Date: 06/03/96

Surface:

A presite was conducted on 5-30-96. The landowner and the archeologist were both present. Concerns were raised regarding numerous archeological sites that were found. Texaco has agreed to move the access road to avoid the sites and this was agreeable to the landowner. A landowner agreement has not yet been signed but is pending final negotiations. The pit will be lined with a 12 mil. Plastic liner due to the close proximity to the wash which is fed by numerous springs. It was also discussed to rotate the whole location 90 degrees to move the pit away from the wash. Berms will be built on the north side of the location to divert water away from the site.

Reviewer: D. Jarvis

Date: 06/03/96

Conditions of Approval/Application for Permit to Drill:

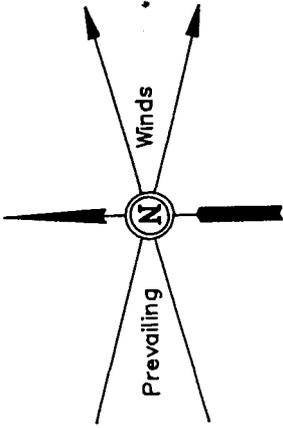
1. 12 mil plastic liner
2. Rotate location 90 degrees
3. Berm location
4. Texaco will abide by any stipulations imposed by the RDCC.

TEXACO EXPLR. & PROD., INC.

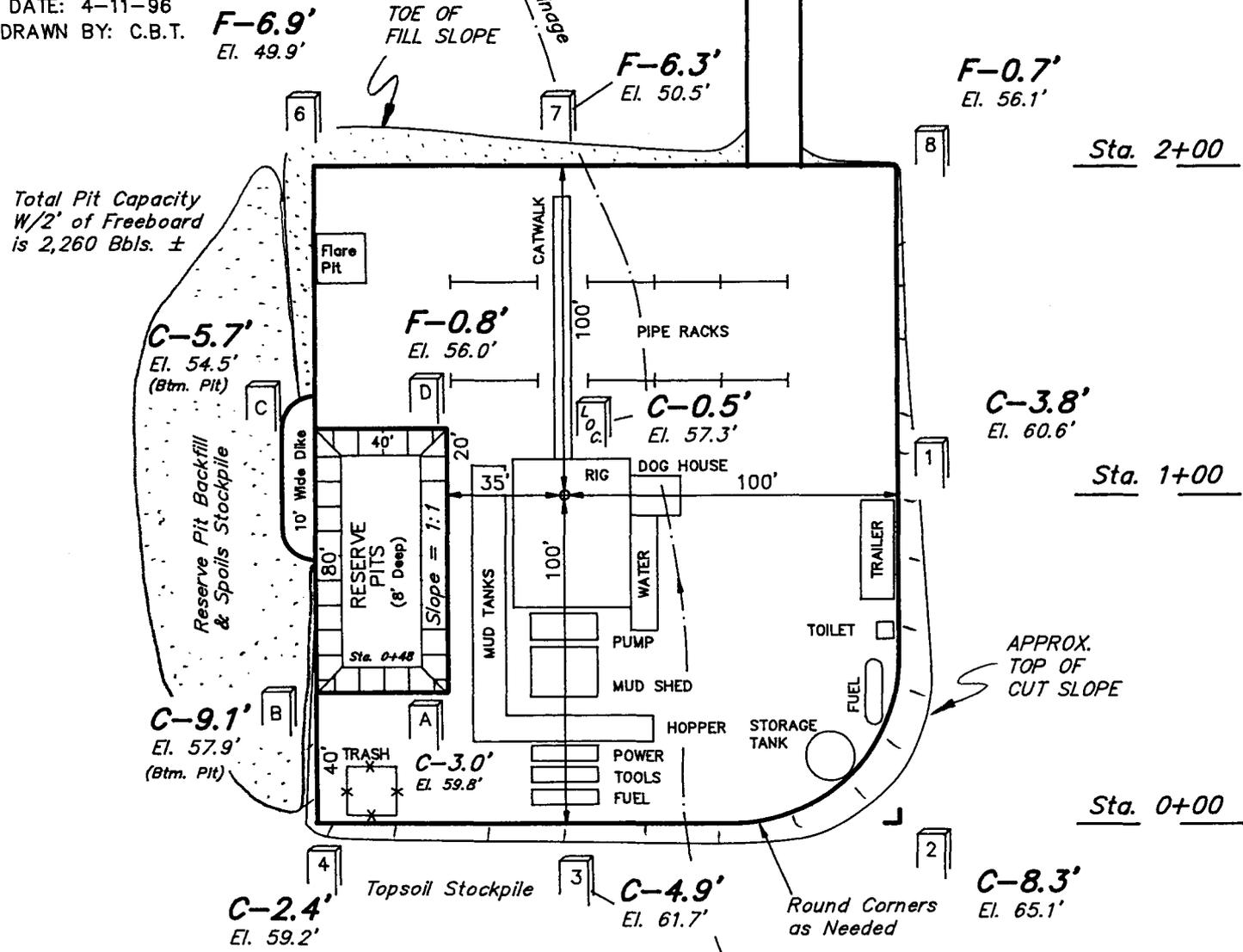
LOCATION LAYOUT FOR

STATE OF UTAH "V" #36-16
SECTION 36, T23S, R4E, S.L.B.&M.

1015' FNL 615' FEL



SCALE: 1" = 50'
DATE: 4-11-96
DRAWN BY: C.B.T.



Total Pit Capacity
W/2' of Freeboard
is 2,260 Bbls. ±

Elev. Ungraded Ground at Location Stake = **6857.3'**
Elev. Graded Ground at Location Stake = **6856.8'**

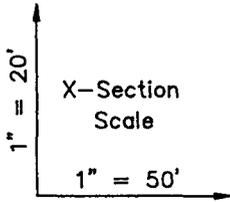
UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (801) 789-1017

TEXACO EXPLR. & PROD., INC.

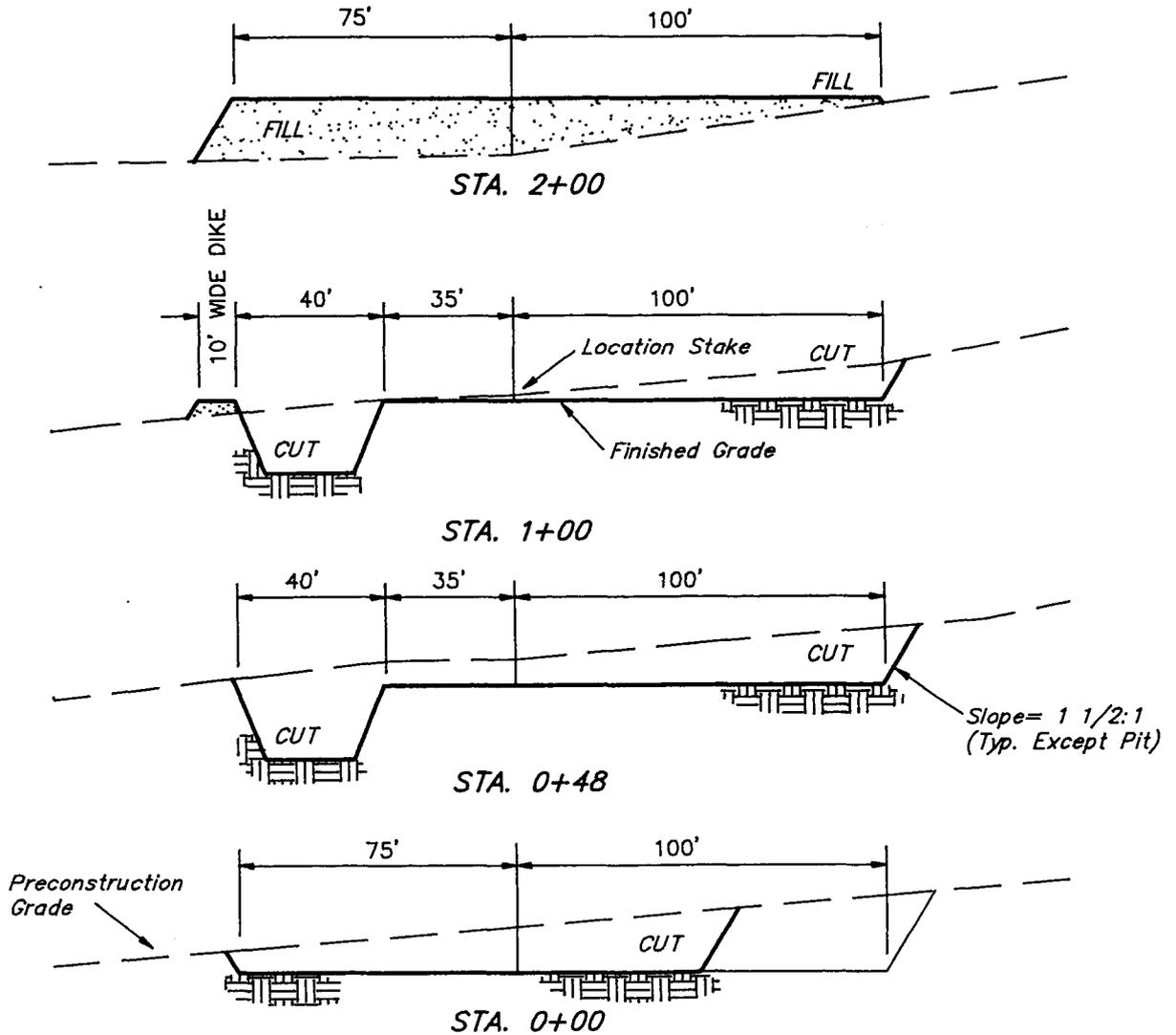
TYPICAL CROSS SECTIONS FOR

**STATE OF UTAH "V" #36-16
SECTION 36, T23S, R4E, S.L.B.&M.**

1015' FNL 615' FEL



DATE: 4-11-96
DRAWN BY: C.B.T.

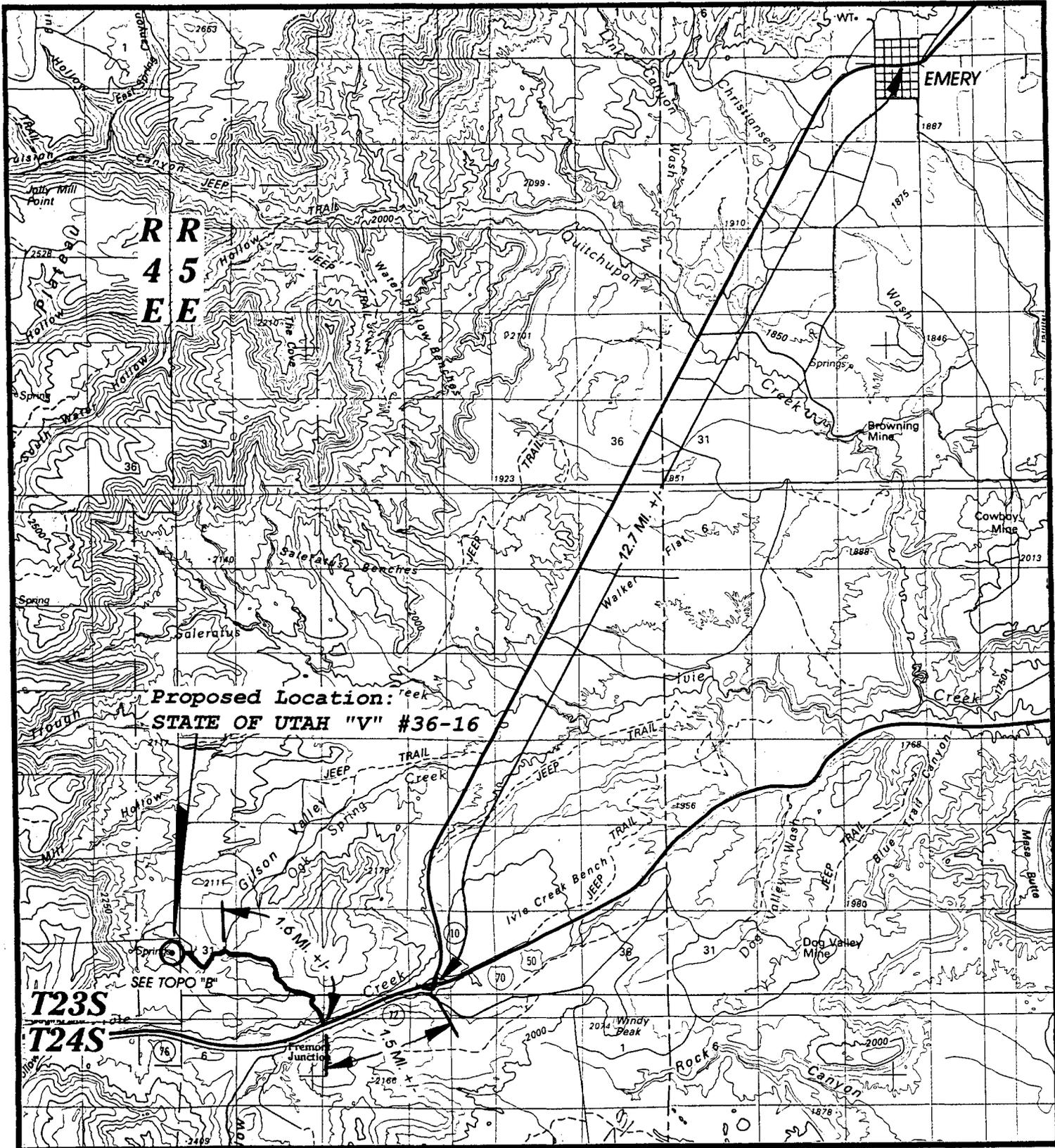


APPROXIMATE YARDAGES

CUT		
(6") Topsoil Stripping	= 650	Cu. Yds.
Remaining Location	= 2,830	Cu. Yds.
TOTAL CUT	= 3,480	CU.YDS.
FILL	= 1,680	CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 1,710	Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 1,000	Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 710	Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
86 So. 200 East • Vernal, Utah 84078 • (801) 789-1017

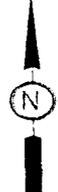


UELS

**TOPOGRAPHIC
MAP "A"**

DATE: 4-13-96
Drawn by: D.COX

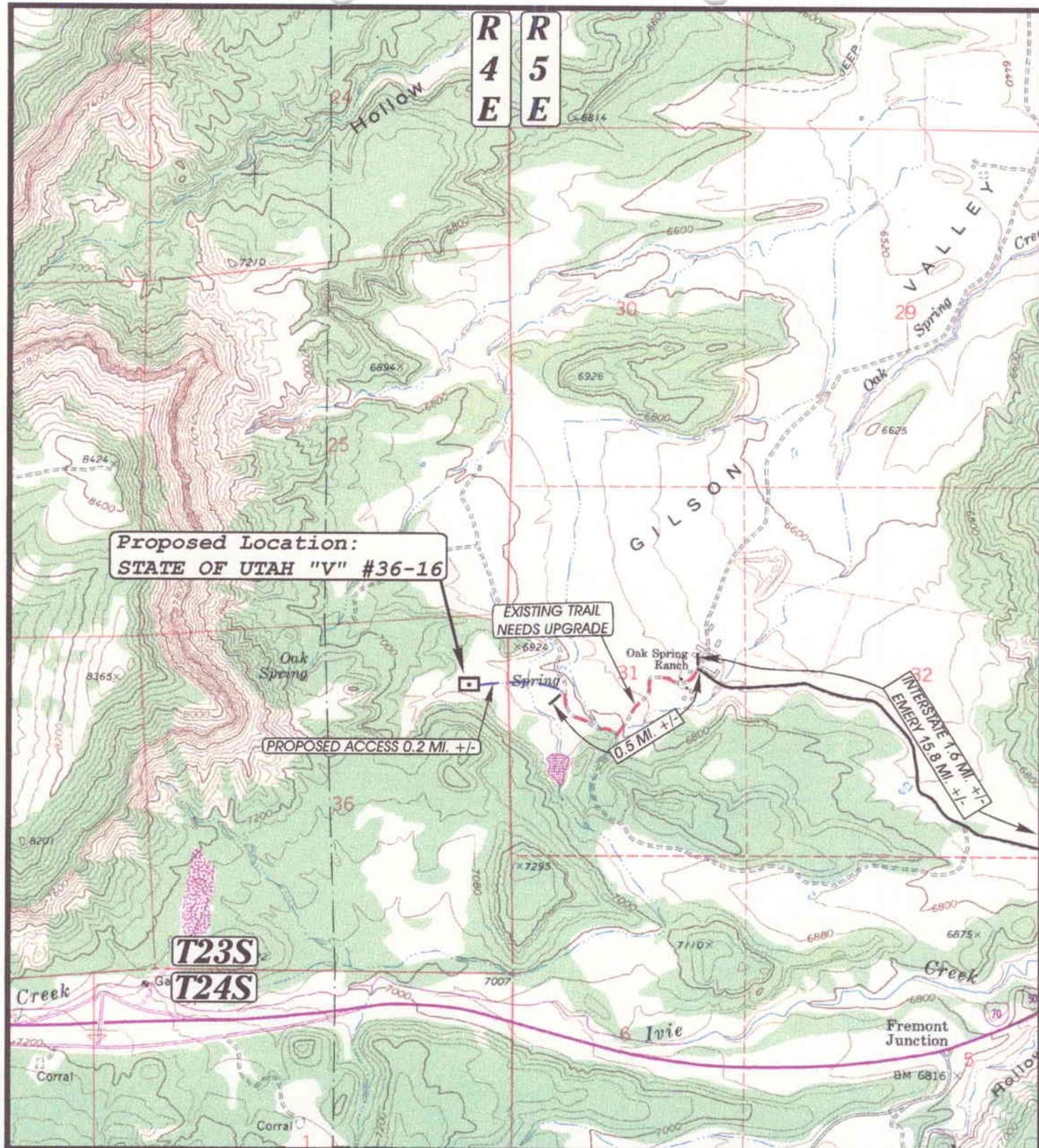
UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017



TEXACO EXPLR. & PROD., INC.

**STATE OF UTAH "V" #36-16
SECTION 36, T23S, R4E, S.L.B.&M.
1015' FNL 615' FEL**

SCALE: 1" = 2000'



Proposed Location:
STATE OF UTAH "V" #36-16

EXISTING TRAIL NEEDS UPGRADE

PROPOSED ACCESS 0.2 MI. +/-

0.5 MI. +/-

INTERSTATE 15 8 MI. +/-

T23S
T24S

UELS

**TOPOGRAPHIC
 MAP "B"**

DATE: 4-13-96
Drawn by: D.COX

UINTAH ENGINEERING & LAND SURVEYING
 85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017



TEXACO EXPLR. & PROD., INC.

STATE OF UTAH "V" #36-16
SECTION 36, T23S, R4E, S.L.B.&M.
1015' FNL 615' FEL

SCALE: 1" = 2000'

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/03/96

API NO. ASSIGNED: 43-041-30028

WELL NAME: STATE OF UTAH 'V' 36-16
 OPERATOR: TEXACO EXPL & PROD INC (N5700)

PROPOSED LOCATION:
 NENE 36 - T23S - R04E
 SURFACE: 1015-FNL-0615-FEL
 BOTTOM: 1015-FNL-0615-FEL
 SEVIER COUNTY
 WILDCAT FIELD (001)

INSPECT LOCATION BY: 05/16/96		
TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: STA
 LEASE NUMBER: ML - 46472

PROPOSED PRODUCING FORMATION: FRSD

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Federal State Fee
 (Number CO-0058)
- Potash (Y/N)
- Oil shale (Y/N)
- Water permit
 (Number JOHNSON CATTLE CO.)
- 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: _____
 Date: _____

COMMENTS: _____

STIPULATIONS: _____

STATE OF UTAH, DIV OF OIL, GAS & MINERALS

Operator: TEXACO EXPL & PROD INC	Well Name: STATE OF UTAH V 36-1
Project ID: 43-041-30028	Location: SEC. 36 - T23S - R04E

Design Parameters:

Mud weight (8.33 ppg) : 0.433 psi/ft
 Shut in surface pressure : 1011 psi
 Internal gradient (burst) : 0.026 psi/ft
 Annular gradient (burst) : 0.000 psi/ft
 Tensile load is determined using air weight
 Service rating is "Sweet"

Design Factors:

Collapse : 1.125
 Burst : 1.00
 8 Round : 1.80 (J)
 Buttress : 1.60 (J)
 Other : 1.50 (J)
 Body Yield : 1.50 (B)

Length (feet)	Size (in.)	Weight (lb/ft)	Grade	Joint	Depth (feet)	Drift (in.)	Cost		
1	1,885	8.625	32.00	K-55	LT&C	1,885	7.875		
	Collapse Load	Collapse Strgth	S.F.	Burst Load	Min Int Strgth	Yield S.F.	Tension Load	Tension Strgth	S.F.
1	816	2530	3.100	1060	3930	3.71	60.32	452	7.49 J

Prepared by : MATTHEWS, Salt Lake City, Utah
 Date : 06-11-1996
 Remarks :

Minimum segment length for the 1,885 foot well is 1,500 feet.
 SICP is based on the ideal gas law, a gas gravity of 0.69, and a mean gas temperature of 91°F (Surface 74°F , BHT 109°F & temp. gradient 1.400°/100 ft.)
 String type: Intermediate - Drlg
 Next string will set at 2,485 ft. with 8.33 ppg mud (pore pressure of 1,075 psi.) The frac gradient of 1.000 psi/ft at 1,885 feet results in an injection pressure of 1,885 psi Effective BHP (for burst) is 1,060 psi.

NOTE: The design factors used in this casing string design are as shown above. As a general guideline, Lone Star Steel recommends using minimum design factors of 1.125 - collapse (with evacuated casing), 1.0 - (uniaxial) burst, 1.8 - API 8rd tension, 1.6 - buttress tension, 1.5 - body yield tension, and 1.6 - EUE 8rd tension. Collapse strength under axial tension was calculated based on the Westcott, Dunlop and Kemler curve. Engineering responsibility for use of this design will be that of the purchaser.
 Costs for this design are based on a 1987 pricing model. (Version 1.07)

STATE OF UTAH, DIV OF OIL, GAS & MINERALS

Operator: TEXACO EXPL & PROD INC	Well Name: STATE OF UTAH V 36-1
Project ID: 43-041-30028	Location: SEC. 36 - T23S - R04E

Design Parameters:

Mud weight (8.90 ppg) : 0.462 psi/ft
 Shut in surface pressure : 2334 psi
 Internal gradient (burst) : 0.061 psi/ft
 Annular gradient (burst) : 0.000 psi/ft
 Tensile load is determined using air weight
 Service rating is "Sweet"

Design Factors:

Collapse : 1.125
 Burst : 1.00
 8 Round : 1.80 (J)
 Buttress : 1.60 (J)
 Other : 1.50 (J)
 Body Yield : 1.50 (B)

Length (feet)	Size (in.)	Weight (lb/ft)	Grade	Joint	Depth (feet)	Drift (in.)	Cost
1	2,485	5.500	17.00	N-80	LT&C	2,485	4.767

1	Collapse Load (psi)	Collapse Strgth (psi)	S.F.	Burst Load (psi)	Min Int Strgth (psi)	Yield S.F.	Tension Load (kips)	Tension Strgth (kips)	S.F.
1	1149	6280	5.466	2485	7740	3.11	42.25	348	8.24 J

Prepared by : MATTHEWS, Salt Lake City, Utah
 Date : 06-11-1996
 Remarks :

Minimum segment length for the 2,485 foot well is 1,500 feet.
 SICP is based on the ideal gas law, a gas gravity of 0.69, and a mean gas temperature of 91°F (Surface 74°F , BHT 109°F & temp. gradient 1.400°/100 ft.)
 String type: Production - Frac
 The frac gradient of 1.000 psi/ft results in an injection pressure of 2,485 psi.
 The mud gradient and bottom hole pressures (for burst) are 0.462 psi/ft and 2,485 psi, respectively.

NOTE: The design factors used in this casing string design are as shown above. As a general guideline, Lone Star Steel recommends using minimum design factors of 1.125 - collapse (with evacuated casing), 1.0 - (uniaxial) burst, 1.8 - API 8rd tension, 1.6 - buttress tension, 1.5 - body yield tension, and 1.6 - EUE 8rd tension. Collapse strength under axial tension was calculated based on the Westcott, Dunlop and Kemler curve. Engineering responsibility for use of this design will be that of the purchaser.
 Costs for this design are based on a 1987 pricing model. (Version 1.07)



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

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

June 11, 1996

Texaco Exploration & Production, Inc.
3300 North Butler Avenue, Suite 100
Farmington, New Mexico 87401

Re: State of Utah V 36-16 Well, 1015' FNL, 615' FEL, NE NE, Sec. 36, T. 23 S.,
R. 4 E., Sevier 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 43-041-30028.

Sincerely,

R. J. Firth
Associate Director

lwp

Enclosures

cc: Sevier County Assessor
Bureau of Land Management, Richfield District Office



Operator: Texaco Exploration & Production, Inc.
Well Name & Number: State of Utah V 36-16
API Number: 43-041-30028
Lease: ML-46472
Location: NE NE Sec. 36 T. 23 S. R. 4 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)538-5340.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Frank Matthews or Mike Hebertson at (801)538-5340.

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.

4. The reserve pit will be lined with an impervious synthetic liner of 12 mil minimum thickness.

5. The location layout will be rotated approximately 90 degrees prior to construction to accommodate the placement of the reserve pit away from a wash. The location will be bermed on the north side to divert water away from the site.

6. This drilling proposal has been submitted to the Resources Development Coordinating Council for its review and comment. Texaco will comply with any stipulations resulting from this review.

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: TEXACO E & P

Well Name: STATE OF UTAH 36-16

Api No. 43-041-30028

Section 36 Township 23S Range 4E County SEVIER

Drilling Contractor NABORS

Rig #: _____

SPUDDED:

Date: 7/24/96

Time: _____

How: ROTARY

Drilling will commence: _____

Reported by: ROBERT SCHAFFITZEL

Telephone #: 1-505-325-4397

Date: 7/22/96 Signed: KMH

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

5. Lease Designation and Serial Number:
ML-46472

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:
ST. OF UT. 'V' #36-16

9. API Well Number:
43-041-30028

10. Field and Pool, or Wildcat:
WILDCAT

1. Type of Well: OIL GAS OTHER: COAL-BED METHANE

2. Name of Operator:
Texaco Exploration & Production Inc.

3. Address and Telephone Number:
3300 N. Butler, Farmington N.M. 87401 (505)325-4397

4. Location of Well
Footages: 1015' FNL / 615' FEL
QQ, Sec., T., R., M.: NE 1/4, NE 1/4 Sec. 36 T23S / R4E SLM

County: Sevier
State: Utah

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

NOTICE OF INTENT
(Submit in Duplicate)

- Abandonment
- Casing Repair
- Change of Plans
- Conversion to Injection
- Fracture Treat
- Multiple Completion
- Other _____
- New Construction
- Pull or Alter Casing
- Recompletion
- Shoot or Acidize
- Vent or Flare
- Water Shut-Off

Approximate date work will start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

- Abandonment *
- Casing Repair
- Change of Plans
- Conversion to Injection
- Fracture Treat
- New Construction
- Pull or Alter Casing
- Shoot or Acidize
- Vent or Flare
- Water Shut-Off

Other SPUD & SURFACE CASING

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

* Must be accompanied by a cement verification report.

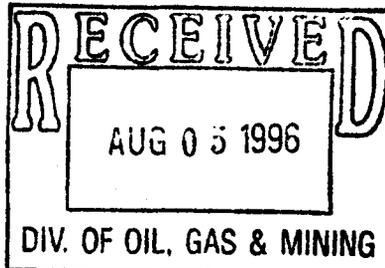
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

TEXACO E. & P., INC. HAS COMPLETED THE FOLLOWING ON THE SUBJECT WELL:

7/25/96 - WITH RATHOLE RIG, DRILL 17-1/2" SURFACE HOLE TO 320'. RUN 7 JTS. 13-3/8", 54.5#, J-55 STC CASING. SET AT 316'. CEMENT WITH 400 SX "G" CEMENT W/ 2% CaCl, 1/4# PER SX CELLOFLAKE, 15.8 PPG, 1.15 CU.FT/SX. PLUG DOWN AT 11:45 P.M. 7/26/96. CIRCULATED 129 SX TO SURFACE.

7/29/96 - PRESSURE TEST CASING TO 1500 PSI., O.K.

DRILL 12-1/4" HOLE.



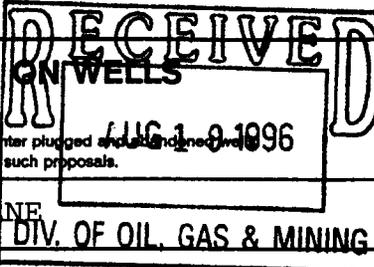
13. Name & Signature: Ted A. Tipton Title: Operating Unit Manager Date: 7/30/96

(This space for State use only)

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.



5. Lease Designation and Serial Number:
ML-46472

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:
ST. OF UT. 'V' #36-16

9. API Well Number:
43-041-30028

10. Field and Pool, or Wildcat:
WILDCAT

1. Type of Well: OIL GAS OTHER: COAL-BED METHANE

2. Name of Operator:
Texaco Exploration & Production Inc.

3. Address and Telephone Number:
3300 N. Butler, Farmington N.M. 87401 (505)325-4397

4. Location of Well
Footages: 1015' FNL / 615' FEL
QQ, Sec., T., R., M.: NE 1/4, NE 1/4 Sec. 36 T23S / R4E SLM

County: Sevier
State: Utah

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

NOTICE OF INTENT (Submit in Duplicate)	SUBSEQUENT REPORT (Submit Original Form Only)
<input type="checkbox"/> Abandonment <input type="checkbox"/> Casing Repair <input type="checkbox"/> Change of Plans <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Multiple Completion <input type="checkbox"/> Other _____	<input type="checkbox"/> Abandonment * <input type="checkbox"/> Casing Repair <input type="checkbox"/> Change of Plans <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Fracture Treat <input checked="" type="checkbox"/> Other <u>DRILL TO T.D.</u>
<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Recompletion <input type="checkbox"/> Shoot or Acidize <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Shoot or Acidize <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off
Approximate date work will start _____	Date of work completion <u>8/13/96</u>

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.
* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

TEXACO E. & P., INC. HAS COMPLETED THE FOLLOWING ON THE SUBJECT WELL:

-7/29/96 - DRILL CEMENT AND FLOAT COLLAR. DRILL TO 471'. CHANGE TO MUD SYSTEM. DRILL 12-1/4" HOLE TO 1785'. CIRCULATE HOLE TO RUN CASING.

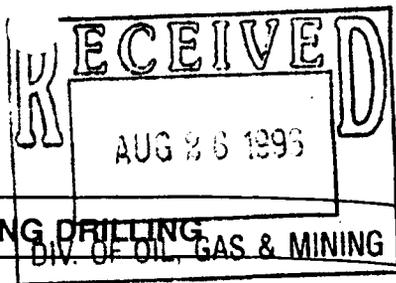
-8/5/96 - RUN 44 JTS. 8-5/8", 32#, K55 LTC CASING. SET AT 1785'. CEMENT WITH 210 SX 'G' CEMENT WITH 12% D20, 10% D44, 1% D79, .25% D112, 5# PER SX D42, .2% D46 ADDITIVES. CEMENT WEIGHT = 11 PPG, YIELD = 3.91 CU.FT/SX. FOLLOW WITH 210 SX RFC CEMENT. WEIGHT = 14.20 PPG, YIELD = 1.61 CU. FT/SX. PLUG DOWN AT 4:30 PM, 8/5/96. DID NOT CIRCULATE CEMENT TO SURFACE.

-8/8/96 - DRILL 7-7/8" HOLE THRU CEMENT FROM 1773'-1785'. DRILL FORMATION TO 1795'. CORE 7-7/8" TO 2168'.

-8/11/96 - DRILL HOLE TO TOTAL DEPTH OF 2320'. CONDITION HOLE FOR LOGGING. LOG GR-LDT-CNL AND HIGH RESOLUTION COAL LOG FROM 2320' TO 1785'. RUN GR-NEUTRON FROM 2320' TO 316'. TAKE SIDEWALL CORES. DISPLACE HOLE WITH 9.4 PPG MUD. GO IN HOLE WITH 3 JTS. 2-7/8" TUBING. PREP TO RIG DOWN. RELEASE RIG 8/13/96. COMPLETION PROCEDURES PENDING CORE EVALUATION.

13. Name & Signature: Ted A. Tipton Title: Operating Unit Manager Date: 8/13/96

(This space for State use only)



REPORT OF WATER ENCOUNTERED DURING DRILLING
DIV. OF OIL, GAS & MINING

1. Well name and number: STATE OF UTAH V 36-16

API number: 43-641-30028

2. Well Location: QQNENE Section 36 Township 23S Range 4E County SEVIER

3. Well operator: TEXACO EXP INC.

Address: 3300 N. BUTLER AVE., SUITE 100
FARMINGTON, NEW MEXICO 87401 Phone: 505-325-4397

4. Drilling contractor: NABORS DRILLING USA, INC.

Address: _____
DENVER, CO. Phone: 303-832-2898

5. Water encountered (attach additional pages as needed):

*BOC
1786
TD = 2320
OPEN TO 4
1786 -
2320*

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
1795	1825	1/2 BPM	UNKNOWN
1825	1850	1 BPM	UNKNOWN
1882	1912	2 BPM	UNKNOWN

*Coal
1848-1854
1963-1967
2244-2249*

6. Formation tops: FERRON-1770 KB OR +5110' SS

If an analysis has been made of the water encountered, please attach a copy of the report to this form.

I hereby certify that this report is true and complete to the best of my knowledge. Date: 08/13/96
Name & Signature: Landel P. Mai Title: DRILLING SUPERVISOR

Double Jack Testing & Services, Inc.
B.O.P. Test Report

B.O.P. Test performed on (date) 7-28-96

Oil Company TEXACO E&P.

Well Name & Number STATE OF UTAH # 36-16

Section 36

Township 23S

Range 4E

County & State SEVIER UT

Drilling Rig NARBORS #953

Company Man EDDIE NELBORN

Tool Pusher GARY STAPLETON

Notified prior to test STATE

Copies of this report sent to:

STATE + TEXACO E&P

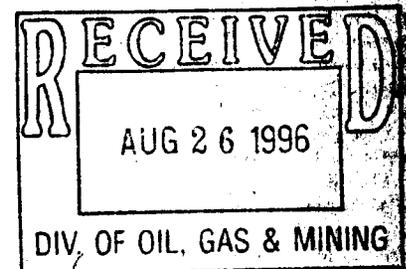
Original chart & test report on file at:

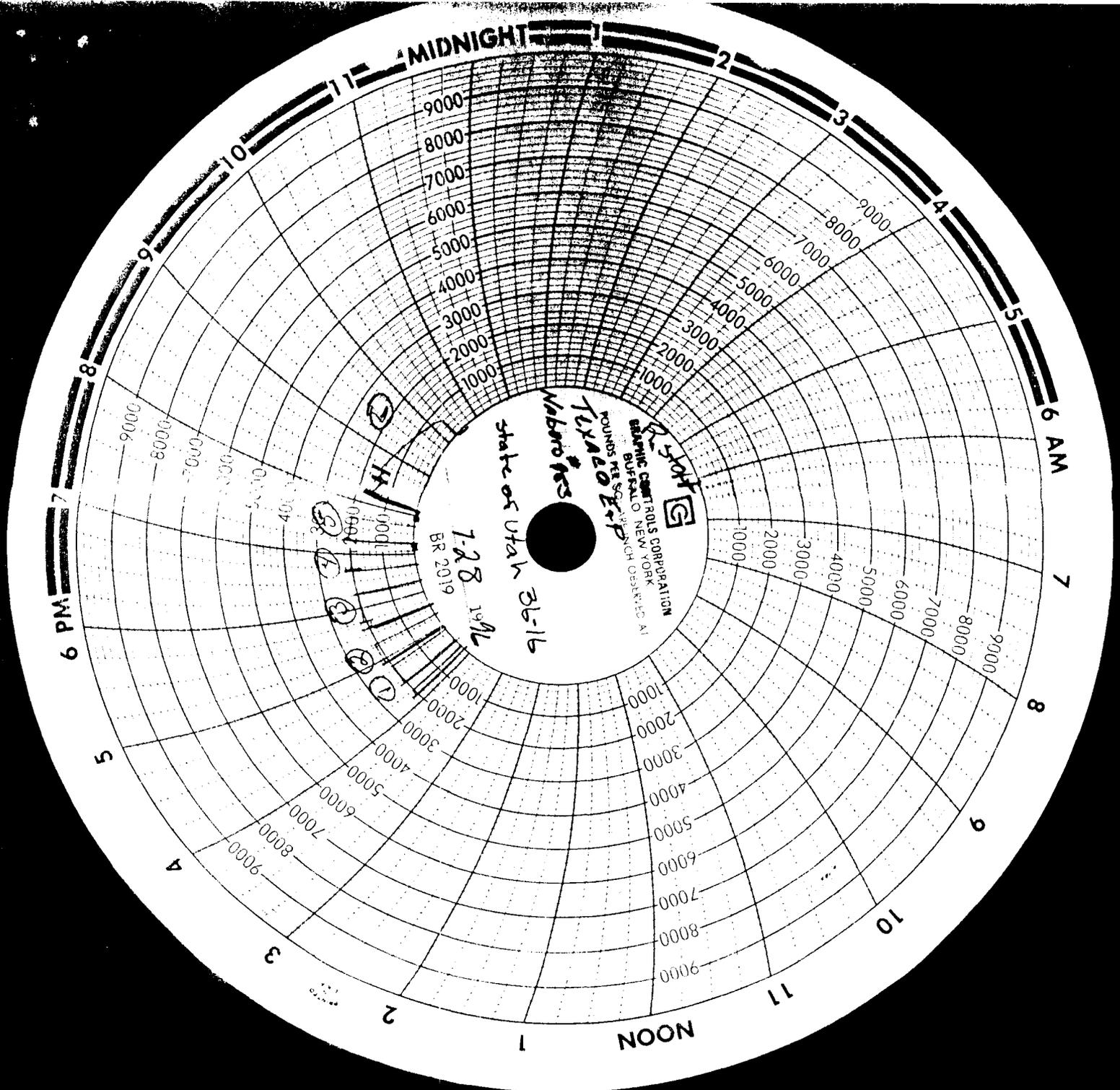
Double Jack Testing

P.O. Box 828

Vernal, UT 84078

(801)781-0448





MIDNIGHT

2

3

4

5

6 AM

7

8

9

10

11

NOON

1

2

3

4

5

6 PM

7

8

9

10

11

State of Utah 36-16
7-28 1942
BR 2019
Nabors Inc
TYA 20 E.P.
ROUNDS RE SO
BUFFALO NEW YORK
BANKING CONTROLS CORPORATION
SEARCH OBTAINED AT



1
2
3
4
5
6
7
8
9
10
11

Double Jack Testing & Services, Inc.
B.O.P. Test Report

B.O.P. Test performed on (date) 8-6-96

Oil Company TEXACO E+P

Well Name & Number STATE OF UTAH #36-16

Section 36

Township 235

Range 4E

County & State SEVIER, UT

Drilling Rig NABORS #953

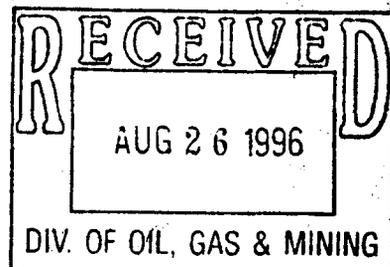
Company Man EDDIE WELBORN

Tool Pusher _____

Notified prior to test ~~BEAR~~ STATE OF UTAH

Copies of this report sent to:
TEXACO E+P. STATE OF UTAH

Original chart & test report on file at:
Double Jack Testing
P.O. Box 828
Vernal, UT 84078
(801)781-0448

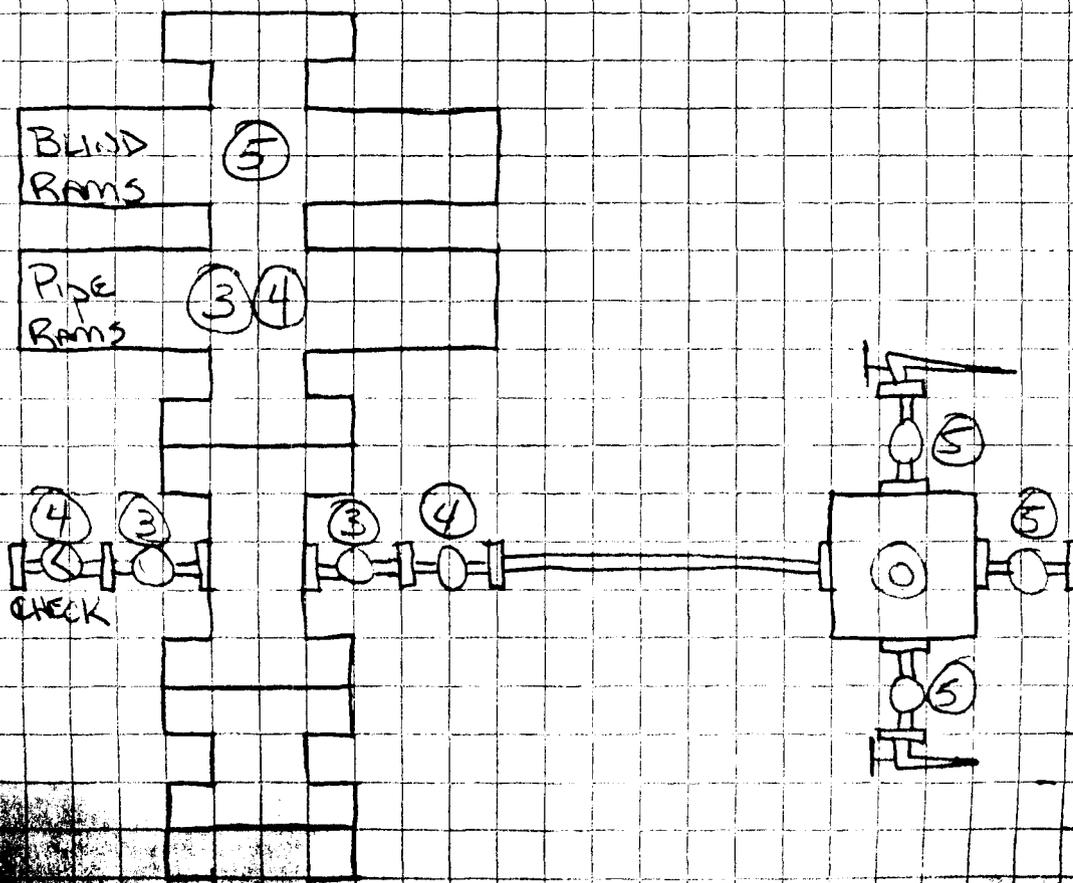


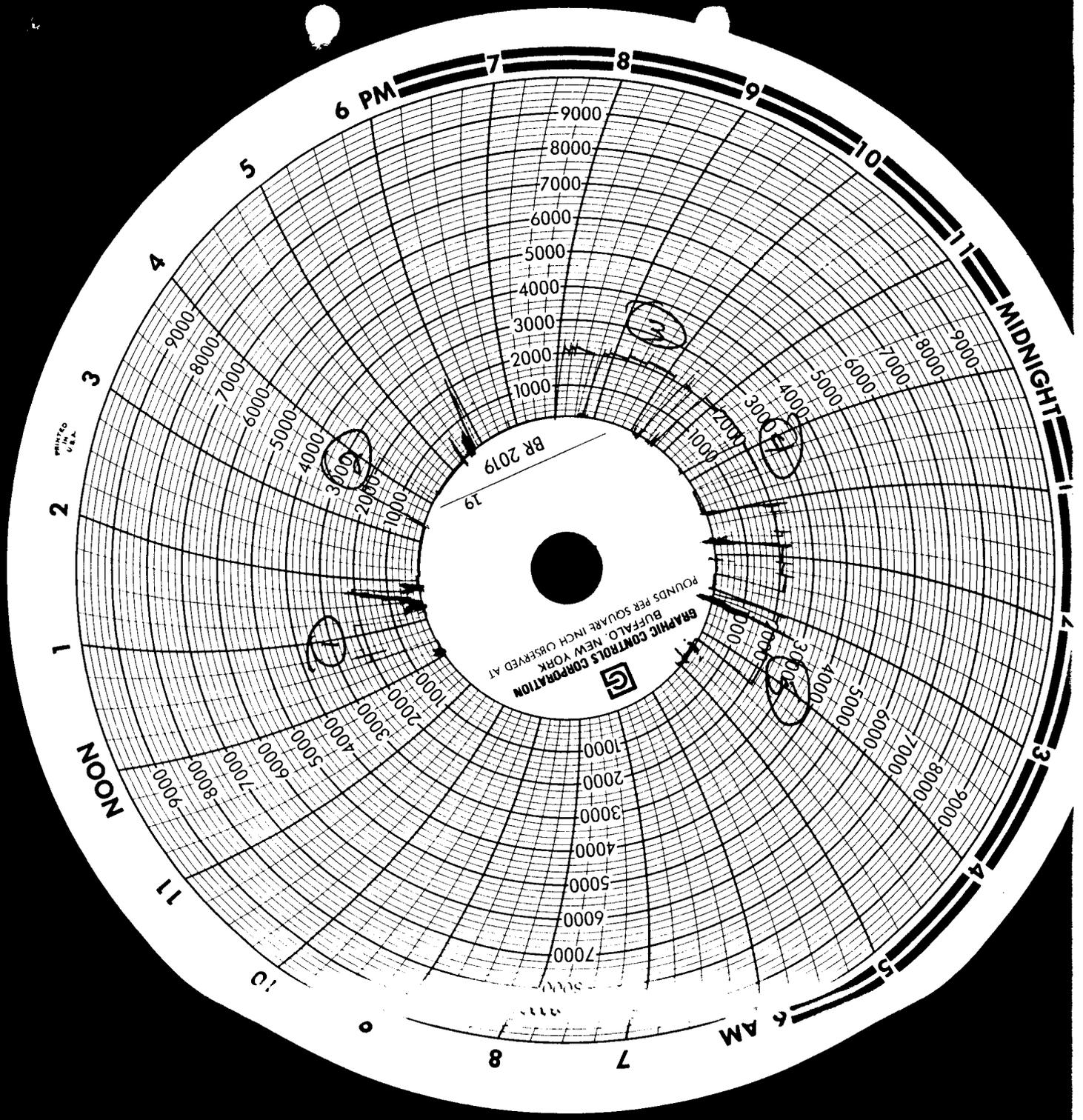
TEXACO E+P
STATE OF UTAH #36-16
SEVIER UT
S36 T23S R4E

8-6-96

NABORS 153

- 1) LOWER KELLY VLV
2000 PSI @ 10 MIN
- 2) UPPER KELLY VLV
2000 PSI @ 10 MIN
- 3) PIPE RAMS - I.S. KILL + I.S. CHOKE VLVS + DART VLV
2000 PSI @ 10 MIN
- 4) PIPE RAMS + KILL CHECK + O.S. CHOKE VLVS
2000 PSI @ 10 MIN
- 5) BLIND RAMS + CHOKE MANIFOLD VLVS
2000 PSI @ 10 MIN





STATE OF UTAH
DIVISION OF OIL AND GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS		5. Lease Designation and Serial Number: ML-46472
(Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.)		6. If Indian, Allottee or Tribe Name:
		7. Unit Agreement Name:
1. Type of Well <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	8. Well Name and Number: STATE OF UTAH V 36-16	
2. Name of Operator TEXACO EXPLORATION & PRODUCTION, INC.		9. API Well Number: 4304130028
3. Address and Telephone Number: 3300 N. Butler Ave., Suite 100 Farmington NM 87401 325-4397		10. Field and Pool, or Wildcat: WILDCAT
Location of Well		
Footages: 1015 NORTH 615 EAST	County: SEVIER	
QQ, Sec.T.,R.,M: NE , NE , 36 , T23S , R4E	State: UT	

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

NOTICE OF INTENT <small>(Submit in Duplicate)</small>	SUBSEQUENT REPORT <small>(Submit Original Form Only)</small>
<input checked="" type="checkbox"/> Abandonment <input type="checkbox"/> New Construction <input type="checkbox"/> Casing Repair <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Recompletion <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Shoot or Acidize <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Multiple Completion <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> OTHER _____	<input type="checkbox"/> Abandonment <input type="checkbox"/> New Construction <input type="checkbox"/> Casing Repair <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Shoot or Acidize <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> OTHER _____ Date of work completion _____ <small>Report results of Multiple Completions and Recompletions to different reservoirs on Well COMPLETION OR RECOMPLETION AND LOG form.</small> <small>* Must be accompanied by a cement verification report.</small>
Approximate date work will start <u>11/15/96</u>	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to the work.)

TEXACO E. & P., INC. PROPOSES TO PLUG AND ABANDON THE SUBJECT WELL:
THE FOLLOWING PROCEDURE WILL BE UTILIZED.

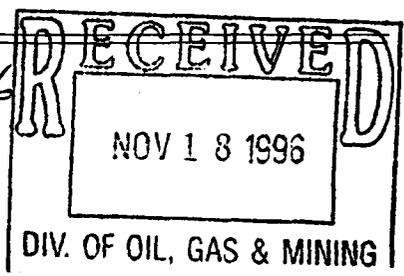
Current Status: Shut in with 9.3ppg mud in the hole. Three joints of 2 7/8" tubing (98') with an 'F' nipple landed in the 'B' section. 8 5/8", 32#, casing landed at 1785' with openhole to 2320'.

- MIRUSU. NUBOP. Kill well and TOH with tubing. RU Schlumberger mast truck and lubricator. Set CIBP at +1750' KB.
- TIH with tubing to CIBP. Spot 50 sx cement plug on top of CIBP. TOH to +320' and place 25 sx plug at surface casing shoe at 316'. TOH and spot 10 sx plug at surface. Fill the 8 5/8" X 13 3/8" annulus with cement, if necessary. RDMOSU.
- Mark with a permanent monument showing the well number, location, and name of the lease. The monument shall consist of a portion of pipe not less than four inches in diameter and not less than ten feet in length, of which four feet shall be above the ground level and the remainder shall be securely embedded in cement. The top of the pipe must be permanently sealed.

13. Name and Signature Ted A. Tipton *Ted A. Tipton* TITLE Operating Unit Manager DATE 11/13/96

Matthew Petroleum Engineer
as per attached slips

11/19/96





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

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

November 19, 1996

STIPULATIONS FOR PLUGGING AND ABANDONING
STATE OF UTAH "V"
SECTION 36, TOWNSHIP 23 SOUTH, RANGE 4 EAST
SEVIER COUNTY, UTAH
API # 43- 041-30028

A handwritten signature in black ink, appearing to read 'JAM'.

1. Notify DOGM 24 hours prior to plugging operations.
2. In step no. 2, please set balanced cement plug 50' out and 50' in the 13 3/8" casing shoe from 360' to 260'.
3. Rehab surface as per agreement with surface owner.



RDW 8-15-97

RFS 8-10-97

Farmington-Ark



Date: 8/12/97

To: Texaco Exploration & Production Inc
P.O. Box 618
Orangeville, UT 84537

Group #: 17110
Lab #: 97-U008191
Sample Desc: 'X' 36-16

Date Sampled: 7/24/97
Date Submitted: 7/24/97

Time Sampled: 13:15
Time Received: 16:30

CERTIFICATE OF ANALYSIS

PARAMETER	RESULT	MDL	DATE ANALYZED	METHOD	ANALYST
INORGANIC PARAMETERS					
Bicarbonate as HCO ₃ , mg/L	223	1	7/24/97 10:00	SM 2320B	TM
Carbonate as CO ₃ , mg/L	31	1	7/24/97 10:00	SM 2320B	TM
Alkalinity, Solids, mg/L	141	1	7/24/97 10:00	SM 2320B	TM
Hydroxide as OH, mg/L	< 1	1	7/24/97 10:00	SM 2320B	TM
Alkalinity, Total (CaCO ₃), mg/L	235	1	7/24/97 10:00	SM 2320B	TM
Carbon Dioxide, mg/L	189	1	7/24/97 10:00	SM 4500 D	TM
Chloride (D), mg/L	33	1	7/29/97 8:45	EPA 325.3	TM
Conductance, Specific, umhos/cm	750.0	0.1	7/30/97 15:00	EPA 120.1	KRF
Cyanide (T), mg/L	0.029	0.002	7/31/97 15:00	ASTM D2036	TPH
Fluoride, mg/L	0.8	0.1	7/30/97 13:00	EPA 340.2	JBR
Hardness, EDTA Titration, mg/L	9	5	7/28/97 10:30	EPA 130.2	TM
Hardness Index: Soft Water					
Mercury (T), as Hg, mg/L	< 0.0002	0.0002	7/29/97 10:16	EPA 245.1	EG
Nitrate/Nitrite-Nitrogen, mg/L	< 0.08	0.08	7/25/97 14:42	EPA 353.1	LH
pH, units	9.20	0.05	7/24/97 16:55	EPA 150.1	LS
Phosphorus, Total, mg/L	0.19	0.01	8/ 4/97 13:00	SM 4500-P	TM
Sulfate, mg/L	75	35	7/29/97 11:00	EPA 375.4	TM
Total Dissolved Solids, mg/L	484	5	8/ 1/97 14:00	EPA 160.1	LS
Total Suspended Solids, mg/L	28	1	7/24/97 17:15	EPA 160.2	LS
Turbidity, NTU	45.4	0.05	7/24/97 17:00	EPA 180.1	LS
Barium (T), as Ba, mg/L	1.66	0.005	8/ 5/97 15:15	EPA 200.7	LH
Beryllium (T), as Be, mg/L	< 0.001	0.001	8/ 5/97 15:15	EPA 200.7	LH

Approved By: _____

{generic.rpt}

6100 SOUTH STRATLER
SALT LAKE CITY UTAH 84107 6905
801 262 7299 PHONE
801 262 7378 FAX



Date: 8/12/97

To: Texaco Exploration & Production Inc
P.O. Box 618
Orangeville, UT 84537

Group #: 17110
Lab #: 97-U008191
Sample Desc: 'X' 36-16

Date Sampled: 7/24/97
Date Submitted: 7/24/97

Time Sampled: 13:15
Time Received: 16:30

CERTIFICATE OF ANALYSIS

PARAMETER	RESULT	MDL	DATE ANALYZED	METHOD	ANALYST
INORGANIC PARAMETERS					
Calcium (T), as Ca, mg/L	4.8	0.1	8/ 5/97 15:15	EPA 200.7	LH
Chromium(T), as Cr, mg/L	< 0.005	0.005	8/ 5/97 15:15	EPA 200.7	LH
Copper (T), as Cu, mg/L	0.04	0.01	8/ 5/97 15:15	EPA 200.7	LH
Iron (T), as Fe, mg/L	1.17	0.02	8/ 5/97 15:15	EPA 200.7	LH
Magnesium (T), as Mg, mg/L	0.5	0.1	8/ 5/97 15:15	EPA 200.7	LH
Manganese (T), as Mn, mg/L	0.05	0.01	8/ 5/97 15:15	EPA 200.7	LH
Nickel (T), as Ni, mg/L	< 0.01	0.01	8/ 5/97 15:15	EPA 200.7	LH
Potassium (T), as K, mg/L	2.5	0.1	8/ 5/97 15:15	EPA 200.7	LH
Silver (T), as Ag, mg/L	< 0.005	0.005	8/ 5/97 15:15	EPA 200.7	LH
Sodium (T), as Na, mg/L	164	0.1	8/ 5/97 15:15	EPA 200.7	LH
Zinc (T), as Zn, mg/L	0.19	0.01	8/ 5/97 15:15	EPA 200.7	LH
Antimony (T), as Sb, mg/L	< 0.002	0.002	8/ 6/97 7:29	EPA 200.9	EG
Arsenic (T), as As, mg/L	< 0.005	0.005	8/11/97 9:22	EPA 200.9	EG
Cadmium (T), as Cd, mg/L	< 0.001	0.001	8/ 6/97 12:11	EPA 200.9	EG
Lead (T), as Pb, mg/L	0.010	0.005	8/ 1/97 10:11	EPA 200.9	EG
Selenium (T), as Se, mg/L	< 0.002	0.002	8/ 4/97 8:33	EPA 200.9	EG
Thallium (T), as Tl, mg/L	< 0.001	0.001	8/ 5/97 8:00	EPA 200.9	EG
Cation, meq/L	7.54				
Anion, meq/L	7.23				
% Difference,	-2.11				
Receiving Temperature, C	4.3		7/24/97 16:30		RR

Approved By: _____

{generic.rpt}

6100 SOUTH STRATLER
SALT LAKE CITY UTAH 84107 6905
801 262 7299 PHONE
801 262 7378 FAX



Date: 8/12/97

To: Texaco Exploration & Production Inc
P.O. Box 618
Orangeville, UT 84537

Group #: 17110
Lab #: 97-U008191
Sample Desc: 'X' 36-16

Date Sampled: 7/24/97
Date Submitted: 7/24/97

Time Sampled: 13:15
Time Received: 16:30

CERTIFICATE OF ANALYSIS

PARAMETER	RESULT	MDL	DATE ANALYZED	METHOD	ANALYST
INORGANIC PARAMETERS					

NOTE: Sample was received on ice.

Approved By: _____

(generic.rpt)

6100 SOUTH STRATLER
SALT LAKE CITY UTAH 84107 6905
801 262 7299 PHONE
801 262 7378 FAX

ASSIGNMENT AND BILL OF SALE

STATE OF UTAH }
COUNTY OF SEVIER }

00278206 Br00345 Pg00310-00319
DORTHY VEE HENRIE RECORDER SEVIER COUNTY
1998 JAN 12 12:02 PM FEE \$32.00 BY MAIL
REQUEST: TEXACO EXPLORATION & PROD INC

KNOW ALL MEN BY THESE PRESENTS THAT:

For and in consideration of Ten Dollars (\$10.00) cash in hand paid and of the covenants and agreements herein contained, **TEXACO EXPLORATION AND PRODUCTION INC.**, whose address is P. O. Box 2100, Denver, Colorado 80201, **KIDD FAMILY PARTNERSHIP LIMITED**, whose address is 3838 Oak Lawn Avenue, Suite 725, Dallas, Texas 75219, **SECURITY ENERGY COMPANY**, whose address is 10000 Memorial Drive, Suite 440, Houston, Texas 77024, **ST. ANSELM EXPLORATION CO., INC.**, whose address is 1401 - 17th Street, Suite 1400, Denver, Colorado 80202, and **WILLIAMS PRODUCTION COMPANY**, whose address is One Williams Center, P. O. Box 3102, MS 37-4, Tulsa, Oklahoma 74101, hereinafter referred to collectively as "Assignor", does hereby grant, sell, assign and convey unto **JOHNSON CATTLE COMPANY**, whose address is P. O. Box 309, Aurora, Utah 84620, hereinafter referred to as "Assignee", all of its right, title and interest in and to that certain well known as the STATE OF UTAH NO. 36-16, located 1,015 feet from the North line and 615 feet from the East line of Section 36, Township 23 South, Range 4 East, Sevier County, Utah, together with all associated downhole and wellhead equipment, if any, including the casing and tubing.

THIS AGREEMENT IS EXECUTED WITHOUT ANY EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION AS TO THE MERCHANTABILITY OF ANY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PURPOSE. IT IS UNDERSTOOD AND AGREED THAT ASSIGNEE HAS INSPECTED THE PROPERTY AND PREMISES FOR ALL PURPOSES AND HAS SATISFIED ITSELF AS TO THEIR PHYSICAL CONDITION, BOTH SURFACE AND SUBSURFACE, AND THAT ASSIGNEE ACCEPTS THE PROPERTY IN ITS "AS IS, WHERE IS" CONDITION. ASSIGNOR DISCLAIMS ANY AND ALL LIABILITY ARISING IN CONNECTION WITH ANY ENVIRONMENTAL MATTERS INCLUDING, WITHOUT LIMITATION, ANY PRESENCE OF NORM ON THE PROPERTY FROM THE EFFECTIVE DATE OF THIS AGREEMENT.

Assignee agrees that any attempted use of said well shall be at its sole risk and liability and that Assignee will defend, indemnify and hold Assignor harmless from and against any claim or cause of action or liability in connection with Assignee's use of said well or equipment conveyed hereby. Assignee does also hereby agree that it will properly plug and abandon said well and agrees to comply with all applicable state and federal requirements in effect at the time the well is plugged. Assignee will defend, indemnify and hold Assignor harmless from and against any claim or cause of action or liability in connection therewith.

The parties hereto recognize that Assignor is not transferring, granting, selling, assigning or conveying any rights to the land or lease upon which said well is located or the right to operate the same. Assignee shall be responsible for acquiring any rights, permits and authorization from the owners of the land and governmental regulatory agencies necessary to conduct operations upon said well and agrees to defend, indemnify and hold Assignor harmless from and against any claim or cause of action or liability in connection therewith.

1998 JAN 12 12:02 PM
DORTHY VEE HENRIE
RECORDER
SEVIER COUNTY
UTAH

This Assignment and Bill of Sale may be executed in any number of counterparts, each of which shall be considered an original and which together shall constitute one and the same instrument. It shall be binding upon each executing Assignor, notwithstanding the failure or refusal of any other Assignor to execute it.

IN WITNESS WHEREOF, this agreement is executed effective this 18th day of September, 1997.

ASSIGNOR:

TEXACO EXPLORATIOIN AND PRODUCTION INC.

By: _____
Patrick Lee Callahan, Attorney-in-Fact

KIDD FAMILY PARTNERSHIP LIMITED
By KIDD OIL & GAS, LC, General Partner

Barron U. Kidd, Manager

SECURITY ENERGY COMPANY

Bruce P. Baganz, President

ST. ANSELM EXPLORATION CO., INC.

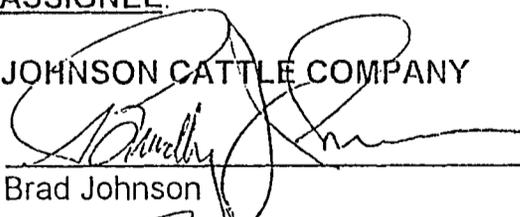
Mark S. Palmer, Vice President

WILLIAMS PRODUCTION COMPANY

Darrell L. Gillen, Attorney-in-Fact

ASSIGNEE:

JOHNSON CATTLE COMPANY



Brad Johnson

Title: Partner

00278206 Bk00345 Pg00314

**STATE OF UTAH
DIVISION OF OIL AND GAS AND MINING**

	5. Lease Designation and Serial Number: ML-46472
SUNDRY NOTICES AND REPORTS ON WELLS	6. If Indian, Allottee or Tribe Name:
(Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.)	7. Unit Agreement Name:
1. Type of Well <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	8. Well Name and Number: STATE OF UTAH 'V' 36-16
2. Name of Operator TEXACO EXPLORATION & PRODUCTION, INC.	9. API Well Number: 4304130028
3. Address and Telephone Number: 3300 N. Butler Ave., Suite 100 Farmington NM 87401 (505) 325-4397	10. Field and Pool, or Wildcat: WILDCAT

Location of Well

Footages: 1015 NORTH 615 EAST County: **SEVIER**

QQ, Sec., T., R., M: NE , NE , 36 , T23S , R4E State: **UT**

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

<p align="center">NOTICE OF INTENT (Submit in Duplicate)</p> <p><input type="checkbox"/> Abandonment <input type="checkbox"/> New Construction</p> <p><input type="checkbox"/> Casing Repair <input type="checkbox"/> Pull or Alter Casing</p> <p><input type="checkbox"/> Change of Plans <input type="checkbox"/> Recompletion</p> <p><input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Shoot or Acidize</p> <p><input type="checkbox"/> Fracture Treat <input type="checkbox"/> Vent or Flare</p> <p><input type="checkbox"/> Multiple Completion <input type="checkbox"/> Water Shut-Off</p> <p><input checked="" type="checkbox"/> OTHER <u>CHANGE OF OWNER</u></p> <p>Approximate date work will start _____</p>	<p align="center">SUBSEQUENT REPORT (Submit Original Form Only)</p> <p><input type="checkbox"/> Abandonment <input type="checkbox"/> New Construction</p> <p><input type="checkbox"/> Casing Repair <input type="checkbox"/> Pull or Alter Casing</p> <p><input type="checkbox"/> Change of Plans <input type="checkbox"/> Shoot or Acidize</p> <p><input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Vent or Flare</p> <p><input type="checkbox"/> Fracture Treat <input type="checkbox"/> Water Shut-Off</p> <p><input type="checkbox"/> OTHER _____</p> <p>Date of work completion _____</p> <p><small>Report results of Multiple Completions and Recompletions to different reservoirs on Well COMPLETION OR RECOMPLETION AND LOG form. * Must be accompanied by a cement verification report.</small></p>
--	---

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to the work.)

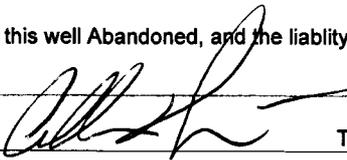
TEXACO E. & P., INC. HAS RELINQUISHED OWNERSHIP OF THE SUBJECT WELL.

In accordance with Utah Division of Oil, Gas and Mining Rule R649-3-24 Sec. 8 Plugging and Abandonment of Wells, please reference the following agreement between Texaco Exploration and Production, Inc and partners with Johnson Cattle Company for the transfer of any and all liability and responsibility for future operations and plugging of the above referenced well. This document is recorded with Sevier Co. recorder.

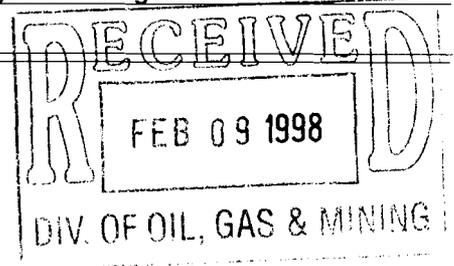
Johnson Cattle Company plans to utilize the well as a source of fresh water. Also enclosed for your reference is a copy of the most recent water analysis.

Current Status: Shut in with 9.3ppg mud in the hole. Three joints of 2 7/8" tubing (98') with an 'F' nipple landed in the 'B' section. 8 5/8", 32#, casing landed at 1785' with openhole to 2320'.

With approval of this sundry, Texaco will consider this well Abandoned, and the liability and responsibility of same transferred to Johnson Cattle Company.

13. Name and Signature Allen Davis  TITLE Operating Unit Manager DATE ext. 20 2/3/98

(This space for State use only)



STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL GAS DRY OTHER COAL-BED METHANE
1b. Type of Completion WELL WELL
NEW WORKO DEEP PLUG DIFF. OTHER
WELL VER EN BACK RESVR.

CONFIDENTIAL

2. Name of Operator
TEXACO EXPLORATION & PRODUCTION, INC.

3. Address and Telephone No.
3300 N. Butler Ave., Suite 100 Farmington NM 87401 325-4397

4. Location of Well (Report location clearly and in accordance with any State requirements.)*
At Surface
Unit Letter A : 1015 Feet From The NORTH Line and 615 Feet From The EAST Line
At top prod. interval reported below

At Total Depth
14. API No. 4304130028
Date Issued

5. Lease Designation and Serial No.
ML-46472
6. If Indian, Alottee or Tribe Name
7. Unit Agreement Name
8. Farm or Lease Name
STATE OF UTAH 'V'
9. Well No.
36-16
10. Field and Pool, or Willdcat
WILDCAT
11. SEC., T., R., M., or BLK. and Survey or Area
Sec. 36, Township T23S, Range R4E

15. Date Spudded 7/25/96
16. Date T.D. Reached 8/11/96
17. Date Compl. (Ready to Prod.) 8/13/96
18. Elevations (Show whether DF,GR,RT, GR, etc.) 6857
19. Elev. Casinhead

20. Total Depth, MD & TVD 2320
21. Plug Back T.D., MD & TVD 2320'
22. If Multiple Compl., How Many* 1
23. Intervals Drilled By --> ROTARY
Rotary Tools CableTools

24. Producing Interval(s), Of This Completion -- Top, Bottom, Name (MD and TVD)*
FERRON
25. Was Directional Survey Made
NO

26. Type Electric and Other Logs Run PHASOR INDUCTION & LOG COR & GR
GR-LDT-CNL, GR-NEUTRON 8-14-96
27. Was Well Cored Yes No
Drill Stem Test Yes No

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

CASING SIZE & GRADE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENT RECORD	AMOUNT PULLED
13-3/8"	54.5	316'	17-1/2"	400 SX	
8-5/8"	32#	1785'	12-1/4"	420 SX	

29. LINER RECORD				30. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET

31. Perforation record (interval, size, and number)
7-7/8" OPEN HOLE FROM 1785' TO 2320'
32. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED

33. PRODUCTION

Date First Production
Production Method (Flowing, gas lift, pumping - size and type pump)
Well Status (Prod. or Shut-in)
SHUT-IN TA (DYS)
Date of Test Hours tested Choke Size Prod'n For Test Period Oil - Bbl. Gas - MCF Water - Bbl. Gas - Oil Ratio
Flow Tubing Press. Casing Pressure Calculated 24-Hour Rate Oil - Bbl. Gas - MCF Water - Bbl. Oil Gravity - API -(Corr.)

34. Disposition of Gas (Sold, used for fuel, vented, etc.)
Test Witnessed By
R. SCHAFFITZEL

35. List of Attachments

36. I hereby certify that the foregoing is true and correct
SIGNATURE [Signature] TITLE Operating Unit Manager DATE 2/18/98
TYPE OR PRINT NAME Allen Davis

INSTRUCTIONS

This form should be completed in compliance with Utah Oil and Gas Conservation General Rules. If not a file prior to this time, all logs, tests, and directional surveys as required by Utah Rules should be attached and submitted with this report.
 ITEM 18: Indicate which elevation is used as reference for depth measurements given in other spaces on this form and on 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) for only the interval reported in item 33. 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 item 22 and 24 above).

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	38.	NAME	GEOLOGIC MARKERS	
						MEAS. DEPTH	TOP TRUE VERT. DEPTH
					FERRON FM.	1770'	1770'

CONFIDENTIAL

From: Don Staley
To: LCORDOVA
Date: 5/5/98 2:31pm
Subject: WSW - State of Utah V 36-16 (43-041-30028)

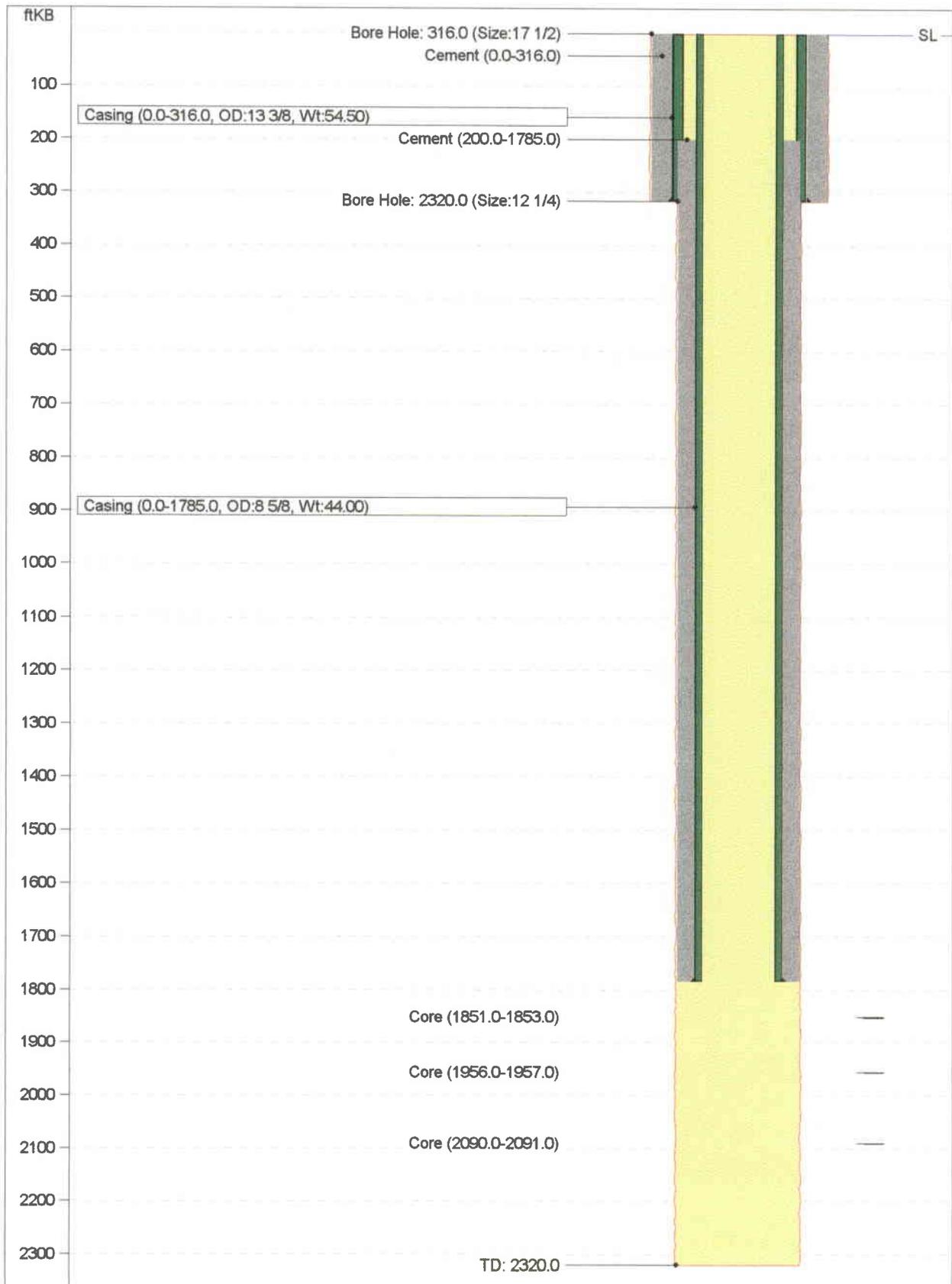
Lisha,

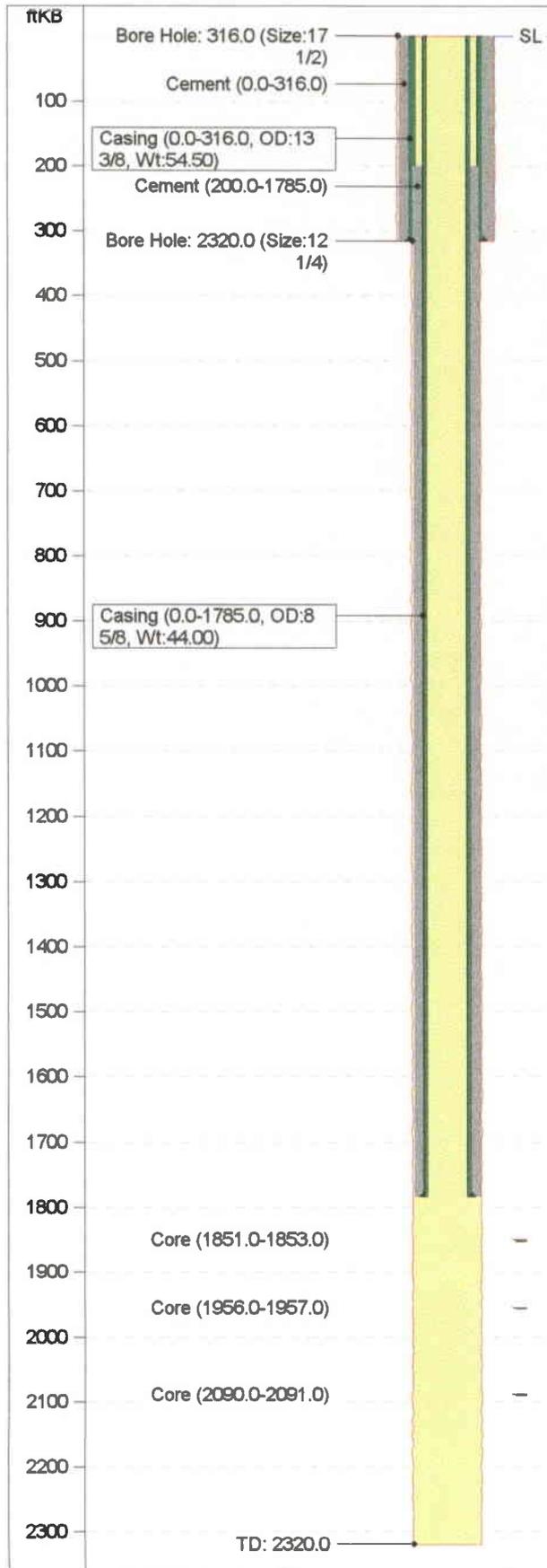
I just came across my notes pertaining to the subject well. It's the one on which I think you were holding back on an operator change between Texaco & Johnson Cattle, until we determined exactly how to handle the conversion to WSW. I don't remember exactly what you and I decided previously, but if you are still waiting on the operator change, I'd quit waiting. Get the operator change handled if you haven't already done it, and pass the file on to me. I'll make sure the well status gets changed, etc. I've asked John two or three times now for his review and advice, or approval, to the existing conversion handling procedures. He apparently still hasn't had time to get to it, so we'll just go ahead and process it like we've done for the past few years. If there are any doubts in your mind about the condition of the well, or any other operational problems, just run it past Gil first. Let me know if you have any other concerns. Thanks.

Don

7/30/98

API #4304130028, Texaco 16-36 P&A/Water Well Conversion to Johnson Cattle Co





Texaco, 13-36						
UWI	4304130028	Field Code				
TD	2320.0 ftKB	Pool				
PBTD	2320.0 ftKB	Pool Code				
Province		License				
Licensee		Spud				
License No.		Finish Drl				
Surf. Rights	Johnson Cattle Co. Water Well	RR				
Class.		On Prod				
Agent		Abandon				
Field	Wildcat					
Elevations						
KB		Cas Fing				
Grd		Tub Head				
KB-Grd						
Bore Hole Data						
Depth (ftKB)		Size (in)				
316.0		17 1/2				
2320.0		12 1/4				
Casing String - Surface						
Item (In)	Btm (ftKB)	Jnts	ID	Wt	Grd	Thd
13 3/8 in Casing	316.0	7	12 39/64	54.50	J-55	STC
Casing String - Intermediate						
Item (In)	Btm (ftKB)	Jnts	ID	Wt	Grd	Thd
8 5/8 in Casing	1785.0	44	7 5/8	44.00	K-55	LTC
Casing Cement						
Casing String	Top (ftKB)	Amount (sx)	Comments			
Surface	0.0	400	Circ. 129 sks to surface			
Intermediate	200.0	420	Top Estimated at 200 ft., No Returns at Surface			

```

06/09/98          D E T A I L   W E L L   D A T A          menu: opt 00
api num:  4304130028      prod zone: FRSD      sec   twnshp   range   qr-qr
entity:   12307 : ST OF UT V 36-16           36   23.0 S   4.0   E   NENE
well name: ST OF UT V 36-16
operator: N5700 : TEXACO E & P INC           meridian: S
field:    1      : WILDCAT
confidential flag:      confidential expires:      alt addr flag:
      * * * application to drill, deepen, or plug back * * *
lease number:  ML-46472      lease type: 3      well type:      GW
surface loc:   1015 FNL 0615 FEL   unit name:
prod zone loc: 1015 FNL 0615 FEL   depth:           2485      proposed zone: FRSD
elevation:    6857' GR          apd date:       960611   auth code:  R649-3-3
* * completion information * *      date recd:     980223   la/pa date:
spud date:    960724          compl date:    960813   total depth: 2320'
producing intervals: 1785-2320' (OPEN HOLE)
bottom hole:  1015 FNL 0615 FEL   first prod:      well status:  TA
24hr oil:     24hr gas:          24hr water:     gas/oil ratio:
      * * well comments:          directionl:     api gravity:
980310 ENTITY ADDED:980413 CONF EXP:

```

```

opt: 21 api: 4304130028 zone:      date (yymm):      enty      acct:

```

Division of Oil, Gas and Mining
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

Well File _____

Suspense _____

Other _____

(Loc.) Sec 36 Twp 23S Rng. 4E
 (API No.) 43-041-30028

(Return Date) _____
 (To-Initials) _____

1. Date of Phone Call: 6/17/98 Time: 9:40 AM

2. DOGM Employee (name) RJK (Initiated Call)

Talked to:

Name Rashed (Initiated Call) - Phone No. (505) 325-4397 ext 15
 of (Company/Organization) Texaco E & P

3. Topic of Conversation: Operator Conversion of CBM well

4. Highlights of Conversation: Believe Texaco has 2 options with regards to selling of well to Johnson Cattle Co. (JCC) As submitted in 2/13/98 Sunday, they want to sell as a fresh water well - (1) in this case they would either have to plug well back above coal seams or demonstrate that there is no gas prod. potential from the seams. OR (2) They could x-fer the well to JCC as a gas well if Johnson posts a bond. In either case, once completed, Texaco could be released from liability & have their bond released. Rashed to get back to me.

538- → Norma Junko in DWR has an opp. on file for water 7409 extraction from this well. They need to be notified of our decision w/ regards to "safety" connecting this well water use. cc Mark Page (Price) + Kent Jones (SEC, Appropriations)

OVER →

7/15/97 (505)
800-7083-C-11.
Left message w/ Rashed. Still need core data on CBM
gas producing capability of coal seams to know
if well can "safely" be converted to a water well.

7/16/98 Rashed to send me the adsorption test data &
love Mark Page w/ DWR call me. Need to
tell DWR that the well is uncased
below 1785 feet! & openhole to 2320'
As the Johnson Cattle Co. appl. is
incorrect!

Bond on this water well
conversion cannot be
released until an
approved Water Rights
permit has been received.

RTK
11-23-98

OPERATOR CHANGE WORKSHEET

Routing:

1-LEC	6-LBC
2-GLH	7-KAS
3-DTS	8-SI
4-VLD	9-FILE
5-JRB	

Attach all documentation received by the division regarding this change.

Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold) Designation of Agent
 Designation of Operator Operator Name Change Only

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

TO: (new operator) _____ **FROM:** (old operator) _____
 (address) _____ (address) _____

 Phone: _____ Phone: _____
 Account no. _____ Account no. _____

WELL(S) attach additional page if needed:

Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____

OPERATOR CHANGE DOCUMENTATION

- ___ 1. (r649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator (attach to this form).
- ___ 2. (r649-8-10) Sundry or other legal documentation has been received from the **NEW** operator (Attach to this form).
- ___ 3. The **Department of Commerce** has been contacted if the new operator above is not currently operating any wells in Utah. Is the company **registered with the state?** (yes/no) ____ If yes, show company file number: _____.
- ___ 4. **FOR INDIAN AND FEDERAL WELLS ONLY.** The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of **Federal** and **Indian** well operator changes should ordinarily take place prior to the division's approval, and before the completion of **steps 5 through 9** below.
- ___ 5. Changes have been entered in the **Oil and Gas Information System** (3270) for each well listed above.
- ___ 6. **Cardex** file has been updated for each well listed above.
- ___ 7. Well **file labels** have been updated for each well listed above.
- ___ 8. Changes have been included on the monthly "Operator, Address, and Account Changes" **memo** for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc.
- ___ 9. A folder has been set up for the **Operator Change file**, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- 1. (r649-8-7) **Entity assignments have been reviewed** for all wells listed above. Were entity changes made? (yes/no) ____ If entity assignments were changed, attach copies of Form 6, Entity Action Form.
- 2. Trust Lands, Sovereign Lands, Tax Commission, etc., have been **notified** through normal procedures of entity changes.

BOND VERIFICATION - (FEE WELLS ONLY)

- 1. (r649-3-1) The **NEW** operator of any fee lease well listed above has furnished a proper bond.
- 2. A **copy of this form** has been placed in the new and former operator's bond files.
- 3. The **FORMER** operator has requested a release of liability from their bond (yes/no) ____, as of today's date _____. If yes, division response was made to this request by letter dated _____.

LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY

- 1. Copies of documents have been sent on _____ to _____ at Trust Lands for changes involving State leases, in order to remind that agency of their responsibility to review for proper bonding.
- 2. (r649-2-10) The former operator of any fee lease wells listed above has been contacted and informed by letter dated _____ 19 ____, of their responsibility to notify all interest owners of this change.

FILMING

- 1. All attachments to this form have been **microfilmed**. Today's date: _____.

FILING

- 1. **Copies** of all attachments to this form have been filed in each **well file**.
- 2. The **original of this form**, and the **original attachments** are now being filed in the Operator Change file.

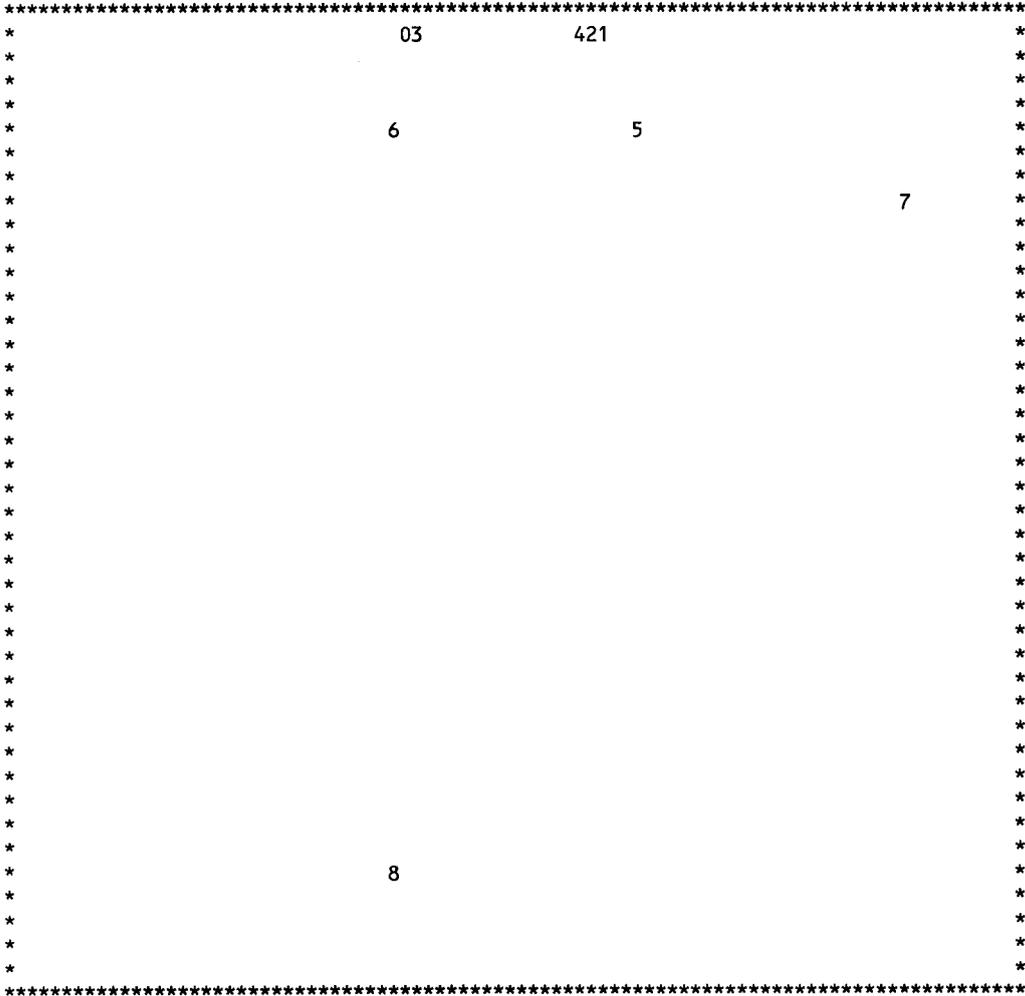
COMMENTS

UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED THU, MAR 4, 1999, 1:25 PM
PLOT SHOWS LOCATION OF 14 POINTS OF DIVERSION

PLOT OF ALL QUARTER(S) IN SECTION 36 TOWNSHIP 23S RANGE 4ES SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 1000 FEET

N O R T H





TEXACO

FAX TRANSMITTAL COVER SHEET

NOTE: DO NOT USE BLUE OR RED INK OR PENCIL ON THIS FORM. THEY WILL NOT REPRODUCE

DATE: 7/17/98 URGENT ROUTINE NO. OF PAGES cover + 11

MESSAGE TO: Mr. Bob Kruger (DOGMA)

TELEPHONE NO. 801 588-5274 FAX MACHINE NO. 801 589-3940

DEPT./DIV./SUBS. _____

LOCATION _____ ROOM NO. _____

MESSAGE FROM: Rached Hindi

TELEPHONE NO. 505 325-4397 ext 15 FAX MACHINE NO. 505 325-5398

DEPT./DIV./SUBS. _____

LOCATION Farmington, N.M. ROOM NO. _____

SENDING DEPT. APPROVAL _____ TIME TRANSMITTED _____

RETURN ORIGINAL VIA INTER-OFFICE MAIL RETURN ORIGINAL CALL SENDER TO PICK UP

ADDITIONAL COMMENTS:

Bob, Please find attached the description and log data for St. of Utah V 36-16 as per our phone conversation. Texaco's intent is to show that the wellbore, in it's current configuration, is suitable/acceptable as a water well. We hope to show this by 1) showing the water quality is acceptable as per Enviro. Qual. (Div of water rights) and 2) showing that hydrocarbon gas content is minimal and will continue to be minimal with continued reservoir depressuring.

State of Utah "V" No 36-16

Sec 36, T23S-R4E

Sevier County, Utah

Rashed,

Based on whole core and sidewall core data, the average gas content is 4 scf/ft of coal. This value is very low and much less than values in the Orangeville area where we commonly have values above 300 scf/ft of coal.

The well contains a maximum of 6 feet of coal, in 3 thin seams at depths of 189', 1965' and 2246'.

The combination of very thin coals with very low gas content results in very minor quantities of gas in this well.

Bob Lemaire 6/24/98

Texaco Geologist

Post-It® brand fax transmittal memo 7871		# of pages > 6	
To: Rashed blindi	From: Bob Lemaire		
Co:	Co:		
Dept:	Phone # 621-4274		
Fax # 505-325-5398	Fax # 621-4228		

DESCRIPTION REPORT

INTRODUCTION

The Texaco well, Utah V36-16 was located in Section 36, T23E, R4E of Sevier County, Utah. This well was drilled to test coals of the Ferron Formation. The well was drilled to a total depth of 2320' on August 11, 1996. This well was drilled with air and aerated mud.

Three core samples and twelve sidewall core samples were collected from coal beds in the Ferron Formation and were sealed in canisters for description. The samples were collected at the following depths and lithologies:

CORE SAMPLE

CANISTER #	164	1851-1853	Shale, occ carb, tr coal
CANISTER #	178	1956-1957	Coal and carb shale
CANISTER #	184	2090-2091	Shale, trace carb shale

SIDEWALL CORES

CANISTER #	SW230	1851	Coal & carb Shale
CANISTER #	SW225	1893.5	Coal
CANISTER #	SW221	1983	Coal & Sandstone
CANISTER #	SW215	2057	Siltstone
CANISTER #	SW203	2077	Carb Shale
CANISTER #	SW195	2110	Shale
CANISTER #	SW194	2116	Silty Sandstone
CANISTER #	SW184	2110	very carb shale
CANISTER #	SW182	2213	Carb Shale, tr Coal
CANISTER #	SW179	2246	Coal
CANISTER #	SW180	2247	Coal
CANISTER #	SW178	2265	Carb Shale, Trace Coal

DESCRIPTION ANALYSIS

The samples were desorbed with the desorbed gas volume measured using the manometric method. Data sheets for the samples are enclosed listing the following: Description time, gas volume, temperature, pressure, gas volume at STP, desorption rate, and cumulative gas volume. All of the samples were desorbed at formation temperature until they stopped giving up gas. Table #1 compares the desorption results and the gas content of the coal using the US Bureau of Mines Direct Method, the Smith and Williams Method and the Decline Curve Method of lost gas calculations. Some of the samples were composed of a carbonaceous shale. The gas content for these canisters is for the entire sample and not for coal. The gas content for those samples composed partially of coal and shale or sandstone was calculated for both the full sample and just the coal portion.

LOST GAS ANALYSIS

The lost gas for the samples was calculated using the US Bureau of Mines Direct Method, the Smith and Williams Method and the Decline Curve Method. The Direct Method and the Decline Curve Method lost gas curves are plotted on graphs enclosed in this report.

The sidewall cores were cut after the coals were drilled with mud. It is not known how much gas may have desorbed from the coals between the time the hole was drilled and the sidewall cores were collected from the wall of the hole. The lost gas calculations on the sidewall cores were completed with the theory that the coals desorb very little gas before they were collected. The coals probably did not desorb at the unrestricted full rate as they were sealed in the wall of the hole and may have had some fluid exerting hydrostatic pressure against them. More likely the coals desorbed 10-20% of the gas before there were collected.

TEXACO EXPLORATION & PRODUCTION

UTAH V36-16

SECTION 36, T23S, R4E

SEVIER COUNTY, UTAH

DESCRIPTION REPORT

BY

BILL NAGEL

ROCKY MOUNTAIN GEO-ENGINEERING CORP.

COMPANY: **TEXACO EXPLORATION & PRODUCTION, INC.**
 WELL: **STATE OF UTAH "V" NO. 36-16**
 FIELD: **WILDCAT**
 COUNTY: **SEVIER** STATE: **UTAH**

Location: 1015 FNL & 615 FEL Well: STATE OF UTAH "V" NO. 36-16 Company: TEXACO EXPLORATION & PRODUCTION, INC.		Schlumberger		COMPENSATED NEUTRON LITHO-DENSITY and GAMMA RAY	
		LOCATION 1015 FNL & 615 FEL		Elev.: K.B. 8860 F G.L. 8870 F D.F. 8878 F	
Permanent Datum: <u>GROUND LEVEL</u> Elev.: <u>8870 F</u>		Log Measured From: <u>KELLY BUSHING</u> 10.0 F above Perm. Datum			
Drilling Measured From: <u>KELLY BUSHING</u>					
API Serial No. 43-041-30028		SECTION 38	TOWNSHIP 23 S	RANGE 4 E	
Logging Date	11-AUG-1998				
Log Number	ONE				
Well Driller	2320 F				
Schlumberger Depth	2322 F				
Bottom Log Interval	2288 F				
Log Interval	300 F				
Logging Driller Size @ Depth	8.625 IN		@	1784 F	
Logging Schlumberger Size	1788 F				
Fluid In Hole	LSD				
Viscosity	Viscosity	8.3 LB/G		42.8	
Fluid Loss	PH	8.2 CS		10.5	
Source Of Sample	MUD TANK				
@ Measured Temperature	3.700 OHMM		@	82 DEGF	
F @ Measured Temperature	3.650 OHMM		@	82 DEGF	
C @ Measured Temperature					
RMF	RMG	MEASURED		N/A	
@ MRT	RMF @ MRT	3.135 @ 95		3.118 @ 85	
Minimum Recorded Temperature	88 DEGF				
Logging Stopped	Time	11-AUG-1998		18:00	
Logging On Bottom	Time	11-AUG-1998		18:00	
Log Number	Location	2018		VERNAL, UTAH	
Recorded By	T. BECKER				
Checked By	R.A. LAMARRE				

1015 FNL & 615 FEL

MUD

Urg
DST
TA
Cable
Drag
From STIA
to STIT

Tension (TENS)
(LBF)
10000 0

Stuck
Stretch
(STIT)
0 (F) 50

COAL

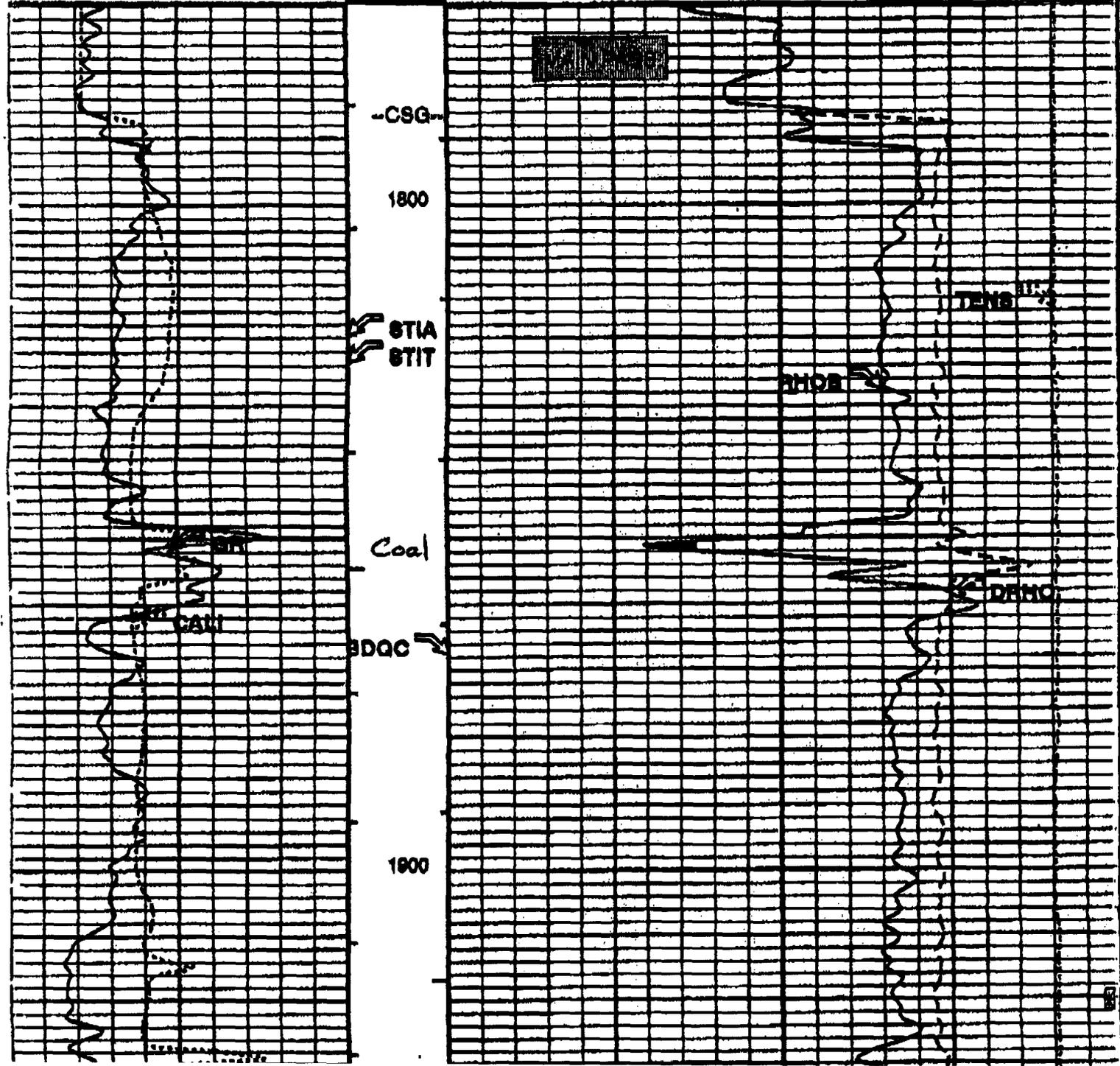
Bulk Density Correction (DRHO)
(G/C3)
-0.25 0.25

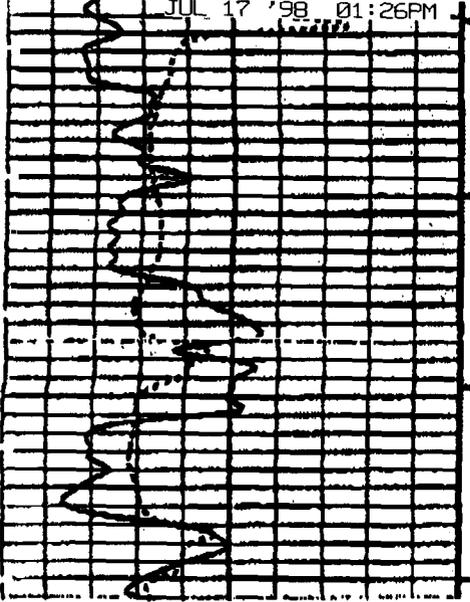
Caliper (CALI)
(IN)
6 18

Gamma Ray (GR)
(GAPI)
0 200

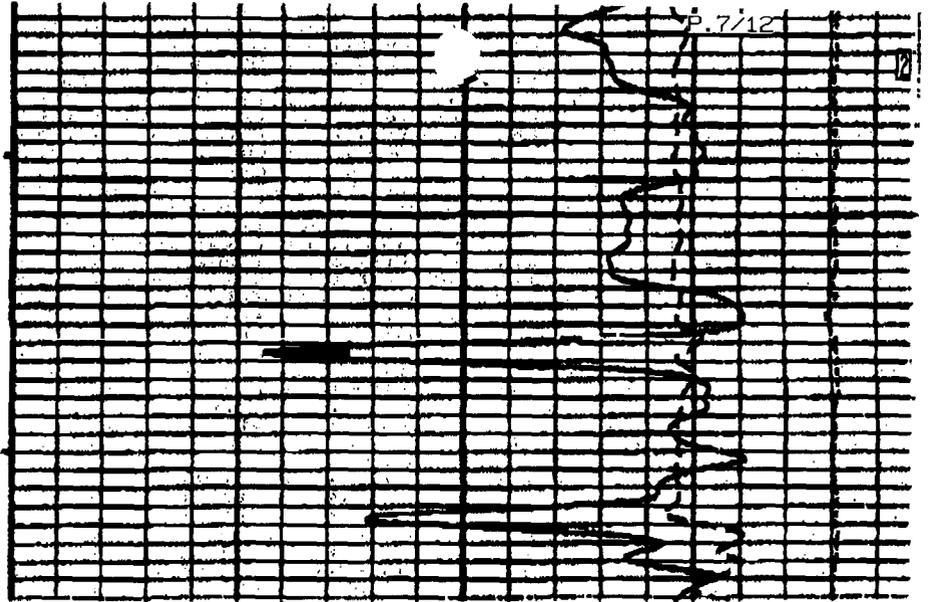
LDI
QUALITY
1

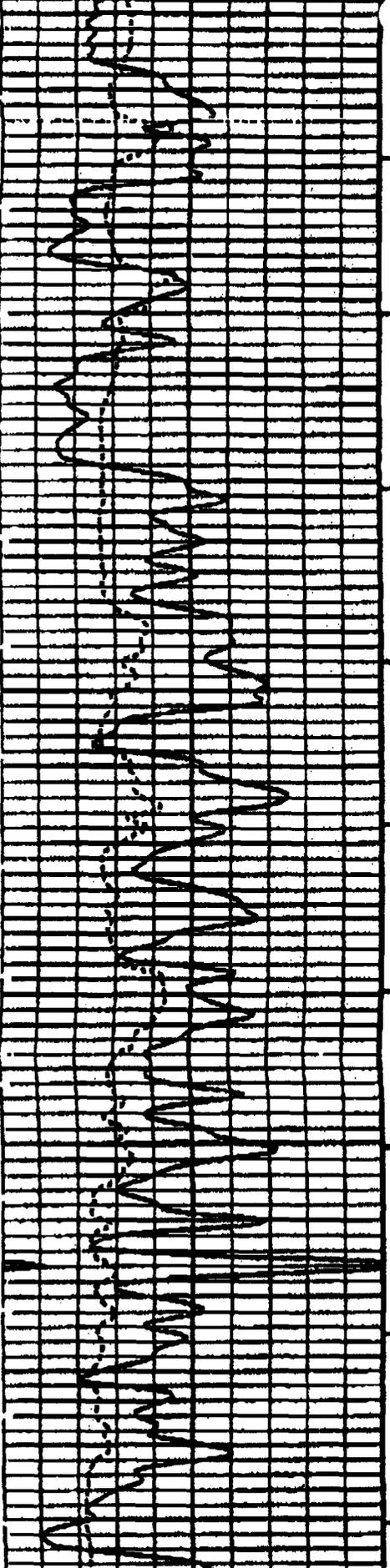
Bulk Density (RHOB)
(G/C3)
1 3





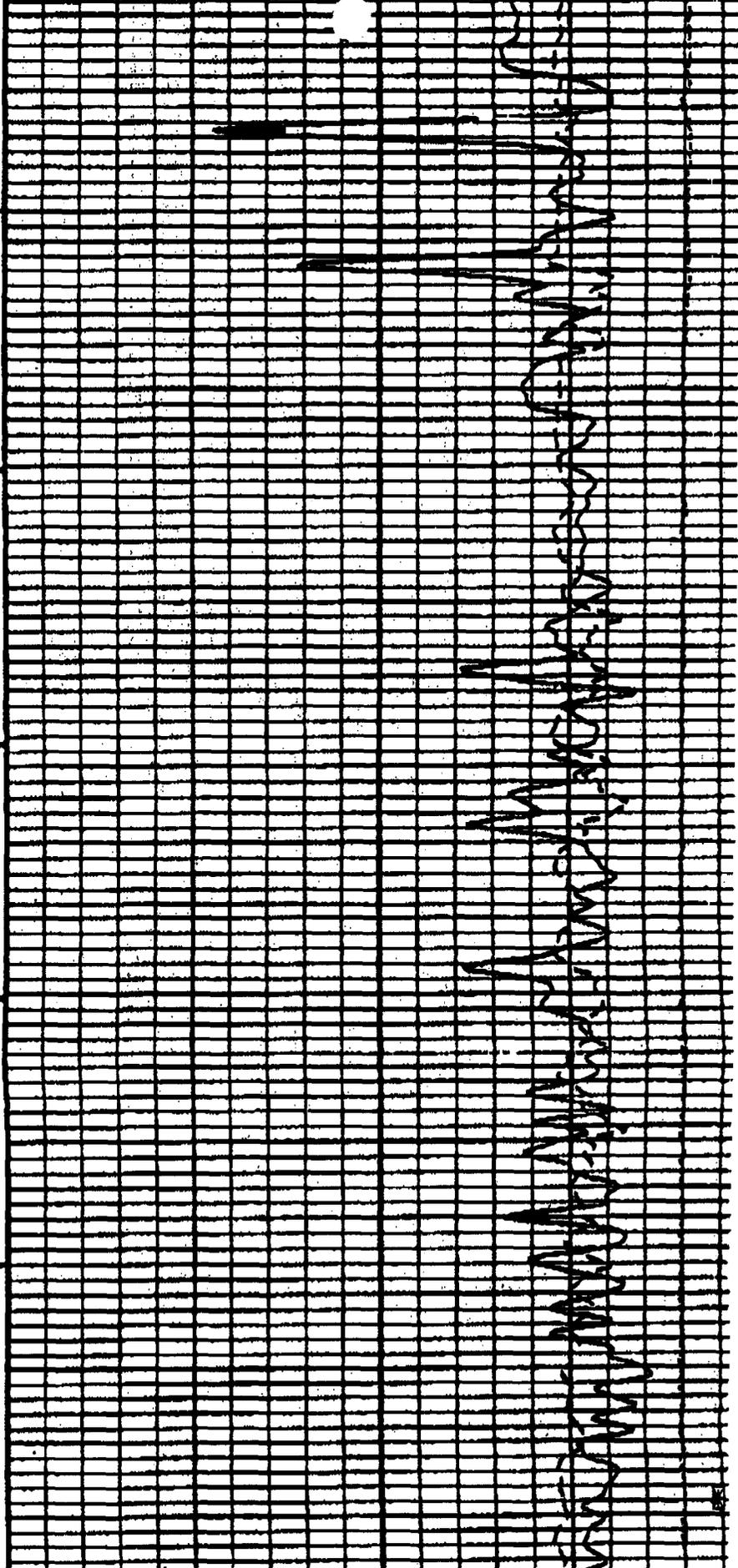
Coal



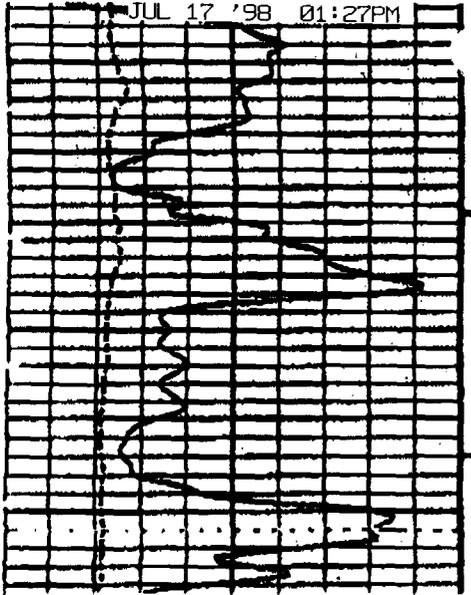


2000

2100

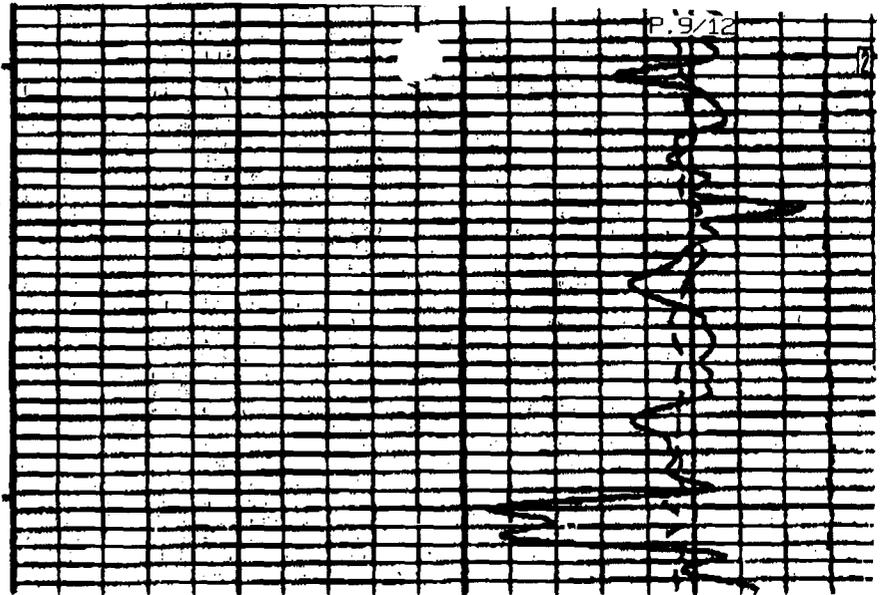


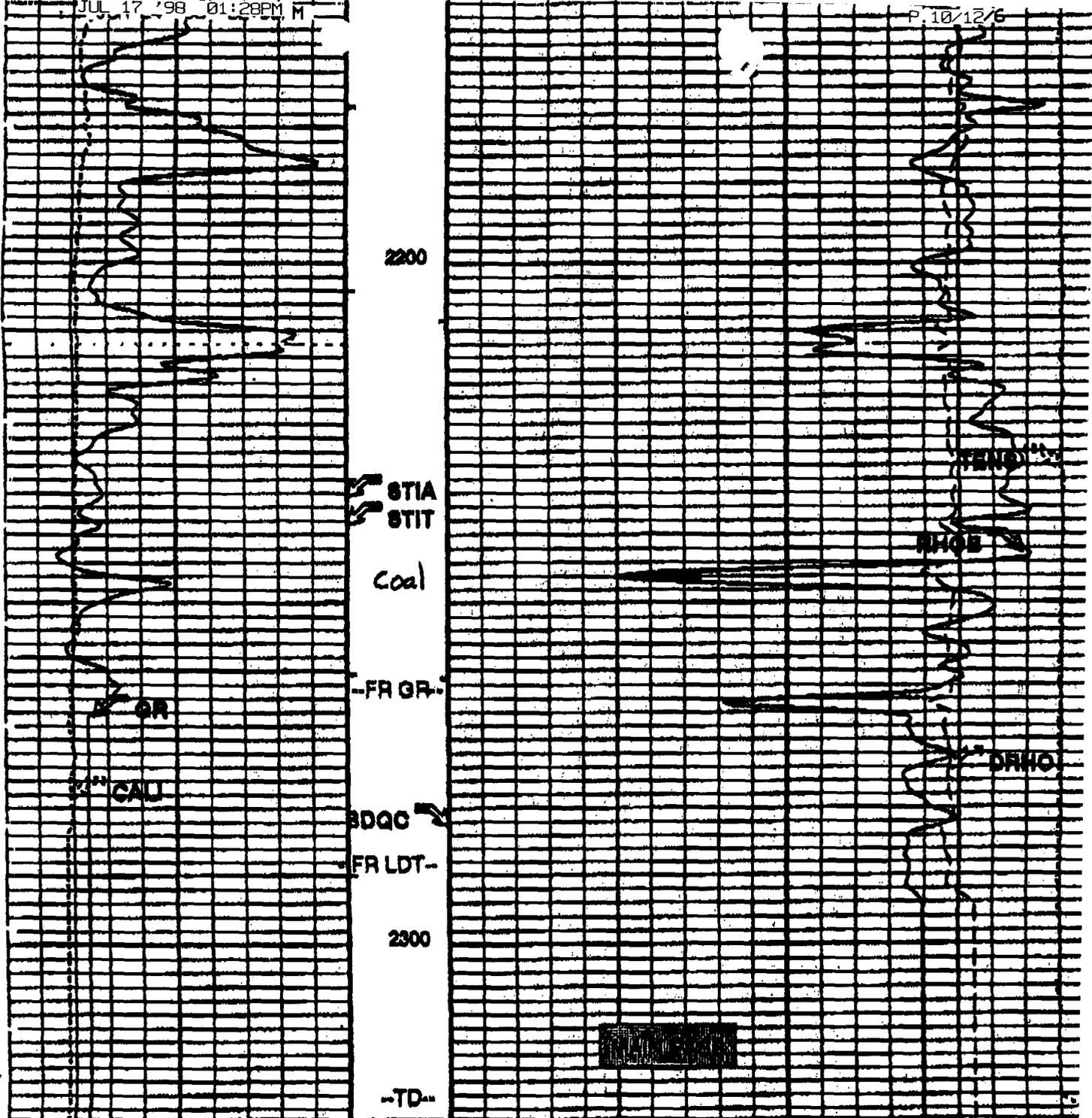
JUL 17 '98 01:27PM



2200

P. 9/12





Gamma Ray (GR) (GAPI)	LDT QUALITY	Bulk Density (RHOB) (G/C3)
Calliper (CALI) (IN)	Stuck Stretch (STIT) (F) 50	Bulk Density Correction (DRH) -0.25 (G/C3)
	Cable Drag From STIA to STIT Tool/Tel. Drag	Tension (TENS) 10000 (LBF)

Drag From DST to STIA
Bulk Density Quality Curve (BDQC)
10 (---) 0

PIP SUMMARY

- ↳ Integrated Hole Volume Minor Pip Every 10 F3
- ↳ Integrated Hole Volume Major Pip Every 100 F3
- ↳ Integrated Cement Volume Minor Pip Every 10 F3
- ↳ Integrated Cement Volume Major Pip Every 100 F3

C Time Mark Every 60 S

Parameters

DLIS Name	Description	Parameters	Value
-----------	-------------	------------	-------

Cable tag
From STIA
to STIT

Tension (TENS)
10000 (LBF)

Caliper (CALI)
(IN)

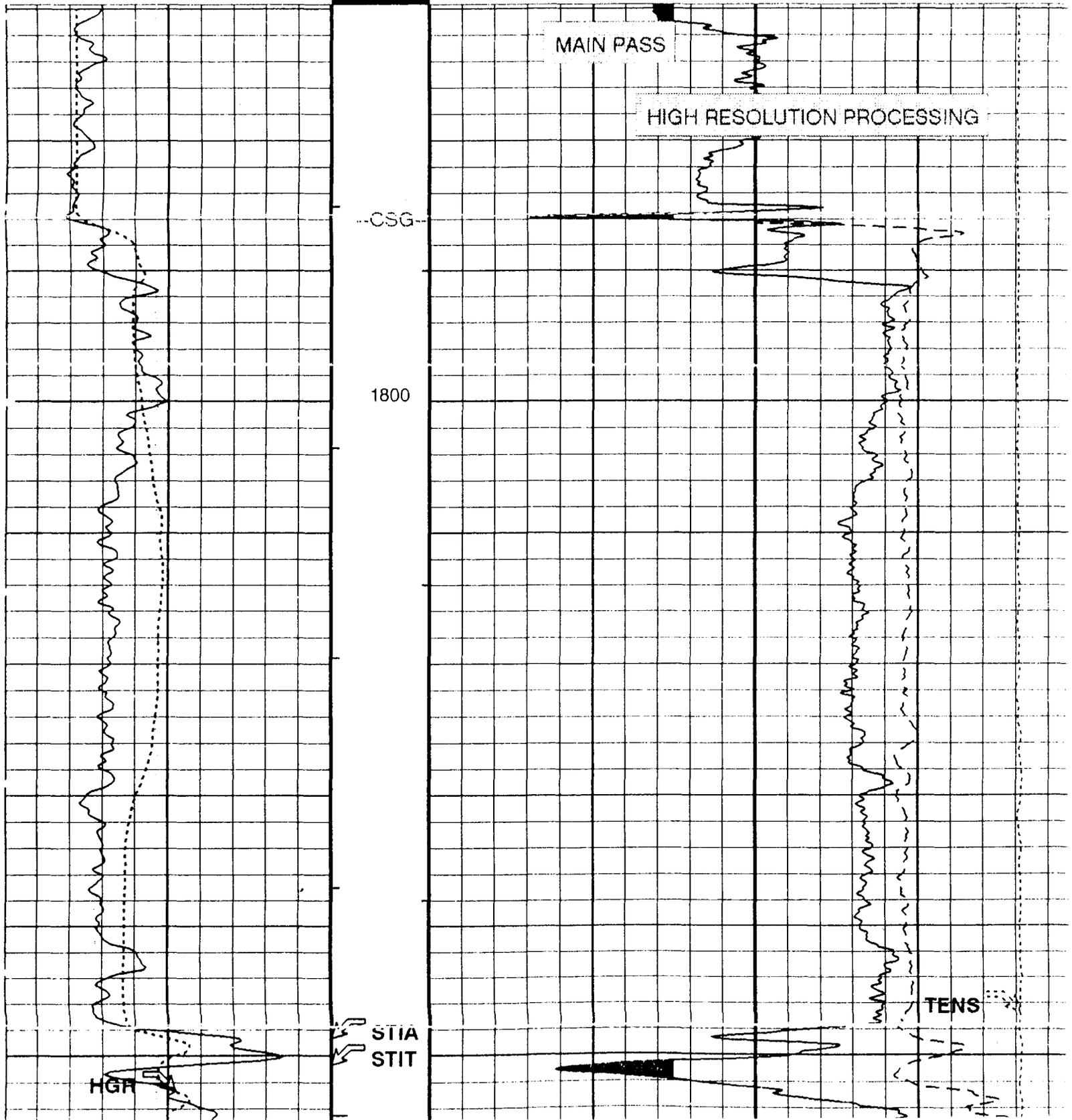
Stuck
Stretch
(STIT)
0 (F) 50

HiRes Bulk Density Correction (HDRH)
-0.25 (G/C3) 0.2

HiRes GammaRay (HGR)
(GAPI)

LDT
QUALITY

HiRes Bulk Density (HRHO)
(G/C3)



COAL

MAIN PASS

HIGH RESOLUTION PROCESSING

CSG

1800

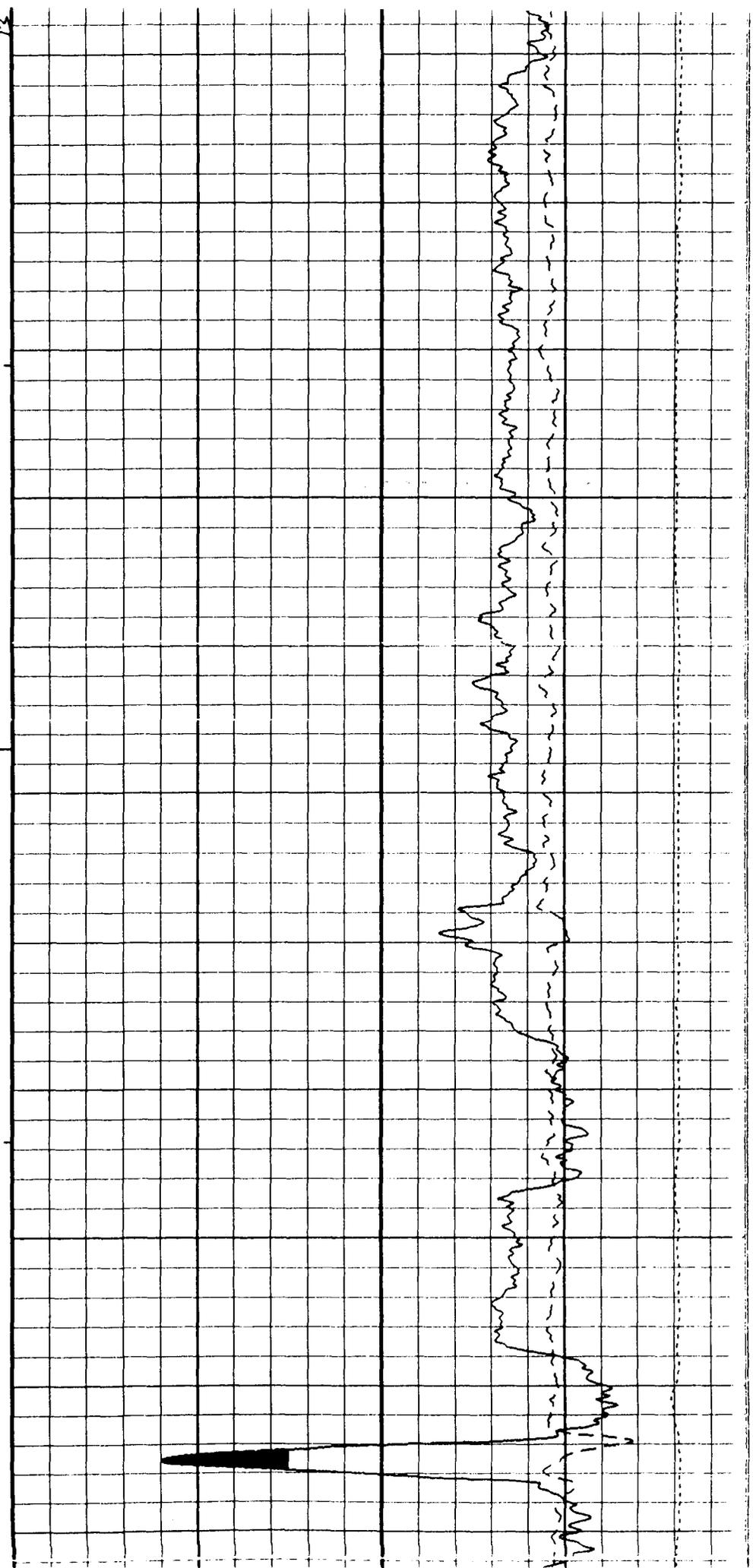
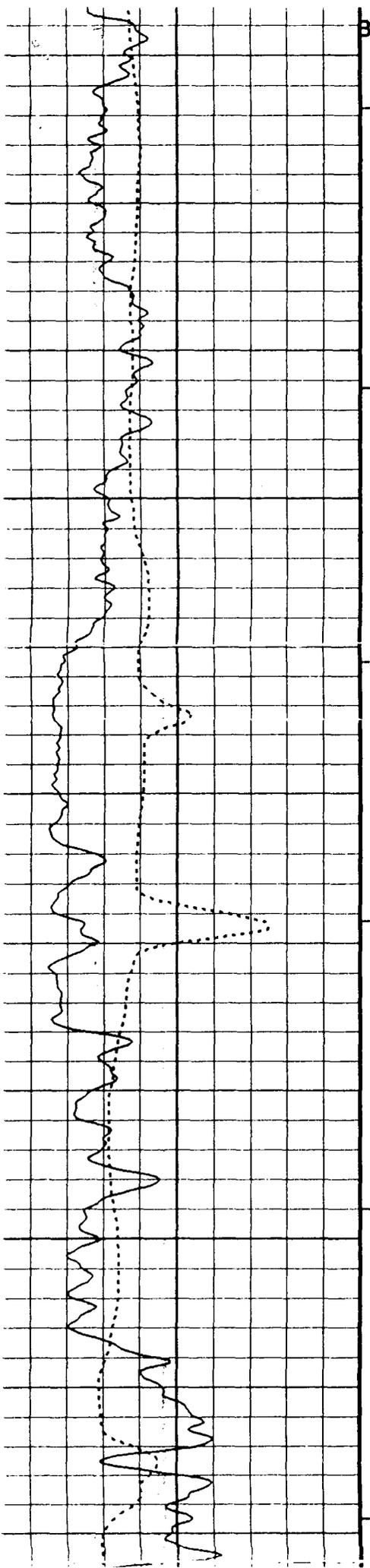
TENS

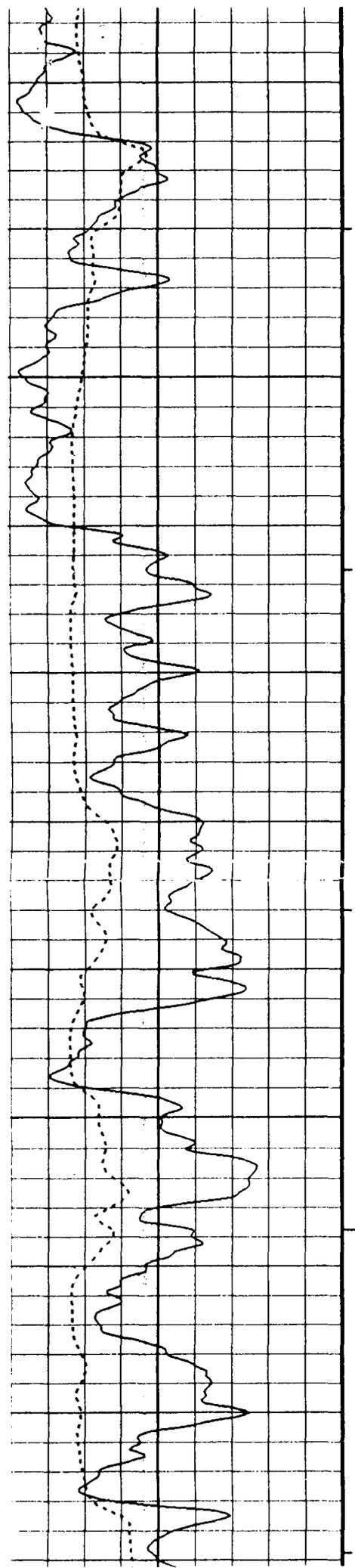
STIA
STIT

HGR

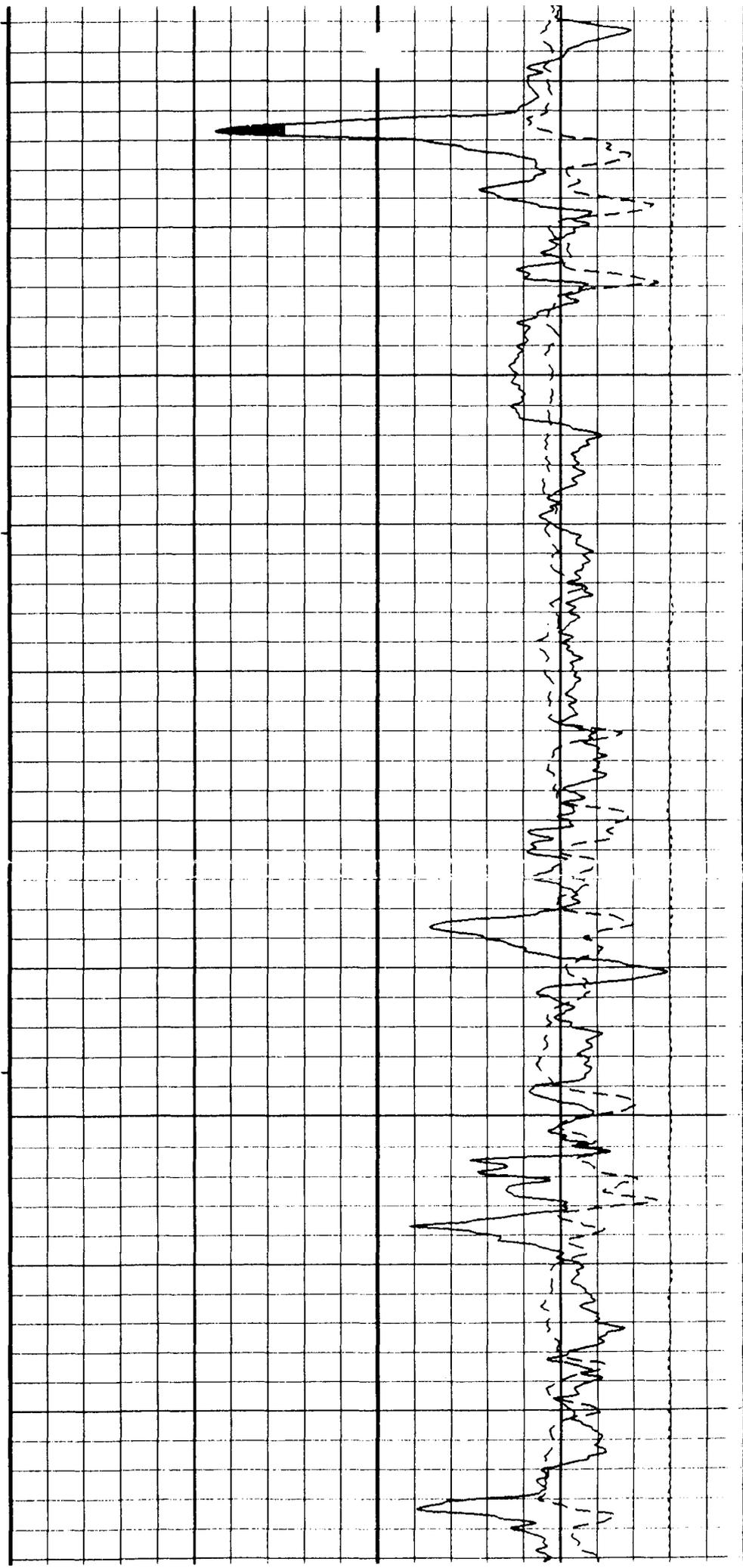
BDQC

1900





2000



Texaco E&P
Farmington, NM 87401
505 325-4397

To: Mr. Mike Herbertson UDOGM Fax: 801-359-3940

From: Rached Hindi Date: 03/04/99

Re: State of Utah V 36-16 Pages: Cover + 22

CC: [Click here and type name]

Another transmittal of 20 is
being sent

Urgent For Review Please Comment Please Reply Please Recycl

Mike, Please find attached the information that I've sent to Bob Kruger and to Mark Page concerning the subject well. Texaco sold this well to Johnson Cattle Co. since it tested uneconomical as a gas well and since Johnson Cattle Co. could use it as a water well. I've included the bill of sale between Texaco and Johnson Cattle Co. for the well in this fax transmittal. Texaco's aim is to get this well classified as a water well so that we (Texaco and DOGM) can assign it to Johnson Cattle Co. without Johnson Cattle Co. having to have an oil and gas bond and because Johnson Cattle Co. intends to use the well for water only. In that pursuit, we provided Mark Page with the Division of Water Rights data (water analyses, log information, completion interval data etc, which is included in this fax transmittal) that he needed to approve this well as a water well. Mr. Page agrees that this well in its current configuration is indeed applicable as a water well. Please find attached a letter from Mr. Page confirming that this well is applicable as a water well. Hopefully the enclosed data will enable DOGM to reassign this well from Texaco to Johnson Cattle Co. If you have any questions or need additional information, please call at 505 325-4397 ext. 15

Rached Hindi

NTIAL

.....



TEXACO

FAX TRANSMITTAL COVER SHEET

NOTE: DO NOT USE BLUE OR RED INK OR PENCIL ON THIS FORM. THEY WILL NOT REPRODUCE

DATE: 7/17/98 URGENT ROUTINE NO. OF PAGES cover + 11

MESSAGE TO: Mr. Bob Kruger (DOGMA)

TELEPHONE NO. 801 538-5274 FAX MACHINE NO. 801 359-3940

DEPT./DIV./SUBS. _____

LOCATION _____ ROOM NO. _____

MESSAGE FROM: Rached Hindi

TELEPHONE NO. 505 325-4397 ext 15 FAX MACHINE NO. 505 325-5398

DEPT./DIV./SUBS. _____

LOCATION Farmington, N.M. ROOM NO. _____

SENDING DEPT. APPROVAL _____ TIME TRANSMITTED _____

RETURN ORIGINAL VIA INTER-OFFICE MAIL RETURN ORIGINAL CALL SENDER TO PICK UP

ADDITIONAL COMMENTS:

Bob, Please find attached the description and log data for St. of Utah V 36-16 as per our phone conversation. Texaco's intent is to show that the wellbore, in its current configuration, is suitable/acceptable as a water well. We hope to show this by 1) showing the water quality is acceptable as per Enviro. Qual. (Div of water rights) and 2) showing that hydrocarbon gas content is minimal and will continue to be minimal with continued reservoir depressuring.



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RIGHTS

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

Robert L. Morgan
State Engineer

Southeastern Area
453 South Carbon Avenue
PO Box 718
Preston, Utah 84501-0718
801-637-1303
801-637-7937 (Fax)

July 30, 1998

Texaco Exploration & Production Inc.
Attn: Rached Hindi
3300 North Butler Avenue Suite 100
Farmington, New Mexico 87401

Re: State of Utah V36-16 Well
Sevier County, Utah

Dear Mr. Hindi:

As per information you forwarded to me, approximately 30 days ago in the form of the CHEMTECH-FORD water analyses from the above referenced well, it appears there is nothing in this water that would cause concern by allowing the Johnson's to use it for livestock and irrigation purposes at the Oak Ranch. I am presently working with Mr. Brad Johnson in pursuit of being able to recommend this water application for approval to the State Engineer. As soon as that is accomplished, you will be notified by this office.

If I can provide any additional information or if you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Mark P. Page'.

Mark P. Page
Regional Engineer

pc: Brad Johnson

MPP/mjk

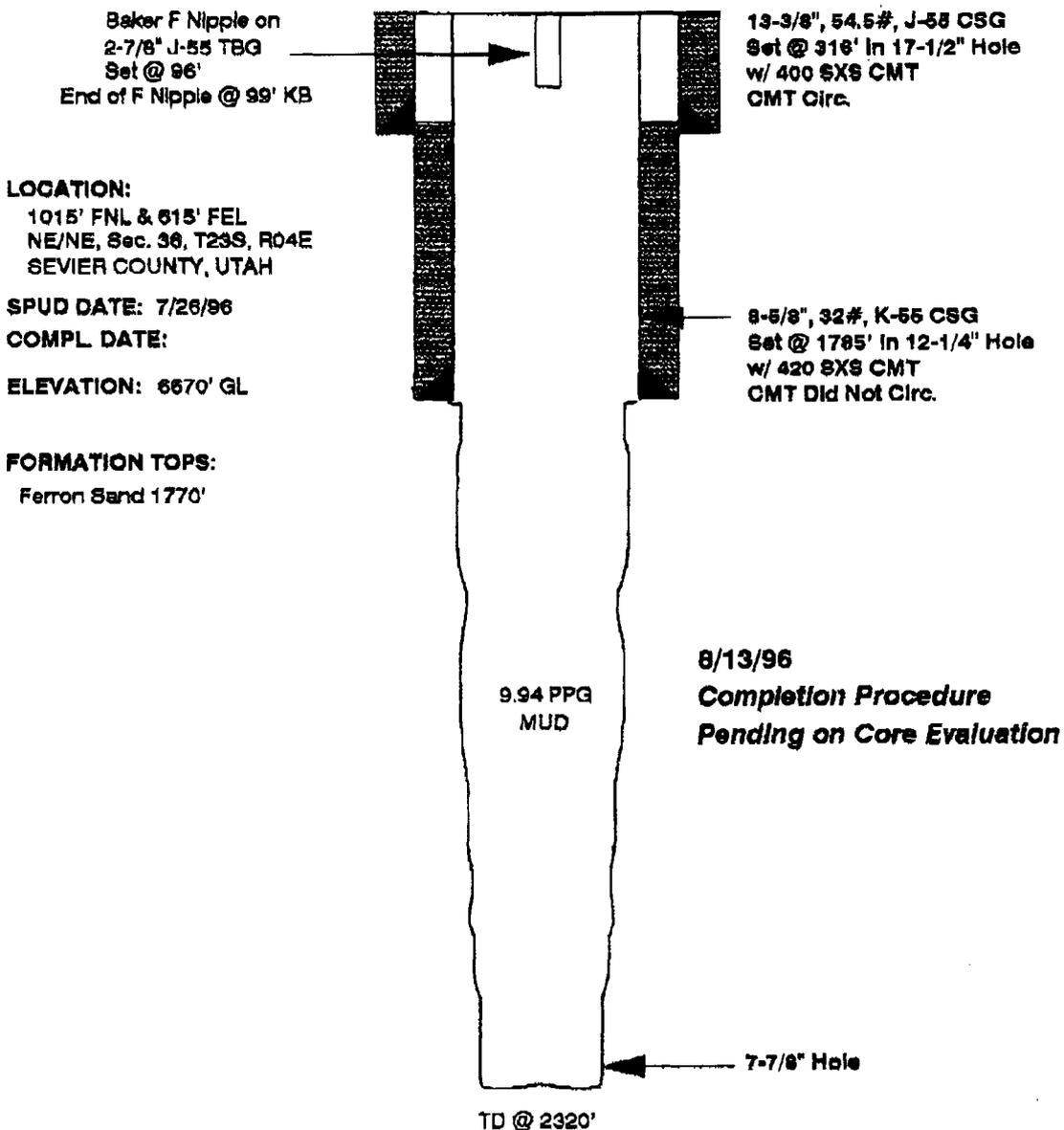
9/22/96



STATE OF UTAH 'V' No. 36-16

API #4301830028

CURRENT COMPLETION



LOCATION:

1015' FNL & 615' FEL
NE/NE, Sec. 36, T23S, R04E
SEVIER COUNTY, UTAH

SPUD DATE: 7/26/96

COMPL DATE:

ELEVATION: 6670' GL

FORMATION TOPS:

Ferron Sand 1770'

8/13/96
Completion Procedure
Pending on Core Evaluation

TD @ 2320'

CHEMTECH-FORD

ANALYTICAL LABORATORIE



FAX

Date: 6/24/98
 To: Rached Hindi
 Company: Texaco
 Fax No.: 505 - 325 - 5398
 From: Joyce
 Pages: We are sending 7 pages plus cover sheet.

If there are any problems receiving this transmission, please call (801) 262-7298.
 Fax number is (801) 262-7378.

Message:

Chemtec Ford Water Analyses

This transmission is intended only for the use of the person to whom it is addressed and may contain privileged or confidential information. If you are not the intended recipient, you are hereby notified that any disclosure, or copying of the transmission or the information it contains is expressly prohibited. If you have received this fax in error, please notify us immediately by telephone, return the original & retain no copies.

8190 SOUTH STRATLER
 SALT LAKE CITY UTAH 84107 8905
 801 262 7298 PHONE
 801 262 7378 FAX

CHEMTECH-FORD

ANALYTICAL LABORATOR



Date: 8/12/97

To: Texaco Exploration & Production Inc
P.O. Box 618
Orangeville, UT 84537

Group #: 17110
Lab #: 97-U008190
Sample Desc: Gary Curtis Water Well

Date Sampled: 7/24/97
Date Submitted: 7/24/97

Time Sampled: 10:00
Time Received: 16:30

CERTIFICATE OF ANALYSIS

PARAMETER	RESULT	MDL	DATE ANALYZED	METHOD	ANALYST
INORGANIC PARAMETERS					
Bicarbonate as HCO ₃ , mg/L	359	1	7/24/97 10:00	SM 2320B	TM
Carbonate as CO ₃ , mg/L	< 1	1	7/24/97 10:00	SM 2320B	TM
Alkalinity, Solids, mg/L	177	1	7/24/97 10:00	SM 2320B	TM
Hydroxide as OH, mg/L	< 1	1	7/24/97 10:00	SM 2320B	TM
Alkalinity, Total (CaCO ₃), mg/L	294	1	7/24/97 10:00	SM 2320B	TM
Carbon Dioxide, mg/L	276	1	7/24/97 10:00	SM 4500 D	TM
Chloride (D), mg/L	51	2	7/29/97 8:45	EPA 325.3	TM
Conductance, specific, umhos/cm	1,180	0.1	7/30/97 15:00	EPA 120.1	KRF
Cyanide (T), mg/L	< 0.002	0.002	7/31/97 15:00	ASTM D2036	TPH
Fluoride, mg/L	1.5	0.1	7/30/97 13:00	EPA 340.2	JBR
Hardness, EDTA Titration, mg/L	504	12	7/28/97 10:30	EPA 130.2	TM
Hardness Index: Hard Water					
Mercury (T), as Hg, mg/L	< 0.0002	0.0002	7/29/97 10:16	EPA 245.1	EG
Nitrate/Nitrite-Nitrogen, mg/L	1.16	0.08	7/25/97 14:42	EPA 353.1	LH
pH, units	7.10	0.05	7/24/97 16:55	EPA 150.1	LS
Phosphorus, Total, mg/L	< 0.01	0.01	8/ 4/97 13:00	SM 4500-P	TM
Sulfate, mg/L	249	50	7/29/97 11:00	EPA 375.4	TM
Total Dissolved Solids, mg/L	780	10	7/30/97 15:00	EPA 160.1	LS
Total Suspended Solids, mg/L	3	1	7/24/97 17:15	EPA 160.2	LS
Turbidity, NTU	1.24	0.05	7/24/97 17:00	EPA 180.1	LS
Barium (T), as Ba, mg/L	0.039	0.005	7/31/97 10:24	EPA 200.7	LH
Beryllium (T), as Be, mg/L	< 0.001	0.001	7/31/97 10:24	EPA 200.7	LH

Approved By: 

(generic.rpt)

8100 SOUTH STRATLER
SALT LAKE CITY UTAH 84107 8905
801 262 7299 PHONE
801 262 7378 FAX

CHEMTECH-FORD

ANALYTICAL LABORATORY



Date: 8/12/97

To: Texaco Exploration & Production Inc
P.O. Box 618
Orangeville, UT 84537

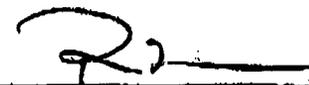
Group #: 17110
Lab #: 97-U008190
Sample Desc: Gary Curtis Water Well

Date Sampled: 7/24/97
Date Submitted: 7/24/97

Time Sampled: 10:00
Time Received: 16:30

CERTIFICATE OF ANALYSIS

PARAMETER	RESULT	MDL	DATE ANALYZED	METHOD	ANALYST
INORGANIC PARAMETERS					
Calcium (T), as Ca, mg/L	112	0.1	7/31/97 10:24	EPA 200.7	LH
Chromium (T), as Cr, mg/L	< 0.005	0.005	7/31/97 10:24	EPA 200.7	LH
Copper (T), as Cu, mg/L	0.01	0.01	7/31/97 10:24	EPA 200.7	LH
Iron (T), as Fe, mg/L	0.07	0.02	7/31/97 10:24	EPA 200.7	LH
Magnesium (T), as Mg, mg/L	61.7	0.1	7/31/97 10:24	EPA 200.7	LH
Manganese (T), as Mn, mg/L	< 0.01	0.01	7/31/97 10:24	EPA 200.7	LH
Nickel (T), as Ni, mg/L	< 0.01	0.01	7/31/97 10:24	EPA 200.7	LH
Potassium (T), as K, mg/L	2.3	0.1	7/31/97 10:24	EPA 200.7	LH
Silver (T), as Ag, mg/L	< 0.005	0.005	7/31/97 10:24	EPA 200.7	LH
Sodium (T), as Na, mg/L	55.5	0.1	7/31/97 10:24	EPA 200.7	LH
Zinc (T), as Zn, mg/L	0.11	0.01	7/31/97 10:24	EPA 200.7	LH
Antimony (T), as Sb, mg/L	< 0.002	0.002	8/ 6/97 7:29	EPA 200.9	EG
Arsenic (T), as As, mg/L	< 0.005	0.005	8/11/97 9:22	EPA 200.9	EG
Cadmium (T), as Cd, mg/L	< 0.001	0.001	8/ 6/97 12:11	EPA 200.9	EG
Lead (T), as Pb, mg/L	< 0.005	0.005	8/ 1/97 10:11	EPA 200.9	EG
Selenium (T), as Se, mg/L	< 0.002	0.002	8/ 4/97 8:32	EPA 200.9	EG
Thallium (T), as Tl, mg/L	< 0.001	0.001	8/ 8/97 10:51	EPA 200.9	EG
Cation, meq/L	13.14				
Anion, meq/L	12.61				
‡ Difference,	-2.05				
Receiving Temperature, C	4.3		7/24/97 16:30		RR

Approved By: 

(generic.rpt)

8100 SOUTH STRATLER
SALT LAKE CITY UTAH 84107 6905
801 262 7399 PHONE
801 262 7378 FAX

CHEMTECH-FORD

ANALYTICAL LABORATORY



Date: 8/12/97

To: Texaco Exploration & Production Inc
P.O. Box 618
Orangeville, UT 84537

Group #: 17110
Lab #: 97-U008190
Sample Desc: Gary Curtis Water Well

Date Sampled: 7/24/97
Date Submitted: 7/24/97

Time Sampled: 10:00
Time Received: 16:30

CERTIFICATE OF ANALYSIS

PARAMETER	RESULT	MDL	DATE ANALYZED	METHOD	ANALYST
INORGANIC PARAMETERS					

NOTE: Sample was received on ice.

Approved By: 

(generic.rpt)

6100 SOUTH STRATLER
SALT LAKE CITY UTAH 84107 8805
801 262 7298 PHONE
801 262 7376 FAX

~~CATTLE COMPANY~~
~~THIS IS NOT A CHECK~~
NOTARY SEAL

WITNESS my hand and official seal.



Kent D. Freeman
Notary Public
Address: 40 W 100 N, Aurora, Utah 84620

My Commission expires: 10-1-97

00278206 Bx00345 Pa00319

STATE OF _____ }
COUNTY OF _____ } :ss

The foregoing instrument was acknowledged before me this _____ day of September, 1997, by Mark S. Palmer, as Vice President on behalf of ST. ANSELM EXPLORATION CO., INC.

WITNESS my hand and official seal.

Notary Public
Address:

My Commission expires:

STATE OF _____ }
COUNTY OF _____ } :ss

The foregoing instrument was acknowledged before me this _____ day of September, 1997, by Darrell L. Gillen, as Attorney-in-Fact on behalf of WILLIAMS PRODUCTION COMPANY.

WITNESS my hand and official seal.

Notary Public
Address:

My Commission expires:

STATE OF Utah }
COUNTY OF Sevier } :ss

The foregoing instrument was acknowledged before me this 22nd day of September, 1997, by Brad Johnson, as Partner on behalf of JOHNSON



WITNESS my hand and official seal.

Notary Public
Address:

My Commission expires:

00278206 BR00345 P000318

STATE OF _____ }
COUNTY OF _____ } :55

The foregoing instrument was acknowledged before me this _____ day of September, 1997, by Mark S. Palmer, as Vice President on behalf of ST. ANSELM EXPLORATION CO., INC.

WITNESS my hand and official seal.

Notary Public
Address:

My Commission expires:

STATE OF OKLAHOMA }
COUNTY OF Tulsa } :55

The foregoing instrument was acknowledged before me this 7th day of September, 1997, by Barrett L. Gibson, as Attorney-in-Fact on behalf of WILLIAMS PRODUCTION COMPANY.



WITNESS my hand and official seal.

Notary Public
Address:

My Commission expires:

STATE OF _____ }
COUNTY OF _____ } :55

The foregoing instrument was acknowledged before me this _____ day of September, 1997, by Brad Johnson, as _____ on behalf of JOHNSON

8

Texaco E&P
Farmington, NM 87401
505 325-4397

.....



To: Mr. Mike Herbertson UDOGM Fax: 801-359-3940

From: Rached Hindi Date: 03/04/99

Re: State of Utah V 36-16 Pages: Cover + 22

CC: [Click here and type name] *Another transmittal of 20 is being sent*

Urgent For Review Please Comment Please Reply Please Recycle

Mike, Please find attached the information that I've sent to Bob Krugens and to Mark Page concerning the subject well. Texaco sold this well to Johnson Cattle Co. since it tested uneconomical as a gas well and since Johnson Cattle Co. could use it as a water well. I've included the bill of sale between Texaco and Johnson Cattle Co. for the well in this fax transmittal. Texaco's aim is to get this well classified as a water well so that we (Texaco and DOGM) can assign it to Johnson Cattle Co. without Johnson Cattle Co. having to have an oil and gas bond and because Johnson Cattle Co. intends to use the well for water only. In that pursuit, we provided Mark Page with the Division of Water Rights data (water analyses, log information, completion interval data etc, which is included in this fax transmittal) that he needed to approve this well as a water well. Mr. Page agrees that this well in its current configuration is indeed applicable as a water well. Please find attached a letter from Mr. Page confirming that this well is applicable as a water well. Hopefully the enclosed data will enable DOGM to reassign this well from Texaco to Johnson Cattle Co. If you have any questions or need additional information, please call at 505 325-4397 ext. 15

Rached Hindi



.....

MAR 04 '99 12:14PM This instrument was acknowledged before me on _____
September, 1997, by Brad Johnson, as _____ on behalf of JOHNSON
CATTLE COMPANY.

2

WITNESS my hand and official seal.

Notary Public
Address:

My Commission expires:

00278206 Bk00345 Pe00317



WITNESS my hand and official seal.

Sgt. E. Crump
Notary Public
Address: Houston, TX

My Commission expires: June 21, 2000

00271206 Bx00345 P00316

ACKNOWLEDGEMENT

STATE OF _____ }
COUNTY OF _____ } :ss

The foregoing instrument was acknowledged before me this _____ day of September, 1997, by Patrick Lee Callahan, as Attorney-in-Fact on behalf of **TEXACO EXPLORATION AND PRODUCTION INC.**

WITNESS my hand and official seal.

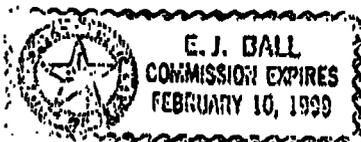
Notary Public
Address:

My Commission expires: March 25, 1999

STATE OF Texas }
COUNTY OF Dallas } :ss

~~September~~ The foregoing instrument was acknowledged before me this 16th day of ~~September~~, 1997, by Barron U. Kidd, as Manager on behalf of **KIDD FAMILY PARTNERSHIP LIMITED**, by **KIDD OIL & GAS, LC**, general partner.

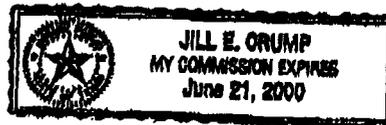
WITNESS my hand and official seal.



E. J. Ball
Notary Public
Address: Dallas, TX

My Commission expires: 2/10/99

STATE OF TEXAS }
COUNTY OF HARRIS } :ss



~~September~~ The foregoing instrument was acknowledged before me this 15th day of ~~September~~, 1997, by Bruce P. Baganz, as President on behalf of **SECURITY ENERGY**

WITNESS my hand and official seal.

Notary Public
Address:

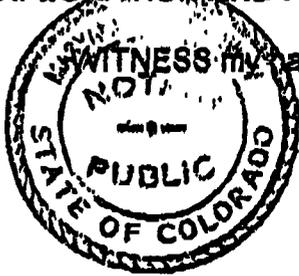
My Commission expires:

00278206 Bk00345 P#00315

ACKNOWLEDGEMENT

STATE OF Colorado }
COUNTY OF Denver } :ss

The foregoing instrument was acknowledged before me this 11th day of September, 1997, by Patrick Lee Callahan, as Attorney-in-Fact on behalf of **TEXACO EXPLORATION AND PRODUCTION INC.**



WITNESS my hand and official seal.

MaryAnne M. Frawley
Notary Public
Address: **MaryAnne M. Frawley
5706 South Nepal Way
Aurora, CO 80015-3339**

My Commission expires: July 21, 1998
~~November 22, 1995~~

STATE OF _____ }
COUNTY OF _____ } :ss

The foregoing instrument was acknowledged before me this _____ day of September, 1997, by Barron U. Kidd, as Manager on behalf of **KIDD FAMILY PARTNERSHIP LIMITED, by KIDD OIL & GAS, LC, general partner.**

WITNESS my hand and official seal.

Notary Public
Address:

My Commission expires:

STATE OF _____ }
COUNTY OF _____ } :ss

The foregoing instrument was acknowledged before me this _____ day of September, 1997, by Bruce P. Baganz, as President on behalf of **SECURITY ENERGY**

☒

Title: Partner



00278206 BR00345 Pa00314

d:\rep97\assignment and bill of sale.doc

page 2 of 4 pages

This Assignment and Bill of Sale may be executed in any number of counterparts, each of which shall be considered an original and which together shall constitute one and the same instrument. It shall be binding upon each executing Assignor, notwithstanding the failure or refusal of any other Assignor to execute it.

IN WITNESS WHEREOF, this agreement is executed effective this 18th day of September, 1997.

ASSIGNOR:

TEXACO EXPLORATION AND PRODUCTION INC.

By: _____
Patrick Lee Callahan, Attorney-in-Fact

**KIDD FAMILY PARTNERSHIP LIMITED
By KIDD OIL & GAS, LC, General Partner**

Barron U. Kidd, Manager

SECURITY ENERGY COMPANY

Bruce P. Baganz, President

ST. ANSELM EXPLORATION CO., INC.

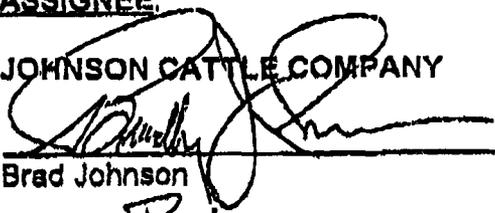
Mark S. Palmer, Vice President

WILLIAMS PRODUCTION COMPANY

Darrell L. Gillen, Attorney-in-Fact

ASSIGNEE:

JOHNSON CATTLE COMPANY



Brad Johnson



Title: _____

00278206 Bk00345 Pg00313

d:\sep97\assignment and bill of sale.doc

page 2 of 4 pages

This Assignment and Bill of Sale may be executed in any number of counterparts, each of which shall be considered an original and which together shall constitute one and the same instrument. It shall be binding upon each executing Assignor, notwithstanding the failure or refusal of any other Assignor to execute it.

IN WITNESS WHEREOF, this agreement is executed effective this 1ST day of September, 1997.

ASSIGNOR:

TEXACO EXPLORATION AND PRODUCTION INC.

By: _____
Patrick Lee Callahan, Attorney-in-Fact

**KIDD FAMILY PARTNERSHIP LIMITED
By KIDD OIL & GAS, LC, General Partner**

Barron U. Kidd, Manager

SECURITY ENERGY COMPANY

Bruce P. Baganz, President

ST. ANSELM EXPLORATION CO., INC.

Mark S. Palmer, Vice President

WILLIAMS PRODUCTION COMPANY



~~Derek XXXX~~, Attorney-in-Fact
Bryan K. Guderian

ASSIGNEE:

JOHNSON CATTLE COMPANY

Brad Johnson

Texaco E&P
Farmington, NM 87401
505 325-4397

To: Mr. Mike Herbertson UDOGM Fax: 801-359-3940

From: Rached Hindi Date: 03/04/99

Re: State of Utah V 36-16 Pages: Cover + 22

CC: [Click here and type name]

Another transmittal of 20's
has sent

Urgent For Review Please Comment Please Reply Please Recycle

Mike, Please find attached the information that I've sent to Bob Krugen and to Mark Page concerning the subject well. Texaco sold this well to Johnson Cattle Co. since it tested uneconomical as a gas well and since Johnson Cattle Co. could use it as a water well. I've included the bill of sale between Texaco and Johnson Cattle Co. for the well in this fax transmittal. Texaco's aim is to get this well classified as a water well so that we (Texaco and DOGM) can assign it to Johnson Cattle Co. without Johnson Cattle Co. having to have an oil and gas bond and because Johnson Cattle Co. intends to use the well for water only. In that pursuit, we provided Mark Page with the Division of Water Rights data (water analyses, log information, completion interval data etc, which is included in this fax transmittal) that he needed to approve this well as a water well. Mr. Page agrees that this well in its current configuration is indeed applicable as a water well. Please find attached a letter from Mr. Page confirming that this well is applicable as a water well. Hopefully the enclosed data will enable DOGM to reassign this well from Texaco to Johnson Cattle Co. If you have any questions or need additional information, please call at 505 325-4397 ext. 15

Rached Hindi

NTIAL

Title: _____



00278206 BK00345 Pg00312

d:\asp07\assignment and bill of sale.doc

page 2 of 4 pages

This Assignment and Bill of Sale may be executed in any number of counterparts, each of which shall be considered an original and which together shall constitute one and the same instrument. It shall be binding upon each executing Assignor, notwithstanding the failure or refusal of any other Assignor to execute it.

IN WITNESS WHEREOF, this agreement is executed effective this 14th day of September, 1997.

ASSIGNOR:

TEXACO EXPLORATION AND PRODUCTION INC.

By: _____
Patrick Lee Callahan, Attorney-in-Fact

KIDD FAMILY PARTNERSHIP LIMITED
By KIDD OIL & GAS, LC, General Partner

Barron U. Kidd

Barron U. Kidd, Manager

SECURITY ENERGY COMPANY

Bruce P. Baganz

Bruce P. Baganz, President

ST. ANSELM EXPLORATION CO., INC.

Mark S. Palmer

Mark S. Palmer, Vice President

WILLIAMS PRODUCTION COMPANY

Darrell L. Gillen, Attorney-in-Fact

ASSIGNEE:

JOHNSON CATTLE COMPANY

Brad Johnson

Title: _____

2

00278206 BR00345 Pa00311

d:\sep97\assignment and bill of sale.doc

page 2 of 4 pages

The parties hereto recognize that Assignor is not transferring, granting, selling, assigning or conveying any rights to the land or lease upon which said well is located or the right to operate the same. Assignee shall be responsible for acquiring any rights, permits and authorization from the owners of the land and governmental regulatory agencies necessary to conduct operations upon said well and agrees to defend, indemnify and hold Assignor harmless from and against any claim or cause of action or liability in connection therewith.

WMS 5

ASSIGNMENT AND BILL OF SALE

STATE OF UTAH }
COUNTY OF SEVIER }

00278206 Br00345 Pa00310-00319
DORTHY VEE HENRIE RECORDER SEVIER COUNT:
1998 JAN 12 12:02 PM FEE \$32.00 BY MAIL
REQUEST: TEXACO EXPLORATION & PROD INC

KNOW ALL MEN BY THESE PRESENTS THAT:

For and in consideration of Ten Dollars (\$10.00) cash in hand paid and of the covenants and agreements herein contained, **TEXACO EXPLORATION AND PRODUCTION INC.**, whose address is P. O. Box 2100, Denver, Colorado 80201, **KIDD FAMILY PARTNERSHIP LIMITED**, whose address is 3838 Oak Lawn Avenue, Suite 725, Dallas, Texas 75219, **SECURITY ENERGY COMPANY**, whose address is 10000 Memorial Drive, Suite 440, Houston, Texas 77024, **ST. ANSELM EXPLORATION CO., INC.**, whose address is 1401 - 17th Street, Suite 1400, Denver, Colorado 80202, and **WILLIAMS PRODUCTION COMPANY**, whose address is One Williams Center, P. O. Box 3102, MS 37-4, Tulsa, Oklahoma 74101, hereinafter referred to collectively as "Assignor", does hereby grant, sell, assign and convey unto **JOHNSON CATTLE COMPANY**, whose address is P. O. Box 309, Aurora, Utah 84620, hereinafter referred to as "Assignee", all of its right, title and interest in and to that certain well known as the **STATE OF UTAH NO. 36-16**, located 1,015 feet from the North line and 615 feet from the East line of Section 36, Township 23 South, Range 4 East, Sevier County, Utah, together with all associated downhole and wellhead equipment, if any, including the casing and tubing.

THIS AGREEMENT IS EXECUTED WITHOUT ANY EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION AS TO THE MERCHANTABILITY OF ANY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PURPOSE. IT IS UNDERSTOOD AND AGREED THAT ASSIGNEE HAS INSPECTED THE PROPERTY AND PREMISES FOR ALL PURPOSES AND HAS SATISFIED ITSELF AS TO THEIR PHYSICAL CONDITION, BOTH SURFACE AND SUBSURFACE, AND THAT ASSIGNEE ACCEPTS THE PROPERTY IN ITS "AS IS, WHERE IS" CONDITION. ASSIGNOR DISCLAIMS ANY AND ALL LIABILITY ARISING IN CONNECTION WITH ANY ENVIRONMENTAL MATTERS INCLUDING, WITHOUT LIMITATION, ANY PRESENCE OF NORM ON THE PROPERTY FROM THE EFFECTIVE DATE OF THIS AGREEMENT.

Assignee agrees that any attempted use of said well shall be at its sole risk and liability and that Assignee will defend, indemnify and hold Assignor harmless from and against any claim or cause of action or liability in connection with Assignee's use of said well or equipment conveyed hereby. Assignee does also hereby agree that it will properly plug and abandon said well and agrees to comply with all applicable state and federal requirements in effect at the time the well is plugged. Assignee will defend, indemnify and hold Assignor harmless from and against any claim or cause of action or liability in connection therewith.

The parties hereto recognize that Assignor is not transferring, granting, selling,

This Assignment and Bill of Sale may be executed in any number of counterparts, each of which shall be considered an original and which together shall constitute one and the same instrument. It shall be binding upon each executing Assignor, notwithstanding the failure or refusal of any other Assignor to execute it.

IN WITNESS WHEREOF, this agreement is executed effective this 13th day of September, 1997.

ASSIGNOR:

TEXACO EXPLORATION AND PRODUCTION INC.

By: _____
Patrick Lee Cellahan, Attorney-in-Fact

KIDD FAMILY PARTNERSHIP LIMITED
By KIDD OIL & GAS, LC, General Partner

Barron U. Kidd
Barron U. Kidd, Manager

SECURITY ENERGY COMPANY

Bruce P. Baganz
Bruce P. Baganz, President

ST. ANSELM EXPLORATION CO., INC.

Mark S. Palmer
Mark S. Palmer, Vice President

WILLIAMS PRODUCTION COMPANY

Darrell L. Gillen, Attorney-in-Fact

ASSIGNEE:

JOHNSON CATTLE COMPANY

Brad Johnson

Title: _____

00278206 bx00349 P000312

This Assignment and Bill of Sale may be executed in any number of counterparts, each of which shall be considered an original and which together shall constitute one and the same instrument. It shall be binding upon each executing Assignor, notwithstanding the failure or refusal of any other Assignor to execute it.

IN WITNESS WHEREOF, this agreement is executed effective this 1st day of September, 1997.

ASSIGNOR:

TEXACO EXPLORATION AND PRODUCTION INC.

By: *Patrick Lee Calishan*
Patrick Lee Calishan, Attorney-in-Fact

**KIDD FAMILY PARTNERSHIP LIMITED
By KIDD OIL & GAS, LC, General Partner**

Barron U. Kidd, Manager

SECURITY ENERGY COMPANY

Bruce P. Baganz, President

ST. ANSELM EXPLORATION CO., INC.

Mark S. Palmer, Vice President

WILLIAMS PRODUCTION COMPANY

Darrell L. Gillen, Attorney-in-Fact

ASSIGNEE:

JOHNSON CATTLE COMPANY

Brad Johnson

Title: _____

00278206 8x00345 P#00311

U1 407...

ASSIGNMENT AND BILL OF SALE

STATE OF UTAH)
COUNTY OF SEVIER)

00278206 Rk00345 Pa00310-00319
DORTHY VEE HENRIE RECORDER SEVIER COUNTY
1998 JAN 12 12102 PM FEE 932.00 BY HAI
REQUEST: TEXACO EXPLORATION & PROD INC

KNOW ALL MEN BY THESE PRESENTS THAT:

For and in consideration of Ten Dollars (\$10.00) cash in hand paid and of the covenants and agreements herein contained, TEXACO EXPLORATION AND PRODUCTION INC., whose address is P. O. Box 2100, Denver, Colorado 80201, KIDD FAMILY PARTNERSHIP LIMITED, whose address is 3636 Oak Lawn Avenue, Suite 725, Dallas, Texas 75219, SECURITY ENERGY COMPANY, whose address is 10000 Memorial Drive, Suite 440, Houston, Texas 77024, ST. ANSELM EXPLORATION CO., INC., whose address is 1401 - 17th Street, Suite 1400, Denver, Colorado 80202, and WILLIAMS PRODUCTION COMPANY, whose address is One Williams Center, P. O. Box 3102, MS 37-4, Tulsa, Oklahoma 74101, hereinafter referred to collectively as "Assignor", does hereby grant, sell, assign and convey unto JOHNSON CATTLE COMPANY, whose address is P. O. Box 309, Aurora, Utah 84620, hereinafter referred to as "Assignee", all of its right, title and interest in and to that certain well known as the STATE OF UTAH NO. 36-16, located 1,015 feet from the North line and 615 feet from the East line of Section 36, Township 23 South, Range 4 East, Sevier County, Utah, together with all associated downhole and wellhead equipment, if any, including the casing and tubing.

THIS AGREEMENT IS EXECUTED WITHOUT ANY EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION AS TO THE MERCHANTABILITY OF ANY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PURPOSE. IT IS UNDERSTOOD AND AGREED THAT ASSIGNEE HAS INSPECTED THE PROPERTY AND PREMISES FOR ALL PURPOSES AND HAS SATISFIED ITSELF AS TO THEIR PHYSICAL CONDITION, BOTH SURFACE AND SUBSURFACE, AND THAT ASSIGNEE ACCEPTS THE PROPERTY IN ITS "AS IS, WHERE IS" CONDITION. ASSIGNOR DISCLAIMS ANY AND ALL LIABILITY ARISING IN CONNECTION WITH ANY ENVIRONMENTAL MATTERS INCLUDING, WITHOUT LIMITATION, ANY PRESENCE OF NORM ON THE PROPERTY FROM THE EFFECTIVE DATE OF THIS AGREEMENT.

Assignee agrees that any attempted use of said well shall be at its sole risk and liability and that Assignee will defend, indemnify and hold Assignor harmless from and against any claim or cause of action or liability in connection with Assignee's use of said well or equipment conveyed hereby. Assignee does also hereby agree that it will properly plug and abandon said well and agrees to comply with all applicable state and federal requirements in effect at the time the well is plugged. Assignee will defend, indemnify and hold Assignor harmless from and against any claim or cause of action or liability in connection therewith.

The parties hereto recognize that Assignor is not transferring, granting, selling, assigning or conveying any rights to the land or lease upon which said well is located or the right to operate the same. Assignee shall be responsible for acquiring any rights, permits and authorization from the owners of the land and governmental regulatory agencies necessary to conduct operations upon said well and agrees to defend, indemnify and hold Assignor harmless from and against any claim or cause of action or liability in connection therewith.

Texaco ext P
Farmington, NM 87401
505 325-4397

To: Mr. Mike Herbertson UDOGM Fax: 801-359-3940

From: Rached Hindi Date: 03/04/99

Re: State of Utah V 36-16 Pages: Cover + 22

CC: [Click here and type name] *Another transmittal of 20 is being sent*

Urgent For Review Please Comment Please Reply Please Recycle

Mike, Please find attached the information that I've sent to Bob Kruger and to Mark Page concerning the subject well. Texaco sold this well to Johnson Cattle Co. since it tested uneconomical as a gas well and since Johnson Cattle Co. could use it as a water well. I've included the bill of sale between Texaco and Johnson Cattle Co. for the well in this fax transmittal. Texaco's aim is to get this well classified as a water well so that we (Texaco and DOGM) can assign it to Johnson Cattle Co. without Johnson Cattle Co. having to have an oil and gas bond and because Johnson Cattle Co. intends to use the well for water only. In that pursuit, we provided Mark Page with the Division of Water Rights data (water analyses, log information, completion interval data etc, which is included in this fax transmittal) that he needed to approve this well as a water well. Mr. Page agrees that this well in its current configuration is indeed applicable as a water well. Please find attached a letter from Mr. Page confirming that this well is applicable as a water well. Hopefully the enclosed data will enable DOGM to reassign this well from Texaco to Johnson Cattle Co. If you have any questions or need additional information, please call at 505 325-4397 ext. 15

Rached Hindi

NTIAL

Fax Note

Sent with a ~~US Robotics~~ fax modem.

FAX COVER SHEET

Tuesday, August 04, 1998 01:57:06 AM

To: Rached Hindi
At: Texaco
Fax #: 1-505-325-5398

Fax: 10 pages and a cover page.



Note:

Rached - Hopefully this is the info you need.
Please let me know if you need anything
further. Thanks. Chuck

Assignment and Bill of Sale

Texaco E&P
Farmington, NM 87401
505 325-4397

To: Mr. Mike Herbertson UDOGM Fax: 801-359-3940

From: Rached Hindi Date: 03/04/99

Re: State of Utah V 36-16 Pages: Cover + 22

CC: [Click here and type name]

Another transmittal of 20 is being sent

Urgent For Review Please Comment Please Reply Please Recycle

Mike, Please find attached the information that I've sent to Bob Krugen and to Mark Page concerning the subject well. Texaco sold this well to Johnson Cattle Co. since it tested uneconomical as a gas well and since Johnson Cattle Co. could use it as a water well. I've included the bill of sale between Texaco and Johnson Cattle Co. for the well in this fax transmittal. Texaco's aim is to get this well classified as a water well so that we (Texaco and DOGM) can assign it to Johnson Cattle Co. without Johnson Cattle Co. having to have an oil and gas bond and because Johnson Cattle Co. intends to use the well for water only. In that pursuit, we provided Mark Page with the Division of Water Rights data (water analyses, log information, completion interval data etc, which is included in this fax transmittal) that he needed to approve this well as a water well. Mr. Page agrees that this well in its current configuration is indeed applicable as a water well. Please find attached a letter from Mr. Page confirming that this well is applicable as a water well. Hopefully the enclosed data will enable DOGM to reassign this well from Texaco to Johnson Cattle Co. If you have any questions or need additional information, please call at 505 325-4397 ext. 15

Rached Hindi

NTIAL

Drag
From DST
to STIA

Bulk
Density
Quality
Curve
(BQQ)

10 (---) 0

PIP SUMMARY

- └ Integrated Hole Volume Minor Pip Every 10 F3
- └ Integrated Hole Volume Major Pip Every 100 F3
 - └ Integrated Cement Volume Minor Pip Every 10 F3
 - └ Integrated Cement Volume Major Pip Every 100 F3

Time Mark Every 60 S

Parameters

DLIS Name	Description	Value
-----------	-------------	-------

Ureg
From DST
Cable
Drag
From STIA
to STIT

Tension (TENS)
(LBF)
10000

Caliper (CALI)
(IN)
0 10

Block
Stretch
(BTI)
0 (F) 50

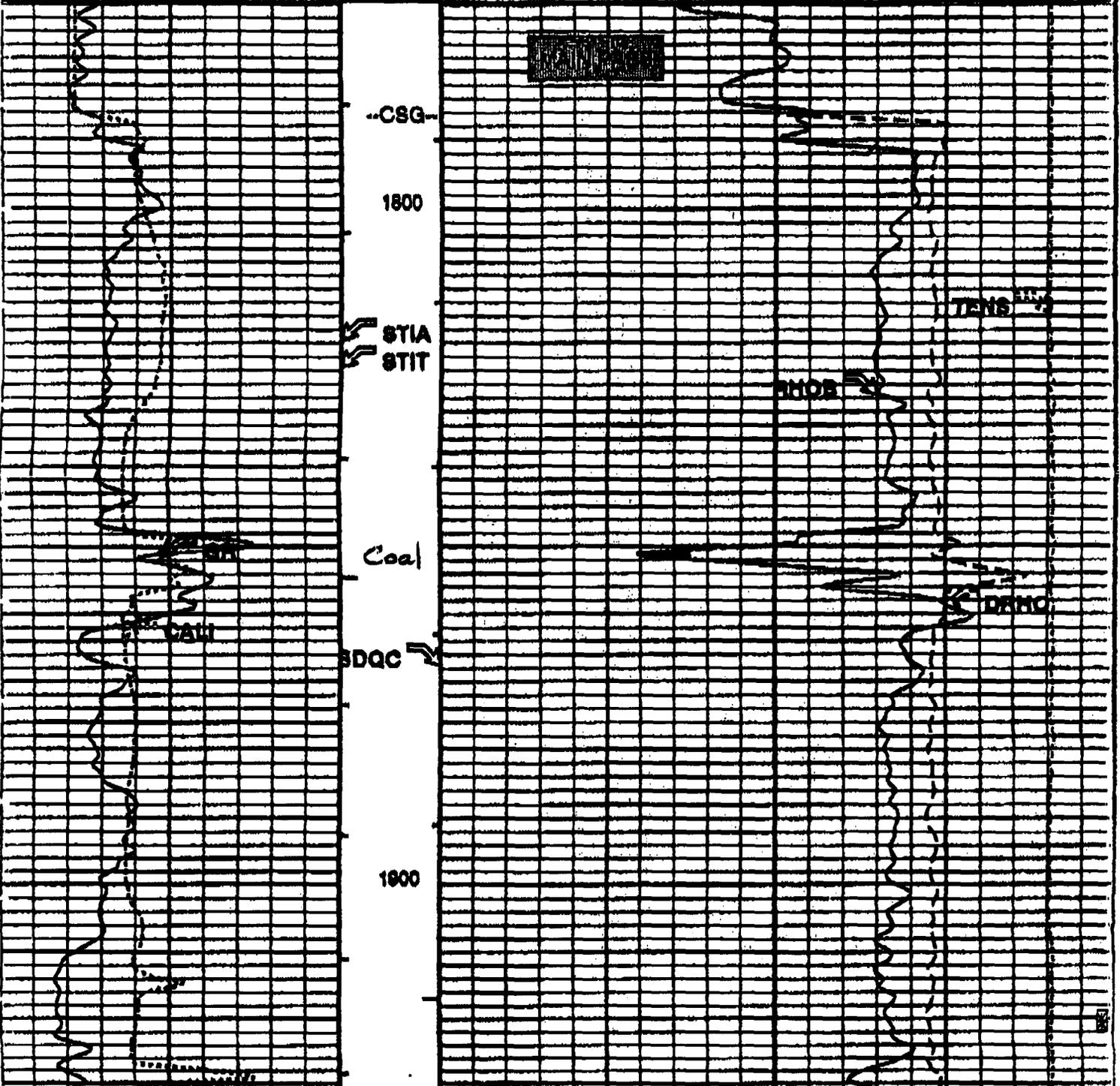
COAL

Bulk Density Correction (DRHO)
(G/Cs)
-0.25 0.25

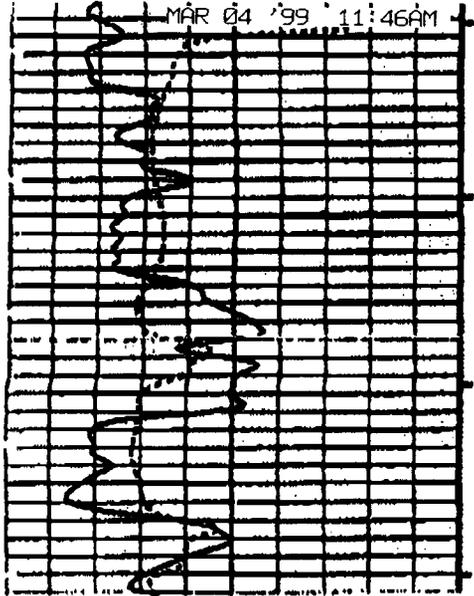
Gamma Ray (GR)
(GAPI)
0 200

LDT
QUALITY
1

Bulk Density (RHOB)
(G/Cs)
1 3

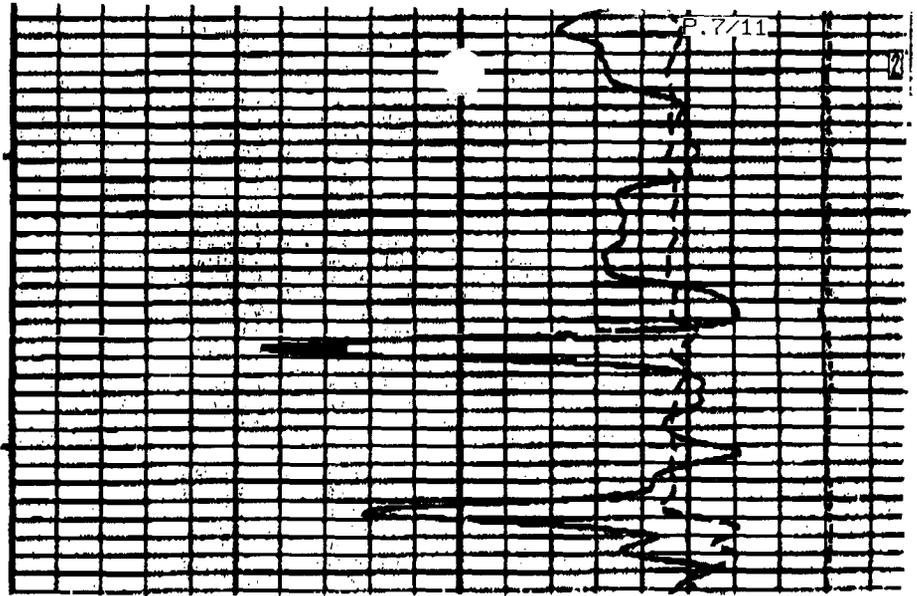


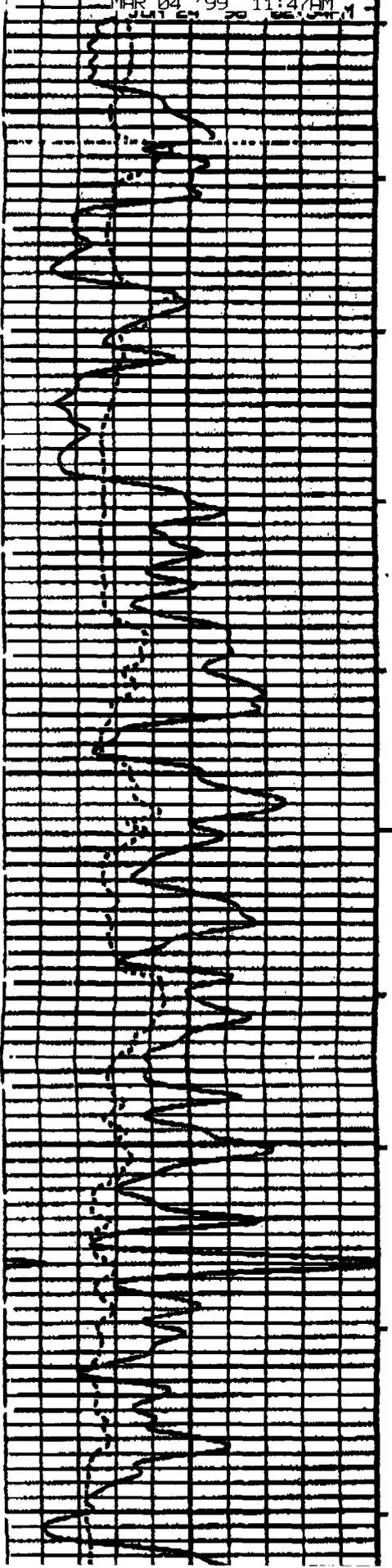
MAR 04 '99 11:46AM



cou

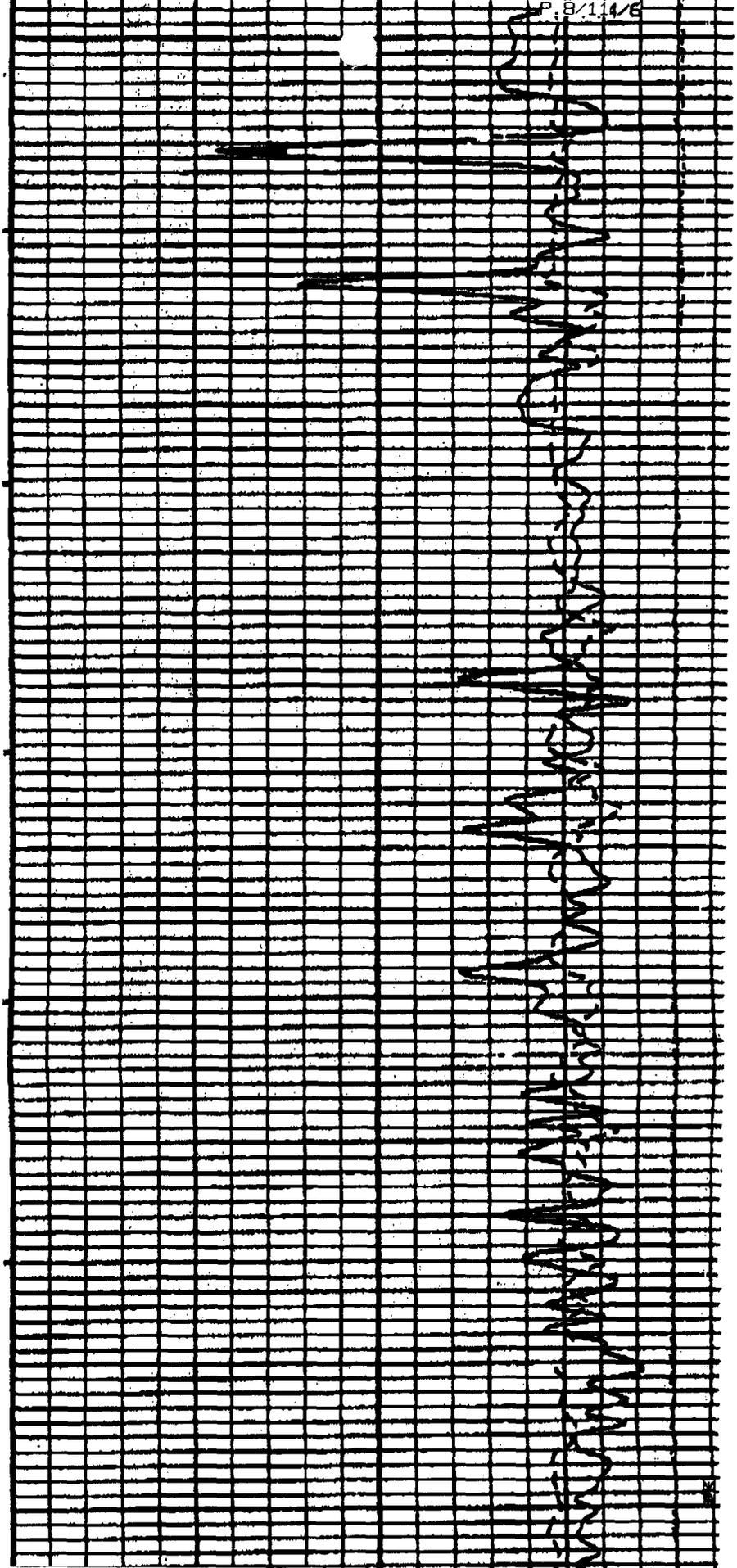
P.7/11



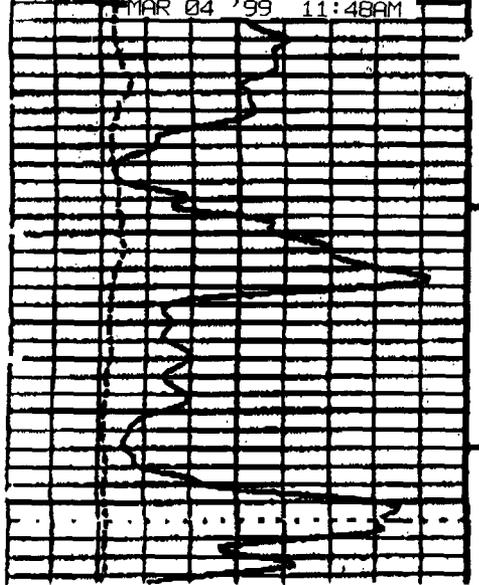


2000

2100

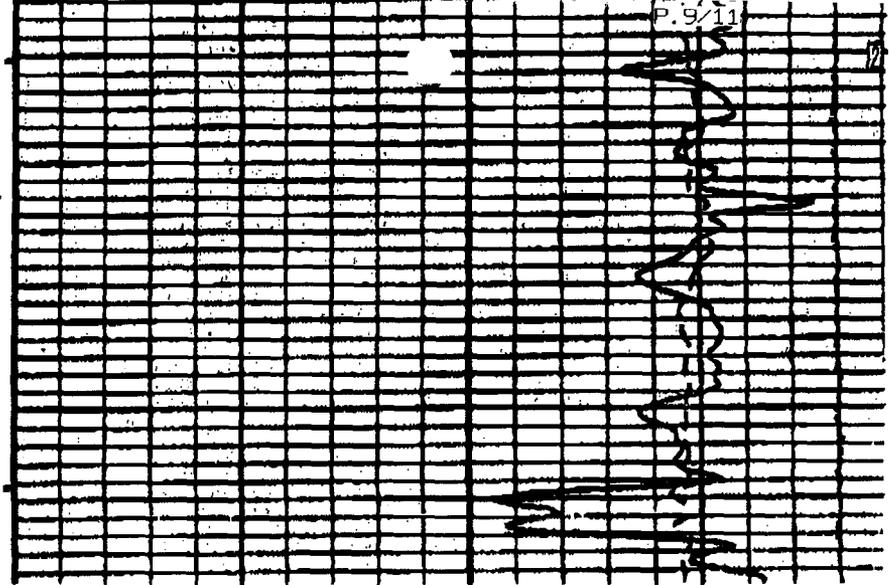


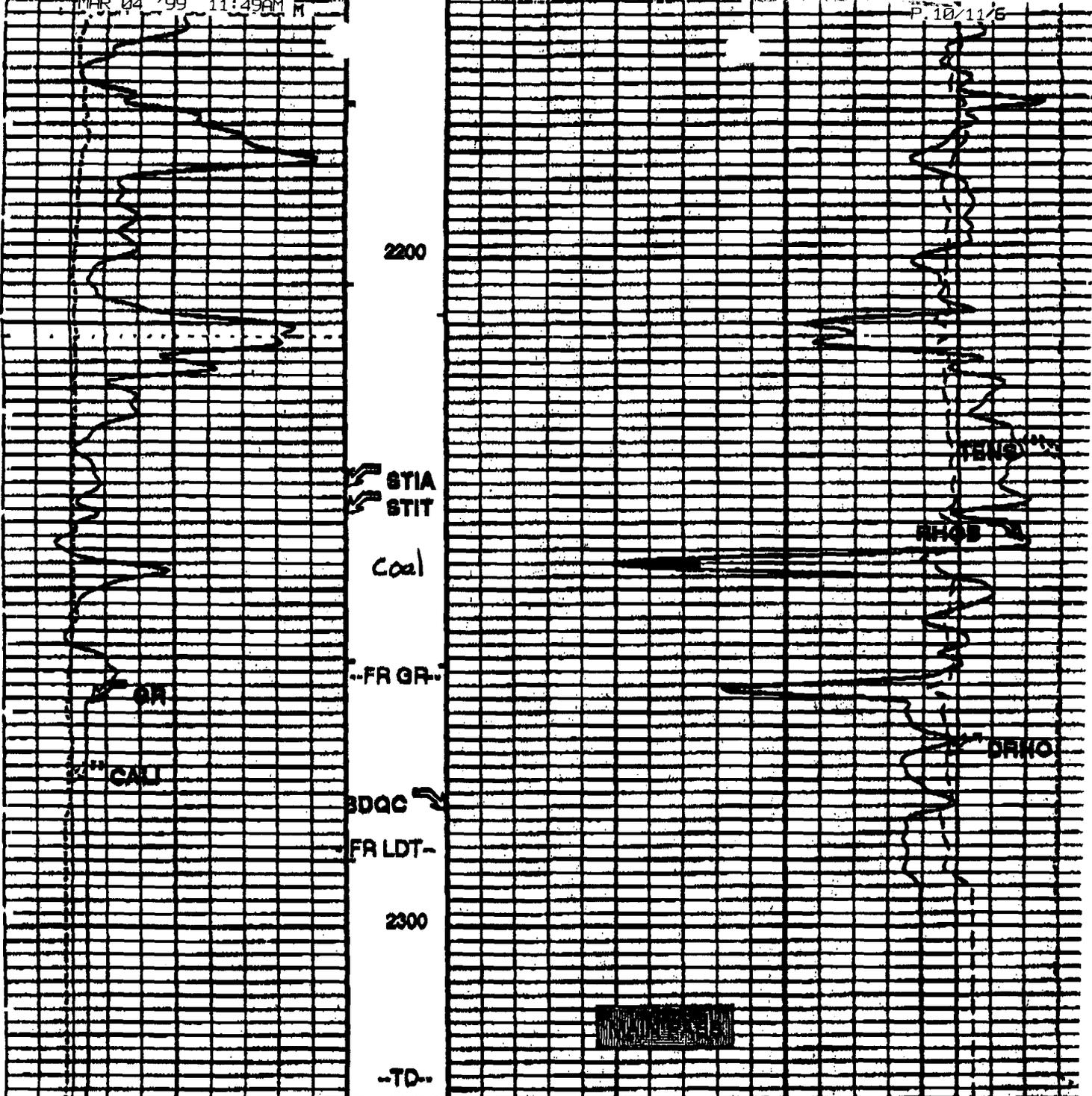
MAR 04 '99 11:48AM



2200

P. 9/11





Gamma Ray (GR) (GAPI)	LDT QUALITY	Bulk Density (RHOB) (G/C3)
Caliper (CALI) (IN)	Stick Stretch (STIT) (F) 50	Bulk Density Correction (DRH) (G/C3)
	Cable Drag From STIA to STIT Tool/Tool Drag	Tension (TENS) (LBF)

TEXACO EXPLORATION & PRODUCTION

UTAH V36-16

SECTION 36, T23S, R4E

SEVIER COUNTY, UTAH

DESCRIPTION REPORT

BY

BILL NAGEL

ROCKY MOUNTAIN GEO-ENGINEERING CORP.

DESORPTION REPORT

INTRODUCTION

The Texaco well, Utah V36-16 was located in Section 36, T23S, R4E of Sevier County, Utah. This well was drilled to test coals of the Ferron Formation. The well was drilled to a total depth of 2320' on August 11, 1996. This well was drilled with air and aerated mud.

Three core samples and twelve sidewall core samples were collected from coal beds in the Ferron Formation and were sealed in canisters for desorption. The samples were collected at the following depths and lithology:

CORE SAMPLE

CANISTER #	164	1851-1853	Shale, occ carb, tr coal
CANISTER #	178	1956-1957	Coal and carb shale
CANISTER #	184	2090-2091	Shale, trace carb shale

SIDEWALL CORES

CANISTER #	SW230	1851	Coal & carb Shale
CANISTER #	SW225	1893.5	Coal
CANISTER #	SW221	1983	Coal & Sandstone
CANISTER #	SW215	2057	Siltstone
CANISTER #	SW203	2077	Carb Shale
CANISTER #	SW195	2110	Shale
CANISTER #	SW194	2116	Silty Sandstone
CANISTER #	SW184	2110	very carb Shale
CANISTER #	SW182	2213	Carb Shale, tr Coal
CANISTER #	SW179	2246	Coal
CANISTER #	SW180	2247	Coal
CANISTER #	SW178	2265	Carb Shale, Trace Coal

DESORPTION ANALYSIS

The samples were desorbed with the desorbed gas volume measured using the manometric method. Data sheets for the samples are enclosed listing the following: Desorption time, gas volume, temperature, pressure, gas volume at STP, desorption rate, and cumulative gas volume. All of the samples were desorbed at formation temperature until they stopped giving up gas. Table #1 compares the desorption results and the gas content of the coal using the US Bureau of Mines Direct Method, the Smith and Williams Method and the Decline Curve Method of lost gas calculations. Some of the samples were composed of a carbonaceous shale. The gas content for these canisters is for the entire sample and not for coal. The gas content for these samples composed partially of coal and shale or sandstone was calculated for both the full sample and just the coal portion.

LOST GAS ANALYSIS

The lost gas for the samples was calculated using the US Bureau of Mines Direct Method, the Smith and Williams Method and the Decline Curve Method. The Direct Method and the Decline Curve Method lost gas curves are plotted on graphs enclosed in this report.

The sidewall cores were cut after the coals were drilled with mud. It is not known how much gas may have desorbed from the coals between the time the hole was drilled and the sidewall cores were collected from the wall of the hole. The lost gas calculations on the sidewall cores were completed with the theory that the coals desorb very little gas before they were collected. The coals probably did not desorb at the unrestricted full rate as they were sealed in the wall of the hole and may have had some fluid exerting hydrostatic pressure against them. More likely the coals desorbed 10-20% of the gas before there were collected.

TABLE #1 - COMPARISON OF DESORPTION ANALYSIS METHODS

TEXACO, UTAH V38-18

GAS CONTENT CALCULATED USING ENTIRE SAMPLE

CAN NUMBER	DEPTH (FEET)	U.S. BUREAU OF MINES	SMITH AND WILLIAMS	RAVEN RIDGE RESOURCES	Sample Lithology
		DIRECT METHOD	METHOD	DECLINE CURVE METHOD	
164	1851-1853	3.83	4.62	3.83	Shale, con carb, tr coal
8W230	1851	2.41	3.84	2.38	Coal & carb shale
8W225	1893.5	1.05	1.22	1.03	Coal
178	1956-1957	8.74	8.46	7.12	Coal & carb shale
8W221	1983	0.88	1.07	0.83	Coal & Sandstone
8W218	2057	1.11	1.67	1.00	Siltstone
8W203	2077	3.38	4.63	3.59	Carb shale
184	2080-2091	1.49	1.28	0.94	Shale, trace carb shale
8W195	2110	0.85	0.92	0.71	Shale
8W194	2118	0.38	0.61	0.41	Silty Sandstone
8W184	2210	22.82	30.32	23.84	very carb shale
8W182	2213	0.31	0.41	0.34	Carb shale, tr Coal
8W179	2246	1.77	2.11	1.89	Coal
8W180	2247	11.82	14.83	12.30	Coal
8W178	2265	0.78	1.18	0.92	Carb shale, tr Coal
AVERAGE GAS CONTENT		4.09	5.20	4.08	

GAS CONTENT CALCULATED USING COAL PORTION OF SAMPLE

CAN NUMBER	DEPTH (FEET)	U.S. BUREAU OF MINES	SMITH AND WILLIAMS	RAVEN RIDGE RESOURCES	Sample Lithology
		DIRECT METHOD	METHOD	DECLINE CURVE METHOD	
8W230	1851	9.40	15.89	8.28	Coal & carb shale
8W225	1893.5	1.05	1.22	1.03	Coal
178	1956-1957	19.28	18.26	16.70	Coal & carb shale
8W221	1983	5.97	7.42	5.78	Coal & Sandstone
8W179	2246	1.77	3.11	1.99	Coal
8W180	2247	11.82	14.83	12.30	Coal
AVERAGE GAS CONTENT		8.21	10.03	7.88	

Texaco -setP
Farmington, NM 87401
505 325-4397

To: Mr. Mike Herbertson UDOGM Fax: 801-359-3940

From: Rached Hindi Date: 03/04/99

Re: State of Utah V 36-16 Pages: Cover + 22

CC: [Click here and type name] *Another transmittal of 20 is being sent*

Urgent For Review Please Comment Please Reply Please Recycle

Mike, Please find attached the information that I've sent to Bob Krugen and to Mark Page concerning the subject well. Texaco sold this well to Johnson Cattle Co. since it tested uneconomical as a gas well and since Johnson Cattle Co. could use it as a water well. I've included the bill of sale between Texaco and Johnson Cattle Co. for the well in this fax transmittal. Texaco's aim is to get this well classified as a water well so that we (Texaco and DOGM) can assign it to Johnson Cattle Co. without Johnson Cattle Co. having to have an oil and gas bond and because Johnson Cattle Co. intends to use the well for water only. In that pursuit, we provided Mark Page with the Division of Water Rights data (water analyses, log information, completion interval data etc, which is included in this fax transmittal) that he needed to approve this well as a water well. Mr. Page agrees that this well in its current configuration is indeed applicable as a water well. Please find attached a letter from Mr. Page confirming that this well is applicable as a water well. Hopefully the enclosed data will enable DOGM to reassign this well from Texaco to Johnson Cattle Co. If you have any questions or need additional information, please call at 505 325-4397 ext. 15

Rached Hindi

NTIAL

State of Utah "V" No 36-16

Sec 36, T23S-R4E

Sevier County, Utah

Rached,

Based on whole core and sidewall core data, the average gas content is 4 scf/t of coal. This value is very low and much less than values in the Orangeville area where we commonly have values above 300 scf/t of coal.

The well contains a maximum of 6 feet of coal, in 3 thin seams at depths of 1851', 1965' and 2246'.

The combination of very thin coals with very low gas content results in very minor quantities of gas in this well.

Bob Lamore 6/24/98
Texaco Geologist

Post-It [®] brand fax transmittal memo 7871		# of pages >	6
To	Rached Blindi	From	Bob Lamore
Co.		Co.	
Dept.		Phone #	621-4274
Fax #	505-325-5378	Fax #	621-4228



TEXACO

FAX TRANSMITTAL COVER SHEET

NOTE: DO NOT USE BLUE OR RED INK OR PENCIL ON THIS FORM. THEY WILL NOT REPRODUCE

W

DATE: 7/17/98 URGENT ROUTINE NO. OF PAGES 3 + cover

MESSAGE TO: Rachael Heide

TELEPHONE NO. 505-325-4397 x15 FAX MACHINE NO. 505-325-5398

DEPT./DIV./SUBS. _____

LOCATION Farmington ROOM NO. _____

MESSAGE FROM: Bob Lawrence

TELEPHONE NO. 8-621-4274 FAX MACHINE NO. 8-621-4228

DEPT./DIV./SUBS. _____

LOCATION _____ ROOM NO. _____

SENDING DEPT. APPROVAL _____ TIME TRANSMITTED _____

RETURN ORIGINAL VIA INTER-OFFICE MAIL RETURN ORIGINAL CALL SENDER TO PICK UP

ADDITIONAL COMMENTS:

Rachael, I hope this info will help
w/your discussion w/ Doug.
Let me know if you need anything else.
Bob Lawrence



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)

March 18, 1999

Texaco Exploration and Production Inc.
3300 North Butler Avenue, Suite 100
Farmington, New Mexico 87401

Johnson Livestock Company
P.O. Box 309
Aurora, Utah 84620

Re: State of Utah 'V' 36-16 Well, Section 36, T. 23 S., R. 4 E., Sevier County, Utah

Gentlemen:

On February 9, 1998 the Division of Oil, Gas and Mining received a sundry notice from Texaco relinquishing ownership of the subject well and requesting approval to consider the well abandoned and transfer responsibility for the well to Johnson Cattle Company for use as a water well. Please be advised that in order to do this we must receive 1) a letter assuming liability from the new owner and 2) evidence of an approval from the Division of Water Rights for appropriation of water. We have thus far received an Assignment and Bill of Sale which should suffice for the first requirement but have not received the latter. The Division of Water Rights regional engineer, Mark Page, informed us that to approve the appropriation requires some further testing of the well by Johnson Livestock Company. However, there remains some confusion as to who is taking responsibility for the well, Johnson Livestock Company or Johnson Cattle Company or are they the same entity?

We encourage Texaco and Johnson Livestock (Cattle) Company to resolve this matter soon. Texaco is currently the operator of record with the Division and responsible for plugging of the well. This will not change until the well is legitimately converted to a water well as described above or a successor operator takes over the well and secures proper bonding.

Please call if you would like to discuss this matter.

Sincerely,

Gil Hunt
Technical Services Manager

lwp

FIXED TIME

RECEIVED FILING FOR WATER IN THE STATE OF UTAH AUG 2 1997 WATER RIGHTS APPLICATION TO APPROPRIATE WATER

RECEIVED

Rec. by DC Fee Rec. 97-0122 Receipt # 150.00

Microfilmed

Roll #

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements to Title 73, Chapter 3 of the Utah Code Annotated (1953, as amended).

*WATER RIGHT NO. 94 - 1870 *APPLICATION NO. A F71092

1. *PRIORITY OF RIGHT: August 13, 1997 *FILING DATE: August 13, 1997

2. OWNER INFORMATION

Name(s): Johnson Livestock Company *Interest: 100 %

Address: P.O. Box 309

City: Aurora State: Utah Zip Code: 84620

Is the land owned by the applicant? Yes X No (If "No", please explain in EXPLANATORY section.)

3. QUANTITY OF WATER: 2.0 cfs and/or ac-ft.

4. SOURCE: Underground Water Well - Existing *DRAINAGE:

which is tributary to

which is tributary to

POINT(S) OF DIVERSION: COUNTY: Sevier

S. 1015 ft. & W. 615 ft. from NE Cor. Sec. 36, T23S, R4E, SLB&M

Description of Diverting Works: 8 5/8 inch diameter casing, 2320 feet deep

*COMMON DESCRIPTION: 13 Miles SW of Emery Old Woman Plateau Quad

5. POINT(S) OF REDIVERSION

The water will be rediverted from at a point:

Description of Diverting Works:

6. POINT(S) OF RETURN

The amount of water consumed will be 2.0 cfs or ac-ft.

The amount of water returned will be cfs or ac-ft.

The water will be returned to the natural stream/source at a point(s):

7. STORAGE

Reservoir Name: Johnson Oak Ranch Storage Period: from January 1 to December 31

Capacity: 90.0 ac-ft. Inundated Area: 3.0 acres.

Height of dam: 29 feet

Legal description of inundated area by 40 acre tract(s):

W 1/2 SE 1/4, Lots 3 & 4, Sec. 31, T23S, R5E, SLB&M

* These items are to be completed by the Division of Water Rights

SCANNED

Appropriate

8. List any other water rights which will supplement this application Irrigation: 94-14,15,27,1136

9. NATURE AND PERIOD OF USE

Irrigation:	From <u>April 1</u>	to <u>October 31</u>
Stockwatering:	From <u>January 1</u>	to <u>December 31</u>
Domestic:	From _____	to _____
Municipal:	From _____	to _____
Mining:	From _____	to _____
Power:	From _____	to _____
Other:	From _____	to _____

10. PURPOSE AND EXTENT OF USE

Irrigation: 700 acres. Sole supply of 120 acres.
 Stockwatering (number and kind): 3020
 Domestic: _____ Families and/or _____ Persons.
 Municipal (name): _____
 Mining: _____ Mining District in the _____ Mine.
 Ores mined: _____
 Power: Plant name: _____ Type: _____ Capacity: _____
 Other (describe): _____

11. PLACE OF USE

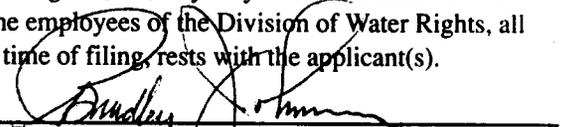
Legal description of place of use by 40 acre tract(s): SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ Sec. 20; W $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ Sec. 21; N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 29, Lot 4, S $\frac{1}{2}$ SE $\frac{1}{4}$ Sec. 30; NE $\frac{1}{4}$, Lots 1 & 2 Sec. 31; NW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 32; all T23S, R5E, SLB&M

12. EXPLANATORY

The following is set forth to define more clearly the full purpose of this application. (Use additional pages of the same size if necessary): This well was constructed for exploration purposes by Texaco.

This right will be solely supplemental for livestock watering purposes.
The regulating reservoir referenced in paragraph #7 is already in existence.

The applicant(s) hereby acknowledges that he/she/they are a citizen(s) of the United States of America or intends to become such a citizen(s). The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purposes herein described. The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained herein, at the time of filing, rests with the applicant(s).



 Signature of Applicant(s)*

*If applicant is a corporation or other organization, signature must be the name of such corporation or organization by its authorized agent, or in the name of the partnership by one of the partners.

 Authorized Agent (please print)

 Authorized Agent (signature)



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RIGHTS

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
Robert L. Morgan
State Engineer

Southeastern Area
453 South Carbon Avenue
PO Box 718
Price, Utah 84501-0718
801-637-1303
801-637-7937 (Fax)

FAX TRANSMITTAL COVER SHEET

DATE: May 3, 1999

TIME: 2:15 p.m.

TO:

Name: Gil Hunt

Address: Division of Oil, Gas & Mining

FaxNo. 801-359-3940

FROM:

Name: Mark Page

Location: Price Office

FaxNo. 435-637-1303

TOTAL NUMBER OF PAGES (including cover sheet) 3

COMMENTS: Water Right 94-1870 (F71092)

Johnson Livestock Oak Ranch LC - State V36-16 Sevier County

Memorandum Decision

Following is a copy of the Memorandum Decision approving the water right on this well.
If you need any additional information, please call.

Thanks

RECEIVED

BEFORE THE STATE ENGINEER OF THE STATE OF UTAH

MAY - 3 1999

IN THE MATTER OF FIXED-TIME)
APPLICATION NUMBER 94-1870 (F71092))

MEMORANDUM DECISION WATER RIGHTS PRICE

Fixed-Time Application Number 94-1870 (F71092), in the name of Johnson Livestock Oak Ranch L.C., was filed on August 13, 1997, to appropriate 1.0 cfs of water from an existing 8-inch well, 2320 feet deep, located at a point South 1015 feet and West 615 feet from the NE Corner of Section 36, T23S, R4E, SLB&M. The water is to be used supplementally for the irrigation of 700.00 acres from April 1 to October 31, but limited to the sole supply of 60.0 acres, and as an additional source for stockwatering of 3020 cattle or equivalent. The water will also be stored year-round in the existing Johnson Oak Ranch Reservoir, which has a capacity of 90 acre-feet, inundating three acres, located in the W $\frac{1}{2}$ SE $\frac{1}{4}$, Lots three and 4, Section 31, T23S, R5E, SLB&M.

The application was advertised in the Salina Sun on August 27, 1997, and September 3, 1997, and was not protested.

It is the opinion of the State Engineer that there is water that can be appropriated under this fixed-time application. However, this right will not be granted in perpetuity. The fixed-time nature of this application has been discussed with the applicant and the applicant is willing to accept the conditions of such an approval.

It is, therefore, **ORDERED** and Fixed-Time Application Number 94-1870 (F71092) is hereby **APPROVED** subject to all prior rights. This application is also approved subject to Section 73-3-8, Utah Code Annotated, 1953, as revised, for a Fixed-Time, not to exceed twenty years, at which time this application will permanently lapse, except as noted in Section 73-3-8, paragraph #2, Utah Code Annotated. Upon such lapsing, the well will be appropriately abandoned as provided by state statutes and rules.

The applicant still has the responsibility of utilizing the water and for showing diligence to develop this right and for preparing and submitting proof of beneficial use of the water as required under Sections 73-3-12 and 73-3-16 of the Utah Code Annotated.

This Decision is subject to the provisions of Rule R655-6-17 of the Division of Water Rights and to Sections 63-46b-13 and 73-3-14 of the Utah Code Annotated, 1953, which provide for filing either a Request for Reconsideration with the State Engineer or an appeal with the appropriate District Court. A Request for Reconsideration must be filed with the State Engineer within 20 days of the date of this Decision. However, a Request for Reconsideration is not a prerequisite to filing a court appeal. A court appeal must be filed within 30 days after the date of this Decision, or if a Request for Reconsideration has been filed, within 30 days after the date the Request for Reconsideration is denied. A Request for Reconsideration is considered denied when no action is taken 20 days after the Request is filed.

Dated this 30th day of April, 1999

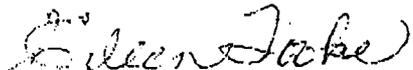
MEMORANDUM DECISION
FIXED-TIME APPLICATION NUMBER
94-1870 (F71092)
PAGE -2-


Robert L. Morgan, P.E. State Engineer

RLM:MPP:et

Mailed a copy of the foregoing Memorandum Decision this 30th day of April, 1999,
to:

Johnson Livestock Oak Ranch L.C.
P.O. Box 309
Aurora, UT 84620

BY: 
Eileen Tooke, Secretary