

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG _____ ELECTRIC LOGS _____ FILE **X** WATER SANDS _____ LOCATION INSPECTED _____ SUB. REPORT/abd. _____

DATE FILED **4-28-86**
 LAND: FEE & PATENTED _____ STATE LEASE NO. _____ PUBLIC LEASE NO. _____ INDIAN **14-20-H62-3924**

DRILLING APPROVED: **5-6-86 - (Cause No. 139-42)**

SPUDED IN: _____
 COMPLETED: _____ PUT TO PRODUCING: _____

INITIAL PRODUCTION: _____

GRAVITY A.P.I. _____

GQR: _____

PRODUCING ZONES: _____

TOTAL DEPTH: _____

WELL ELEVATION: **5639' gr**

DATE ABANDONED: **Application Recorded 5-27-86**

FIELD: **BLUEBELL**

UNIT: _____

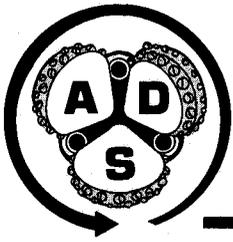
COUNTY: **UINTAH**

WELL NO. **MICHELLE UTE 2-7A1E**

LOCATION **2011' FNL** FT. FROM (N) (S) LINE. **1738' FEL** FT. FROM (E) (W) LINE. **API #43-047-31720**
SW NE 1/4 - 1/4 SEC. **7**

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
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1S 1E 7 BADGER OIL CORP.



ADS MANAGEMENT, INC.

OILFIELD INVESTMENT MANAGEMENT

Route 1 Box 1764
Roosevelt, Utah 84066
801-722-5087

April 25, 1986

RECEIVED
APR 28 1986

DIVISION OF
OIL, GAS & MINING

Mr. John Baza
State of Utah
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84160-1203

Re: Badger Oil Corporation
Badger Michelle Ute 2-7A1E

Dear John:

For your consideration, enclosed you will find Badger Oil Corporation's application for permit to drill for the above referenced well. Would you please address all correspondence concerning this matter to this office.

Thank you for your help. Please feel free to call should we need to answer any further questions.

Sincerely,

D. Cary Smith
Agent for Badger Oil Corporation

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

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
 DRILL DEEPEN PLUG BACK

b. Type of Well
 Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator
Badger Oil Corporation

3. Address of Operator
% ADS Management, Inc., Rt 1 Box 1764, Roosevelt, Utah 84066

4. Location of Well (Report location clearly and in accordance with any State requirements.)*
 At surface 2011' FNL SW 1/4 NE 1/4 Section 7, T1S, R1E
 At proposed prod. zone 1738' FEL
Same

5. Lease Designation and Serial No.
14-20-H62-3924

6. If Indian, Allottee or Tribe Name
Ute

7. Unit Agreement Name

8. Farm or Lease Name
Michelle Ute

9. Well No.
2-7A1E

10. Field and Pool, or Wildcat
 Bluebell

11. Sec., T., R., M., or Blk. and Survey or Area
Section 7, T1S, R1E

12. County or Parrish 13. State
Uintah Utah

14. Distance in miles and direction from nearest town or post office*
6 Miles East Southeast of Neola, Utah

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drilg. line, if any)
1738'

16. No. of acres in lease
640

17. No. of acres assigned to this well
640

18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this lease, ft.
2054'

19. Proposed depth
14,700' *Wanted*

20. Rotary or cable tools
Rotary

21. Elevations (Show whether DF, RT, GR, etc.)
5,639' ungraded

22. Approx. date work will start*
August 1, 1986

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
30"	20"		60'	150 CF (to surface)
12 1/4"	9-5/8"	36#	2,800'	400 CF (to surface)
8-3/4"	7"	26,29,32#	11,500'	750 CF
6"	5"	18#	11,200-14,700'	750 CF

This well is to be drilled to total depth using fresh water and fresh water LSND, weighted with barite as needed. Operator will use 10"-5000 psi BOP system and will operationally check BOP system daily.

RECEIVED
APR 28 1986

DIVISION OF OIL, GAS, AND MINING

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

24. Cory Smith ADS Management, Inc. Title: Agent for Badger Oil Corp. Date: 4/23/86

(This space for Federal or State office use)

Permit No. 43-047-31720 Approval Date DATE: 5-6-86

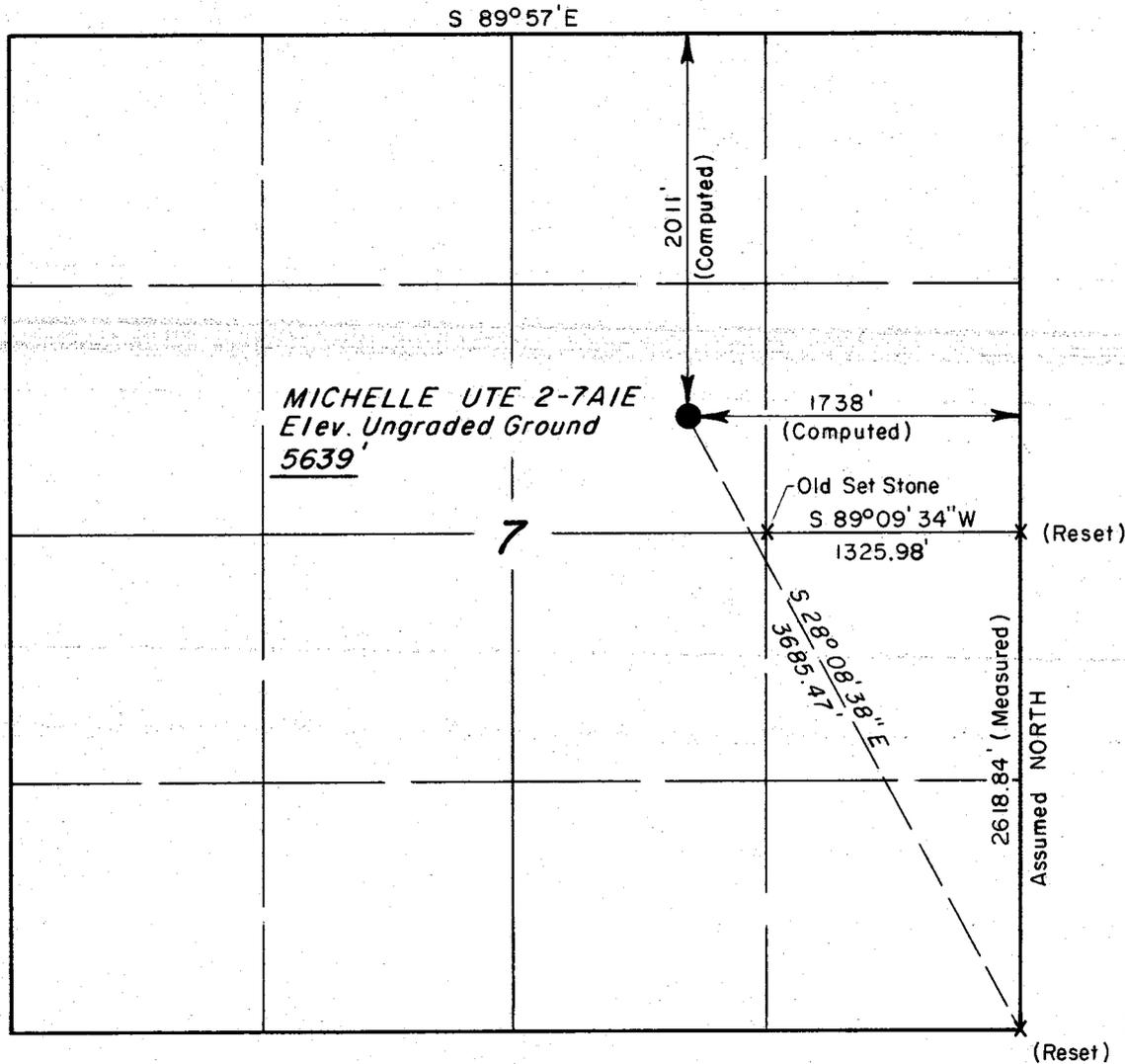
Approved by John P. Bay Title DATE: 5-6-86 Date 4/17/85

Conditions of approval, if any: WELL SPACING: 139-42

T I S , R I E , U.S.B. & M.

PROJECT
BADGER OIL CORP.

Well location, *MICHELLE UTE 2-7AIE*, located as shown in the SW 1/4 NE 1/4, Section 7, T I S, R I E, U.S.B. & M., Uintah County, Utah.



X = Located Corners



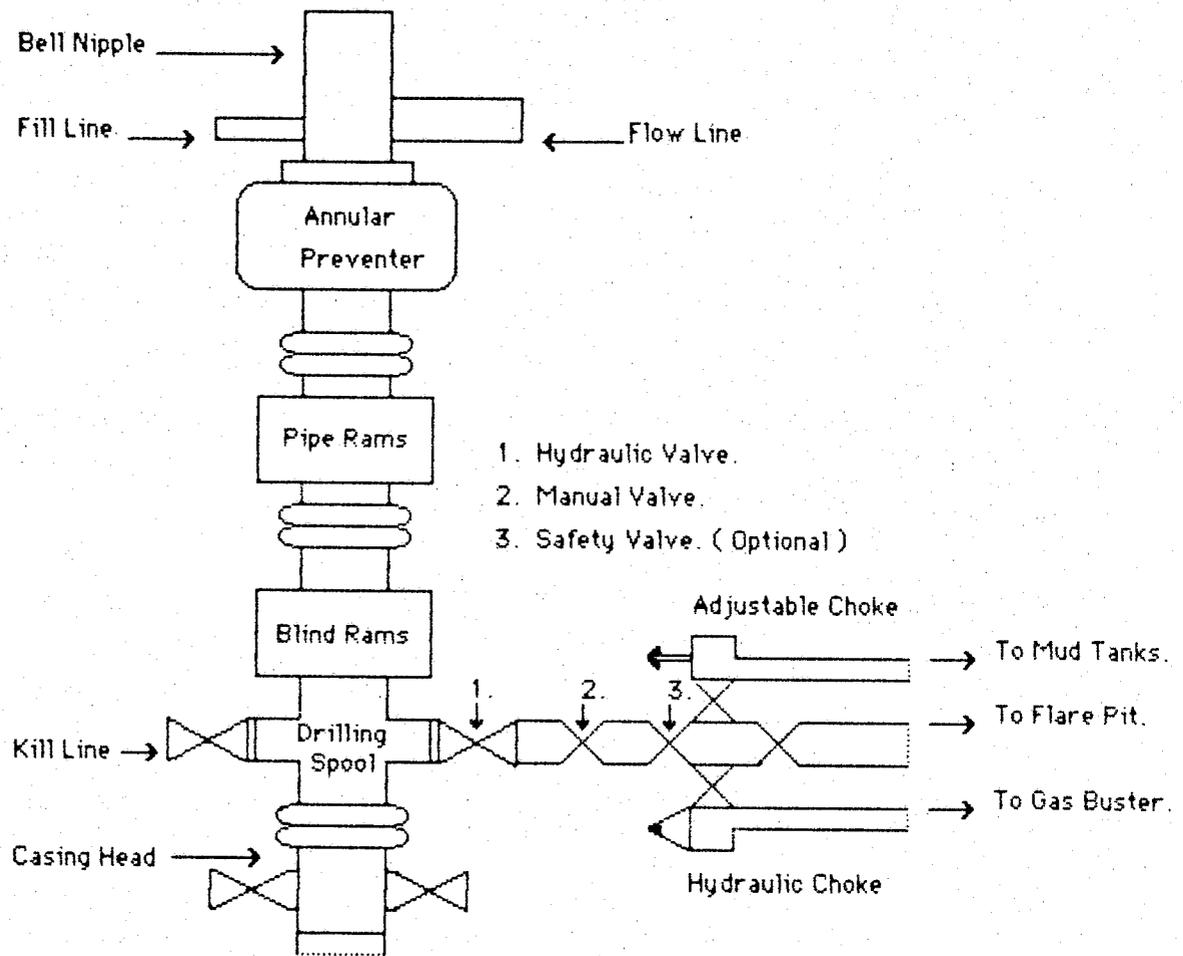
CERTIFICATE

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.

Alan J. ...
REGISTERED LAND SURVEYOR
REGISTRATION NO 2454
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING P. O. BOX Q - 85 SOUTH - 200 EAST VERNAL, UTAH - 84078	
SCALE 1" = 1000'	DATE 3/20/86
PARTY <i>LDT JK DK</i> DLS	REFERENCES GLO
WEATHER Cool	FILE Badger

BLOW OUT PREVENTER EQUIPMENT



A minimum 3,000 psi BOPE is to be installed after setting surface pipe. All preventers are to be tested to 1,500 psi prior to drilling out surface shoe.

A minimum 5,000 psi BOPE is to be installed after setting long string. Pipe rams and blind rams to be tested to 5,000 psi and the annular preventer to 1,500 psi prior to drilling out shoe.

All auxiliary BOPE will be tested to appropriate pressures when BOPs are tested. (Manifold, upper and lower kelly cock, valves, and inside BOP).

After drilling the shoe, the casing seat will be tested to an equivalent mud weight of 13.5 ppg.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL
WITHIN THE UINTAH OURAY RESERVATION

Company: BADGER OIL CORPORATION Well No: Michelle Ute 2-7A1E
Location: Section 7 Township 1S Range 1E Lease No: 14-20-H62-3924
Onsite Inspection Date: April 10, 1986 Bond No: 7972555 (Cont. Cas.)

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations, Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

A. DRILLING PROGRAM

1. Surface Formation and Estimated Formation Tops:

Uintah Formation	Surface
Green River Formation	5,600'+-
Wasatch Formation	11,000'+-

2. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered:

	FORMATION	ZONE
Expected Oil Zones:	GR/Wasatch	5600-TD
Expected Gas Zones:	GR/Wasatch	5600-TD
Expected Water Zones:	Uintah	Surface to 1800'
Expected Mineral Zones:	None Expected	

All fresh water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment:

Minimum 5000 psi BOPE will be installed prior to drilling the surface pipe shoe. Minimum 5000 psi BOPE will be installed prior to drilling the Intermediate casing shoe. Pit volume totalizers, flow sensors, automated choke manifold, gas buster, lower kelly cock, and stabbing valves will be available when drilling below 10,000'.

BOP systems will 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 District Office should be notified, with sufficient lead time, in order to have a BLM representative on location during pressure testing.

4. Casing Program and Auxillary Equipment:

A rat-hole driller will be used to drill a 30" conductor hole to a depth of between 60 and 80 feet. 20" pipe will then be run and cemented to surface.

Twelve and one-quarter inch hole will be drilled to 2500-3500', 9-5/8" casing will be run and cemented to surface.

BOPE will be installed and tested. 8-3/4" hole will be drilled to 11,000-12,000 feet. 7" casing will be run from surface to TD and a minimum of 1500' will be cemented.

BOPE will be installed and tested. 6" hole will be drilled to TD, 14,700'. 5" liner will be run and cemented from the intermediate casing to TD.

Anticipated cement tops will be reported as to depth; not the expected number of sacks of cement to be used. The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.

5. Mud Program and Circulating Medium:

The well will be drilled to the bottom of the surface pipe, using fresh water and fresh gel mud, with air as required to maintain circulation.

After setting the surface pipe, the well will be drilled to approximately 8000' using fresh water.

Fresh gel mud will then be utilized, weighted as necessary, with barite, for the remainder of the hole.

A minimum of 1000 sacks of barite will be maintained on location when drilling below 8000'.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to insure adequate protection of fresh water aquifers.

6. Coring, Logging and Testing Program:

No DST's or Cores are planned.

DIL-GR log will be run from the bottom of the surface pipe to TD.

CNL-FDC-GR and mud logs will be run from approximately 6000' to TD.

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 being 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).

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

The Uintah and Upper Green River Fms. (to approximately 8000') are expected to be normal or under-pressured. Lost circulation may be a problem. If air drilling is required to maintain circulation, the use of Chromate corrosion inhibitors will be required to control Drill Pipe corrosion.

The Middle and Lower Wasatch Fm. is expected to be over-pressured. Mud weights of 12-14 ppg may be required to maintain pressure equilibrium. The estimated BHP at 14,700' is 10,400 psi maximum, although the formation pressures of individual zones are expected to vary widely.

No other drilling hazards are anticipated.

8. Anticipated Starting Dates and Notifications of Operations:

Location Construction: July 1, 1986

Spud Date: August 1, 1986

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status 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.

The spud date will be reported, orally, to the AO within 48 hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the next following, regular work day. The oral report will be followed up with a Sundry Notice.

In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 9-329. "Monthly Report of Operations", starting with the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed, in triplicate, to the Vernal BLM District Office, 170 South 500 East, Vernal, Utah 84078.

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 revisions.

(If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.)

Upon completion of Drilling operations, the drilling rig will be released and rigged down. Completion operations will be performed, utilizing a completion rig.

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 communication, not later than five days following the date on which the well is placed on production.

Pursuant to NTL-2B, 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.

Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, 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.

A schematic facilities diagram, as required by 43 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 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.

A first production conference will be scheduled, within 15 days after receipt of the first production notice.

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 representatives, or the appropriate Surface Managing Agency.

Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development,

production, and construction operations are conducted in a manner which conforms with applicable Federal Laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian lands.

B. THIRTEEN POINT SURFACE USE PLAN

1. Existing Roads:

- a. Location of proposed well in relation to town or other reference point: 4 miles South of Whiterocks, Utah - West of Utah 121
- b. Proposed route to location: From Neola, Utah, travel 5-1/3 miles East to Whiterocks Highway Junction then South 1-1/3 miles +-
- c. Location and description of roads in the area: All roads are existing and .21+- miles of access road will be built
- d. Plans for improvement and/or maintenance of existing roads: Existing roads will be graded and maintained as required. They are presently adequate for oilfield access roads
- e. Other: .21 miles of road will be upgraded on the Ute Tribal surface

2. Planned Access Roads:

- a. Length: 1118.76' (.21 miles)
- b. Width: On Tribal Lands: 50' right-of-way
- c. Maximum Grade: N/A
- d. Turnouts: N/A
- e. Location Road (centerline): Tribal Lands: See Plat
- f. Drainage: Roadway drainage will be provided in accordance with "Surface Operating Standards for Oil and Gas Exploration and Development". Two 24" culverts provided at entrance from main highway. One 36" culvert at each irrigation ditch. (Total of two 36" culverts.)
- g. Surface Materials (source): All roads will be built using native materials, capped, where necessary, with roadbase from commercial gravel pits in the area.
- h. Two cattle guards will be provided - one at the highway entrance and one at the N/S 1/4 section line (see plat). Location will be fenced to the 1/4 section line. Cattle guard and two 16' Powder River gates will be provided at the North and South location fences to permit through access.

- i. The surface rights are owned by the U Indian Tribe, an approved right-of-way will be obtained from the BIA before the operator begins any construction activities.

All travel will be confined to existing access road rights-of-way.

Access roads and surface disturbing activities will conform to standards outlined in the USGS Publication (1978) Surface Operating Standards for Oil and Gas Development .

The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

Right-of-Way Application needed. If a ROW is necessary for the access road, a copy of the ROW grant shall be with the dirt contractor during the construction and thereafter kept on location with the complete copy of the approved APD.

The operator/lessee or his successor shall be responsible for all maintenance on cattleguards or gates associated with this oil and/or gas operation.

3. Location of Existing Wells:

See Attached Map.

1. Well - Oil/Gas SW 1/4 NE 1/4
 Utex Oil 43-047-30173 API
2. Well - Oil/Gas NE 1/4 SW 1/4
 Badger Oil 43-047-31390 API

The closest water well belongs to Lloyd Ferguson and is located in N 1/2 NE 1/4 SW 1/4 Section 6, T1S, R1E

4. Location of Tank Batteries and Production Facilities:

See Attached Well layout plat.

All permanent (on site for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain State Interagency Committee. All facilities will be painted within 6 months of installation. Facilities required to conform with O.S.H.A.

(Occupational Safety and Health Act) will be excluded. This facility will be painted slate gray.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1.5 times the storage capacity of the battery.

Tank batteries will be placed on the Northeast corner between points 1 and 2.

All loading lines will be placed inside the berm surrounding the tank battery.

All site security guidelines indentified in 43 CFR 3162.7 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO. Per existing gas contracts in the Altamont-Bluebell Field, gas will be metered at the wellsite and volumes will be adjusted to conform with the Plant Inlet Master Meter.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters must be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months for new meter installations and at least quarterly for other meter installations. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with the API standards for natural gas measurement.

5. Water and Construction Materials:

Water will be purchased from the Ute Tribe from the ditch located approximately on the N/S 1/4 Section Line (see map). Water will be transported to location by a temporary pipeline along access lease.

If fill materials are needed to construct roads and well sites, proper permits will be obtained. A copy of the permit needed to obtain water will be attached to the application if water is to be used for the drilling. Information for permits will include: (a) the approximate amount of water or materials needed, (b) location and ownership of the water rights or materials to be used and, (c) the approximate amount of time the water or materials will be required.

6. Construction Materials:

All fill and road construction materials will be purchased from private owners.

7. Methods of Handling Waste Disposal:

a. The following methods will be used to provide safe containment of the following waste materials.

1. Cuttings - Reserve pit
2. Sewage - Holding tanks
3. Trash - Hauled to dump
4. Salts - None
5. Chemicals - Reserve pit - No restricted chemicals are planned for this well

b. Drilling mud and chemicals and water recovered during the testing operation will be produced to the reserve pit. Produced oil will be salvaged as possible. The reserve pit will be reclaimed to protect the environment

Burning will not be allowed. All trash must be contained and disposed of by containment in a trash cage and disposal in an approved, sanitary landfill.

Pits are not to be located in natural drainages where a flood hazard exists or surface runoff will destroy or damage the pit walls, unless otherwise herein provided.

All reserve pits will be lined with either native clay, commercial bentonite or plastic sufficient to prevent seepage. (If a plastic nylon reinforced liner is used, it shall be torn and perforated after the pit dries and before backfilling of the reserve pit.) The reserve pit will be lined with 3# per square foot commercial bentonite mixed with local clays and fill.

Pits will be constructed so as not to leak, break, or allow discharge of liquids.

Produced waste water will be confined to a bentonite lined pit for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, along with required water analysis, will be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance and will be grounds for issuing a shut-in order.

8. Ancillary Facilities:

Camp facilities will not be required.

9. Wellsite Layout:

The reserve pit will be located on the South side of the location. Points A-B-C-5.

The stockpiled topsoil will be stored on the Southwest corner of the location. Points 5-6.

Access to the well pad will be from the Northeast. Points 2-3.

The trash pit will be located: None allowed. (Will use basket.)

Diversion ditch(es) shall be constructed on the North edge of the location as required by the BIA.

Reserve pits will be fenced with a wire mesh fence and topped with at least one strand of barbed wire. Fencing will be on three sides, while drilling, and the fourth side after releasing the drilling and completion rigs.

Operator's employees, including subcontractors, will not gather firewood along roads constructed by operators. If wood cutting is required, a permit will be obtained from the Forestry Department of the BIA pursuant to 25 CFR 169.13 "Assessed Damages Incident to Right-of-way Authorization". All operators, sub-contractors, vendors and their employees or agents may not disturb saleable timber (including firewood) without a duly granted wood permit from the BIA forester. Trees from the location will be cut and hauled off or bucked at the edge of the location, at the operators discretion.

10. Plans for Restoration of Surface:

Immediately upon completion of drilling, the location and surrounding area will be cleared of all debris, materials, trash and junk not required for production.

Before any dirtwork to restore the location takes place, the reserve pit must be completely dry and all cans, barrels, pipe, etc. will be removed.

All disturbed areas, not required for production operations, will be recontoured to the approximate natural contours.

The stockpiled topsoil will be evenly distributed over the disturbed areas.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

Seed will be broadcast or drilled at a time specified by the BIA. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage. (September 15th until the ground freezes.)

The seed mixture to be used will be specified by the BIA, at the time of restoration.

The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed within 1 year.

Abandoned well sites, roads, or other disturbed areas will be restored to near their original condition. This procedure will include: (a) reestablishing irrigation systems where applicable, (b) reestablishing soil conditions in irrigated fields in such a way

as to insure cultivation and harvesting of crops and, (c) insuring revegetation of the disturbed areas to the specification of the Ute Indian Tribe or the BIA at the time of abandonment.

The operator will submit a plan for controlling noxious weeds along rights-of-way for roads, pipelines, well sites or other applicable facilities. A list of noxious weeds can be obtained from the appropriate county extension office.

11. Surface and Mineral Ownership:

The surface and minerals are owned by the Ute Indian Tribe.

12. Other Information:

A wood permit will be obtained from the BIA, prior to disturbing any timber. Usable wood will be cut and hauled off. The stubble will be worked into the top soil.

While drilling, the reserve pit will be fenced on three sides. When the drilling rig moves off, the fourth side will be fenced.

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 3162.2.

"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 3164.

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

A cultural resource clearance will be required before any construction begins. If any cultural resources are found during construction, all work will stop and the AO will be notified.

Additional Surface Stipulations for BLM, BIA, ES, DWR, or Private Surface Lands:

The operator or his contractor shall contact the BLM and BIA Offices at (801) 789-1362 (BLM) and (801) 722-2406 (BIA) between 24 and 48 hours prior to construction activities. Contact Tim O'Brien.

There shall be no surface disturbance within 600 feet of live water (includes stock tanks, springs, and guzzlers).

Operator's employees, including subcontractors, will not carry fire-arms or other weapons that may be used to kill game animals.

Operator's employees, including subcontractors, will be confined to established roads and well sites. The purpose of this is to prevent soil erosion, and to prevent harassment of game animals or livestock with off-road vehicles such as snowmobiles, motorcycles, or

4-wheel drives

All roads constructed by operators on the Uintah and Ouray Indian Reservation will have appropriate signs. Signs will be neat and of sound construction. They will state: (a) that the land is owned by the Ute Indian Tribe, (b) the name of the operator, (c) that firearms are prohibited to all non-Ute Tribal members, (d) that permits must be obtained from the BIA before cutting firewood or other timber products and (e) only authorized personnel are permitted on location.

A bench mark will be established near each well site at a location where it will not be destroyed. The bench mark will be a brass cap set in concrete. The brass cap will show the well number and elevation to the nearest one-tenth of a foot. The cuts and fills diagram for the well site will show elevations in relation to the bench mark.

Grazing Permittee:

Frank Arrowchis
Whiterocks Highway
(801) 353-4378

13. Representative:

Cary Smith, Agent for Badger Oil Corporation or
James Garcia, Agent for Badger Oil Corporation
ADS Management, Inc.
Rt 1 Box 1764
Roosevelt, Utah 84066
(801) 722-5087

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 sub-contractors. A copy of these conditions will be furnished the field representative to insure compliance.

This drilling permit will be valid for a period on one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

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 currently exist, that the statements made in this plan are true and correct to the best of my knowledge; and, that the work associated with the operations proposed herein will be performed by BADGER OIL CORPORATION and its contractors and subcontractors in conformity with this 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.

4/23/86
Date

Cary Smith
D. Cary Smith or James Garcia
Agent for BADGER OIL CORPORATION

ON-SITE:

DATE: April 10, 1986

PARTICIPANTS: Floyd Wopsock - Ute Tribe
Tom Houston - Badger Oil Corporation
Cary Smith - Agent for Badger Oil Corporation
Bob Morlan - Badger Oil Corporation
Ken Young - Bureau of Indian Affairs
Lanny Taylor - Uintah Engineering
Tim O'Brien - Bureau of Land Management
Jerry Kenezka - Bureau of Land Management
Rick Hauck - Archaeologist
Jonas Grant - Ute Tribe

BADGER OIL COPORATION

MICHELLE UTE 2-7A1E

DAMAGE AREA AND ROAD RIGHT OF WAY

ON

UTE TRIBAL LANDS

LOCATED IN

SECTION 7, T1S, R1E, U.S.B. & M.

UINTAH COUNTY, UTAH

DAMAGE AREA

BEGINNING AT A POINT IN THE SW 1/4 NE 1/4 SECTION 7, T1S, R1E, U.S.B. & M. N 24°33'07" W 3816.40' FROM THE SE CORNER OF SAID SECTION; THENCE S 13°27'49" E 180.00'; THENCE S 76°32'11" W 400.00'; THENCE N 13°27'49" W 400.00'; THENCE N 76°32'11" E 400.00'; THENCE S 13°27'49" E 20.00' TO THE POINT OF BEGINNING. CONTAINS 3.673 ACRES MORE OR LESS. BASIS OF BEARING IS THE EAST LINE SE 1/4 OF SAID SECTION WHICH IS ASSUMED TO BEAR NORTH.

ROAD RIGHT OF WAY ON UTE TRIBAL LANDS

TOTAL LENGTH OF ROAD RIGHT OF WAY ON UTE TRIBAL LAND IS 1118.76' OR 0.21 MILES. ACERAGE WIDTH OF RIGHT OF WAY IS 50 (25' ON EACH SIDE OF THE CENTERLINE). CONTAINS 1.28 ACRES MORE OR LESS.

ENGINEER'S AFFIDAVIT

STATE OF UTAH)
) SS
COUNTY OF UINTAH)

NELSON J. MARSHALL, BEING FIRST DULY SWORN, DEPOSES AND STATES THAT HE IS THE REGISTERED LAND SURVEYOR, FOR BADGER OIL CORPORATION, THAT THESE SURVEYS WERE MADE BY HIM (OR UNDER HIS SUPERVISION): THAT HE HAS EXAMINED THE FIELD NOTES OF THE SURVEYS OF THE DAMAGE AREA, AND ROAD RIGHT-OF-WAY AS DESCRIBED AND SHOWN ON THIS MAP, THAT THIS MAP WAS PREPARED UNDER HIS DIRECTION FROM SAID FIELD NOTES; AND THAT SAID RIGHT-OF-WAY, BEGINNING AND ENDING AS SHOWN ON THIS MAP IS ACCURATELY REPRESENTED.

Nelson J. Marshall
REGISTERED LAND SURVEYOR
REGISTRATION NO. 2454
STATE OF UTAH

BADGER OIL CORPORATION
MICHELLE UTE 2-7A1E

ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN TO BEFORE ME THIS 15th DAY OF April 1986.
MY COMMISSION EXPIRES 5-1-86.

Timothy M. Ferrell
NOTARY PUBLIC
VERNAL, UTAH

APPLICANT'S CERTIFICATE

I, Cary Smith, DO HEREBY CERTIFY THAT I AM THE AGENT FOR BADGER OIL CORPORATION, HEREINAFTER DESIGNATED THE APPLICANT: THAT NELSON J. MARSHALL WHO SUBSCRIBED TO THE FOREGOING AFFIDAVIT, IS EMPLOYED BY THE APPLICANT TO SURVEY THE LOCATION OF THIS DAMAGE AREA AND ROAD RIGHT OF WAY, AND TO PREPARE THIS MAP: THIS MAP IS ACCURATELY REPRESENTED; THAT SUCH SURVEYS AS REPRESENTED ON THIS MAP HAVE BEEN ADOPTED BY THE APPLICANT AS THE DEFINITE LOCATION OF THE PROPOSED DAMAGE AREA AND ROAD RIGHT OF WAY, THEREBY SHOWN; AND THAT THIS MAP HAS BEEN PREPARED TO BE FILED WITH THE SECRETARY OF THE INTERIOR OF HIS DULY AUTHORIZED REPRESENTATIVE AS A PART OF THE APPLICATION FOR SAID DAMAGE AREA AND ROAD RIGHT OF WAY TO BE GRANTED THE APPLICANT, ITS SUCCESSORS AND ASSIGNS, WITH THE RIGHT TO CONSTRUCT, MAINTAIN, AND REPAIR IMPROVEMENTS, THERON AND THEREOVER, FOR SUCH PURPOSES AND WITH THE FURTHER RIGHT IN THE APPLICANT, ITS SUCCESSORS AND ASSIGNS, TO TRANSFER THIS RIGHT-OF-WAY BY ASSIGNMENT GRANT OR OTHERWISE.

Cary Smith
APPLICANT

Agent for Badger Oil Corporation
TITLE

ENDANGERED PLANT STUDIES, INC.
129 North 1000 East
Orem, Utah 84057
(801) 225-7085

16 April 1986

Badger Oil Company
Applied Drilling Services
Route # 1
Box 1764
Roosevelt, Utah 84066

Attn: Mr. Cary Smith

Dear Mr. Smith:

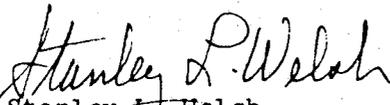
On April 10, 1986, at the instructions of Mr. Brad Webber of Uintah Engineering, Vernal, Utah, Mr. Ron Kass of this firm undertook a biological survey of a drill site for Badger Oil Company in the Whiterocks area of Utah. The site is in T1S, R1E, NE/SE S7 and is about 400 x 400 feet in area. The surface geology consists of quaternary alluvium. A road about 1/4 mile in length and 50 feet wide was also included in the survey. Elevation is at 5600 feet. The survey was especially concerned with threatened and endangered species cited under stipulations of the Endangered Species Act of 1973, as amended.

Passerine birds were abundant, but no raptors were seen. The area is not conducive to either bald eagles who occur there occasionally as winter residents or as transients, and the area is not known to support peregrine falcons or their eyries. Prairie dogs were not present on or near the site, and black-footed ferrets that feed on them and live in their colonies are not a consideration in this survey.

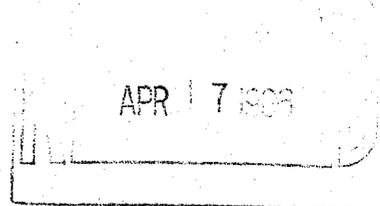
Penstemon goodrichii is known from the general vicinity, and was sought specifically, but none were present on either the drill site or along the access road. Thus, no listed or candidate threatened or endangered plant or animal species were noted.

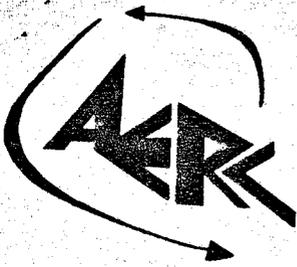
Please accept our thanks for this opportunity of working with you.

Sincerely yours,


Stanley L. Welsh
President

encl: Invoice
cc: BIA (Ken Young)
BLM (Jerry Kenczka)





ARCHEOLOGICAL - ENVIRONMENTAL RESEARCH CORPORATION

P.O. Box 853 Bountiful, Utah 84010

Tel: (801) 292-7061, 292-9668

April 14, 1986

Subject: **CULTURAL RESOURCE EVALUATION OF THE MICHELLE
UTE NO. 2-7A1E IN THE UINTA BOTTOMS LOCALITY OF
UINTAH COUNTY, UTAH**

Project: Badger Oil Company

Project No.: BOC-86-1

Permit No.: Dept. of Interior 85-Ut-54937

Utah State U-86-AF-182i

To: ✓ Mr. Cary Smith, Badger Oil Company, c/o Applied
Drilling Services, Route 1, Box 1764, Roose-
velt, Utah 84066

Mr. Roland McCook, Bureau of Indian Affairs,
P.O. Box 190, Fort Duchesne, Utah 84026

Mr. Jamie Cuch, Ute Indian Tribe, Energy &
Minerals Dept., P.O. Box 190, Fort Duchesne,
Utah 84026

Info: Antiquities Section, Division of State History,
300 Rio Grande, Salt Lake City, Utah 84101

GENERAL INFORMATION:

A cultural resource evaluation was made by F.R. Hauck of AERC on April 10, 1986, of the Badger Oil Company proposed oil-gas well location Michelle Ute Tribal Unit No. 2-7A1E. This well location has been staked in the Uinta Bottoms locality to the north of Fort Duchesne in Uintah County, Utah. The well location and access route are situated on Ute Tribal lands. Mr. Jonas Grant of the Ute Tribe Energy & Minerals Department accompanied the evaluation.

The Michelle Ute Tribal Unit No. 2-7A1E is situated in the NE 1/4 of Section 7, Township 1 South, Range 1 East as shown on the attached map.

The project area is on the rangeland that comprises the Uinta Bottoms in the vicinity of the east and the west channels of the Uinta River. The access and well location are to the west of the Fort Duchesne - Whiterocks Highway on the flat tableland. Vegetation in the locality consists of pasture, grasslands, brush thickets, and cottonwood trees. The thin soils are contained in the extensive cobble stratum that occurs throughout the area.

FILE SEARCH:

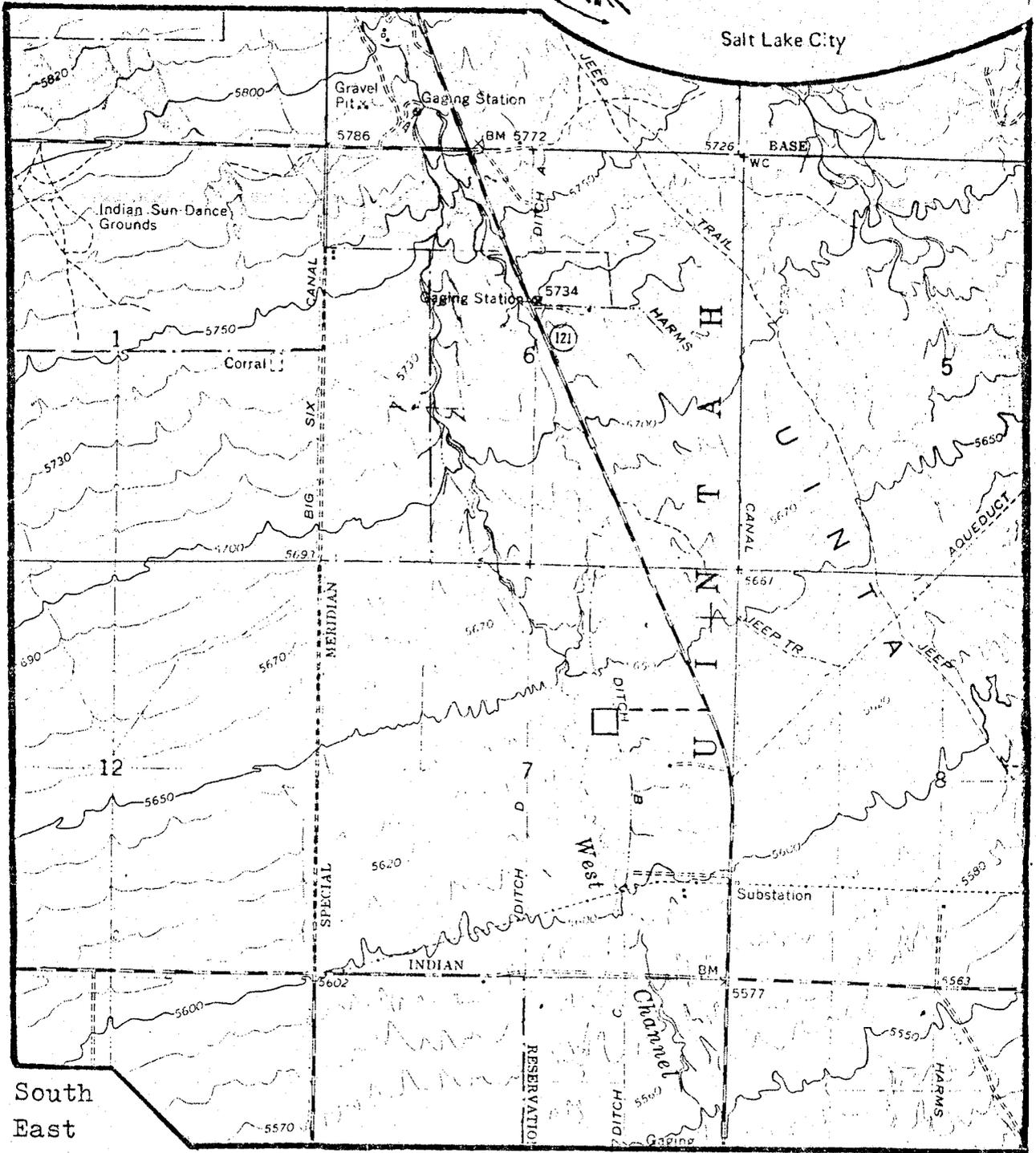
Records searches were conducted on 3-26-86 at both the Utah State Antiquities Section in Salt Lake City, and at the Vernal District Office of the Bureau of Land Management. No known sites are situated in the project area. The National Register of Historic Places has been consulted and no registered properties will be affected by the proposed project.

FIELD METHODOLOGY:

To accomplish an intensive evaluation of the proposed well location and .35 mile long access route, the archaeologist walked a series of 10 to 15 meter wide transects parallel to and flanking the staked access route and a series of concentric transects around the well pad. The evaluated zone at the pad was extended about 30 meters beyond the development periphery.

RESULTS:

No activity loci of any historic or prehistoric period were observed during the evaluation.



Salt Lake City

T. 1 South
R. 1 East

Meridian: Uinta B. & M.

Quad:

Project: BOC-86-1
Series: Uinta Basin
Date: 4-16-86

Cultural Resource Survey
of Michelle Ute Unit No.
2-7A1E in the Uinta
Bottoms Locality, Uintah
County

Whiterocks, Ut.
7.5 minute-USGS



Legend:

Well Location 

Access Route 



2.64" = 1 mile
Scale

OPERATOR Badger Oil Corp. DATE 5-5-86

WELL NAME Michelle site 2-7A1E

SEC SWNE 7 T 15 R 1E COUNTY Montel

43-047-31720
API NUMBER

Indian
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

Second well in sea.

Need water permit

APPROVAL LETTER:

SPACING:

203

UNIT

302

139-42 4/17/85
CAUSE NO. & DATE

302.1

STIPULATIONS:

1- Water



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

May 6, 1986

Badger Oil Corporation
c/o ADS Management, Inc.
Rt. 1, Box 1764
Roosevelt, Utah 84066

Gentlemen:

Re: Well Name: Michelle Ute 2-7A1E - SW NE Sec. 7, T. 1S, R. 1E
2011' FNL, 1738' FEL - Uintah County, Utah

Approval to drill the referenced well is hereby granted in accordance with the Order of Cause No. 139-42 dated April 17, 1985 subject to the following stipulations:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Chapter 3, Title 73, Utah Code Annotated.

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

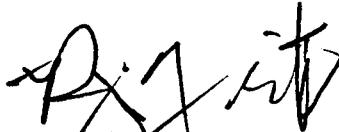
1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.
4. Compliance with the requirements and regulations of Rule 311.3, Associated Gas Flaring, Oil and Gas Conservation General Rules.

Page 2
Badger Oil Corporation
Well Name: Michelle Ute 2-7A1E
May 6, 1986

5. Prior to commencement of the proposed drilling operations, plans for toilet facilities and the disposal of sanitary waste at each drill site shall be submitted to the local health department having jurisdiction. Any such drilling operations and any subsequent well operations must be conducted in accordance with applicable State and local health department regulations. A list of all local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 533-6163.
6. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-047-31720.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

as
Enclosures
cc: Branch of Fluid Minerals
Bureau of Indian Affairs
D. R. Nielson

8159T

Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, Utah 84078

RECEIVED
MAY 19 1986

3162.35
U-820
14-20-H62-3924

DIVISION OF
OIL, GAS & MINING

May 12, 1986

Badger Oil Corporation
c/o ADS Management, Inc.
Rt. 1, Box 1764
Roosevelt, Utah 84066

RE: Application for Permit to Drill
Well No. 2-7A1E
Sec. 7, T1S, R1E
Lease No. 14-20-H62-3924

We are returning the referenced Application for Permit to Drill as
per your request.

Your application is being returned without prejudice. If you desire
to drill later at this location, please resubmit your application.

If you have any questions, please feel free to call.

Sincerely,

Craig M. Hansen
ADM for Minerals

Enclosures

mh

cc: State Div. OG&M
well file
BIA



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangertér, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

May 27, 1986

Badger Oil Corporation
c/o ADS Management, Inc.
Rt. 1, Box 1764
Roosevelt, Utah 84066

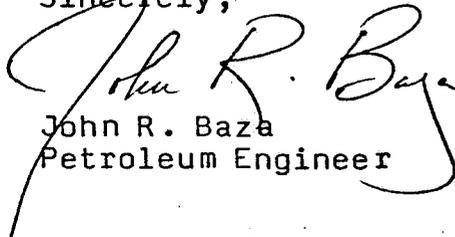
Gentlemen:

RE: Well No. Michelle Ute 2-7A1E, Sec.7, T.1S, R.1E,
Uintah County, Utah, API NO. 43-047-31720

In concert with action taken by the U.S. Bureau of Land Management, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval, prior to future drilling of the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,


John R. Baza
Petroleum Engineer

sb

cc: BLM-Vernal
D. R. Nielson
R. J. Firth
Well file

0278T-69