

UTAH OIL AND GAS CONSERVATION COMMISSION

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

DATE FILED **7-12-91**

LAND: FEE & PATENTED STATE LEASE NO. PUBLIC LEASE NO. **UTU-67845** INDIAN

DRILLING APPROVED: **7-17-91**

SPUDED IN:

COMPLETED: **8-25-92 LA** PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: **LA'D Per BLM eff. 8-25-92**

FIELD: **EIGHT MILE FLAT**

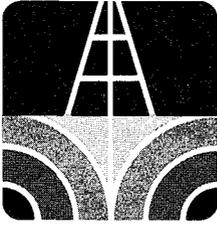
UNIT:

COUNTY: **UINTAH**

WELL NO. **FEDERAL #11-25** API NO. **43-047-32048**

LOCATION **740' FNL** FT. FROM (N) (S) LINE. **648' FWL** FT. FROM (E) (W) LINE. **NW NW** 1/4 - 1/4 SEC. **25**

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
				8S	17E	25	GREENWOOD HOLDINGS, INC.



Greenwood
Holdings Inc.

5600 South Quebec Street
Suite 150-C
Englewood, Colorado 80111
(303) 773-6703
Facsimile: (303) 694-1154

RECEIVED

JUL 12 1991

DIVISION OF
OIL GAS & MINING

July 11, 1991

Oil and Gas Supervisor
State of Utah
Division of Oil, Gas and Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Subject; APD Federal 11-25
NWNW Sec. 25 T8S R17E
Uintah County, Utah

Dear Oil and Gas Supervisor,

Enclosed for your files are two (2) copies of Greenwood Holdings Inc.'s Application for Permit to Drill the Federal 11-25 at the above captioned location. The archaeological survey for this location has been completed and is being mailed directly to your offices.

Provided herewith are the following Exhibits:

- Application for Permit to Drill; Form 3160-3
(including certification of bonding),
- Ten Point Drilling Program,
- Multi-Point Surface Use and Operations Plan,
- Survey Plat, Rig Layout, Cut and Fill Diagram,
- Well Location Plat and Access Maps,
- Right-of-Way agreement with the surface owner.

The onsite inspection was performed last week. Specific modifications recommended during the onsite appear on the exhibits and APD where appropriate. If there are any deficiencies or questions related to this application please do not hesitate to contact Jim Ryder or myself at the letterhead address and phone.

Two (2) copies of this information have been mailed to the State of Utah, Division of Oil, Gas & Mining.

Sincerely,

Steve M. Fillingham
Greenwood Holdings Inc.

ORIGINAL
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN **PLICATE***
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires December 31, 1988

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
 GREENWOOD HOLDINGS INC.

3. ADDRESS OF OPERATOR
 5600 S. QUEBEC ST., SUITE 150-C, ENGLEWOOD, CO 80111

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface 740'FNL, 648'FWL, NW $\frac{1}{4}$ NW $\frac{1}{4}$ SEC.25, T8S-R17E
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 SEVEN (8) MILES SOUTHEAST OF MYTON, UTAH

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
 648'

16. NO. OF ACRES IN LEASE
 1,480

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 1400'+

19. PROPOSED DEPTH
 7,000" *WSTC*

20. ROTARY OR CABLE TOOLS
 ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5,060' GL

22. APPROX. DATE WORK WILL START*
 July 20, 1991

5. LEASE DESIGNATION AND SERIAL NO.
 UTU-67845

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
 NONE

8. FARM OR LEASE NAME

9. WELL NO.
 FEDERAL 11-25

10. FIELD AND POOL, OR WILDCAT
 Eight miles flat 590
 UNNAMED Development

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 SEC 25, T8S-R17E

12. COUNTY OR PARISH
 UINTAH

13. STATE
 UTAH

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 3/4"	8 5/8" J55	24#	300'	200 SX CIRC. TO SURFACE*
7 7/8"	5 1/2" K55	15.5#	0-7,000'	725 SX AS REQUIRED*

* CEMENT VOLUMES MAY CHANGE DUE TO HOLE SIZE. CALCULATE FROM CASING LOG.

RECEIVED

JUL 12 1991

CONFIDENTIAL

DIVISION OF OIL GAS & MINING

I hereby certify that Greenwood Holdings Inc. is authorized by the proper Lease Interest Owners to conduct lease operations associated with this Application for Permit to Drill the Federal Lease #UTU-67845. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Continental Casualty Co. Nationwide Bond #2666648, BLM Bond #WY2246. Greenwood Holdings Inc. will be responsible for compliance with all the terms and conditions of that portion of the lease associated with this Application.

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.

SIGNED Thomas B. Foster TITLE Vice President DATE July 11, 1991

(This space for Federal or State office use)

PERMIT NO. 43-047-30048 APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE: 7-17-91
 BY: 7-17-91
 WELL SPACING: 615-3-2

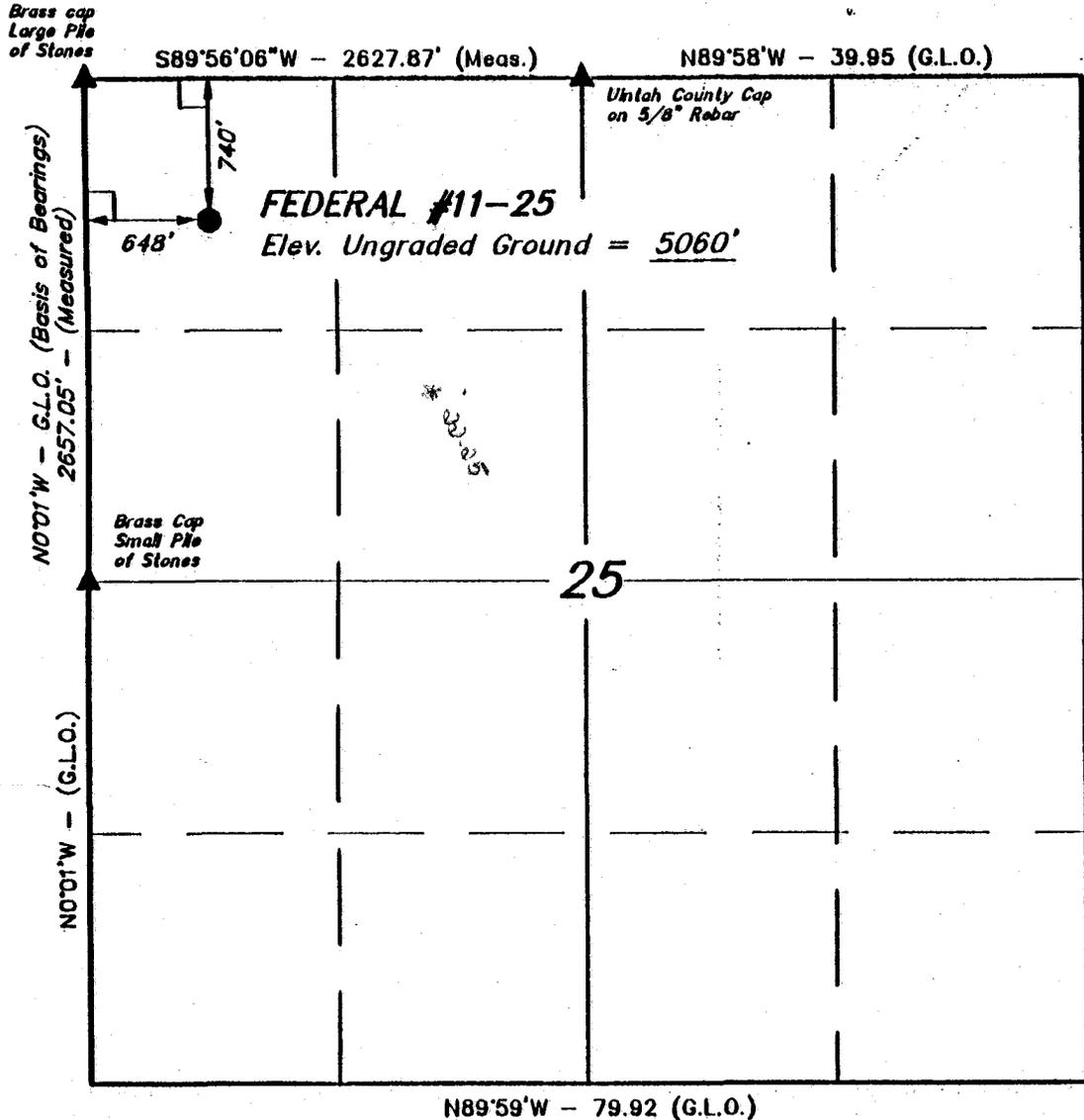
APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING

*See Instructions On Reverse Side

T8S, R17E, S.L.B.&M.

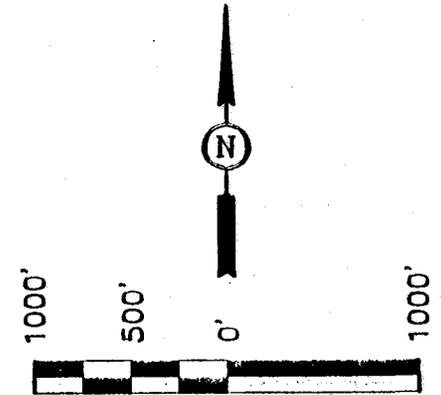
GREENWOOD HOLDINGS, INC.

Well location, FEDERAL #11-25, located as shown in the NW 1/4 NW 1/4 of Section 25, T8S, R17E, S.L.B.&M. Uintah County, Utah.



BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION 25, T8S, R17E, S.L.B.&M. TAKEN FROM THE PARIETTE DRAW SW QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5049 FEET.



SCALE
REGISTERED LAND SURVEYOR
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. Kay
REGISTERED LAND SURVEYOR
REGISTRATION NO. 5709
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING	
85 SOUTH 200 EAST - VERNAL, UTAH 84078	
(801) 789-1017	
SCALE 1" = 1000'	DATE 5-31-91
PARTY D.A. K.L. R.E.H.	REFERENCES G.L.O. PLAT
WEATHER WARM	FILE GREENWOOD HOLDINGS, INC.

▲ = SECTION CORNERS LOCATED.

DRILLING PROGRAM

Company Greenwood Holdings Inc. Well No. Federal 11-25
Location NW~~1~~NW~~4~~ Section 25, T8S-R17E Lease No. UTU-67845
Uintah County, Utah.

Onsite Inspection Date: _____

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), 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.

1. Surface Formation and Estimated Formation Tops:

<u>Formation</u>	<u>Depth</u>	<u>Datum (GR)</u>
Uinta	Surface	5060'
Green River	1825'	+3235'
Mahogany Oil Shale	3550'	+1510'
Garden Gulch	4315'	+ 745'
Douglas Creek Marker	5095'	+ 35'
Colton	6465'	-1405'
Wasatch (Red beds)	6825'	-1765'
TD	7000'	-1940'

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

	<u>Formation</u>	<u>Zone</u>
Expected oil zones:	Green River, Colton	5000' -6400', 6450' -6800'
Expected gas zones:	None	
Expected water zones:	None	1800'
Expected mineral zones:	Oil Shale	Top @+3500'

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: (Schematic Attached)

A 3000 WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the surface casing as described below:

A. Type: 11" Double Gate Hydraulic.

The Blow-Out Preventer will be equipped as follows:

1. One (1) blind ram (above).
2. One (1) pipe ram (below).
3. Kill line (2-inch minimum).

3. Pressure Control Equipment: (Continued)

4. One (1) kill line valve (2-inch minimum).
5. One (1) choke line valve.
6. Two (2) adjustable chokes.
7. Upper kelly cock valve with handle available.
8. Safety valve & subs to fit all drill strings in use.
9. 2-inch (minimum) choke line.
10. Pressure gauge on choke manifold.

B. Pressure Rating: 3,000 psi

C. Testing Procedure:

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by a test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

1. When the BOP is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition to the above, the pipe and blind rams will be activated each trip, but not more than once each day.

All BOP drills and tests will be recorded in the IADC driller's log.

D. Choke Manifold Equipment:

All choke lines will be straight lines unless turns use tee blocks or are targeted with running tees, and will be anchored to prevent whip and vibration.

E. Accumulator:

The accumulator will have sufficient capacity to close all BOP's and retain 200 psi above precharge. Nitrogen bottles which meet the manufacturer's specifications will be used as the backup to the required independent power source. The accumulator precharge pressure test will be conducted prior to connecting the closing unit to the BOP stack and at least once every six (6) months thereafter. The accumulator pressure will be corrected if the measured precharge

E. Accumulator: (Continued)

pressure is found to be above or below the maximum or minimum limits specified in Onshore Operating Order #2.

F. Miscellaneous Information:

The Blow-Out Preventer and related pressure control equipment will be installed, tested and maintained in compliance with the specifications in and requirements of Onshore Operating Order #2.

The choke manifold and BOP extension rods with hand wheels will be located outside the rig sub-structure. The hydraulic BOP closing unit will be located at least twenty-five (25) feet from the well head but readily accessible to the driller.

Exact locations and configurations of the hydraulic BOP closing unit will depend upon the particular rig contracted to drill this hole.

A flare line will be installed after the choke manifold, extending 100 feet (minimum) from the center of the drill hole to a separate flare pit.

4. The Proposed Casing and Cementing Program:

A. Casing Program:

<u>Hole Size</u>	<u>Csg Size</u>	<u>Wt/Ft</u>	<u>Grade</u>	<u>Threads</u>	<u>New/Used</u>	<u>Depth</u>
12-1/4"	8-5/8"	24#	J-55	STC	New	300'
7-7/8"	5-1/2"	15.5#	K-55	LTC	New/Used	TD

Casing string(s) will be pressure tested to 0.22 psi per foot, or 1500 psi (not to exceed 70% of the internal yield strength of the casing), whichever is greater, after cementing and prior to drilling out from under the casing shoe.

B. Cementing Program:

Surface Casing : Cement with approximately 200 sx Class "G" cement + additives, circulated to surface with 100% excess.

Production Casing : Lead with approximately 325 sx "Lite" cement with Cello-seal plus additives; tail with approximately 400 sx class "G" cement + additives. Volume will be calculated to extend 200' above the top of the Green River oil shale beds as identified on logs.

B. Cementing Program: (Continued)

Actual cement volumes to be required will be determined from the caliper log.

All waiting on cement (WOC) times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

5. Mud Program: (Visual Monitoring)

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-300'	Water	-----	-----	-----
300-6800'	KCL Water	8.6	28	NC

Sufficient quantities of mud materials will be maintained or readily accessible for the purpose of assuring well control during the course of drilling operations.

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

6. Evaluation Program:

<u>Logs</u>	:	DLL-GR-SP	7000'-Surface
		FDC-CNL	7000'-4200'
		Caliper log	7000'-2800'
<u>DST's</u>	:	None anticipated	
<u>Cores</u>	:	Either a wireline or conventional core may be taken in this well.	

The proposed evaluation program may change at the discretion of the wellsite geologist, with prior approval from the Authorized Officer, Bureau of Land Management.

Stimulation:

No stimulation or frac treatment has been formulated for this test at this time. The drill site, as approved, will be of sufficient size to accommodate all completion activities.

Whether the well is completed as a dry hole or as a producer, Well Completion and Recompletion Report and Log (Form 3160-4) will be submitted to the Book Cliffs Resource Area Office not later than thirty (30) days after the completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164.

Stimulation: (Continued)

Two (2) 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, Diamond Mountain Resources Area Office, Bureau of Land Management, 170 South 500 East, Vernal, Utah 84078, Phone: (801) 789-1362.

7. Abnormal Conditions:

No abnormal temperatures or pressures are anticipated. No H₂S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 3,000 psi (calculated at 0.433 psi/foot).

8. Anticipated Starting Dates and Notification of Operations:

A. Drilling Activity

Anticipated Commencement Date : July 20, 1991
Drilling Days : Approximately 10 Days
Completion Days : Approximately 7 Days

B. Notification of Operations

The Diamond Mountain Resource Area Office, Bureau of Land Management will be notified at least twenty-four (24) hours PRIOR to the commencement of the following activities:

1. Spudding of the well. This oral report will be followed up with a Sundry Notice (Form 3160-5);
2. Initiating pressure tests of the blow-out preventer and related equipment;
3. Running casing and cementing of ALL casing strings.

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 suspended status without prior approval of the Authorized Officer. If operations are to be suspended, prior approval of the Authorized Officer will be obtained and notification given before resumption of operations.

In accordance with Onshore Operating Order #1, this well will be reported on MMS Form 3160-6, "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 directly with

B. Notification of Operations (Continued)

the Royalty Management Program, Minerals Management Service, P. O. Box 17110, Denver, Colorado 80217.

Immediate Report: spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the provisions of NTL-3A or its current revision.

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 Authorized Officer, and all conditions of this approved plan will be applicable during all operations conducted with the replacement rig.

Should the well be successfully completed for production, the Authorized Officer will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication no later than five (5) business days following the date on which the well is placed on production.

Pursuant to NTL-2B, with the approval of the Authorized Officer, produced water may be temporarily disposed of into the reserve pit for a period of up to ninety (90) days. During this 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 Authorized Officer.

Pursuant to NTL-4A, lessees and operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of thirty (30) days or the production of fifty (50) MMCF of gas, whichever occurs first. An application must be filed with the Authorized Officer, and approval received, for any venting/flaring of gas beyond the initial thirty (30) days or otherwise 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 Vernal District Office within thirty (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 fifteen (15) days after receipt of the first production notice.

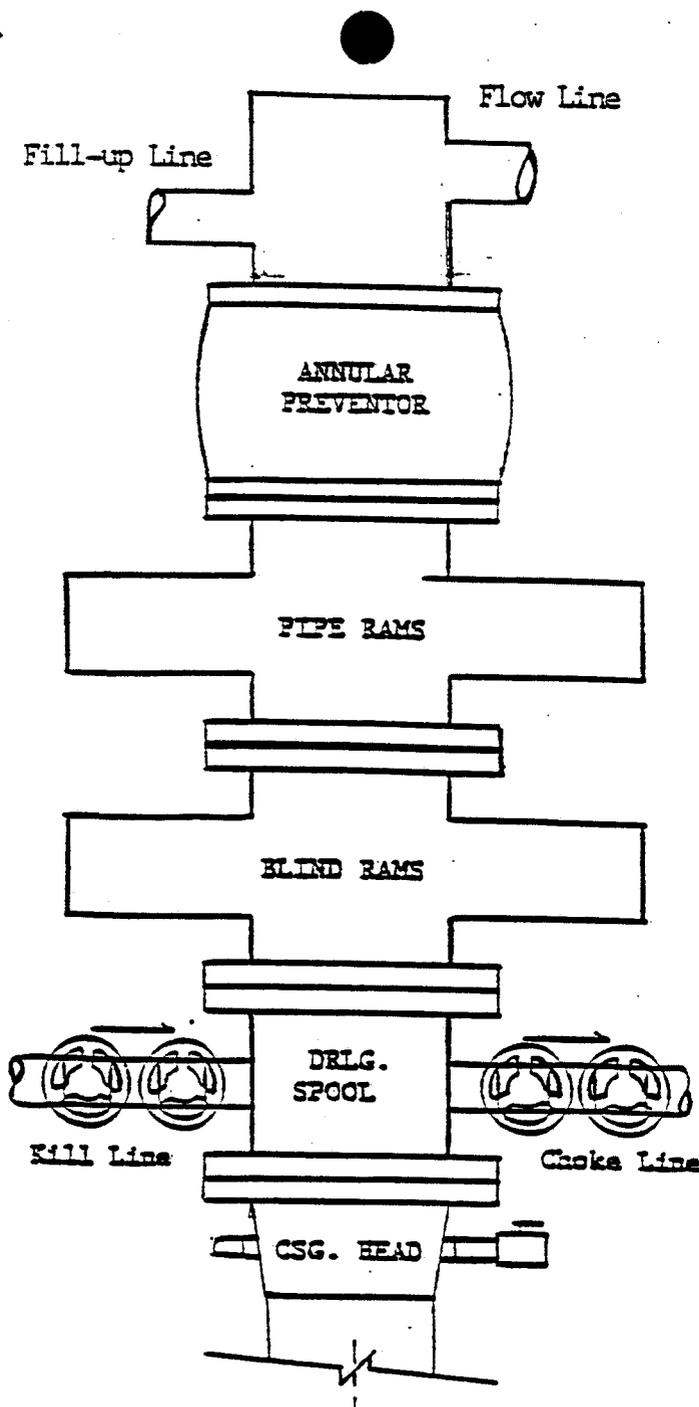
No well abandonment operations will be commenced without the prior approval of the Authorized Officer. In the case of newly-drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the Authorized Officer.

B. Notification of Operations (Continued)

A "Notice of Intention to Abandon" (Form 3160-5) will be filed with the Authorized Officer within fifteen (15) days following the granting of oral approval to plug and abandon.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3161.6. The following information will be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch: "Fed" or "Ind", as applicable; Company Name, Corporation Well Name and Number, Location by Quarter/Quarter, Section, Township, Range, and Federal or Indian Lease Number.

A "Subsequent Report of Abandonment" (Form 3160-5) will be submitted within thirty (30) days following the actual plugging of the well bore. This report will indicate where plugs were placed and the current status of surface restoration operations. If surface restoration has not been completed at that time, a follow-up report on Form 3160-5 will be filed when all surface restoration work has been completed and the location is considered ready for final inspection. Final abandonment will not be approved until the surface reclamation work required by the approved Application for Permit to Drill has been completed to the satisfaction of the Authorized Officer or his representative, or the appropriate Surface Management Agency.



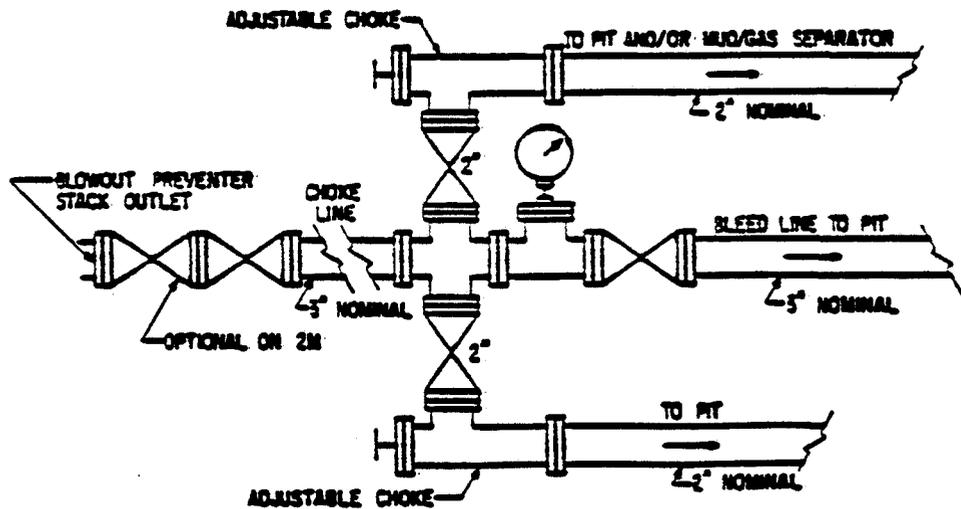
1. BOP equipment will consist of a double gate, hydraulically operated preventor with pipe & blind rams or two single ram type preventors, one equipped w/ pipe rams, the other w/ blind rams. BOP system will be consistent w/API RP 53.
2. BOP's will be well braced w/hand controls extended clear of substructure
3. Accumulator to provide closing pressure in excess of that required w/sufficient volume to operate all components.
4. All BOP equipment will be tested to 2500# for 15 minutes. The BOP's will be tested at the time of installation and every 30 days thereafter. BOP's will be mechanically checked daily.
5. Modification of hook-up or testing procedure will be approved in writing on tour reports by wellsite representative.

BOP Schematic 3000 # WP

GREENWOOD HOLDINGS INC

Federal 11-25
NW NW Sec 25. T8S R17E
Uintah County, Utah

Accumulator



Note: Right of way and road easement applications addressed on last page.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Company: Greenwood Holdings, Inc. Well No. Federal 11-25
Location: NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 25, T8S-R17E Lease No. UTU-67845
Duchesne County, Utah

1. Existing Roads: Refer to Maps "A" & "B" (Shown in ORANGE)
 - A. The proposed well site is staked and four 200-foot reference stakes are present.
 - B. To reach the location from the town of Myton, Utah; proceed southwest 1.5 miles on Highway 40 to the "Pleasant Valley" sign. Turn left on State Highway 53 and go south approximately 2 miles to County Road 216.
Follow County Road 216 (3.7 miles) to BLM sign.
Continue on County Road 216 (0.7 miles) past the BLM sign to intersection on east side of road. Turn left (east) towards radio tower, proceed (3.0 miles) to gate.
From gate, continue east around perimeter of field approx. 1.2 miles to fork in road, continue southeast 0.8 miles to location.
Lease road will be marked with signs.
 - C. Access roads - refer to Maps "A" & "B".
 - D. Access roads within a one-mile radius - refer to Map "B".
 - E. The existing gravel roads will be maintained in the same or better condition as existed prior to the commencement of operations and said maintenance will continue until final abandonment and reclamation of the well location.

2. Planned Access Roads: Refer to Map "B" (Shown in Yellow)

The access to the proposed well location will be entirely on existing roads.

- A. Width - maximum 30-foot overall right-of-way with an 18-foot road running surface, crowned & ditched.
- B. Construction standard - the access road will be constructed in accordance with Bureau of Land Management Roadway Guidelines established for oil and gas exploration and development activities as referenced in the BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Third Edition.

2. Planned Access Roads: (Continued)

Construction standard - the road will be constructed to meet the standards of the anticipated traffic flow and all-weather requirements. Construction will include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well constructed and safe road.

Prior to construction/upgrading, the roadway shall be cleared of any snow cover and allowed to dry completely. Traveling off of the thirty (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 the accumulation of debris in the drainage crossing nor shall the drainage be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at a 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.

- C. Maximum grade - 4%.
- D. Turnouts - turnouts will be constructed along the access route as necessary or required to allow for the safe passage of traffic. None anticipated at this time.
- E. Drainage design - the access road will be crowned, ditched, and water turnouts installed as necessary to provide for proper drainage along the access road route. Borrow ditches and a water turnout will be constructed at this location.
- F. Culverts, cuts and fills - None anticipated.
- G. Surface materials - any construction materials which may be required for surfacing of the access road will be purchased from a local contractor having a permitted source of materials in the area, if required by the Authorized Officer, Bureau of Land Management. Excess material taken from the access road may be used for minor construction.
- H. Gates, cattle guards or fence cuts - none required.
- I. Road maintenance - during both the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing, and will also be maintained in

2. Planned Access Roads: (Continued)

accordance with the original construction standards. The access road right-of-way will be kept free of trash during operations.

J. The proposed access road is flagged.

3. Location of Existing Wells Within a One-Mile Radius:

Please refer to Map "B".

- A. Water Wells - none known.
- B. Abandoned Wells - None.
- C. Temporarily Abandoned Wells - none known.
- D. Disposal Wells - none known.
- E. Drilling Wells or Locations:
- F. Producing Wells - NESE 23, SE NW25, NENW26, T8S, R17E.
- G. Shut-in Wells - none known.
- H. Injection Wells - none known.
- I. Monitoring Wells - none known.

4. Location of Existing and/or Proposed Facilities Owned by Greenwood Holdings, Inc. Within a One-Mile Radius:

A. Existing - none.

- 1. Tank Batteries - SENW25, NENW26 T8S R17E.
- 2. Production Facilities - SENW25, NENW26 T8S R17E.
- 3. Oil Gathering Lines - none.
- 4. Gas Gathering Lines - PROPOSED GATHERING SYSTEM BY INTERLINE.

B. New Facilities Contemplated

- 1. All production facilities will be located on the disturbed portion of the well pad and at a minimum of twenty-five (25) feet from the toe of the back slope or toe of the fill slope.
- 2. The production facilities (consisting primarily of a christmas tree at the well head, dehydration unit, tank batteries, and emergency pit) will require an area approximately 300' X 135'. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via "Sundry Notice" (Form 3160-5) for approval of subsequent installation operations. The tank batteries will be placed between reference points 4 and 5 on the attached well layout plat.
- 3. Production facilities will be accommodated on the existing well pad. Construction materials required for installation of the facilities will be obtained from the site; any additional materials required will be purchased from a local supplier having a permitted (private) source of materials within the area.

B. New Facilities Contemplated (Continued)

The dike will be constructed completely around those production facilities which contain fluids (i.e. production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 150% of the capacity of the largest tank, and be independent of the back cut.

4. All permanent (on-site for six months or longer) above-the-ground structures constructed or installed including pumping units will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five (5) State Rocky Mountain Interagency Committee. All production facilities will be painted within six (6) months of installation.

Facilities required to comply with Occupational Health and Safety Act Rules and Regulations will be excluded from this painting requirement.

The standard paint color is Desert Brown, Munsell standard Color number (10YR 6/3).

5. If at any time the facilities located on public lands and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), the Bureau of Land Management will process a change in authorization to the appropriate statute. The authorization will be subject to the appropriate rental or other financial obligation as determined by the Authorized Officer.
- C. The production (emergency) pit will be fenced with woven wire mesh topped with one (1) strand of barbed wire held in place with metal side posts and wooden corner "H" braces in order to protect livestock and wildlife. Please refer to Item #9E (page #'s 8&9) for additional information on the fencing specifications.
 - D. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road right-of-way and any additional areas as specified in the approved Application for Permit to Drill.
 - E. Reclamation of disturbed areas no longer needed for operations will be accomplished by grading, leveling and seeding as recommended by the Bureau of Land Management (Refer to Item #10A2, page 10) for the appropriate seed mixture and rate of application.
5. Location and Type of Water Supply:
- A. Water to be used for drilling and production of this well will be hauled by truck from Pleasant Valley or from Jim Nebecker's pond.

5. Location and Type of Water Supply: (Continued)

Arrangements will be made with the proper authorities an alternate water source if used. All regulations and guidelines will be followed and no deviations will be made unless all concerned agencies are notified.

- B. Water will be transported over existing roads via tank truck from the point of diversion to the proposed well location. No new construction will be required on/along the proposed water haul route. No off-lease/unit Federal lands will be crossed on/along the proposed water haul route.
- C. No water well will be drilled on this location.

6. Source of Construction Materials:

- A. Construction materials needed for surfacing of the well pad will be obtained from a local contractor having a permitted source (private) of materials in the area. Refer to Item #2F (page #2) regarding any construction materials which amy be required on the access road.
- B. No construction materials will be taken from Federal and/or Indian lands without prior approval from the appropriate Surface Management Agency.
- C. If production is established, any additional construction materials needed for surfacing the access road and installation of production facilities will be purchased from a local supplier having a permitted (private) source of materials in the area.
- D. No new access roads for construction materials will be required.

7. Methods of Handling Waste Materials:

- A. Cuttings - the cuttings will be deposited in the reserve pit.
- B. Drilling fluids - including salts and chemicals will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within ninety (90) days after termination of drilling and completion activities.

In the event adverse weather conditions prevent removal of the fluids from the reserve pit within this time period, an extension may be granted by the Authorized Officer upon receipt of a written request from Greenwood Holdings Inc.

The reserve pit will be constructed so as not to leak, break, or allow discharge. A 12 mil plastic or nylon reinforced pit liner will be used to prevent seepage.

7. Methods of Handling Waste Materials: (Continued)

- C. Produced Fluids - liquid hydrocarbons produced during completion operations will be placed in test tanks on the location. Produced waste water will be reasonably free of oil, and will be confined to a lined pit (reserve pit) or storage tank for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period, in accordance with NTL-2B, an application for approval of a permanent disposal method and location, along with the required water analysis, shall be submitted for the Authorized Officer's approval. Failure to file an application within the time frame allowed will be considered an incidence of noncompliance.

Any spills of oil, gas, salt water or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

- D. Sewage - self-contained, chemical toilets will be provided for human waste disposal. Upon completion of operations, or as needed, the toilet holding tanks will be pumped as and the contents disposed of in the nearest, approved, sewage disposal facility.
- E. Garbage and other waste material - garbage, trash and other waste materials will be collected in a portable, self-contained and fully-enclosed trash cage during drilling and completion operations. Upon completion of operations (or as needed) the accumulated trash will be disposed of at an authorized sanitary landfill. No trash will be burned on location or placed in the reserve pit.
- F. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from the well location. No adverse materials will be left on the location. Any open pits will be fenced during the drilling operation and the fencing will be maintained until such time as the pits are back filled.

8. Ancillary Facilities: None anticipated.

9. Wellsite Layout:

- A. Exhibit "A" shows the drill site layout as staked. Cross sections have been drafted to visualize the planned cuts and fills across the location. A minimum of six (6) inches of topsoil will be stripped from the location (including areas of cut, fill, and/or subsoil storage) and stockpiled for future reclamation of the well site.
- B. Exhibit "A" is a diagram showing the rig layout. No permanent living facilities are planned. There will be two (2) trailers on location during drilling operations for the toolpusher and company representative.

9. Wellsite Layout: (Continued)

- C. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via Sundry Notice (Form 3169-5) for approval of subsequent operations (Refer to Item #4B, page #4, for additional information in this regard).
- D. If porous subsoil materials (gravel, scoria, sand, faulted rock structures, etc.) are encountered during reserve pit construction, an impervious liner will be installed in order to prevent drilling water loss through seepage. A pit liner will be used.
- E. Prior to the commencement of drilling operations, the reserve pit will be fenced "sheep tight" on three (3) sides according to the following minimum standards:
 - 1. 30-inch net wire shall be used with at least one (1) strand of barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
 - 2. The net wire shall be no more than two (2) inches above the ground. The barbed wire shall be three (3) inches above the net wire. Total height of the fence shall be at least 42 inches.
 - 3. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
 - 4. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two (2) posts shall be no greater than sixteen (16) feet.
 - 5. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.
- F. Any hydrocarbons circulated to the pit during normal drilling operations will be removed from the pit as soon as possible after drilling/completion operations are completed.

10. Plans for Reclamation of the Surface:

A. Production

- 1. Immediately upon well completion, the well location and surrounding area(s) will be cleared of all debris, materials, trash and junk not required for production.
- 2. Upon well completion, any hydrocarbons on the pit shall be removed, as best as reasonably possible, in accordance with 43 CFR 3162.7-1.

10. Plans for Reclamation: (Continued)

3. A 12 mil plastic or nylon reinforced pit liner will be used, it shall be torn and perforated before back filling of the reserve pit.
4. Before any dirt work to restore the location takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc. will be removed. Other waste and spoil materials will be disposed of immediately upon completion of drilling and workover activities.
5. The reserve pit and that portion of the location and access road not needed for production facilities/operations will be reclaimed within ninety (90) days from the date of well completion, weather permitting.
6. For production, the fill slopes will be reduced from a 1.5:1 slope to a 3:1 slope and the cut slopes will be reduced from a 1.5:1 slope to a 3:1 slope by pushing the fill material back up into the cut.
7. If necessary a diversion ditch will be constructed above the east side of the location (after reclamation of the reserve pit area) and will be designed to divert runoff water to the south of the producing well location.
8. Upon completion of back filling, leveling and recontouring, the stockpiled topsoil will be evenly spread over the reclaimed area(s). Prior to reseeding, all disturbed surfaces (including the access road and location) will be scarified and left with a rough surface. No depressions will be left that would trap water and form ponds. All disturbed surfaces (including the access road and well pad areas) will be reseeded. Seed will be broadcast or drilled as recommended. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

The appropriate seed mixture and restoration season will be determined by the BLM either as part of the Conditions of Approval of the APD or according to a surface reclamation plan submitted to and approved by the Surface Management Agency prior to restoration.

B. Dry Hole/Abandoned Location

1. At such time as the well is physically plugged and abandoned, Greenwood Holdings, Inc. will submit a "Subsequent Report of Abandonment" to the Authorized Officer for approval. At that time, the Bureau of Land Management will formulate the appropriate surface rehabilitation requirements and attach them as the conditions of approval for final abandonment.

11. Surface Ownership:

The well site and proposed access road are situated on surface estate which is owned by the following:

Ethan L. Nelson and
Brad L. Nelson and JoAnn Nelson

Bureau of Land Management
170 South 500 East
Vernal, Utah 84078
Phone: (801) 789-1362

A copy of the existing access agreement with the owners of certain surface rights affected by this permit is attached as Exhibit "E". all other Right-of-Way is addressed by the BLM Grant Numbered U-65150 issued for the Federal 1-26.

12. Other Information:

- A. The proposed well is located in the southern central portion of the Uinta Basin near the boundary between Duchesne and Uintah Counties seven miles south of Myton, Utah. The area is interlaced with numerous shallow gulches and arroyos ranging from a few feet to as much as 130' in depth and separated by flat crested ridges formed in sandstone, cobblerock, conglomerate, and shale deposits. Along with this badland type topography are broad areas of gravel covered terraces and buttes which support local dry land farming.

The majority of the small drainage are of a non-perennial nature with normal flow limited to the early spring run-off and rare heavy thunderstorms or rain storms. Normal annual precipitation is only eight inches.

The oils of this semi-arid area are of the Uinta Formation and Wasatch Formation, (the Fluvial Sandstone and Mudstone) from the Eocene Epoch. Visible geologic structure consists of light brownish-gray clays to sandy soils with poor gravels and shales and outcrops of rock (sandstone, mudstone, conglomerate, and shale).

Due to the low precipitation, climatic conditions, and the marginal types of soils, the vegetation that is found in the area is common of

12. Other Information: (Continued)

the semi-arid region we are located in and in the lower elevations of the Uinta Basin. It consists of, as primary flora; sagebrush, rabbitbrush, some grasses, and cacti. Willow, Cottonwood and low scrub brush are found long the lower areas close to drainage and streams.

The animals of the area consist predominately of mule deer, coyotes, rabbits, varieties of small ground squirrels and other types of rodents, and various reptiles common to the area. The birds of the area are raptors, finches, ground sparrows, magpies, crows and jays.

- B. Surface Use Activities: The primary surface use is for grazing and irrigated hayfields.
- C. Proximity of Water, Occupied Dwellings, Archaeological, Historical or Cultural Sites:
1. The closest source of permanent water is the Duchesne River. The Duchesne River is located approximately 8 miles north of the proposed location.
 2. The closest occupied dwellings are located in the town of Myton, approximately 8.0 miles to the northwest.
 3. Greenwood Holdings Inc. will be responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. If historic or archaeological materials are uncovered, Greenwood Holdings Inc. will suspend all operations that might further disturb such materials and immediately contact the Authorized Officer.

Within five (5) working days the Authorized Officer will inform Greenwood Holdings Inc. as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- a time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer are correct and that mitigation is appropriate.

12. Other Information: (Continued)

If Greenwood Holdings Inc. wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, Greenwood Holdings Inc. will be responsible for mitigation costs.

4. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that the required mitigation has been completed, Greenwood Holdings Inc. will then be allowed to resume construction.

D. Additional Stipulations for Operations on Lands Administered by the Bureau of Land Management:

1. Greenwood Holdings Inc. will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the Bureau of Land Management, or the Uintah County Extension Office. On lands administered by the Bureau of Land Management, it is required that a "Pesticide Use Proposal" shall be submitted, and approval obtained, prior to the application of herbicides or other pesticides or possible hazardous chemicals for the control of noxious weeds.
2. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on federal lands after conclusion of drilling operations or at any other time without the proper authorization from the Bureau of Land Management. However, if BLM authorization is obtained, it is only a temporary measure to allow Greenwood Holdings, Inc. the time to make arrangements for permanent storage at a commercial facility.
3. Greenwood Holdings Inc. shall contact the Bureau of Land Management between 24 and 48 hours prior to commencement of construction activities on the access road and/or well location: (801) 789-1362.
4. The Bureau of Land Management shall be notified upon site completion and prior to moving drilling tools onto the location.
5. If necessary, Greenwood Holdings Inc. will construct a silt catchment dam according to the BLM guidelines described in Exhibit "F". Construction will follow such guidelines, as best as reasonably possible, as dictated by the suitability of the available construction materials. All proper Agencies will be notified, and regulations followed, in the planning and implementation of the construction.

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

Representative

Greenwood Holdings Inc. (303) 773-6703 Office (8:00AM-5:00PM)
Jim Ryder, Operations Manager (303) 973-6675 Home

Certification:

Greenwood Holdings Inc. (303) 773-6703 Office (8:00AM-5:00PM)
Tom Foster (303) 690-5061 Home
Greenwood Holdings Inc. (303) 773-6703 (8:00AM-5:00PM)
5600 S. Quebec Street
Suite 150-C
Englewood, CO. 80111

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 & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

Greenwood Holdings Inc. will be fully responsible for the actions of their subcontractors. A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this 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 Greenwood Holdings, Inc., 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.

July 11, 1991

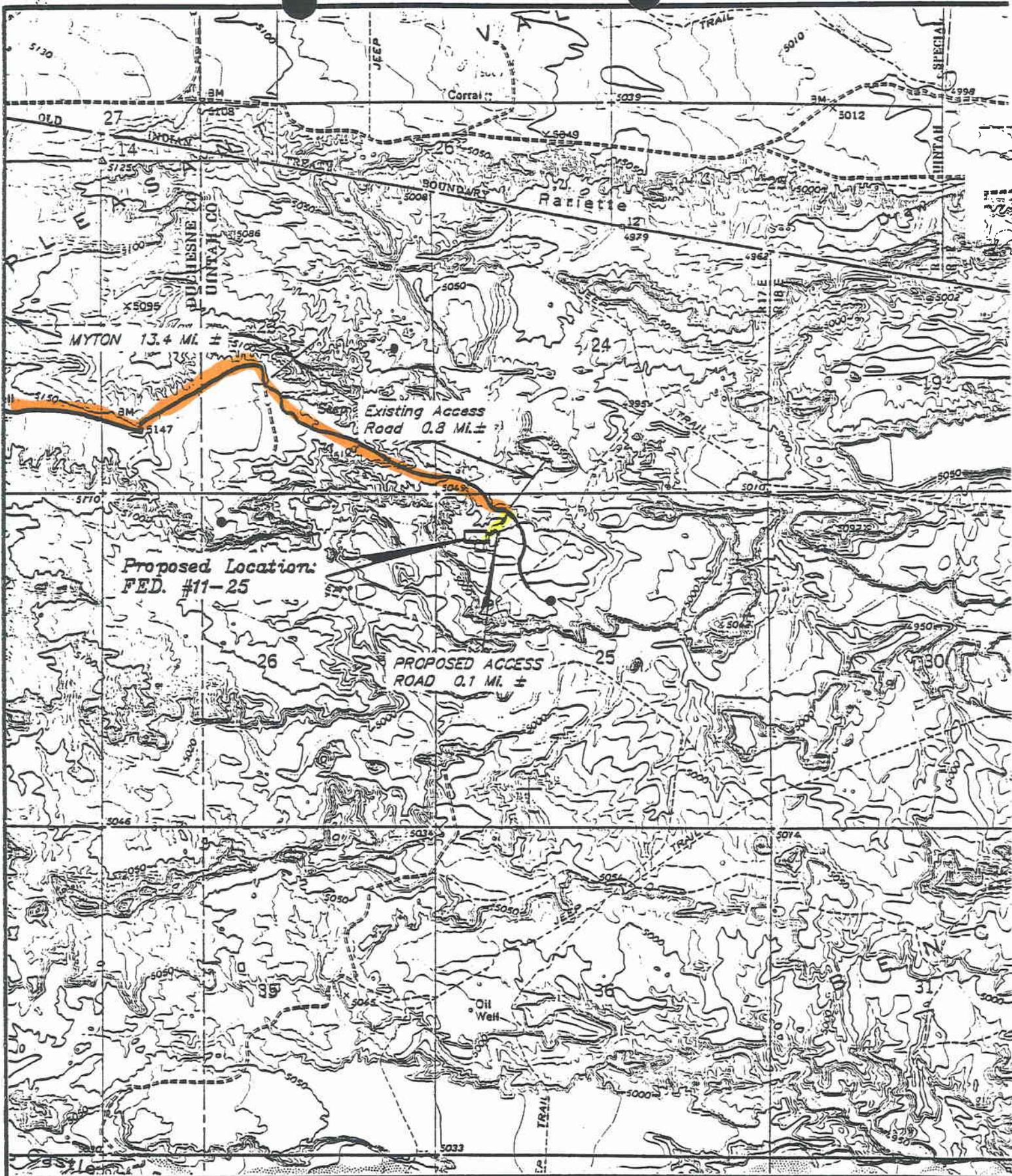
Date



Authorized Agent

Thomas B. Foster, Vice President

Right-of-Way across BLM lands affected by this plan has been established by Greenwood Holdings Inc. Specific agreements are the "Road Easement and Right of Way Agreement" by and between Greenwood Holdings Inc. and the surface rights owners named in the "Agreement" specified for the Federal 26-1 located in the NE* NW* Section 26 Township 8 South, Range 17 East, and the Right-of-Way Grant/Temporary Use Permit number U-65150 provided by the BLM for the Federal 26-1.



TOPOGRAPHIC
 MAP "B"
 SCALE: 1" = 2000'
 DATE: 5-31-01 R.E.H.

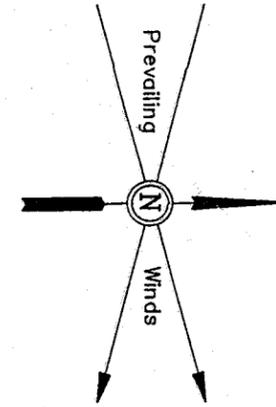
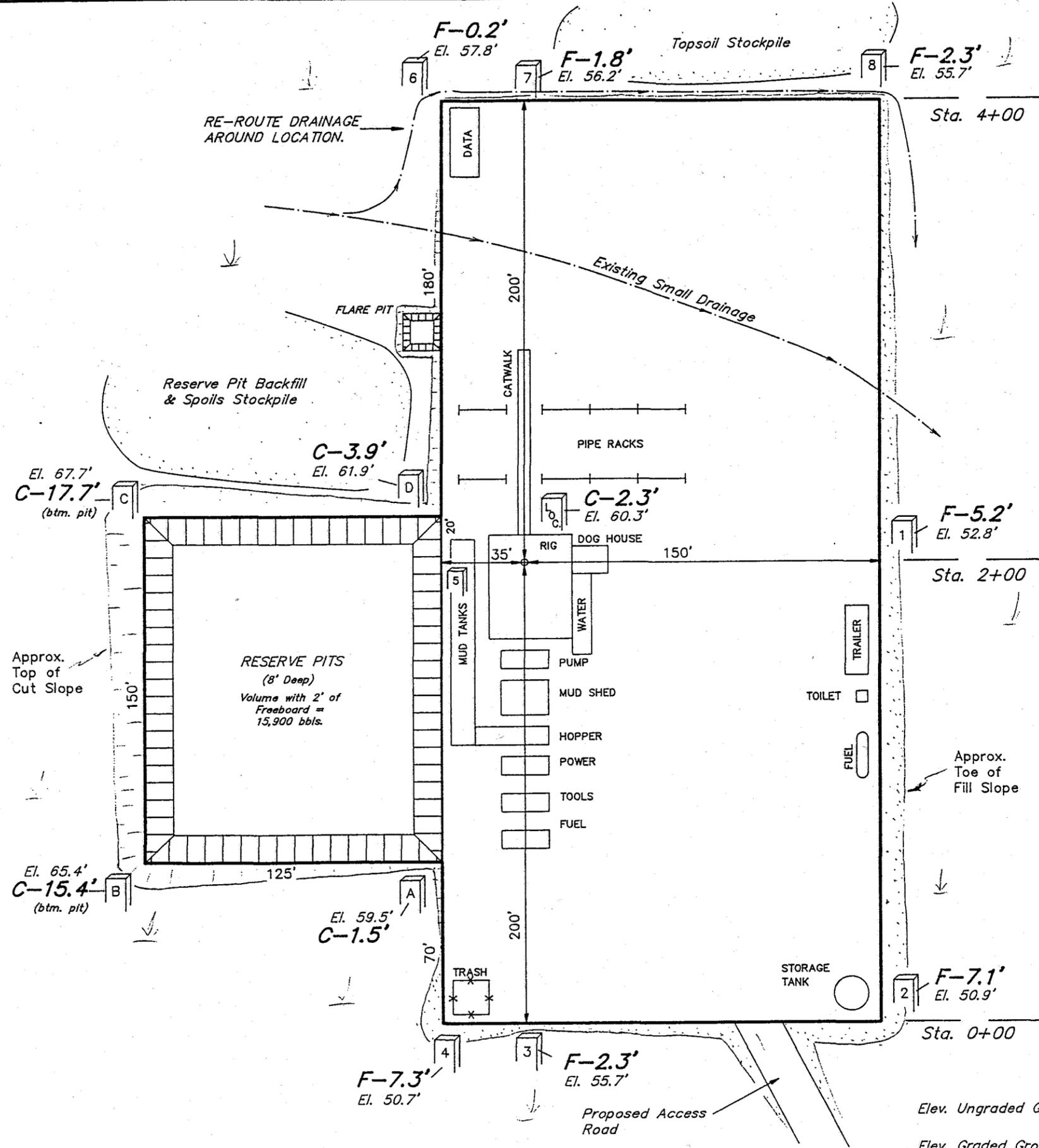


~~GREENWOOD HOLDINGS, INC.~~
 FED. #11-25
 SECTION 25, T8S, R17E, S.L.B.&M.

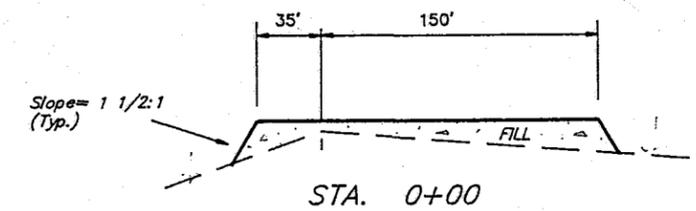
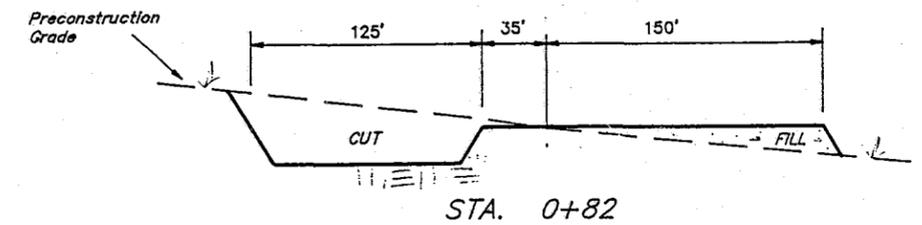
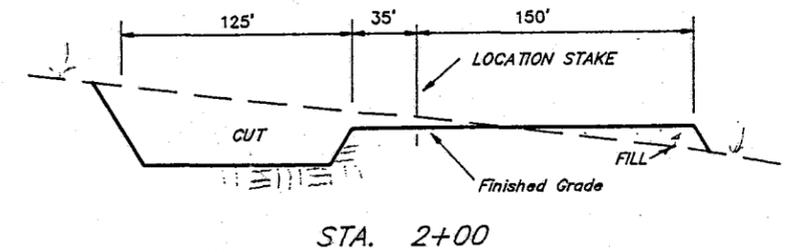
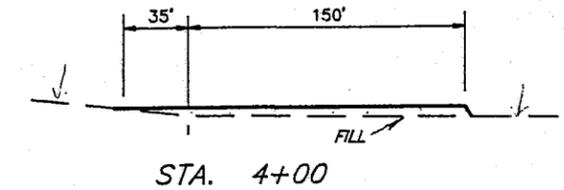
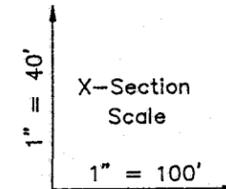
GREENWOOD HOLDINGS, INC.

LOCATION LAYOUT FOR

FEDERAL #11-25
SECTION 25, T8S, R17E, S.L.B.&M.



SCALE: 1" = 50'
DATE: 5-31-91
Drawn By: J.R.S.



TYP. CROSS SECTIONS
TYP. LOCATION LAYOUT

APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 1,750 Cu. Yds.
Remaining Location	= 9,470 Cu. Yds.
TOTAL CUT	= 11,220 CU.YDS.
FILL	= 6,800 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 4,060 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 4,060 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

Elev. Ungraded Ground at Location Stake = 5060.3'

Elev. Graded Ground at Location Stake = 5058.0'

RECEIVED
MAR 28 1991

ROAD EASEMENT AND
RIGHT OF WAY AGREEMENT

Ans'd.....

This Agreement is made and entered into this 25th day of March, 1991, by and between, Ethan L. Nelson and Louise M. Nelson, husband and wife, and Brad L. Nelson and JoAnn H. Nelson, husband and wife, of P. O. Box 638, Roosevelt, Utah 84066, hereinafter collectively referred to as "Grantor", and Greenwood Holdings Inc., of 5600 South Quebec Street, Suite 150-C, Englewood, Colorado 80111, hereinafter referred to as "Operator".

WHEREAS, Grantor owns the surface of the land located in the N½SW¼, SE½SW¼ and S½SE¼ of Section 22 and the S½SW¼ of Section 23 and Grantor owns an agricultural permit issued by the United States Department of Interior covering certain lands located in the S½ of Section 23, all in Township 8 South, Range 17 East, SLM, Uintah and Duchesne Counties, Utah, hereinafter referred to as "Grantor's Lands"; and

WHEREAS, Operator desires access across the Grantor's Lands in order to drill wells, on lands other than the Grantor's Lands, for the purposes of exploring for oil and gas, and to operate and produce the wells if production is established.

NOW, THEREFORE, In consideration of the premises and the mutual covenants and obligations contained herein, Grantor and Operator agree as follows:

1. Grantor hereby grants and conveys unto Operator, its agents, successors and assigns, the right to use the existing road which crosses the Grantor's Lands from the west line of Section 22 into the southeast quarter of Section 23, Township 8 South, Range 17 East. Operator shall maintain the existing road and shall repair any damage caused by Operator's use thereof.

2. Grantor hereby grants and conveys unto Operator, its agents, successors and assigns, a right of way to construct and maintain a road across Grantor's Lands. Said road shall commence at the existing road in Section 23 and run south into Section 26 and is more fully described on Exhibit "A" attached hereto. This right of way is limited to that portion of the road that crosses the Grantor's Lands.

3. Grantor hereby acknowledges receipt of the sum of one thousand two hundred and no/100 dollars (\$1,200.00) cash in hand paid, which sum is consideration for this agreement, the renewal privileges herein granted, the rental for the first one year term hereof and settlement of damages caused to Grantor's Lands and Grantor's growing crops within the boundaries of the right of way described in Paragraph 2 hereof.

4. The term of this agreement shall be for a period of one year from the date hereof, with the right and privilege granted hereby to the Operator, its successors and assigns, to extend and continue this agreement from year to year thereafter, so long as the same is needed or desired by the Operator for its oil and gas operations, provided that Operator shall pay to the Grantor annually on or before the anniversary date hereof, the sum of one hundred and no/100 dollars (\$100.00). No change in the ownership of the Grantor's Lands shall be binding upon the Operator until it has been furnished with the original instrument of conveyance or transfer, or certified copy thereof, at least thirty (30) days in advance of the rental date.

5. In the event Operator drills any wells other than the well located in the NE½NW¼ of Section 26, Township 8 South, Range 17 East and Operator uses the above existing road and/or right of way for access to said additional wells, then Operator agrees to pay Grantor one hundred and no/100 dollars (\$100.00) prior to

commencing each additional well.

6. All gates on Grantor's Lands shall be kept closed and locked when not in use by the Operator unless written or verbal permission to the contrary is obtained from Grantor.

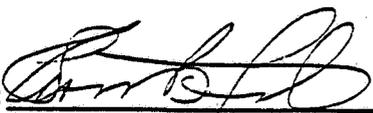
7. Upon termination of this agreement, Operator shall, within a reasonable period of time, restore the surface of the Grantor's Lands, which was disturbed by building the road described in paragraph 2 herein, as close as reasonably possible to its original condition.

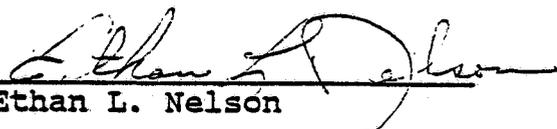
8. Operator shall have the right to terminate and cancel this agreement at any time by furnishing written notice of termination to Grantor.

9. This agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors and assigns.

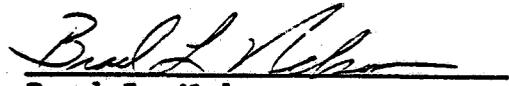
IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date first written above.

Greenwood Holdings Inc.

By: 
Thomas B. Foster
Vice President


Ethan L. Nelson

Louise M. Nelson


Brad L. Nelson

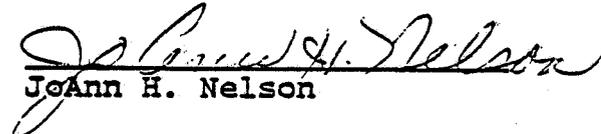
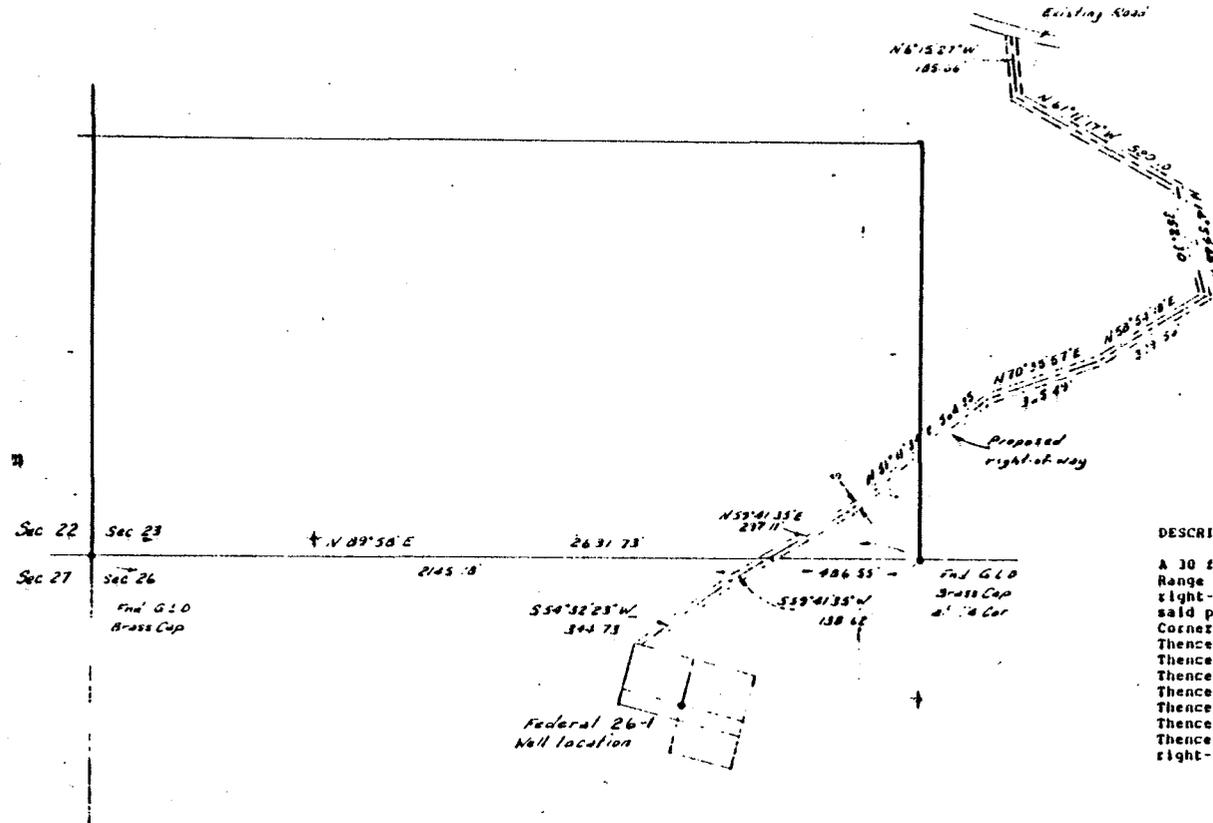

JoAnn H. Nelson

EXHIBIT "A"



RIGHT-OF-WAY SURVEY PLAT FOR
GREENWOOD HOLDINGS, INC.
FEDERAL 26-1

SECTIONS 23 AND 26, TOWNSHIP 8 SOUTH, RANGE 17 EAST
SALT LAKE BASE AND MERIDIAN

DESCRIPTION OF RIGHT-OF-WAY IN SECTION 23

A 30 feet wide right-of-way over part of Section 23, Township 8 South, Range 17 East of the Salt Lake Base and Meridian, the centerline of said right-of-way beginning at a point on the South line of said Section, said point being North 89°58' East 2145.18 feet from the Southwest Corner of said Section;
Thence North 59°41'35" East 297.11 feet;
Thence North 51°11'34" East 564.35 feet;
Thence North 70°35'57" East 365.49 feet;
Thence North 58°54'18" East 399.56 feet;
Thence North 14°59'45" West 352.30 feet;
Thence North 61°11'17" West 580.10 feet;
Thence North 6°15'27" West 185.66 feet to an existing road, said right-of-way being 2744.57 feet in length and containing 1.89 acres.

DESCRIPTION OF RIGHT-OF-WAY IN SECTION 26

A 30 feet wide right-of-way over part of Section 26, Township 8 South, Range 17 East of the Salt Lake Base and Meridian, the centerline of said right-of-way beginning at a point on the North line of said Section, said point being North 89°58' East 2145.18 feet from the Northwest Corner of said Section;
Thence South 59°41'35" West 138.62 feet;
Thence South 54°32'23" West 344.73 feet to the Federal 26-1 well location, said right-of-way being 483.35 feet in length and containing 0.33 acres.

SURVEYOR'S CERTIFICATE

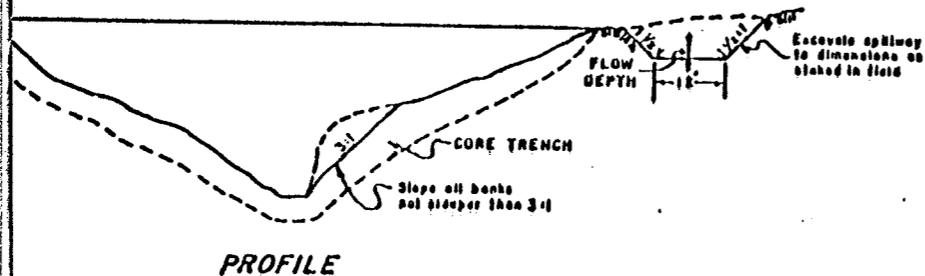
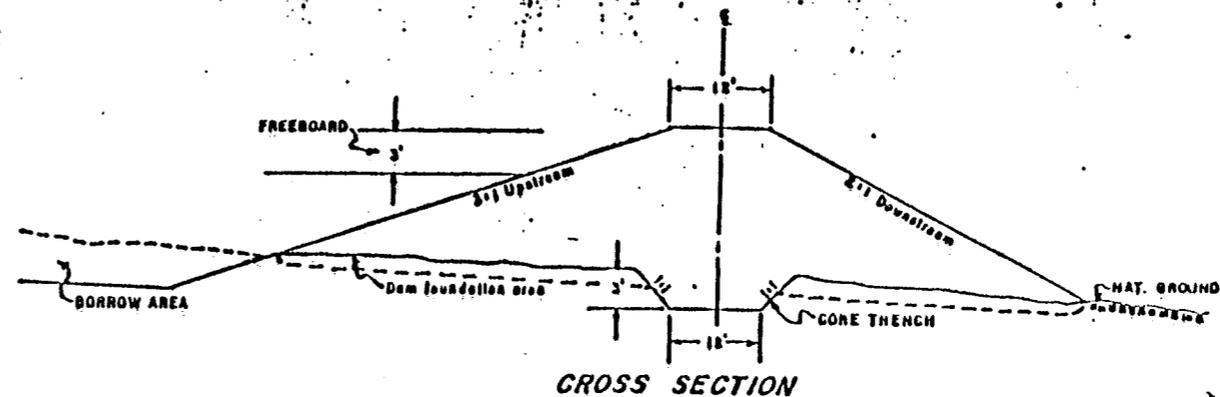
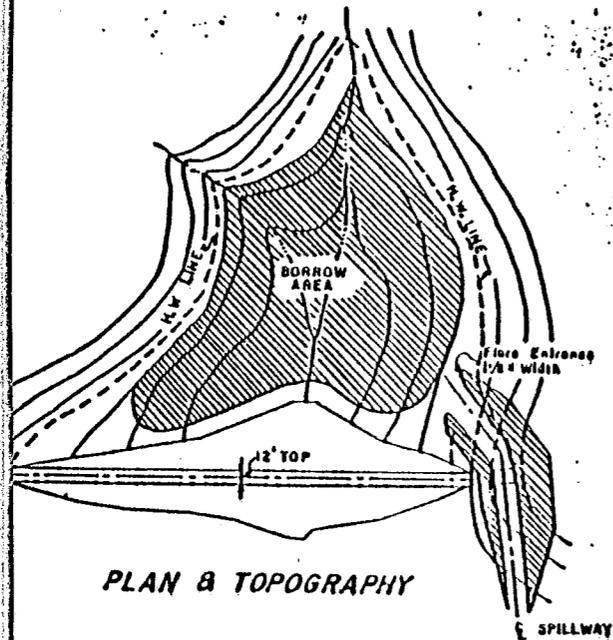
This is to certify that I have surveyed the right-of-ways shown on this plat, and that the monuments indicated were found or set during said survey, and that this plat accurately represents said survey to the best of my knowledge.

Jerry D. Allred
Jerry D. Allred, Registered Land
Surveyor, Cert. No. 3817 (Utah)



JERRY D. ALLRED & ASSOCIATES
Surveying & Engineering Consultants
121 North Center Street
P.O. Drawer C
Duchesne, Utah 84021
(801) 738-5323





**MINIMUM STANDARDS FOR DAMS
IMPOUNDING UNDER 10 AC. FT.**

1. BLM PERSONNEL MUST APPROVE SITE LOCATION, FILL MATERIAL, FOUNDATION MATERIAL, SPILLWAY SIZE AND LOCATION.
2. DAM LAYOUT & LOCATION MUST BE WITH SURVEYING INSTRUMENTS BY QUALIFIED SURVEYOR,
3. MAX. WATER DEPTH AGAINST THE DAM WILL BE 10' WHEN CONSTRUCTED WITH A CRAWLER TRACTOR.
4. SOIL WILL BE PLACED IN NOT MORE THAN 6" LIFTS AND EACH LIFT COMPACTED WITH A CRAWLER TRACTOR.
5. SPILLWAY MUST BE THROUGH NATURAL MATERIAL.
6. A CORE TRENCH WILL BE CONSTRUCTED 3' DEEP OR TO BED ROCK.
7. BORROW MATERIAL WILL BE TAKEN FROM WITHIN THE RESERVOIR BASIN BELOW THE HIGH WATER MARK WHENEVER POSSIBLE.

U. S. DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT	
RETENTION DAM TYPICAL PLAN & SECTION	
DESIGNED _____	RECOMM. _____
DRAWN _____	RECOMM. _____ <small>CHIEF, DIV. OF ENG.</small>
CHECKED _____	APPROVED _____
SCALE NOT TO SCALE	
DATE _____	SHEET 1 OF 1
DRAWING NO. _____	

ALWAYS THINK SAFETY 040 220 170

**EXHIBIT "F"
Silt Catchment Dam Specifications**

MINIMUM STANDARDS FOR DAMS
IMPOUNDING UNDER 10 AC. FT.

- I. Site Location and Design
 - A. Authorized BLM personnel must approve site location, fill material, foundation material, spillway size and location.
 - B. Dam layout and location shall be with surveying instruments by qualified personnel.
- II. Borrow Areas
 - A. Borrow material shall be taken from within the reservoir basin below the high water line whenever possible.
 - B. Vegetation, debris, and topsoil shall be removed to a depth of 12" below natural ground line and deposited as directed.
 - C. Vegetation, debris, and topsoil shall be stockpiled to be used as cover for borrow areas above the high water line as directed.
 - D. Vegetation, debris and topsoil moved below the dam shall be contoured, smoothed and blended into natural ground lines away from fill areas and outside the wash bottom.
 - E. Borrow areas shall be smoothed, contoured and blended into natural ground lines.
- III. Core Trench and Dam Foundation
 - A. A core trench shall be constructed 12' wide along the full length of the dam center line to a minimum depth of 3' or bedrock.
 - B. Sides of the core trench shall not be steeper than 1:1 slopes.
 - C. Soft or unstable material encountered in the core trench or dam foundation shall be removed and will not be used as fill.
- IV. Dam and Core Fill
 - A. Fill shall be homogeneous material, preferably of highly impervious, compactable soils (such as high clay content soils free of organic material, sand or rock).
 - B. Lifts of fill shall not exceed 6" when compacted.
 - C. Fill shall be built up at a consistent rate the full length of the dam.
 - D. Lifts shall be compacted by at least one pass of the crawler tractor over the entire width of the lift.
 - E. Fill shall be smoothed, maintaining specified slopes.
- V. Spillway
 - A. Spillway shall be constructed through natural material.
 - B. Spillway shall be constructed to divert overflow away from fill areas or natural material that is an integral part of the dam.
 - C. Incorporate in-place rock or hauled-in rock in spillway and at discharge point below spillway to prevent "down cutting" and "blowout" holes, when possible.

CONFIDENTIAL

OPERATOR Greenwood Holdings Inc 1-0745 DATE 7-16-91

WELL NAME Federal 11-25

SEC NW 25 T 8S R 17E COUNTY Utah

43-047-30048
API NUMBER

Federal (1)
TYPE OF LEASE

CHECK OFF:

PLAT. BOND NEAREST WELL

LEASE FIELD SLBM POTASH OR OIL SHALE

PROCESSING COMMENTS:

One well in Sec 25 within 900' of proposed well.
water permit

APPROVAL LETTER:

SPACING: R615-2-3 N/A UNIT R615-3-2
 N/A CAUSE NO. & DATE R615-3-3

STIPULATIONS:

1- Needs water permit
2. Oil shale strip?



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

July 17, 1991

Greenwood Holdings, Inc.
5600 S. Quebec Street, Suite 150-C
Englewood, Colorado 80111

Gentlemen:

Re: Federal #11-25 Well, 740 feet from the North line, 648 feet from the West line, NW NW, Section 25, Township 8 South, Range 17 East, Uintah County, Utah

Approval to drill the referenced well is hereby granted in accordance with Utah Admin. R.615-3-2, subject to the following stipulation:

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 Utah Code Ann. Section 73-3, Appropriation.

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

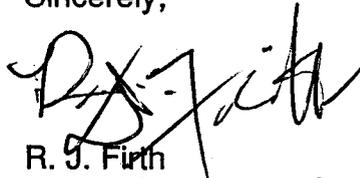
1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of Entity Action Form 6, within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form 7.
4. Prompt notification in the event it is necessary to plug and abandon the well. Notify R. J. Firth, Associate Director, (Office) (801) 538-5340, (Home) 571-6068, or J. L. Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Utah Admin. R.615-3-20, Gas Flaring or Venting.

Page 2
Greenwood Holdings, Inc.
Federal 11-25
July 17, 1991

6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of Drinking Water/Sanitation, telephone (801) 538-6159.
7. 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 43-047-32048.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

tas
Enclosures
cc: Bureau of Land Management
J. L. Thompson
we14/1-18

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: September 30, 1990

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.

SUBMIT IN TRIPLICATE

JUL 25 1991

RECEIVED

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	7. If Unit or CA. Agreement Designation NONE
2. Name of Operator GREENWOOD HOLDINGS INC. (303) 773-0100	8. Well Name and No. FEDERAL 11-25
3. Address and Telephone No. 5600 S. QUEBEC ST., SUITE 150-C, ENGLEWOOD, CO 80111	9. API Well No. API Not assigned
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 740' FNL 648' FWL NW $\frac{1}{4}$ NW $\frac{1}{4}$ SEC 25 T8S T17E 93-047-32048	10. Field and Pool, or Exploratory Area UNNAMED/Development
	11. County or Parish, State UINTAH CO. UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

CONFIDENTIAL

Per your request RE:3162.31 regarding the APD for the Federal 11-25 Attached are 3 copies of the revised well layout diagram showing the location of the flare pit between points "C" and "6". This change is made as requested during the onsite inspection.

Also, per the additional stipulations of the surface use program; A silt catchment dam will be constructed according to BLM specifications approximately 500' northeast of the location as staked. Construction will follow the guidelines of the BLM as best as is reasonably possible with the available construction materials, as described in Exhibit "E": "Minimum Standards for Dams Impounding Under 10 Acre Feet" attached hereto.

14. I hereby certify that the foregoing is true and correct

Signed [Signature] Title Steve M. Fillingham Date July 22, 1991
Geologist

(This space for Federal or State office use)

Approved by _____ Title _____
 Conditions of approval, if any:

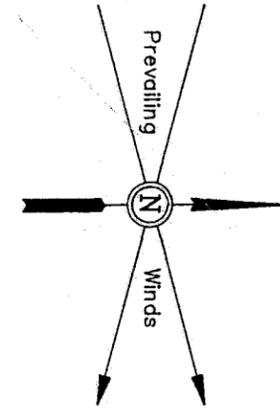
APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
 DATE: 7-31-91
 BY: [Signature]

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

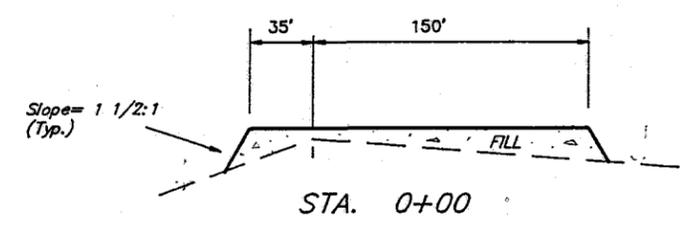
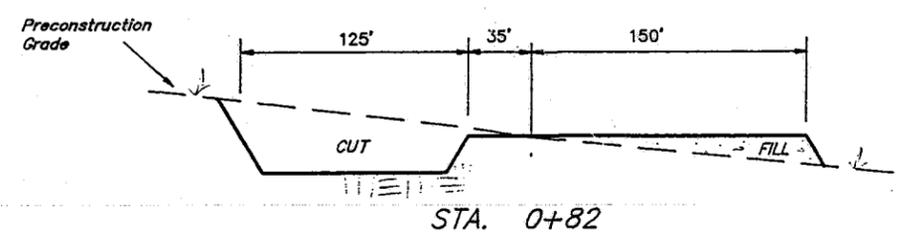
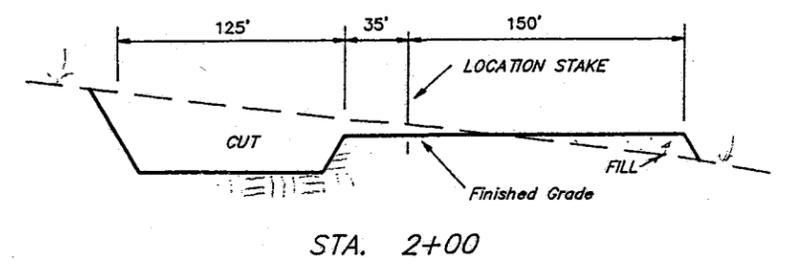
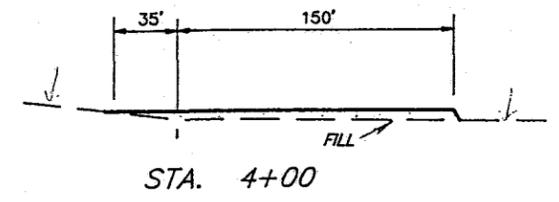
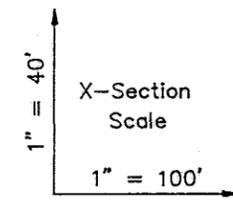
GREENWOOD HOLDINGS, INC.

LOCATION LAYOUT FOR

FEDERAL #11-25
SECTION 25, T8S, R17E, S.L.B.&M.



SCALE: 1" = 50'
DATE: 5-31-91
Drawn By: J.R.S.



TYP. CROSS SECTIONS
TYP. LOCATION LAYOUT

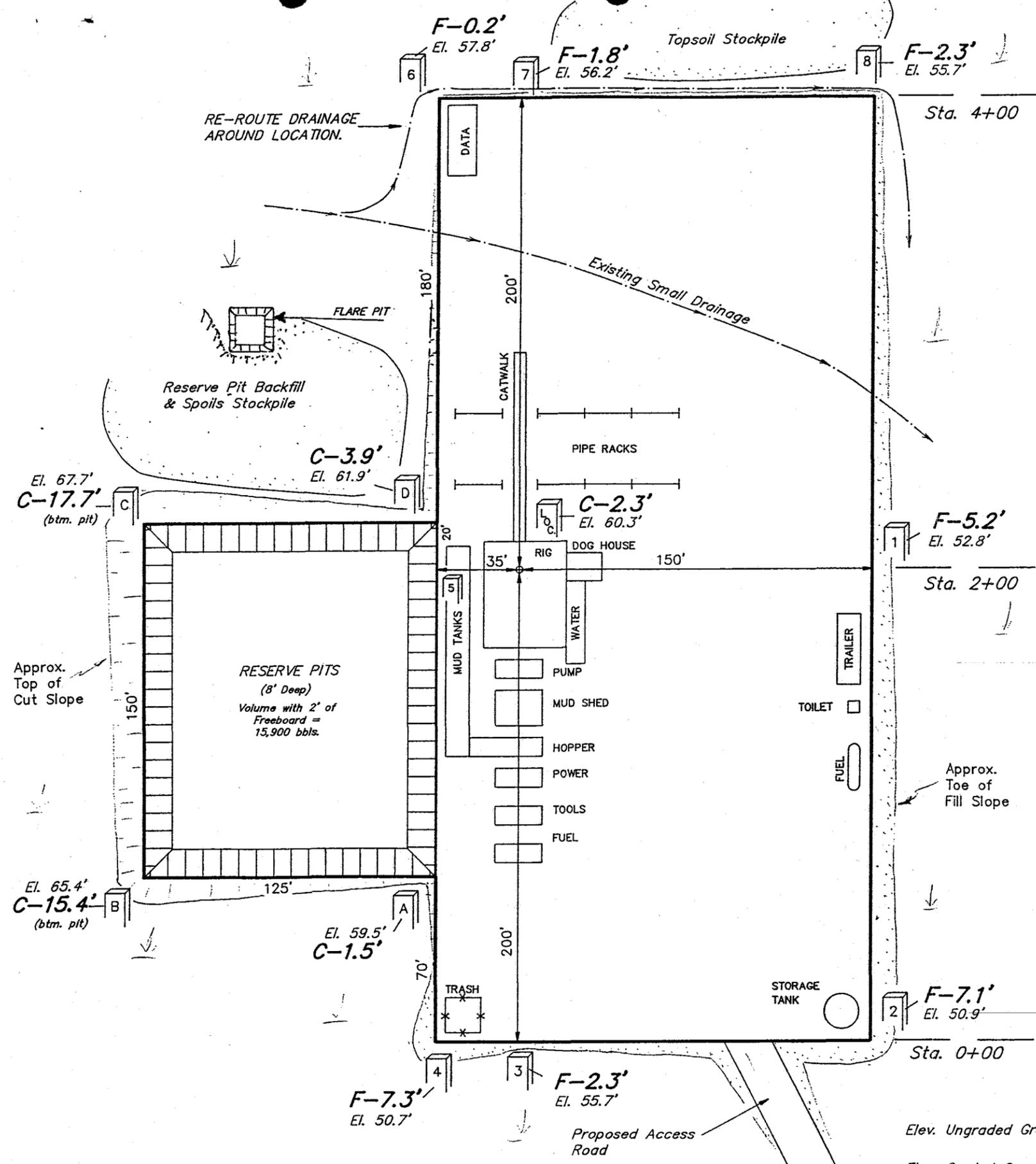
APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 1,750 Cu. Yds.	EXCESS MATERIAL AFTER 5% COMPACTION	= 4,060 Cu. Yds.
Remaining Location	= 9,470 Cu. Yds.	Topsoil & Pit Backfill (1/2 Pit Vol.)	= 4,060 Cu. Yds.
TOTAL CUT	= 11,220 CU.YDS.	EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.
FILL	= 6,800 CU.YDS.		

Elev. Ungraded Ground at Location Stake = **5060.3'**

Elev. Graded Ground at Location Stake = **5058.0'**

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East Vernal, Utah



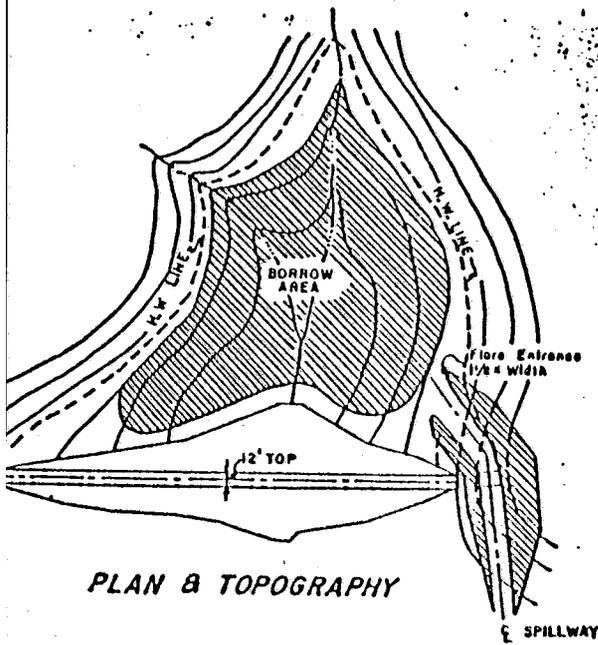
RECEIVED

JUL 25 1991

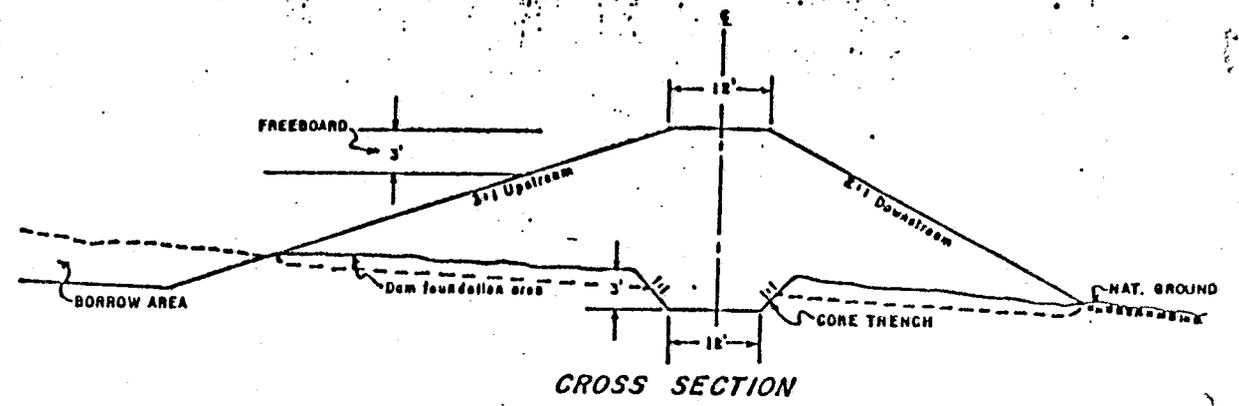
MINIMUM STANDARDS FOR DAMS
IMPOUNDING UNDER 10 AC. FT.

DIVISION OF
OIL GAS & MINING

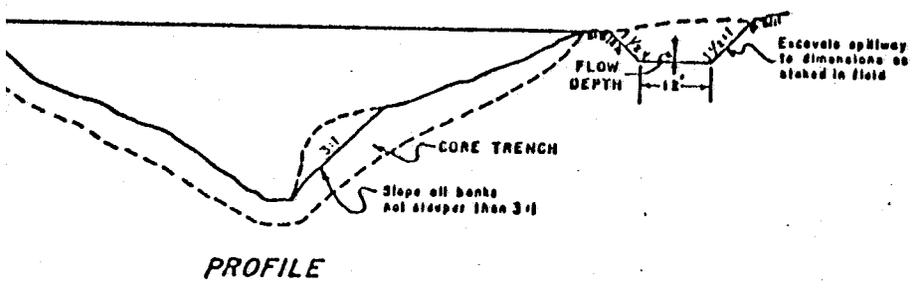
- I. Site Location and Design
 - A. Authorized BLM personnel must approve site location, fill material, foundation material, spillway size and location.
 - B. Dam layout and location shall be with surveying instruments by qualified personnel.
- II. Borrow Areas
 - A. Borrow material shall be taken from within the reservoir basin below the high water line whenever possible.
 - B. Vegetation, debris, and topsoil shall be removed to a depth of 12" below natural ground line and deposited as directed.
 - C. Vegetation, debris, and topsoil shall be stockpiled to be used as cover for borrow areas above the high water line as directed.
 - D. Vegetation, debris and topsoil moved below the dam shall be contoured, smoothed and blended into natural ground lines away from fill areas and outside the wash bottom.
 - E. Borrow areas shall be smoothed, contoured and blended into natural ground lines.
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 - A. A core trench shall be constructed 12' wide along the full length of the dam center line to a minimum depth of 3' or bedrock.
 - B. Sides of the core trench shall not be steeper than 1:1 slopes.
 - C. Soft or unstable material encountered in the core trench or dam foundation shall be removed and will not be used as fill.
- IV. Dam and Core Fill
 - A. Fill shall be homogeneous material, preferably of highly impervious, compactable soils (such as high clay content soils free of organic material, sand or rock).
 - B. Lifts of fill shall not exceed 6" when compacted.
 - C. Fill shall be built up at a consistent rate the full length of the dam.
 - D. Lifts shall be compacted by at least one pass of the crawler tractor over the entire width of the lift.
 - E. Fill shall be smoothed, maintaining specified slopes.
- V. Spillway
 - A. Spillway shall be constructed through natural material.
 - B. Spillway shall be constructed to divert overflow away from fill areas or natural material that is an integral part of the dam.
 - C. Incorporate in-place rock or hauled-in rock in spillway and at discharge point below spillway to prevent "down cutting" and "blowout" holes, when possible.



PLAN & TOPOGRAPHY



CROSS SECTION



PROFILE

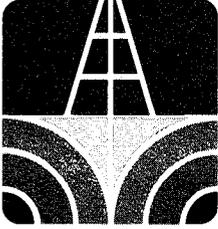
**MINIMUM STANDARDS FOR DAMS
IMPOUNDING UNDER 10 AC. FT.**

1. BLM PERSONNEL MUST APPROVE SITE LOCATION, FILL MATERIAL, FOUNDATION MATERIAL, SPILLWAY SIZE AND LOCATION.
2. DAM LAYOUT & LOCATION MUST BE WITH SURVEYING INSTRUMENTS BY QUALIFIED SURVEYOR,
3. MAX. WATER DEPTH AGAINST THE DAM WILL BE 10' WHEN CONSTRUCTED WITH A CRAWLER TRACTOR.
4. SOIL WILL BE PLACED IN NOT MORE THAN 6" LIFTS AND EACH LIFT COMPACTED WITH A CRAWLER TRACTOR.
5. SPILLWAY MUST BE THROUGH NATURAL MATERIAL.
6. A CORE TRENCH WILL BE CONSTRUCTED 3' DEEP OR TO BED ROCK.
7. BORROW MATERIAL WILL BE TAKEN FROM WITHIN THE RESERVOIR BASIN BELOW THE HIGH WATER MARK WHENEVER POSSIBLE.

U. S. DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT	
RETENTION DAM TYPICAL PLAN & SECTION	
DESIGNED _____	RECOMM. _____
DRAWN _____	RECOMM. _____
CHECKED _____	APPROVED _____
SCALE NOT TO SCALE	
DATE _____	SHEET 1 OF 1
DRAWING NO. _____	

ALWAYS THINK SAFETY OPO 836-178

**EXHIBIT "E"
Silt Catchment Dam Specifications**



Greenwood
Holdings Inc.

5600 South Quebec Street
Suite 150-C
Englewood, Colorado 80111
(303) 773-6703
Facsimile: (303) 694-1154

August 8, 1991

Oil and Gas Supervisor
State of Utah
Division of Oil, Gas and Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Subject; APD Federal 11-25
NNNW Sec. 25 T8S R17E
Uintah County, Utah
43-047-32048

CONFIDENTIAL

Dear Oil and Gas Supervisor,

Enclosed for your files is one (1) copy of the approved Application for Permit to Drill the above captioned well. Changes and/or additions to the previously submitted application include the following:

- Approved APD BLM No. UT080-1M155
- Conditions of Approval
- Sundry Notice of (7/22/91) relocation of flare pit, and requirements for construction of a silt dam.

If you should require further information please do not hesitate to call.

Sincerely,

Steve M. Fillingham
Greenwood Holdings Inc.

RECEIVED

AUG 12 1991

DIVISION OF
OIL GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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
 GREENWOOD HOLDINGS INC.

3. ADDRESS OF OPERATOR
 5600 S. QUEBEC ST., SUITE 150-C, ENGLEWOOD, CO 80111

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 740'FNL, 648'FWL, NW $\frac{1}{4}$ NW $\frac{1}{4}$ SEC.25, T8S-R17E
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 SEVEN (8) MILES SOUTHEAST OF MYTON, UTAH

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 648'

16. NO. OF ACRES IN LEASE 1,480

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1400'+

19. PROPOSED DEPTH 7,000"

20. ROTARY OR CABLE TOOLS ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5,060' GL

22. APPROX. DATE WORK WILL START* July 20, 1991

5. LEASE DESIGNATION AND SERIAL NO.
 UTU-67845

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
 NONE

8. FARM OR LEASE NAME

9. WELL NO.
 FEDERAL 11-25

10. FIELD AND POOL, OR WILDCAT
 UNNAMED/Development

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 SEC 25, T8S-R17E

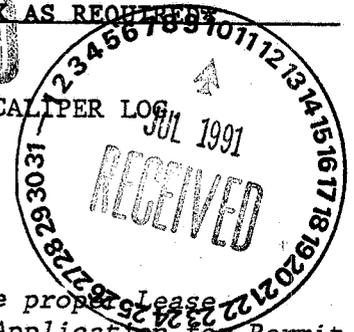
12. COUNTY OR PARISH 13. STATE
 Uintah UTAH

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8" J55	24#	300'	200 SX CIRC. TO SURFACE*
7 7/8"	5 1/2" K55	15.5#	0-7,000'	725 SX AS REQUIRED

* CEMENT VOLUMES MAY CHANGE DUE TO HOLE SIZE. CALCULATE FROM CALIPER LOG

DIVISION OF
OIL GAS & MINING



I hereby certify that Greenwood Holdings Inc. is authorized by the proposed lease Interest Owners to conduct lease operations associated with this Application for Permit to Drill the Federal Lease #UTU-67845. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Continental Casualty Co. Nationwide Bond #2666648, BLM Bond #WY2246. Greenwood Holdings Inc. will be responsible for compliance with all the terms and conditions of that portion of the lease associated with this Application.

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. SIGNED [Signature] TITLE James P. Ryder DATE June 21, 1991
 Operations Mgr.

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 ASSISTANT DISTRICT
 APPROVED BY [Signature] TITLE MANAGER MINERALS DATE 8/5/91
 CONDITIONS OF APPROVAL, IF ANY:

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED
TO OPERATOR'S COPY

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UT080-1M155

RB 7-11-91

THIS ORIGINAL

Revised November 1990
Date NOS Received: June 4, 1991

RECEIVED

AUG 12 1991

DIVISION OF
OIL GAS & MINING

CONDITIONS OF APPROVAL
FOR APPLICATION FOR PERMIT TO DRILL

Company/Operator: Greenwood Holdings, Inc.
Well Name & Number: Federal 11-25
Lease Number: U-67845
Location: NWN, Sec. 25, T8S, R17E
Surface Ownership: Federal

NOTIFICATION REQUIREMENTS

- Location Construction - at least forty-eight (48) hours prior to construction of location and access roads.
- Location Completion - prior to moving on the drilling rig.
- Spud Notice - at least twenty-four (24) hours prior to spudding the well
- Casing String and Cementing - at least twenty-four (24) hours prior to running casing and cementing all casing strings.
- BOP and Related Equipment Tests - at least twenty-four (24) hours prior to initiating pressure tests.
- First Production Notice - within five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

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

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

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

Report ALL water shows and water-bearing sands to Tim Ingwell of this office. Copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable 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.

2. Pressure Control Equipment

Chart recorders shall be used for all pressure tests.

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.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 feet above the top of the Mahogany oil shale identified at + 3170 feet.

If tar sand is encountered while drilling, it will need to be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

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

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the Authorized Officer. However, DSTs 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 vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the Authorized Officer (AO).

A cement bond log (CBL) shall be utilized to determine the top of cement (TOC) and bond quality for the production casing.

6. Notifications of Operations

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.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of thirty (30) days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the AO. 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 approval to continue venting or flaring as uneconomic is granted and 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.

All site security regulations, as specified in Onshore Oil and Gas Order No. 3, shall be adhered to.

7. Other Information

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

All off-lease storage, off-lease measurement, or commingling onlease or off-lease will have prior written approval from the AO.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down 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 will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. 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 Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

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.

"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.

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."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Gerald E. Kenczka (801) 781-1190
Petroleum Engineer

Ed Forsman (801) 789-7077
Petroleum Engineer

BLM FAX Machine (801) 789-3634

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous:

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids.

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt wastes.

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation, and miscellaneous solids

SURFACE USE PROGRAM:

1. Planned Access Roads

The length of new construction for the access road will be approximately 0.1 mile.

2. Location of Existing and/or Proposed Facilities

If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, one and one half (1 1/2) times the contents of the entire facility/battery.

Approval of the APD does not constitute approval of the emergency pit discussed in the Multi-Point Surface Use and Operation Plan, #4C. A separate application for a production pit shall be submitted when the well begins production.

3. Methods for Handling Waste Disposal

The plastic nylon reinforced liner 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.

4. Well Site Layout

The reserve pit will be located on the south side.

The flare pit will be located downwind of the prevailing wind direction on the south side, southwest of Point C, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence (see revised cut sheet).

The stockpiled topsoil (first six inches) will be stored on the west side between points 7 and 8.

Access to the well pad will be from the east side between points 2 and 3.

A diversion ditch shall be constructed on the west side of the location.

5. Plans for Restoration of Surface

The reserve pit will be reclaimed within ninety (90) days from the date of well completion.

DRILLING PROGRAM

Company Greenwood Holdings Inc. Well No. Federal 11-25
Location NW¼NW¼ Section 25, T8S-R17E Lease No. UTU-67845
Uintah County, Utah.

Onsite Inspection Date: _____

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), 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.

1. Surface Formation and Estimated Formation Tops:

<u>Formation</u>	<u>Depth</u>	<u>Datum (GR)</u>
Uinta	Surface	5060'
Green River	1825'	+3235'
Mahogany Oil Shale	3550'	+1510'
Garden Gulch	4315'	+ 745'
Douglas Creek Marker	5095'	+ 35'
Colton	6465'	-1405'
Wasatch (Red beds)	6825'	-1765'
TD	7000'	-1940'

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

	<u>Formation</u>	<u>Zone</u>
Expected oil zones:	Green River, Colton	5000' -6400', 6450' -6800'
Expected gas zones:	None	
Expected water zones:	None	1800'
Expected mineral zones:	Oil Shale	Top @+3500'

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: (Schematic Attached)

A 3000 WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the surface casing as described below:

A. Type: 11" Double Gate Hydraulic.

The Blow-Out Preventer will be equipped as follows:

1. One (1) blind ram (above).
2. One (1) pipe ram (below).

3. Pressure Control Equipment: (Continued)

4. One (1) kill line valve (2-inch minimum).
5. One (1) choke line valve.
6. Two (2) adjustable chokes.
7. Upper kelly cock valve with handle available.
8. Safety valve & subs to fit all drill strings in use.
9. 2-inch (minimum) choke line.
10. Pressure gauge on choke manifold.

B. Pressure Rating: 3,000 psi

C. Testing Procedure:

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by a test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

1. When the BOP is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition to the above, the pipe and blind rams will be activated each trip, but not more than once each day.

All BOP drills and tests will be recorded in the IADC driller's log.

D. Choke Manifold Equipment:

All choke lines will be straight lines unless turns use tee blocks or are targeted with running tees, and will be anchored to prevent whip and vibration.

E. Accumulator:

The accumulator will have sufficient capacity to close all BOP's and retain 200 psi above precharge. Nitrogen bottles which meet the manufacturer's specifications will be used as the backup to the required independent power source. The accumulator precharge pressure test will be conducted prior to connecting the closing unit to the BOP stack and at least once every six (6) months thereafter. The accumulator pressure will be corrected if the measured precharge

E. Accumulator: (Continued)

pressure is found to be above or below the maximum or minimum limits specified in Onshore Operating Order #2.

F. Miscellaneous Information:

The Blow-Out Preventer and related pressure control equipment will be installed, tested and maintained in compliance with the specifications in and requirements of Onshore Operating Order #2.

The choke manifold and BOP extension rods with hand wheels will be located outside the rig sub-structure. The hydraulic BOP closing unit will be located at least twenty-five (25) feet from the well head but readily accessible to the driller.

Exact locations and configurations of the hydraulic BOP closing unit will depend upon the particular rig contracted to drill this hole.

A flare line will be installed after the choke manifold, extending 100 feet (minimum) from the center of the drill hole to a separate flare pit.

4. The Proposed Casing and Cementing Program:

A. Casing Program:

<u>Hole Size</u>	<u>Csg Size</u>	<u>Wt/Ft</u>	<u>Grade</u>	<u>Threads</u>	<u>New/Used</u>	<u>Depth</u>
12-1/4"	8-5/8"	24#	J-55	STC	New	300'
7-7/8"	5-1/2"	15.5#	K-55	LTC	New/Used	TD

Casing string(s) will be pressure tested to 0.22 psi per foot, or 1500 psi (not to exceed 70% of the internal yield strength of the casing), whichever is greater, after cementing and prior to drilling out from under the casing shoe.

B. Cementing Program:

Surface Casing : Cement with approximately 200 sx Class "G" cement + additives, circulated to surface with 100% excess.

Production Casing : Lead with approximately 325 sx "Lite" cement with Cello-seal plus additives; tail with approximately 400 sx class "G" cement + additives. Volume will be calculated to extend 200' above the top of the Green River oil shale beds as identified on logs.

B. Cementing Program: (Continued)

Actual cement volumes to be required will be determined from the caliper log.

All waiting on cement (WOC) times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

5. Mud Program: (Visual Monitoring)

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-300'	Water	-----	-----	-----
300-6800'	KCL Water	8.6	28	NC

Sufficient quantities of mud materials will be maintained or readily accessible for the purpose of assuring well control during the course of drilling operations.

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

6. Evaluation Program:

<u>Logs</u>	:	DLL-GR-SP	7000'-Surface
		FDC-CNL	7000'-4200'
		Caliper log	7000'-2800'
<u>DST's</u>	:	None anticipated	
<u>Cores</u>	:	Either a wireline or conventional core may be taken in this well.	

The proposed evaluation program may change at the discretion of the wellsite geologist, with prior approval from the Authorized Officer, Bureau of Land Management.

Stimulation:

No stimulation or frac treatment has been formulated for this test at this time. The drill site, as approved, will be of sufficient size to accommodate all completion activities.

Whether the well is completed as a dry hole or as a producer, Well Completion and Recompletion Report and Log (Form 3160-4) will be submitted to the Book Cliffs Resource Area Office not later than thirty (30) days after the completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164.

Stimulation: (Continued)

Two (2) 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, Diamond Mountain Resources Area Office, Bureau of Land Management, 170 South 500 East, Vernal, Utah 84078, Phone: (801) 789-1362.

7. Abnormal Conditions:

No abnormal temperatures or pressures are anticipated. No H₂S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 3,000 psi (calculated at 0.433 psi/foot).

8. Anticipated Starting Dates and Notification of Operations:

A. Drilling Activity

Anticipated Commencement Date : July 20, 1991
Drilling Days : Approximately 10 Days
Completion Days : Approximately 7 Days

B. Notification of Operations

The Diamond Mountain Resource Area Office, Bureau of Land Management will be notified at least twenty-four (24) hours PRIOR to the commencement of the following activities:

1. Spudding of the well. This oral report will be followed up with a Sundry Notice (Form 3160-5);
2. Initiating pressure tests of the blow-out preventer and related equipment;
3. Running casing and cementing of ALL casing strings.

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 suspended status without prior approval of the Authorized Officer. If operations are to be suspended, prior approval of the Authorized Officer will be obtained and notification given before resumption of operations.

In accordance with Onshore Operating Order #1, this well will be reported on MMS Form 3160-6, "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 directly with

B. Notification of Operations (Continued)

the Royalty Management Program, Minerals Management Service, P. O. Box 17110, Denver, Colorado 80217.

Immediate Report: spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the provisions of NTL-3A or its current revision.

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 Authorized Officer, and all conditions of this approved plan will be applicable during all operations conducted with the replacement rig.

Should the well be successfully completed for production, the Authorized Officer will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication no later than five (5) business days following the date on which the well is placed on production.

Pursuant to NTL-2B, with the approval of the Authorized Officer, produced water may be temporarily disposed of into the reserve pit for a period of up to ninety (90) days. During this 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 Authorized Officer.

Pursuant to NTL-4A, lessees and operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of thirty (30) days or the production of fifty (50) MMCF of gas, whichever occurs first. An application must be filed with the Authorized Officer, and approval received, for any venting/flaring of gas beyond the initial thirty (30) days or otherwise 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 Vernal District Office within thirty (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 fifteen (15) days after receipt of the first production notice.

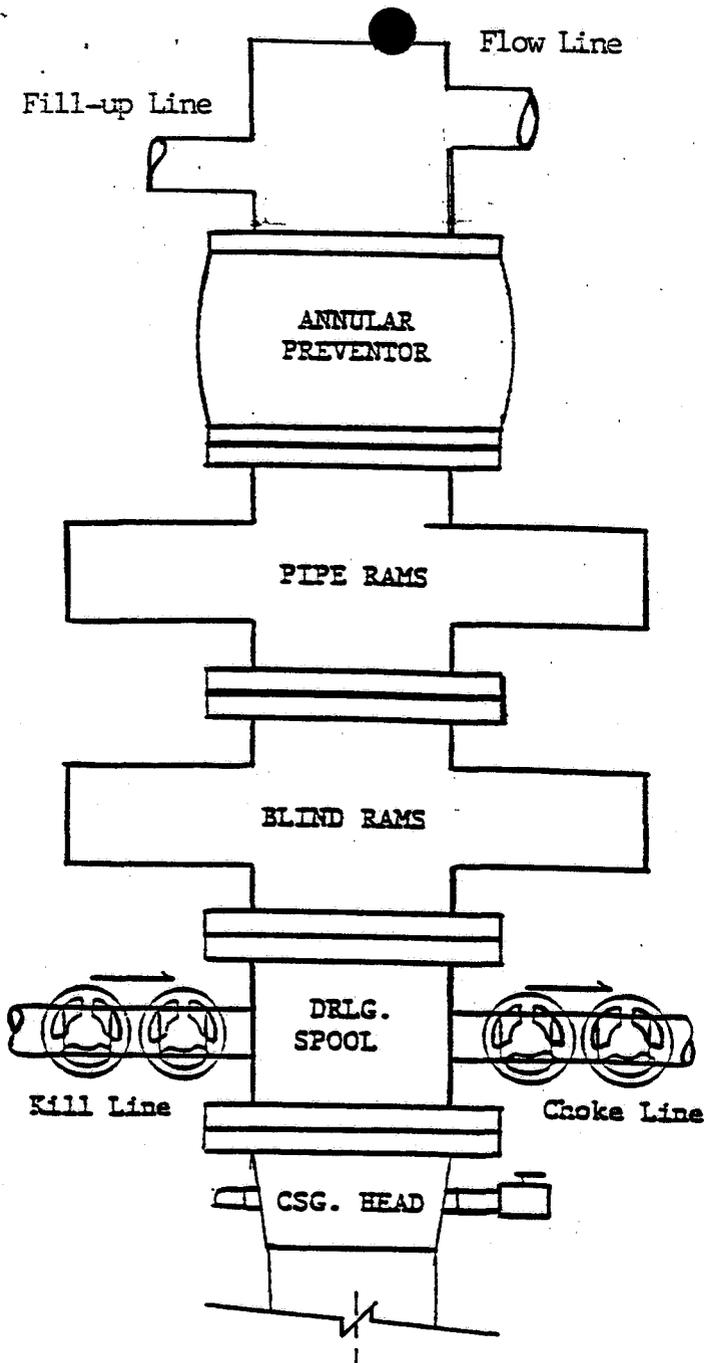
No well abandonment operations will be commenced without the prior approval of the Authorized Officer. In the case of newly-drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the Authorized Officer.

B. Notification of Operations (Continued)

A "Notice of Intention to Abandon" (Form 3160-5) will be filed with the Authorized Officer within fifteen (15) days following the granting of oral approval to plug and abandon.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3161.6. The following information will be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch: "Fed" or "Ind", as applicable; Company Name, Corporation Well Name and Number, Location by Quarter/Quarter, Section, Township, Range, and Federal or Indian Lease Number.

A "Subsequent Report of Abandonment" (Form 3160-5) will be submitted within thirty (30) days following the actual plugging of the well bore. This report will indicate where plugs were placed and the current status of surface restoration operations. If surface restoration has not been completed at that time, a follow-up report on Form 3160-5 will be filed when all surface restoration work has been completed and the location is considered ready for final inspection. Final abandonment will not be approved until the surface reclamation work required by the approved Application for Permit to Drill has been completed to the satisfaction of the Authorized Officer or his representative, or the appropriate Surface Management Agency.



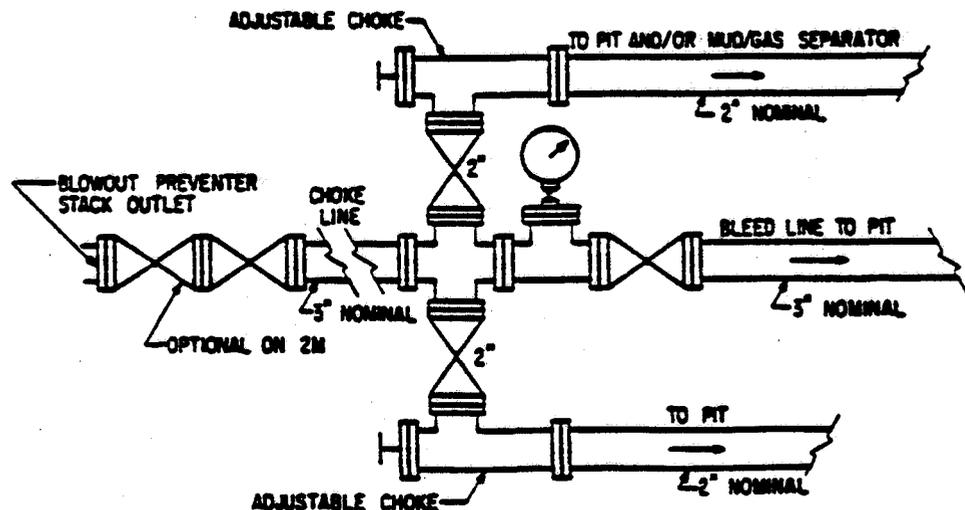
1. BOP equipment will consist of a double gate, hydraulically operated preventor with pipe & blind rams or two single ram type preventors, one equipped w/ pipe rams, the other w/ blind rams. BOP system will be consistent w/API RP 53.
2. BOP's will be well braced w/hand controls extended clear of substructure.
3. Accumulator to provide closing pressure in excess of that required w/sufficient volume to operate all components.
4. All BOP equipment will be tested to 2500# for 15 minutes. The BOP's will be tested at the time of installation and every 30 days thereafter. BOP's will be mechanically checked daily.
5. Modification of hook-up or testing procedure will be approved in writing on tour reports by wellsite representative.

BOP Schematic 3000# WP

GREENWOOD HOLDINGS INC

Federal 11-25
NW NW Sec 25. T8S R17E
Uintah County, Utah

Accumulator



Note: Right of way and road easement applications
addressed on last page.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Company: Greenwood Holdings, Inc. Well No. Federal 11-25
Location: NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 25, T8S-R17E Lease No. UTU-67845
Duchesne County, Utah

1. Existing Roads: Refer to Maps "A" & "B" (Shown in ORANGE)
 - A. The proposed well site is staked and four 200-foot reference stakes are present.
 - B. To reach the location from the town of Myton, Utah; proceed southwest 1.5 miles on Highway 40 to the "Pleasant Valley" sign. Turn left on State Highway 53 and go south approximately 2 miles to County Road 216.

Follow County Road 216 (3.7 miles) to BLM sign.

Continue on County Road 216 (0.7 miles) past the BLM sign to intersection on east side of road. Turn left (east) towards radio tower, proceed (3.0 miles) to gate.

From gate, continue east around perimeter of field approx. 1.2 miles to fork in road, continue southeast 0.8 miles to location.

Lease road will be marked with signs.
 - C. Access roads - refer to Maps "A" & "B".
 - D. Access roads within a one-mile radius - refer to Map "B".
 - E. The existing gravel roads will be maintained in the same or better condition as existed prior to the commencement of operations and said maintenance will continue until final abandonment and reclamation of the well location.

2. Planned Access Roads: Refer to Map "B" (Shown in Yellow)

The access to the proposed well location will be entirely on existing roads.

- A. Width - maximum 30-foot overall right-of-way with an 18-foot road running surface, crowned & ditched.
- B. Construction standard - the access road will be constructed in accordance with Bureau of Land Management Roadway Guidelines established for oil and gas exploration and development activities as referenced in the BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Third Edition.

2. Planned Access Roads: (Continued)

Construction standard - the road will be constructed to meet the standards of the anticipated traffic flow and all-weather requirements. Construction will include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well constructed and safe road.

Prior to construction/upgrading, the roadway shall be cleared of any snow cover and allowed to dry completely. Traveling off of the thirty (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 the accumulation of debris in the drainage crossing nor shall the drainage be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at a 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.

- C. Maximum grade - ⁴/_{5%}.
- D. Turnouts - turnouts will be constructed along the access route as necessary or required to allow for the safe passage of traffic. None anticipated at this time.
- E. Drainage design - the access road will be crowned, ditched, and water turnouts installed as necessary to provide for proper drainage along the access road route. Borrow ditches and a water turnout will be constructed at this location.
- F. Culverts, cuts and fills - None anticipated.
- G. Surface materials - any construction materials which may be required for surfacing of the access road will be purchased from a local contractor having a permitted source of materials in the area, if required by the Authorized Officer, Bureau of Land Management. Excess material taken from the access road may be used for minor construction.
- H. Gates, cattle guards or fence cuts - none required.
- I. Road maintenance - during both the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing, and will also be maintained in

2. Planned Access Roads: (Continued)

accordance with the original construction standards. The access road right-of-way will be kept free of trash during operations.

J. The proposed access road is flagged.

3. Location of Existing Wells Within a One-Mile Radius:

Please refer to Map "B".

- A. Water Wells - none known.
- B. Abandoned Wells - None.
- C. Temporarily Abandoned Wells - none known.
- D. Disposal Wells - none known.
- E. Drilling Wells or Locations:
- F. Producing Wells - NESE 23, SE NW25, NENW26, T8S, R17E.
- G. Shut-in Wells - none known.
- H. Injection Wells - none known.
- I. Monitoring Wells - none known.

4. Location of Existing and/or Proposed Facilities Owned by Greenwood Holdings, Inc. Within a One-Mile Radius:

A. Existing - none.

- 1. Tank Batteries - SENW25, NENW26 T8S R17E.
- 2. Production Facilities - SENW25, NENW26 T8S R17E.
- 3. Oil Gathering Lines - none.
- 4. Gas Gathering Lines - PROPOSED GATHERING SYSTEM BY INTERLINE.

B. New Facilities Contemplated

- 1. All production facilities will be located on the disturbed portion of the well pad and at a minimum of twenty-five (25) feet from the toe of the back slope or toe of the fill slope.
- 2. The production facilities (consisting primarily of a christmas tree at the well head, dehydration unit, tank batteries, and emergency pit) will require an area approximately 300' X 135'. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via "Sundry Notice" (Form 3160-5) for approval of subsequent installation operations. The tank batteries will be placed between reference points 4 and 5 on the attached well layout plat.
- 3. Production facilities will be accommodated on the existing well pad. Construction materials required for installation of the facilities will be obtained from the site; any additional materials required will be purchased from a local supplier having a permitted (private) source of materials within the area.

B. New Facilities Contemplated (Continued)

The dike will be constructed completely around those production facilities which contain fluids (i.e. production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold ^{150%} 100% of the capacity of the largest tank, and be independent of the back cut.

4. All permanent (on-site for six months or longer) above-the-ground structures constructed or installed including pumping units will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five (5) State Rocky Mountain Interagency Committee. All production facilities will be painted within six (6) months of installation.

Facilities required to comply with Occupational Health and Safety Act Rules and Regulations will be excluded from this painting requirement.

The standard paint color is Desert Brown, Munsell standard Color number (10YR 6/3).

5. If at any time the facilities located on public lands and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), the Bureau of Land Management will process a change in authorization to the appropriate statute. The authorization will be subject to the appropriate rental or other financial obligation as determined by the Authorized Officer.

- C. The production (emergency) pit will be fenced with woven wire mesh topped with one (1) strand of barbed wire held in place with metal side posts and wooden corner "H" braces in order to protect livestock and wildlife. Please refer to Item #9E (page #'s 8&9) for additional information on the fencing specifications.

- D. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road right-of-way and any additional areas as specified in the approved Application for Permit to Drill.

- E. Reclamation of disturbed areas no longer needed for operations will be accomplished by grading, leveling and seeding as recommended by the Bureau of Land Management (Refer to Item #10A2, page 10) for the appropriate seed mixture and rate of application.

5. Location and Type of Water Supply:

- A. Water to be used for drilling and production of this well will be hauled by truck from Pleasant Valley or from Jim Nebecker's pond.

5. Location and Type of Water Supply: (Continued)

Arrangements will be made with the proper authorities an alternate water source if used. All regulations and guidelines will be followed and no deviations will be made unless all concerned agencies are notified.

- B. Water will be transported over existing roads via tank truck from the point of diversion to the proposed well location. No new construction will be required on/along the proposed water haul route. No off-lease/unit Federal lands will be crossed on/along the proposed water haul route.
- C. No water well will be drilled on this location.

6. Source of Construction Materials:

- A. Construction materials needed for surfacing of the well pad will be obtained from a local contractor having a permitted source (private) of materials in the area. Refer to Item #2F (page #2) regarding any construction materials which amy be required on the access road.
- B. No construction materials will be taken from Federal and/or Indian lands without prior approval from the appropriate Surface Management Agency.
- C. If production is established, any additional construction materials needed for surfacing the access road and installation of production facilities will be purchased from a local supplier having a permitted (private) source of materials in the area.
- D. No new access roads for construction materials will be required.

7. Methods of Handling Waste Materials:

- A. Cuttings - the cuttings will be deposited in the reserve pit.
- B. Drilling fluids - including salts and chemicals will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within ninety (90) days after termination of drilling and completion activities.

In the event adverse weather conditions prevent removal of the fluids from the reserve pit within this time period, an extension may be granted by the Authorized Officer upon receipt of a written request from Greenwood Holdings Inc.

The reserve pit will be constructed so as not to leak, break, or allow discharge. *The pit will be lined with a 12 mil LDPE.*

7. Methods of Handling Waste Materials: (Continued)

- C. Produced Fluids - liquid hydrocarbons produced during completion operations will be placed in test tanks on the location. Produced waste water will be reasonably free of oil, and will be confined to a lined pit (reserve pit) or storage tank for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period, in accordance with NTL-2B, an application for approval of a permanent disposal method and location, along with the required water analysis, shall be submitted for the Authorized Officer's approval. Failure to file an application within the time frame allowed will be considered an incidence of noncompliance.

Any spills of oil, gas, salt water or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

- D. Sewage - self-contained, chemical toilets will be provided for human waste disposal. Upon completion of operations, or as needed, the toilet holding tanks will be pumped as and the contents disposed of in the nearest, approved, sewage disposal facility.
- E. Garbage and other waste material - garbage, trash and other waste materials will be collected in a portable, self-contained and fully-enclosed trash cage during drilling and completion operations. Upon completion of operations (or as needed) the accumulated trash will be disposed of at an authorized sanitary landfill. No trash will be burned on location or placed in the reserve pit.
- F. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from the well location. No adverse materials will be left on the location. Any open pits will be fenced during the drilling operation and the fencing will be maintained until such time as the pits are back filled.

8. Ancillary Facilities: None anticipated.

9. Wellsite Layout:

- A. Exhibit "A" shows the drill site layout as staked. Cross sections have been drafted to visualize the planned cuts and fills across the location. A minimum of six (6) inches of topsoil will be stripped from the location (including areas of cut, fill, and/or subsoil storage) and stockpiled for future reclamation of the well site.
- B. Exhibit "A" is a diagram showing the rig layout. No permanent living facilities are planned. There will be two (2) trailers on location during drilling operations for the toolpusher and company representative.

9. Wellsite Layout: (Continued)

- C. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via Sundry Notice (Form 3169-5) for approval of subsequent operations (Refer to Item #4B, page #4, for additional information in this regard).
- D. If porous subsoil materials (gravel, scoria, sand, faulted rock structures, etc.) are encountered during reserve pit construction, an impervious liner will be installed in order to prevent drilling water loss through seepage. A pit liner will be used.
- E. Prior to the commencement of drilling operations, the reserve pit will be fenced "sheep tight" on three (3) sides according to the following minimum standards:
 - 1. 30-inch net wire shall be used with at least one (1) strand of barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
 - 2. The net wire shall be no more than two (2) inches above the ground. The barbed wire shall be three (3) inches above the net wire. Total height of the fence shall be at least 42 inches.
 - 3. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
 - 4. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two (2) posts shall be no greater than sixteen (16) feet.
 - 5. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.
- F. Any hydrocarbons circulated to the pit during normal drilling operations will be removed from the pit as soon as possible after drilling/completion operations are completed.

10. Plans for Reclamation of the Surface:

A. Production

- 1. Immediately upon well completion, the well location and surrounding area(s) will be cleared of all debris, materials, trash and junk not required for production.
- 2. Upon well completion, any hydrocarbons on the pit shall be removed, as best as reasonably possible, in accordance with 43 CFR 3162.7-1.

10. Plans for Reclamation: (Continued)

3. If a plastic or nylon reinforced pit liner is used, it shall be torn and perforated before back filling of the reserve pit.
4. Before any dirt work to restore the location takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc. will be removed. Other waste and spoil materials will be disposed of immediately upon completion of drilling and workover activities.
5. The reserve pit and that portion of the location and access road not needed for production facilities/operations will be reclaimed within ninety (90) days from the date of well completion, weather permitting.
6. For production, the fill slopes will be reduced from a 1.5:1 slope to a 3:1 slope and the cut slopes will be reduced from a 1.5:1 slope to a 3:1 slope by pushing the fill material back up into the cut.
7. If necessary a diversion ditch will be constructed above the east side of the location (after reclamation of the reserve pit area) and will be designed to divert runoff water to the south of the producing well location.
8. Upon completion of back filling, leveling and recontouring, the stockpiled topsoil will be evenly spread over the reclaimed area(s). Prior to reseeding, all disturbed surfaces (including the access road and location) will be scarified and left with a rough surface. No depressions will be left that would trap water and form ponds. All disturbed surfaces (including the access road and well pad areas) will be reseeded. Seed will be broadcast or drilled as recommended. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

The appropriate seed mixture and restoration season will be determined by the BLM either as part of the Conditions of Approval of the APD or according to a surface reclamation plan submitted to and approved by the Surface Management Agency prior to restoration.

B. Dry Hole/Abandoned Location

1. At such time as the well is physically plugged and abandoned, Greenwood Holdings, Inc. will submit a "Subsequent Report of Abandonment" to the Authorized Officer for approval. At that time, the Bureau of Land Management will formulate the appropriate surface rehabilitation requirements and attach them as the conditions of approval for final abandonment.

11. Surface Ownership:

The well site and proposed access road are situated on surface estate which is owned by the following:

Ethan L. Nelson and
Brad L. Nelson and JoAnn Nelson

Bureau of Land Management
170 South 500 East
Vernal, Utah 84078
Phone: (801) 789-1362

A copy of the existing access agreement with the owners of certain surface rights affected by this permit is attached as Exhibit "E". all other Right-of-Way is addressed by the BLM Grant Numbered U-65150 issued for the Federal 1-26.

12. Other Information:

- A. The proposed well is located in the southern central portion of the Uinta Basin near the boundary between Duchesne and Uintah Counties seven miles south of Myton, Utah. The area is interlaced with numerous shallow gulches and arroyos ranging from a few feet to as much as 130' in depth and separated by flat crested ridges formed in sandstone, cobblerock, conglomerate, and shale deposits. Along with this badland type topography are broad areas of gravel covered terraces and buttes which support local dry land farming.

The majority of the small drainage are of a non-perennial nature with normal flow limited to the early spring run-off and rare heavy thunderstorms or rain storms. Normal annual precipitation is only eight inches.

The oils of this semi-arid area are of the Uinta Formation and Wasatch Formation, (the Fluvial Sandstone and Mudstone) from the Eocene Epoch. Visible geologic structure consists of light brownish-gray clays to sandy soils with poor gravels and shales and outcrops of rock (sandstone, mudstone, conglomerate, and shale).

Due to the low precipitation, climatic conditions, and the marginal types of soils, the vegetation that is found in the area is common of

12. Other Information: (Continued)

the semi-arid region we are located in and in the lower elevations of the Uinta Basin. It consists of, as primary flora; sagebrush, rabbitbrush, some grasses, and cacti. Willow, Cottonwood and low scrub brush are found long the lower areas close to drainage and streams.

The animals of the area consist predominately of mule deer, coyotes, rabbits, varieties of small ground squirrels and other types of rodents, and various reptiles common to the area. The birds of the area are raptors, finches, ground sparrows, magpies, crows and jays.

- B. Surface Use Activities: The primary surface use is for grazing and irrigated hayfields.
- C. Proximity of Water, Occupied Dwellings, Archaeological, Historical or Cultural Sites:
1. The closest source of permanent water is the Duchesne River. The Duchesne River is located approximately 8 miles north of the proposed location.
 2. The closest occupied dwellings are located in the town of Myton, approximately 8.0 miles to the northwest.
 3. Greenwood Holdings Inc. will be responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. If historic or archaeological materials are uncovered, Greenwood Holdings Inc. will suspend all operations that might further disturb such materials and immediately contact the Authorized Officer.

Within five (5) working days the Authorized Officer will inform Greenwood Holdings Inc. as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- a time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer are correct and that mitigation is appropriate.

12. Other Information: (Continued)

If Greenwood Holdings Inc. wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, Greenwood Holdings Inc. will be responsible for mitigation costs.

4. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that the required mitigation has been completed, Greenwood Holdings Inc. will then be allowed to resume construction.

D. Additional Stipulations for Operations on Lands Administered by the Bureau of Land Management:

1. Greenwood Holdings Inc. will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the Bureau of Land Management, or the Uintah County Extension Office. On lands administered by the Bureau of Land Management, it is required that a "Pesticide Use Proposal" shall be submitted, and approval obtained, prior to the application of herbicides or other pesticides or possible hazardous chemicals for the control of noxious weeds.
2. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on federal lands after conclusion of drilling operations or at any other time without the proper authorization from the Bureau of Land Management. However, if BLM authorization is obtained, it is only a temporary measure to allow Greenwood Holdings, Inc. the time to make arrangements for permanent storage at a commercial facility.
3. Greenwood Holdings Inc. shall contact the Bureau of Land Management between 24 and 48 hours prior to commencement of construction activities on the access road and/or well location: (801) 789-1362.
4. The Bureau of Land Management shall be notified upon site completion and prior to moving drilling tools onto the location.
5. If necessary, Greenwood Holdings Inc. will construct a silt catchment dam according to the BLM guidelines described in Exhibit "F". Construction will follow such guidelines, as best as reasonably possible, as dictated by the suitability of the available construction materials. All proper Agencies will be notified, and regulations followed, in the planning and implementation of the construction. *A Dam will be constructed ± 500' North + East of the location.*

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

Representative

Greenwood Holdings Inc. (303) 773-6703 Office (8:00AM-5:00PM)
Jim Ryder, Operations Manager (303) 973-6675 Home

Certification:

Greenwood Holdings Inc. (303) 773-6703 Office (8:00AM-5:00PM)
Tom Foster (303) 690-5061 Home
Greenwood Holdings Inc. (303) 773-6703 (8:00AM-5:00PM)
5600 S. Quebec Street
Suite 150-C
Englewood, CO. 80111

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 & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

Greenwood Holdings Inc. will be fully responsible for the actions of their subcontractors. A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this 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 Greenwood Holdings, Inc., 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.

June 21, 1991

Date



Authorized Agent

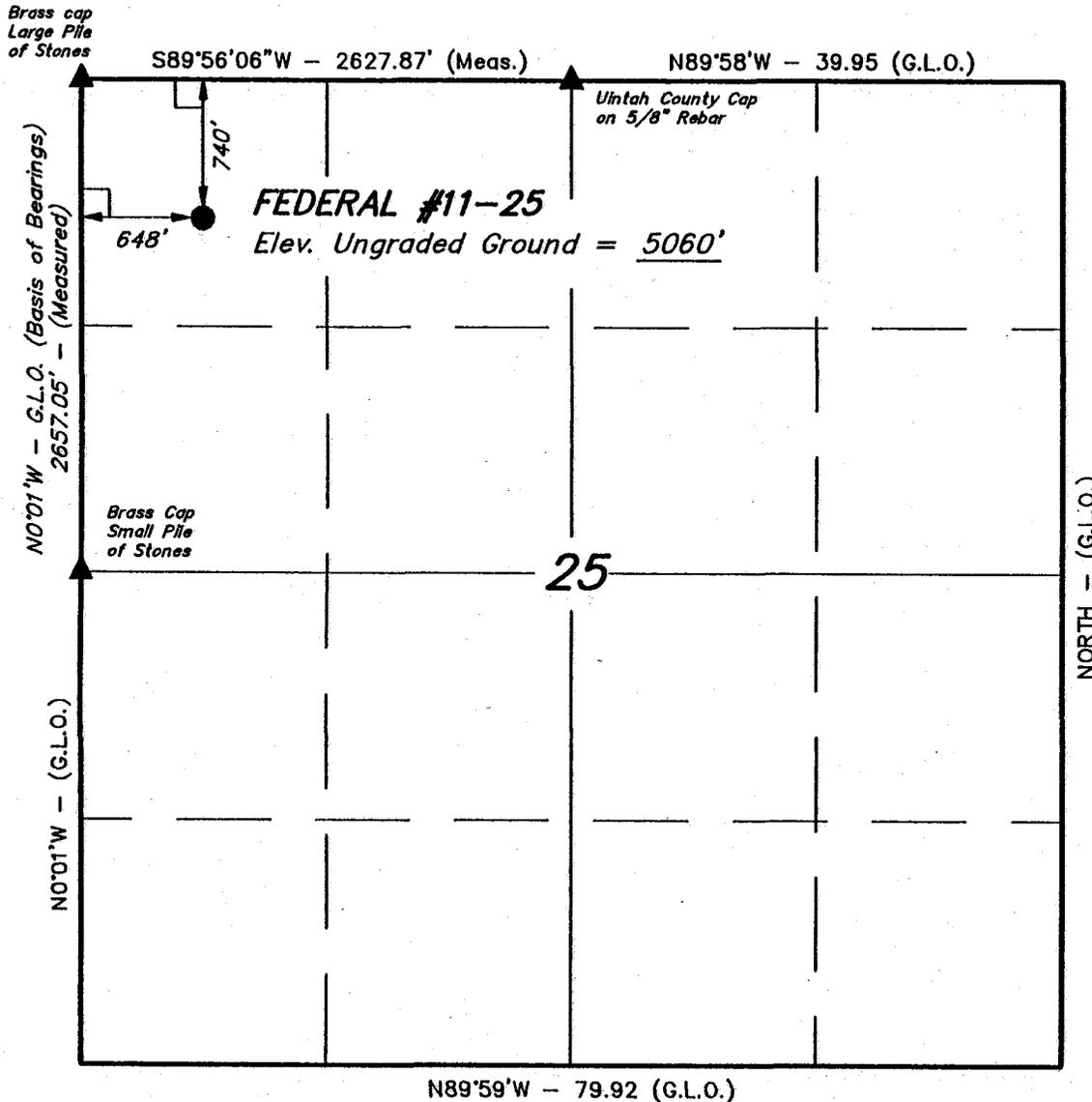
Thomas B. Foster, Vice President

Right-of-Way across BLM lands affected by this plan has been established by Greenwood Holdings Inc. Specific agreements are the "Road Easement and Right of Way Agreement" by and between Greenwood Holdings Inc. and the surface rights owners named in the "Agreement" specified for the Federal 26-1 located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 26 Township 8 South, Range 17 East, and the Right-of-Way Grant/Temporary Use Permit number U-65150 provided by the BLM for the Federal 26-1.

GREENWOOD HOLDINGS, INC.

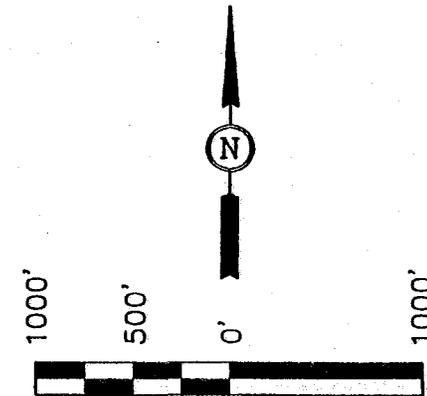
Well location, FEDERAL #11-25, located as shown in the NW 1/4 NW 1/4 of Section 25, T8S, R17E, S.L.B.&M. Uintah County, Utah.

T8S, R17E, S.L.B.&M.



BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION 25, T8S, R17E, S.L.B.&M. TAKEN FROM THE PARIETTE DRAW SW QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5049 FEET.



SCALE
CERTIFICATE

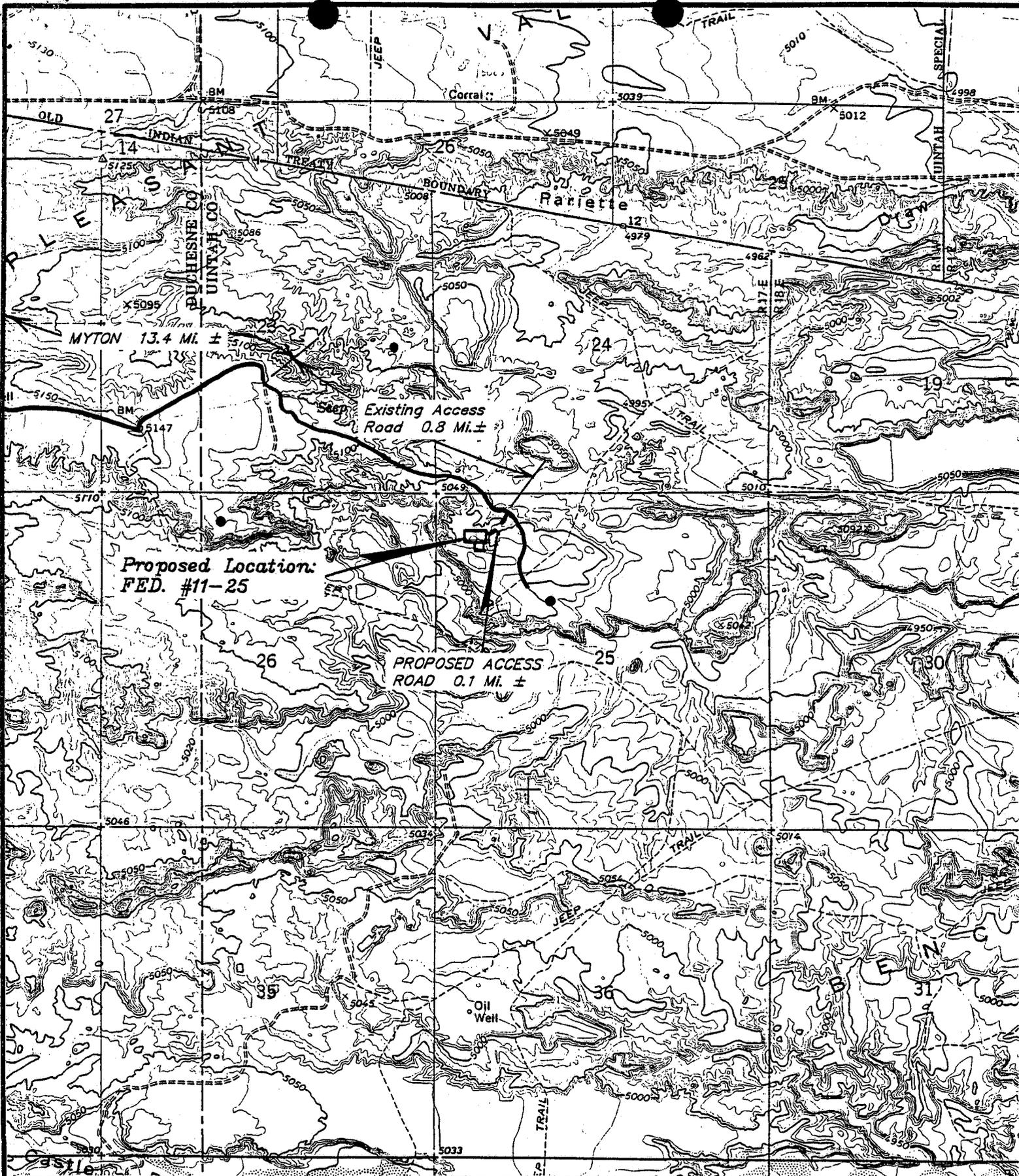
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert L. Kay
REGISTERED LAND SURVEYOR
REGISTRATION NO. 5709
STATE OF UTAH

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

SCALE 1" = 1000'	DATE 5-31-91
PARTY D.A. K.L. R.E.H.	REFERENCES G.L.O. PLAT
WEATHER WARM	FILE GREENWOOD HOLDINGS, INC.

▲ = SECTION CORNERS LOCATED.



TOPOGRAPHIC
 MAP "B"
 SCALE: 1" = 2000'
 DATE: 5-31-91 R.E.H.



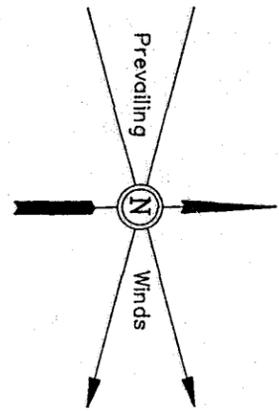
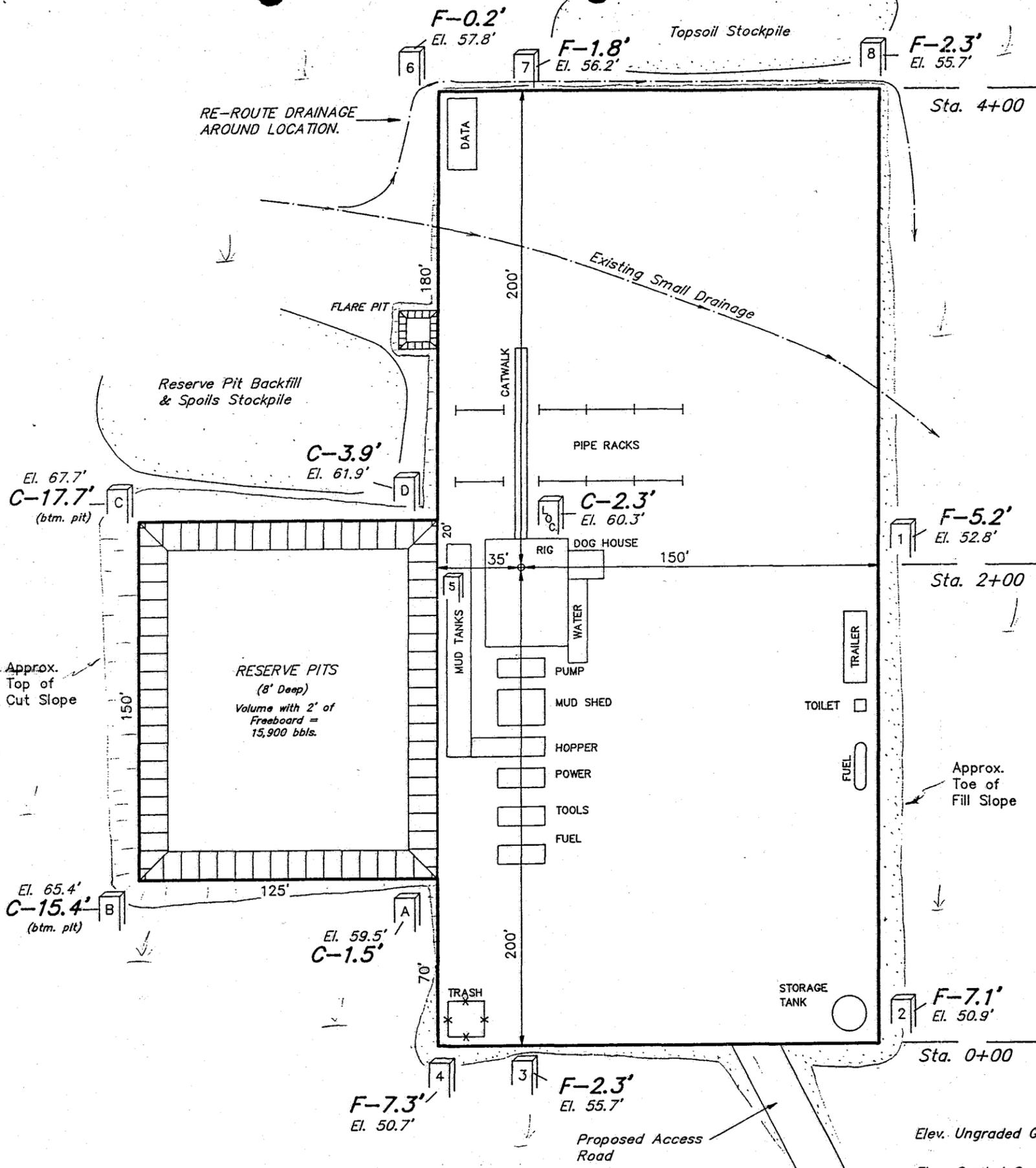
GREENWOOD HOLDINGS, INC.
 FED. #11-25
 SECTION 25, T8S, R17E, S.L.B.&M.

GREENWOOD HOLDINGS, INC.

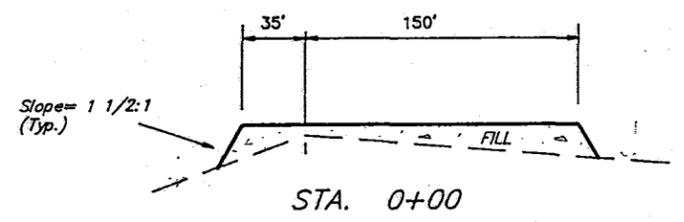
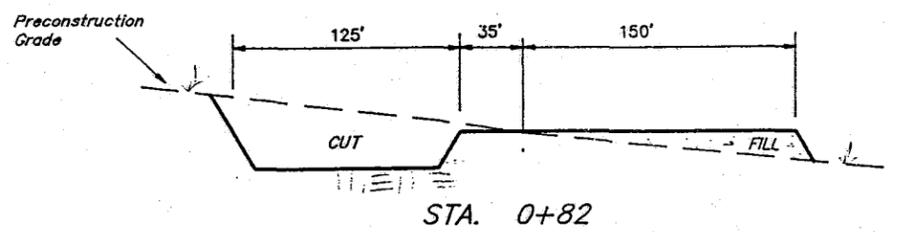
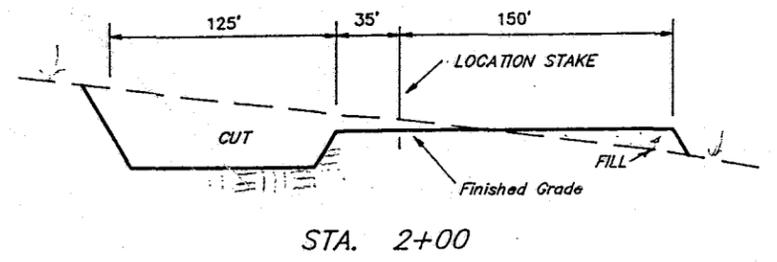
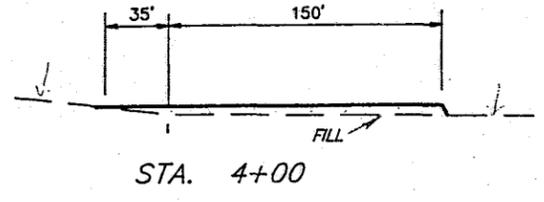
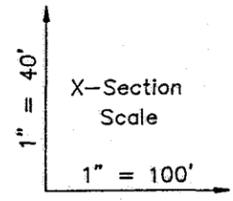
LOCATION LAYOUT FOR

FEDERAL #11-25

SECTION 25, T8S, R17E, S.L.B.&M.



SCALE: 1" = 50'
DATE: 5-31-91
Drawn By: J.R.S.



TYP. CROSS SECTIONS
TYP. LOCATION LAYOUT

APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	1,750 Cu. Yds.
Remaining Location	=	9,470 Cu. Yds.
TOTAL CUT	=	11,220 CU.YDS.
FILL	=	6,800 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	4,060 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	4,060 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.

Elev. Ungraded Ground at Location Stake = 5060.3'

Elev. Graded Ground at Location Stake = 5058.0'

RECEIVED
MAR 28 1991

ROAD EASEMENT AND
RIGHT OF WAY AGREEMENT

Ans'd.....

This Agreement is made and entered into this 25th day of March, 1991, by and between, Ethan L. Nelson and Louise M. Nelson, husband and wife, and Brad L. Nelson and JoAnn H. Nelson, husband and wife, of P. O. Box 638, Roosevelt, Utah 84066, hereinafter collectively referred to as "Grantor", and Greenwood Holdings Inc., of 5600 South Quebec Street, Suite 150-C, Englewood, Colorado 80111, hereinafter referred to as "Operator".

WHEREAS, Grantor owns the surface of the land located in the N½SW¼, SE½SW¼ and S½SE¼ of Section 22 and the S½SW¼ of Section 23 and Grantor owns an agricultural permit issued by the United States Department of Interior covering certain lands located in the S½ of Section 23, all in Township 8 South, Range 17 East, SLM, Uintah and Duchesne Counties, Utah, hereinafter referred to as "Grantor's Lands"; and

WHEREAS, Operator desires access across the Grantor's Lands in order to drill wells, on lands other than the Grantor's Lands, for the purposes of exploring for oil and gas, and to operate and produce the wells if production is established.

NOW, THEREFORE, In consideration of the premises and the mutual covenants and obligations contained herein, Grantor and Operator agree as follows:

1. Grantor hereby grants and conveys unto Operator, its agents, successors and assigns, the right to use the existing road which crosses the Grantor's Lands from the west line of Section 22 into the southeast quarter of Section 23, Township 8 South, Range 17 East. Operator shall maintain the existing road and shall repair any damage caused by Operator's use thereof.

2. Grantor hereby grants and conveys unto Operator, its agents, successors and assigns, a right of way to construct and maintain a road across Grantor's Lands. Said road shall commence at the existing road in Section 23 and run south into Section 26 and is more fully described on Exhibit "A" attached hereto. This right of way is limited to that portion of the road that crosses the Grantor's Lands.

3. Grantor hereby acknowledges receipt of the sum of one thousand two hundred and no/100 dollars (\$1,200.00) cash in hand paid, which sum is consideration for this agreement, the renewal privileges herein granted, the rental for the first one year term hereof and settlement of damages caused to Grantor's Lands and Grantor's growing crops within the boundaries of the right of way described in Paragraph 2 hereof.

4. The term of this agreement shall be for a period of one year from the date hereof, with the right and privilege granted hereby to the Operator, its successors and assigns, to extend and continue this agreement from year to year thereafter, so long as the same is needed or desired by the Operator for its oil and gas operations, provided that Operator shall pay to the Grantor annually on or before the anniversary date hereof, the sum of one hundred and no/100 dollars (\$100.00). No change in the ownership of the Grantor's Lands shall be binding upon the Operator until it has been furnished with the original instrument of conveyance or transfer, or certified copy thereof, at least thirty (30) days in advance of the rental date.

5. In the event Operator drills any wells other than the well located in the NE½NW¼ of Section 26, Township 8 South, Range 17 East and Operator uses the above existing road and/or right of way for access to said additional wells, then Operator agrees to pay Grantor one hundred and no/100 dollars (\$100.00) prior to

commencing each additional well.

6. All gates on Grantor's Lands shall be kept closed and locked when not in use by the Operator unless written or verbal permission to the contrary is obtained from Grantor.

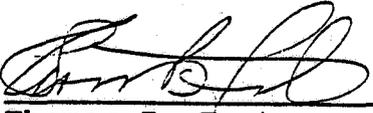
7. Upon termination of this agreement, Operator shall, within a reasonable period of time, restore the surface of the Grantor's Lands, which was disturbed by building the road described in paragraph 2 herein, as close as reasonably possible to its original condition.

8. Operator shall have the right to terminate and cancel this agreement at any time by furnishing written notice of termination to Grantor.

9. This agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors and assigns.

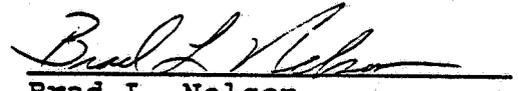
IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date first written above.

Greenwood Holdings Inc.

By: 
Thomas B. Foster
Vice President


Ethan L. Nelson

Louise M. Nelson


Brad L. Nelson

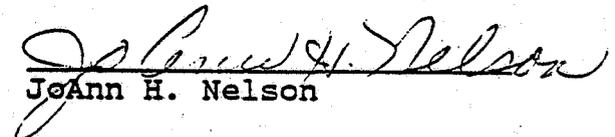
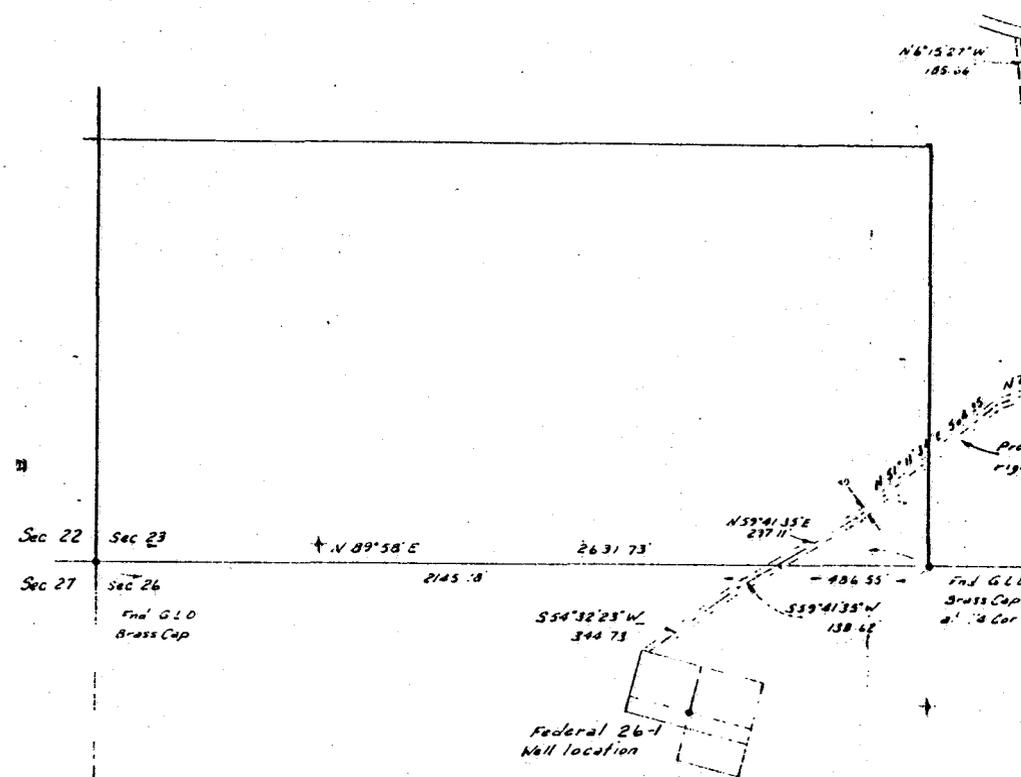

JoAnn H. Nelson

EXHIBIT "A"



RIGHT-OF-WAY SURVEY PLAT FOR

GREENWOOD HOLDINGS, INC.

FEDERAL 26-1

SECTIONS 23 AND 26, TOWNSHIP 8 SOUTH, RANGE 17 EAST
SALT LAKE BASE AND MERIDIAN

DESCRIPTION OF RIGHT-OF-WAY IN SECTION 23

A 30 feet wide right-of-way over part of Section 23, Township 8 South, Range 17 East of the Salt Lake Base and Meridian, the centerline of said right-of-way beginning at a point on the South line of said Section, said point being North 89°58' East 2145.18 feet from the Southwest Corner of said Section;

- Thence North 59°41'35" East 297.11 feet;
- Thence North 51°11'34" East 564.35 feet;
- Thence North 70°35'57" East 365.49 feet;
- Thence North 58°54'18" East 399.56 feet;
- Thence North 14°59'45" East 352.30 feet;
- Thence North 61°11'17" West 580.10 feet;
- Thence North 6°15'27" West 185.66 feet to an existing road, said right-of-way being 2744.57 feet in length and containing 1.89 acres.

DESCRIPTION OF RIGHT-OF-WAY IN SECTION 26

A 30 feet wide right-of-way over part of Section 26, Township 8 South, Range 17 East of the Salt Lake Base and Meridian, the centerline of said right-of-way beginning at a point on the North line of said Section, said point being North 89°58' East 2145.18 feet from the Northwest Corner of said Section;

- Thence South 59°41'35" West 138.62 feet;
- Thence South 54°32'23" West 344.73 feet to the Federal 26-1 well location, said right-of-way being 483.35 feet in length and containing 0.33 acres.

SURVEYOR'S CERTIFICATE

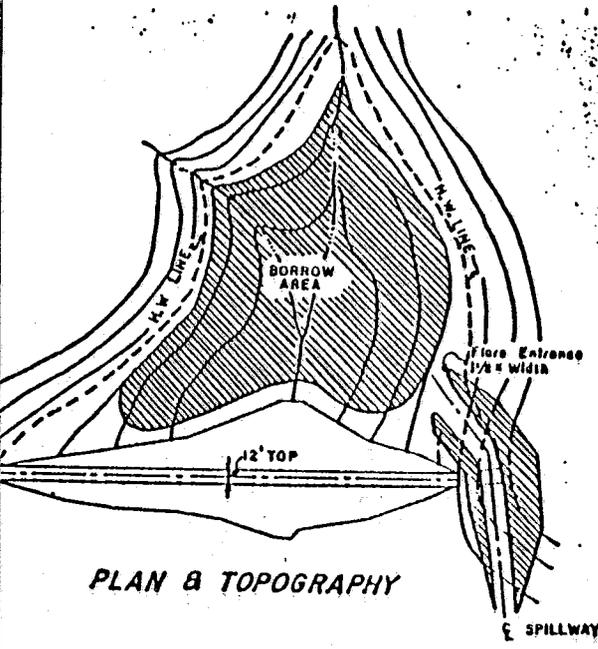
This is to certify that I have surveyed the right-of-ways shown on this plat, and that the monuments indicated were found or set during said survey, and that this plat accurately represents said survey to the best of my knowledge.

Jerry D. Allred
 Jerry D. Allred, Registered Land
 Surveyor, Cert. No. 3817 (Utah)

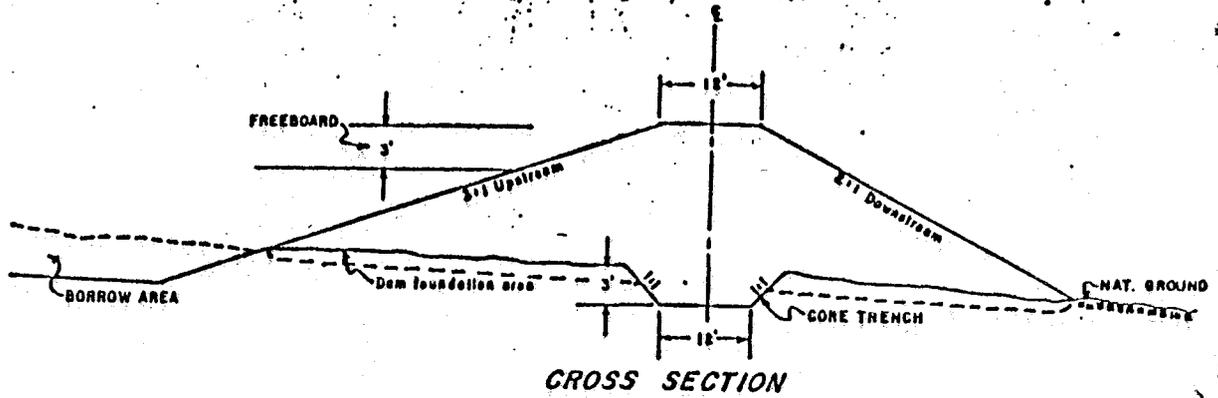


JERRY D. ALLRED & ASSOCIATES
 Surveying & Engineering Consultants

121 North Center Street
 P.O. Drawer C
 DUCHESNE UTAH 84021
 (801) 734-5352



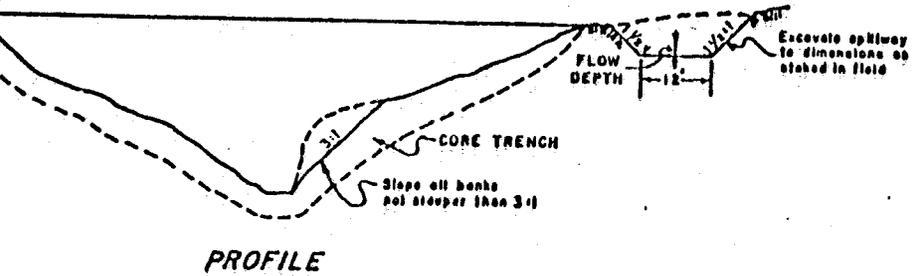
PLAN & TOPOGRAPHY



CROSS SECTION

**MINIMUM STANDARDS FOR DAMS
IMPOUNDING UNDER 10 AC. FT.**

1. BLM PERSONNEL MUST APPROVE SITE LOCATION, FILL MATERIAL, FOUNDATION MATERIAL, SPILLWAY SIZE AND LOCATION.
2. DAM LAYOUT & LOCATION MUST BE WITH SURVEYING INSTRUMENTS BY QUALIFIED SURVEYOR,
3. MAX. WATER DEPTH AGAINST THE DAM WILL BE 10' WHEN CONSTRUCTED WITH A CRAWLER TRACTOR.
4. SOIL WILL BE PLACED IN NOT MORE THAN 6" LIFTS AND EACH LIFT COMPACTED WITH A CRAWLER TRACTOR.
5. SPILLWAY MUST BE THROUGH NATURAL MATERIAL.
6. A CORE TRENCH WILL BE CONSTRUCTED 3' DEEP OR TO BED ROCK.
7. BORROW MATERIAL WILL BE TAKEN FROM WITHIN THE RESERVOIR BASIN BELOW THE HIGH WATER MARK WHENEVER POSSIBLE.



PROFILE

U. S. DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT	
RETENTION DAM TYPICAL PLAN & SECTION	
DESIGNED _____	RECOMM. _____
DRAWN _____	RECOMM. _____ <small>ENR, DIV. OF ENG</small>
CHECKED _____	APPROVED _____
SCALE: NOT TO SCALE	
DATE _____	SHEET <u>1</u> OF <u>1</u>
DRAWING NO. _____	

ALWAYS THINK SAFETY OPD 830-170

**EXHIBIT "F"
Silt Catchment Dam Specifications**

MINIMUM STANDARDS FOR DAMS
IMPOUNDING UNDER 10 AC. FT.

- I. Site Location and Design
 - A. Authorized BLM personnel must approve site location, fill material, foundation material, spillway size and location.
 - B. Dam layout and location shall be with surveying instruments by qualified personnel.
- II. Borrow Areas
 - A. Borrow material shall be taken from within the reservoir basin below the high water line whenever possible.
 - B. Vegetation, debris, and topsoil shall be removed to a depth of 12" below natural ground line and deposited as directed.
 - C. Vegetation, debris, and topsoil shall be stockpiled to be used as cover for borrow areas above the high water line as directed.
 - D. Vegetation, debris and topsoil moved below the dam shall be contoured, smoothed and blended into natural ground lines away from fill areas and outside the wash bottom.
 - E. Borrow areas shall be smoothed, contoured and blended into natural ground lines.
- III. Core Trench and Dam Foundation
 - A. A core trench shall be constructed 12' wide along the full length of the dam center line to a minimum depth of 3' or bedrock.
 - B. Sides of the core trench shall not be steeper than 1:1 slopes.
 - C. Soft or unstable material encountered in the core trench or dam foundation shall be removed and will not be used as fill.
- IV. Dam and Core Fill
 - A. Fill shall be homogeneous material, preferably of highly impervious, compactable soils (such as high clay content soils free of organic material, sand or rock).
 - B. Lifts of fill shall not exceed 6" when compacted.
 - C. Fill shall be built up at a consistent rate the full length of the dam.
 - D. Lifts shall be compacted by at least one pass of the crawler tractor over the entire width of the lift.
 - E. Fill shall be smoothed, maintaining specified slopes.
- V. Spillway
 - A. Spillway shall be constructed through natural material.
 - B. Spillway shall be constructed to divert overflow away from fill areas or natural material that is an integral part of the dam.
 - C. Incorporate in-place rock or hauled-in rock in spillway and at discharge point below spillway to prevent "down cutting" and "blowout" holes, when possible.

Revised November 1990
Date NOS Received: June 4, 1991

CONDITIONS OF APPROVAL
FOR APPLICATION FOR PERMIT TO DRILL

Company/Operator: Greenwood Holdings, Inc.

Well Name & Number: Federal 11-25

Lease Number: U-67845

Location: NWNW, Sec. 25, T8S, R17E

Surface Ownership: Federal

NOTIFICATION REQUIREMENTS

- Location Construction - at least forty-eight (48) hours prior to construction of location and access roads.
- Location Completion - prior to moving on the drilling rig.
- Spud Notice - at least twenty-four (24) hours prior to spudding the well
- Casing String and Cementing - at least twenty-four (24) hours prior to running casing and cementing all casing strings.
- BOP and Related Equipment Tests - at least twenty-four (24) hours prior to initiating pressure tests.
- First Production Notice - within five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

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

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

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

Report ALL water shows and water-bearing sands to Tim Ingwell of this office. Copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable 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.

2. Pressure Control Equipment

Chart recorders shall be used for all pressure tests.

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.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 feet above the top of the Mahogany oil shale identified at + 3170 feet.

If tar sand is encountered while drilling, it will need to be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

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

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the Authorized Officer. However, DSTs 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 vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the Authorized Officer (AO).

A cement bond log (CBL) shall be utilized to determine the top of cement (TOC) and bond quality for the production casing.

6. Notifications of Operations

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.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of thirty (30) days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the AO. 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 approval to continue venting or flaring as uneconomic is granted and 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.

All site security regulations, as specified in Onshore Oil and Gas Order No. 3, shall be adhered to.

7. Other Information

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

All off-lease storage, off-lease measurement, or commingling onlease or off-lease will have prior written approval from the AO.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down 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 will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. 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 Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

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.

"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.

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."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Gerald E. Kenczka (801) 781-1190
Petroleum Engineer

Ed Forsman (801) 789-7077
Petroleum Engineer

BLM FAX Machine (801) 789-3634

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous:

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids.

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt wastes.

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation, and miscellaneous solids

SURFACE USE PROGRAM:

1. Planned Access Roads

The length of new construction for the access road will be approximately 0.1 mile.

2. Location of Existing and/or Proposed Facilities

If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, one and one half (1 1/2) times the contents of the entire facility/battery.

Approval of the APD does not constitute approval of the emergency pit discussed in the Multi-Point Surface Use and Operation Plan, #4C. A separate application for a production pit shall be submitted when the well begins production.

3. Methods for Handling Waste Disposal

The plastic nylon reinforced liner 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.

4. Well Site Layout

The reserve pit will be located on the south side.

The flare pit will be located downwind of the prevailing wind direction on the south side, southwest of Point C, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence (see revised cut sheet).

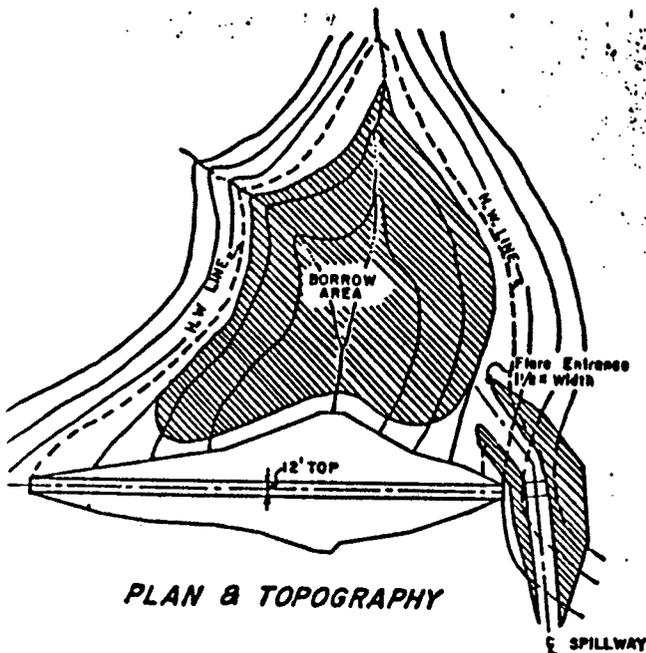
The stockpiled topsoil (first six inches) will be stored on the west side between points 7 and 8.

Access to the well pad will be from the east side between points 2 and 3.

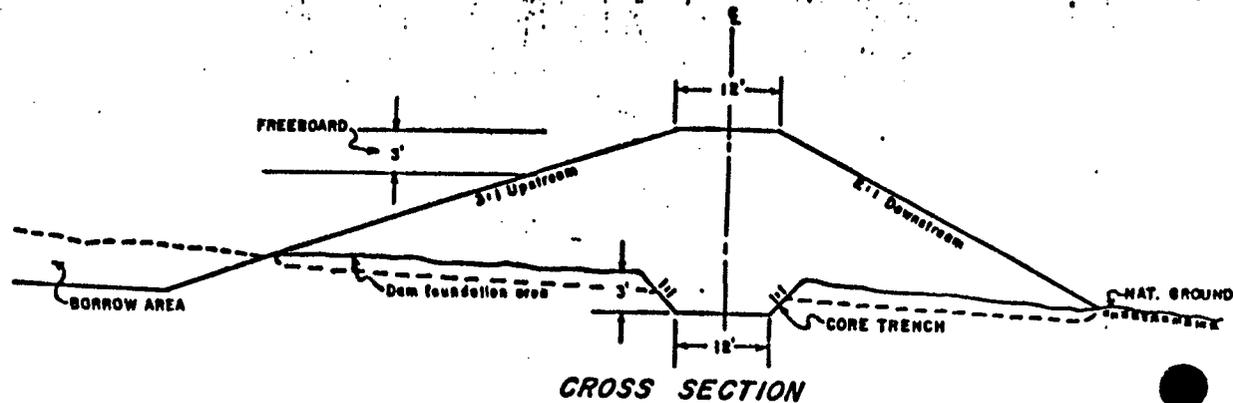
A diversion ditch shall be constructed on the west side of the location.

5. Plans for Restoration of Surface

The reserve pit will be reclaimed within ninety (90) days from the date of well completion.



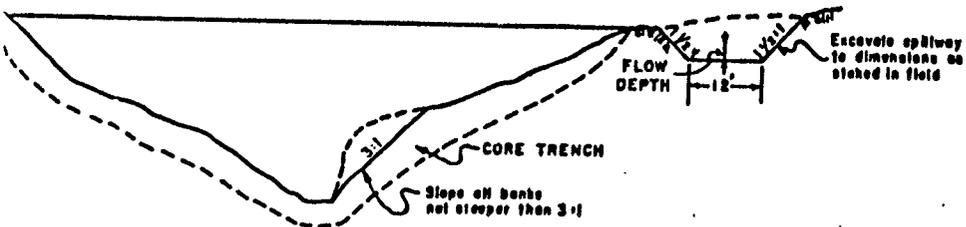
PLAN & TOPOGRAPHY



CROSS SECTION

**MINIMUM STANDARDS FOR DAMS
IMPOUNDING UNDER 10 AC. FT.**

1. BLM PERSONNEL MUST APPROVE SITE LOCATION, FILL MATERIAL, FOUNDATION MATERIAL, SPILLWAY SIZE AND LOCATION.
2. DAM LAYOUT & LOCATION MUST BE WITH SURVEYING INSTRUMENTS BY QUALIFIED SURVEYOR,
3. MAX. WATER DEPTH AGAINST THE DAM WILL BE 10' WHEN CONSTRUCTED WITH A CRAWLER TRACTOR.
4. SOIL WILL BE PLACED IN NOT MORE THAN 6" LIFTS AND EACH LIFT COMPACTED WITH A CRAWLER TRACTOR.
5. SPILL WAY MUST BE THROUGH NATURAL MATERIAL.
6. A CORE TRENCH WILL BE CONSTRUCTED 3' DEEP OR TO BED ROCK.
7. BORROW MATERIAL WILL BE TAKEN FROM WITHIN THE RESERVOIR BASIN BELOW THE HIGH WATER MARK WHENEVER POSSIBLE.



PROFILE

U. S. DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT	
RETENTION DAM TYPICAL PLAN & SECTION	
DESIGNED _____	RECOMM. _____
DRAWN _____	RECOMM. _____ CHIEF, DIV. OF ENG.
CHECKED _____	APPROVED _____
SCALE NOT TO SCALE	
DATE _____	SHEET 1 OF 1
DRAWING NO. _____	

ALWAYS THINK SAFETY GPO 520-172

MINIMUM STANDARDS FOR DAMS
IMPOUNDING UNDER 10 AC. FT.

- I. Site Location and Design
 - A. Authorized BLM personnel must approve site location, fill material, foundation material, spillway size and location.
 - B. Dam layout and location shall be with surveying instruments by qualified personnel.
- II. Borrow Areas
 - A. Borrow material shall be taken from within the reservoir basin below the high water line whenever possible.
 - B. Vegetation, debris, and topsoil shall be removed to a depth of 12" below natural ground line and deposited as directed.
 - C. Vegetation, debris, and topsoil shall be stockpiled to be used as cover for borrow areas above the high water line as directed.
 - D. Vegetation, debris and topsoil moved below the dam shall be contoured, smoothed and blended into natural ground lines away from fill areas and outside the wash bottom.
 - E. Borrow areas shall be smoothed, contoured and blended into natural ground lines.
- III. Core Trench and Dam Foundation
 - A. A core trench shall be constructed 12' wide along the full length of the dam center line to a minimum depth of 3' or bedrock.
 - B. Sides of the core trench shall not be steeper than 1:1 slopes.
 - C. Soft or unstable material encountered in the core trench or dam foundation shall be removed and will not be used as fill.
- IV. Dam and Core Fill
 - A. Fill shall be homogeneous material, preferably of highly impervious, compactable soils (such as high clay content soils free of organic material, sand or rock).
 - B. Lifts of fill shall not exceed 6" when compacted.
 - C. Fill shall be built up at a consistent rate the full length of the dam.
 - D. Lifts shall be compacted by at least one pass of the crawler tractor over the entire width of the lift.
 - E. Fill shall be smoothed, maintaining specified slopes.
- V. Spillway
 - A. Spillway shall be constructed through natural material.
 - B. Spillway shall be constructed to divert overflow away from fill areas or natural material that is an integral part of the dam.
 - C. Incorporate in-place rock or hauled-in rock in spillway and at discharge point below spillway to prevent "down cutting" and "blowout" holes, when possible.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

AUG 12 1991

ORIGINAL

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: September 30, 1990

SUNDRY NOTICES AND REPORTS ON WELLS OIL GAS & MINING

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 GREENWOOD HOLDINGS INC. (303) 773-6703

3. Address and Telephone No.
 5600 S. QUEBEC ST., SUITE 150-C, ENGLEWOOD, CO 80111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 740' FNL 648' FWL NW $\frac{1}{4}$ NW $\frac{1}{4}$ SEC 25 T8S T17E
 43-047-32048

5. Lease Designation and Serial No.
 UTU-67845

6. If Indian, Allottee or Tribe Name
 NONE

7. If Unit or CA, Agreement Designation
 NONE

8. Well Name and No.
 FEDERAL 11-25

9. API Well No.
 API Not assigned

10. Field and Pool, or Exploratory Area
 UNNAMED/Development

11. County or Parish, State
 UINTAH CO. UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent <input type="checkbox"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change of Plans <input type="checkbox"/> New Construction <input type="checkbox"/> Non-Routine Fracturing <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Conversion to Injection

(Note: Report results of multiple completion on Well-Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Per your request RE:3162.31 regarding the APD for the Federal 11-25. Attached are 3 copies of the revised well layout diagram showing the location of the flare pit between points "C" and "6". This change is made as requested during the onsite inspection.

Also, per the additional stipulations of the surface use program; A silt catchment dam will be constructed according to BLM specifications approximately 500' northeast of the location as staked. Construction will follow the guidelines of the BLM as best as is reasonably possible with the available construction materials, as described in Exhibit "E": "Minimum Standards for Dams Impounding Under 10 Acre Feet" attached hereto.

14. I hereby certify that the foregoing is true and correct

Signed [Signature] Title Steve M. Fillingham Date July 22, 1991
Geologist

(This space for Federal or State office use)

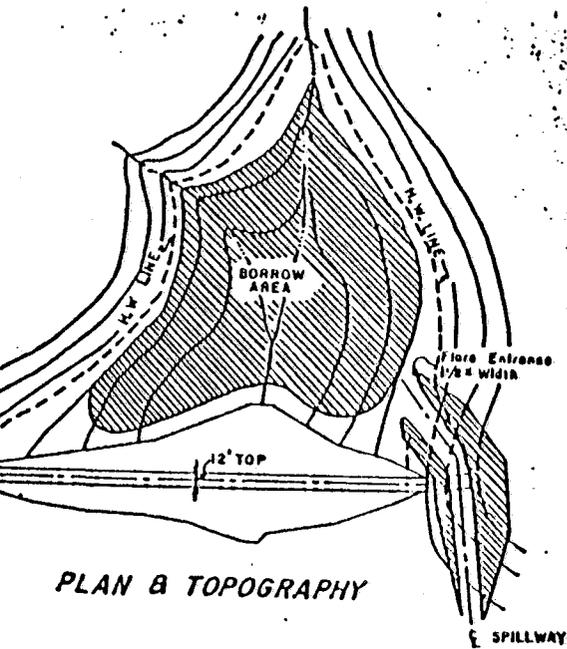
Approved by [Signature] Title ASSISTANT DISTRICT Date 8/5/91
Conditions of approval, if any: MANAGER MINERALS

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

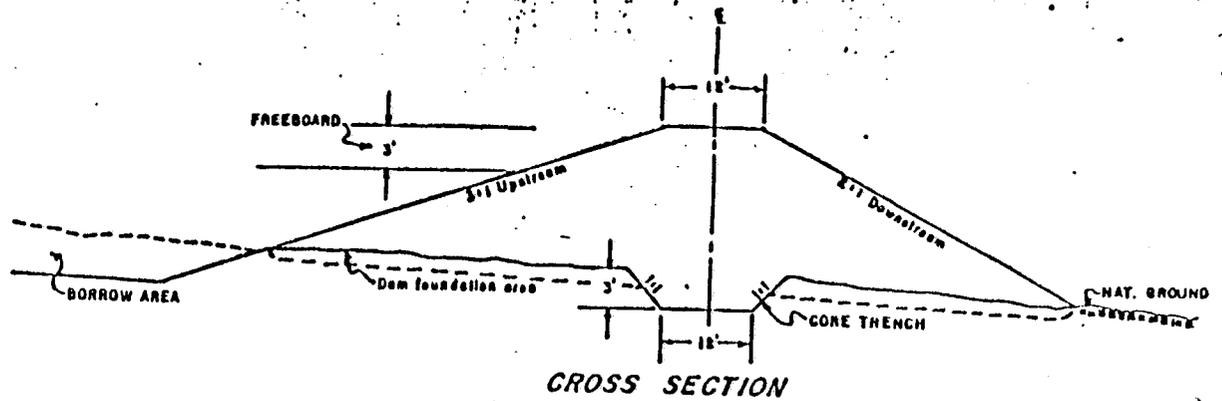
*See Instruction on Reverse Side

MINIMUM STANDARDS FOR DAMS
IMPOUNDING UNDER 10 AC. FT.

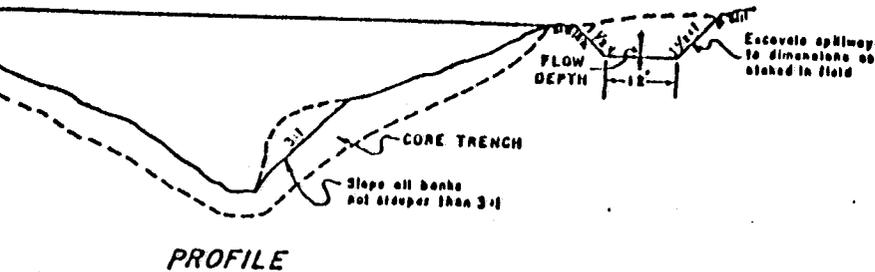
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PLAN & TOPOGRAPHY



CROSS SECTION



PROFILE

**MINIMUM STANDARDS FOR DAMS
IMPOUNDING UNDER 10 AC. FT.**

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U. S. DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT	
RETENTION DAM TYPICAL PLAN & SECTION	
DESIGNED _____	RECOMM. _____
DRAWN _____	RECOMM. _____ CHIEF, DIV. OF ENG.
CHECKED _____	APPROVED _____
SCALE NOT TO SCALE	
DATE _____	SHEET 1 OF 1
DRAWING NO. _____	

WAYS. THINK SAFETY

**EXHIBIT "E"
Silt Catchment Dam Specifications**

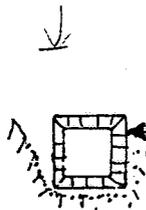
F-0.2'
El. 57.8'

F-1.8'
El. 56.2'

Topsoil Stockpile

F-
El.

RE-ROUTE DRAINAGE
AROUND LOCATION.



FLARE PIT

Reserve Pit Backfill
& Spoils Stockpile

C-3.9'
El. 61.9'

El. 67.7'
C-17.7'
(btm. pit)

Approx.
Top of
Cut Slope

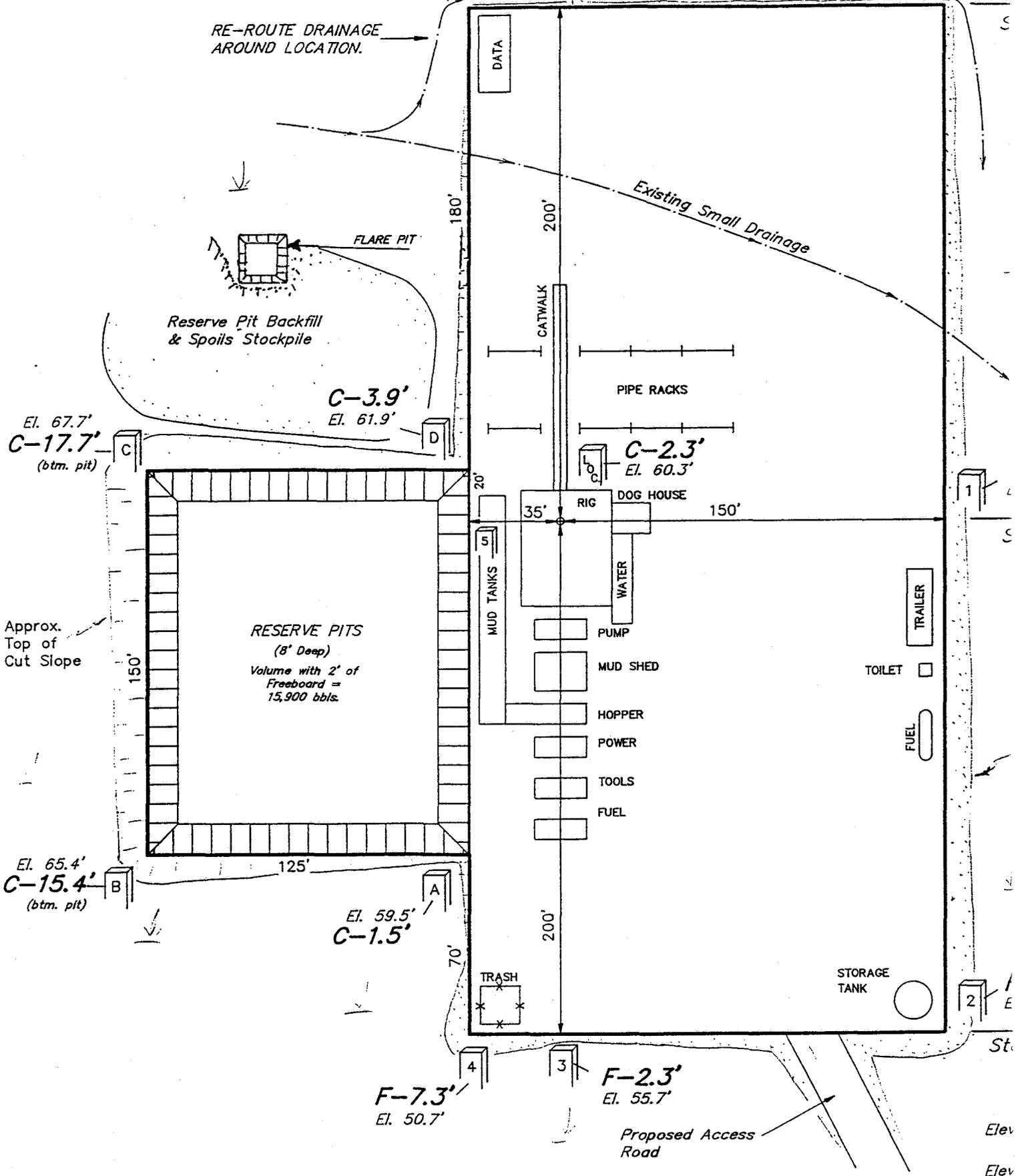
El. 65.4'
C-15.4'
(btm. pit)

El. 59.5'
C-1.5'

F-7.3'
El. 50.7'

F-2.3'
El. 55.7'

Proposed Access
Road



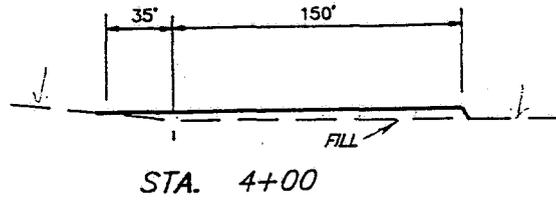
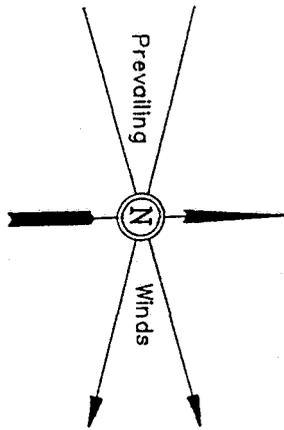
Elev
Elev

GREENWOOD HOLDINGS, INC.

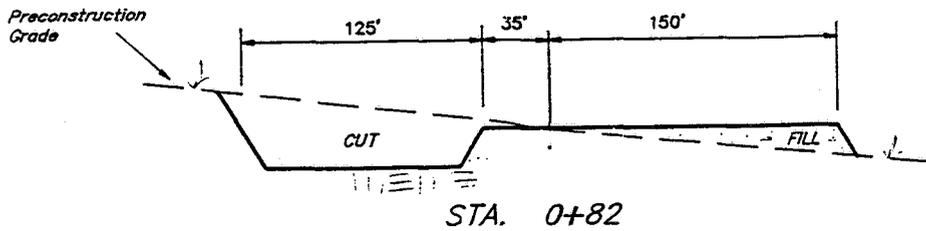
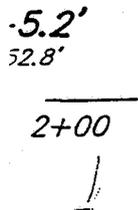
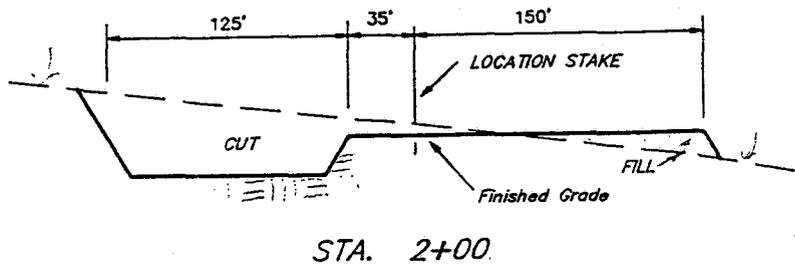
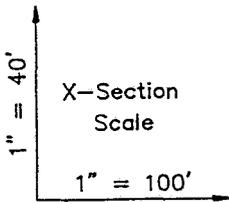
LOCATION LAYOUT FOR

FEDERAL #11-25

SECTION 25, T8S, R17E, S.L.B.&M.



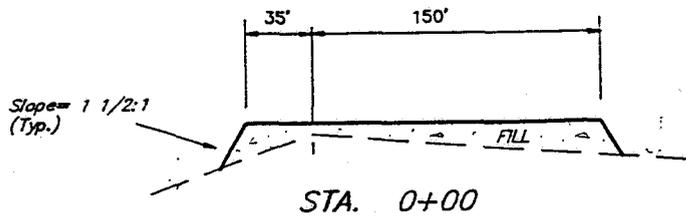
SCALE: 1" = 50'
DATE: 5-31-91
Drawn By: J.R.S.



approx. slope of hill

TYP. LOCATION LAYOUT

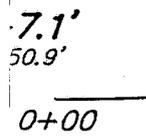
TYP. CROSS SECTIONS



APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	1,750 Cu. Yds.
Remaining Location	=	9,470 Cu. Yds.
TOTAL CUT	=	11,220 CU.YDS.
FILL	=	6,800 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	4,060 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	4,060 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.



Ingraded Ground at Location Stake = 5060.3'

Graded Ground at Location Stake = 5058.0'

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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
GREENWOOD HOLDINGS INC.

3. ADDRESS OF OPERATOR
5600 S. QUEBEC ST., SUITE 150-C, ENGLEWOOD, CO 80111

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At surface 740' FNL, 648' FWL, NW 1/4 SEC. 25, T8S R17E
At proposed prod. zone 43-017-32-18

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
SEVEN (8) MILES SOUTHEAST OF MYTON, UTAH

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
648'

16. NO. OF ACRES IN LEASE
1,480

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
1400'+

19. PROPOSED DEPTH
7,000"

20. ROTARY OR CABLE TOOLS
ROTARY

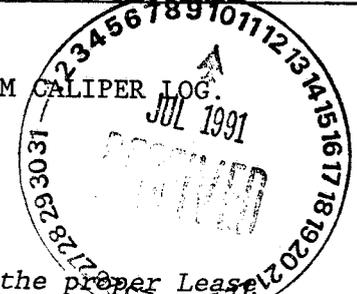
21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5,060' GL

22. APPROX. DATE WORK WILL START*
July 20, 1991

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8" J55	24#	300'	200 SX CIRC. TO SURFACE*
7 7/8"	5 1/2" K55	15.5#	0-7,000'	725 SX AS REQUIRED*

* CEMENT VOLUMES MAY CHANGE DUE TO HOLE SIZE. CALCULATE FROM CALIPER LOG.



I hereby certify that Greenwood Holdings Inc. is authorized by the proper Lease Interest Owners to conduct lease operations associated with this Application for Permit to Drill the Federal Lease #UTU-67845. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Continental Casualty Co. Nationwide Bond #2666648, BLM Bond #WY2246. Greenwood Holdings Inc. will be responsible for compliance with all the terms and conditions of that portion of the lease associated with this Application.

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. SIGNED [Signature] TITLE James P. Ryder Operations Mgr DATE June 21, 1991

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY [Signature] TITLE ASSISTANT DISTRICT MANAGER MINERALS DATE 8/5/91

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL TO OPERATOR'S COPY

NOTICE OF APPROVAL

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UT080-1M155-Div OG*M

CONDITIONS OF APPROVAL
FOR APPLICATION FOR PERMIT TO DRILL

Company/Operator: Greenwood Holdings, Inc.
Well Name & Number: Federal 11-25
Lease Number: U-67845
Location: NWNW, Sec. 25, T8S, R17E
Surface Ownership: Federal

NOTIFICATION REQUIREMENTS

- Location Construction - at least forty-eight (48) hours prior to construction of location and access roads.
- Location Completion - prior to moving on the drilling rig.
- Spud Notice - at least twenty-four (24) hours prior to spudding the well
- Casing String and Cementing - at least twenty-four (24) hours prior to running casing and cementing all casing strings.
- BOP and Related Equipment Tests - at least twenty-four (24) hours prior to initiating pressure tests.
- First Production Notice - within five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

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

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

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

Report ALL water shows and water-bearing sands to Tim Ingwell of this office. Copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable 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.

2. Pressure Control Equipment

Chart recorders shall be used for all pressure tests.

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.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 feet above the top of the Mahogany oil shale identified at + 3170 feet.

If tar sand is encountered while drilling, it will need to be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

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

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the Authorized Officer. However, DSTs 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 vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the Authorized Officer (AO).

A cement bond log (CBL) shall be utilized to determine the top of cement (TOC) and bond quality for the production casing.

6. Notifications of Operations

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.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of thirty (30) days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the AO. 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 approval to continue venting or flaring as uneconomic is granted and 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.

All site security regulations, as specified in Onshore Oil and Gas Order No. 3, shall be adhered to.

7. Other Information

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

All off-lease storage, off-lease measurement, or commingling onlease or off-lease will have prior written approval from the AO.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down 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 will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. 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 Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

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.

"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.

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."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Gerald E. Kenczka (801) 781-1190
Petroleum Engineer

Ed Forsman (801) 789-7077
Petroleum Engineer

BLM FAX Machine (801) 789-3634

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous:

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids.

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt wastes.

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation, and miscellaneous solids

SURFACE USE PROGRAM:

1. Planned Access Roads

The length of new construction for the access road will be approximately 0.1 mile.

2. Location of Existing and/or Proposed Facilities

If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, one and one half (1 1/2) times the contents of the entire facility/battery.

Approval of the APD does not constitute approval of the emergency pit discussed in the Multi-Point Surface Use and Operation Plan, #4C. A separate application for a production pit shall be submitted when the well begins production.

3. Methods for Handling Waste Disposal

The plastic nylon reinforced liner 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.

4. Well Site Layout

The reserve pit will be located on the south side.

The flare pit will be located downwind of the prevailing wind direction on the south side, southwest of Point C, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence (see revised cut sheet).

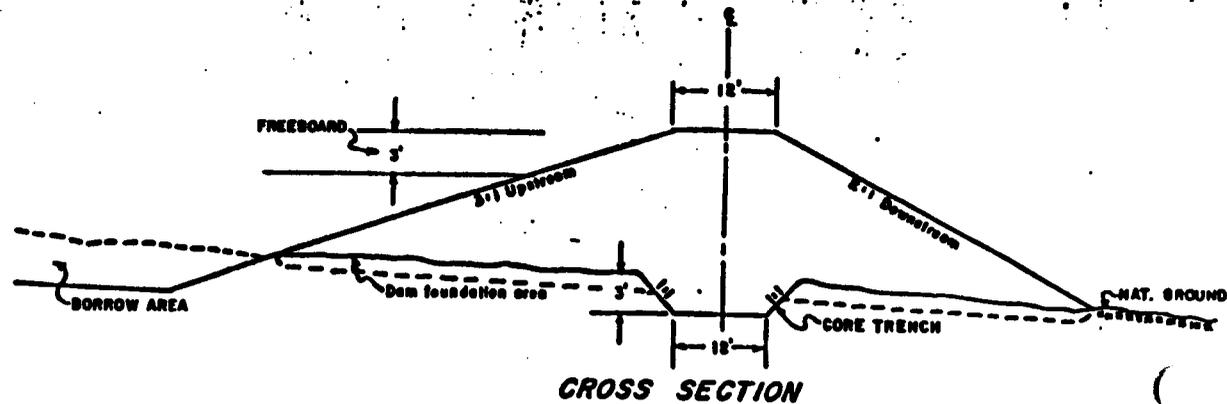
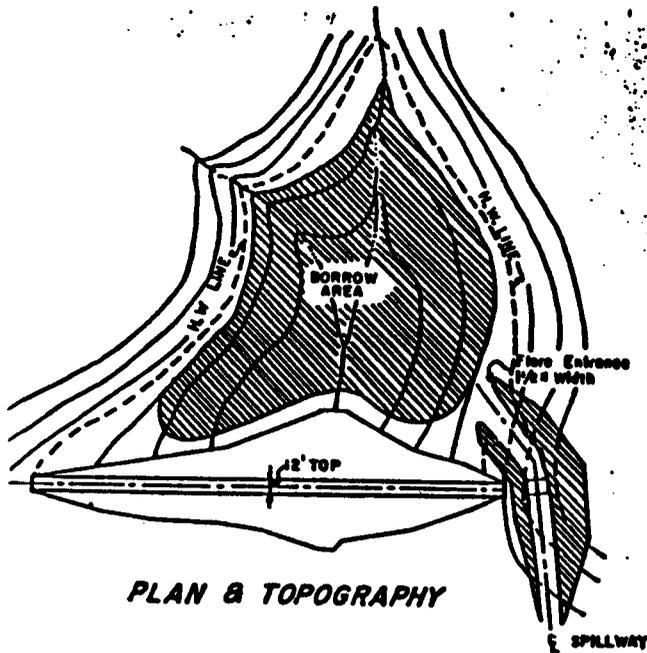
The stockpiled topsoil (first six inches) will be stored on the west side between points 7 and 8.

Access to the well pad will be from the east side between points 2 and 3.

A diversion ditch shall be constructed on the west side of the location.

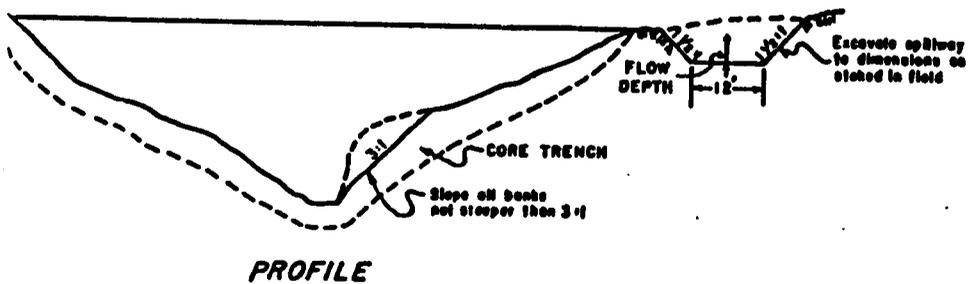
5. Plans for Restoration of Surface

The reserve pit will be reclaimed within ninety (90) days from the date of well completion.



**MINIMUM STANDARDS FOR DAMS
IMPOUNDING UNDER 10 AC. FT.**

1. DAM PERSONNEL MUST APPROVE SITE LOCATION, FILL MATERIAL, FOUNDATION MATERIAL, SPILLWAY SIZE AND LOCATION.
2. DAM LAYOUT & LOCATION MUST BE WITH SURVEYING INSTRUMENTS BY QUALIFIED SURVEYOR,
3. MAX. WATER DEPTH AGAINST THE DAM WILL BE 10' WHEN CONSTRUCTED WITH A CRAWLER TRACTOR.
4. SOIL WILL BE PLACED IN NOT MORE THAN 6" LIFTS AND EACH LIFT COMPACTED WITH A CRAWLER TRACTOR.
5. SPILLWAY MUST BE THROUGH NATURAL MATERIAL.
6. A CORE TRENCH WILL BE CONSTRUCTED 3' DEEP OR TO BED ROCK.
7. BORROW MATERIAL WILL BE TAKEN FROM WITHIN THE RESERVOIR BASIN BELOW THE HIGH WATER MARK WHENEVER POSSIBLE.



U. S. DEPARTMENT OF THE INT.	
BUREAU OF LAND MANAGEMENT	
RETENTION DAM TYPICAL PLAN & SECTION	
DESIGNED _____	RECOMM. _____
DRAWN _____	RECOMM. _____
CHECKED _____	APPROVED _____
SCALE NOT TO SCALE	
DATE _____	SHEET 1 OF 1
DRAWING NO. _____	

ALWAYS THINK SAFETY 670 000-170

MINIMUM STANDARDS FOR DAMS
IMPOUNDING UNDER 10 AC. FT.

- I. Site Location and Design
 - A. Authorized BLM personnel must approve site location, fill material, foundation material, spillway size and location.
 - B. Dam layout and location shall be with surveying instruments by qualified personnel.

- II. Borrow Areas
 - A. Borrow material shall be taken from within the reservoir basin below the high water line whenever possible.
 - B. Vegetation, debris, and topsoil shall be removed to a depth of 12" below natural ground line and deposited as directed.
 - C. Vegetation, debris, and topsoil shall be stockpiled to be used as cover for borrow areas above the high water line as directed.
 - D. Vegetation, debris and topsoil moved below the dam shall be contoured, smoothed and blended into natural ground lines away from fill areas and outside the wash bottom.
 - E. Borrow areas shall be smoothed, contoured and blended into natural ground lines.

- III. Core Trench and Dam Foundation
 - A. A core trench shall be constructed 12' wide along the full length of the dam center line to a minimum depth of 3' or bedrock.
 - B. Sides of the core trench shall not be steeper than 1:1 slopes.
 - C. Soft or unstable material encountered in the core trench or dam foundation shall be removed and will not be used as fill.

- IV. Dam and Core Fill
 - A. Fill shall be homogeneous material, preferably of highly impervious, compactable soils (such as high clay content soils free of organic material, sand or rock).
 - B. Lifts of fill shall not exceed 6" when compacted.
 - C. Fill shall be built up at a consistent rate the full length of the dam.
 - D. Lifts shall be compacted by at least one pass of the crawler tractor over the entire width of the lift.
 - E. Fill shall be smoothed, maintaining specified slopes.

- V. Spillway
 - A. Spillway shall be constructed through natural material.
 - B. Spillway shall be constructed to divert overflow away from fill areas or natural material that is an integral part of the dam.
 - C. Incorporate in-place rock or hauled-in rock in spillway and at discharge point below spillway to prevent "down cutting" and "blowout" holes, when possible.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

AUG 14 1991

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: September 30, 1990

SUNDRY NOTICES AND REPORTS ON WELLS DIVISION OF OIL, GAS & MINING

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

GREENWOOD HOLDINGS INC. (303) 773-6703

3. Address and Telephone No.

5600 S. QUEBEC ST., SUITE 150-C, ENGLEWOOD, CO 80111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

740' FNL 648' FWL NW $\frac{1}{4}$ NW $\frac{1}{4}$ SEC 25 T8S T17E

5. Lease Designation and Serial No.
UTU-67845

6. If Indian, Allottee or Tribe Name
NONE

7. If Unit or CA, Agreement Designation
NONE

8. Well Name and No.
FEDERAL 11-25

9. API Well No.
API Not assigned

10. Field and Pool, or Exploratory Area
UNNAMED/Development

11. County or Parish, State
UINTAH CO. UTAH

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

TYPE OF SUBMISSION

- Notice of Intent
 Subsequent Report
 Final Abandonment Notice

TYPE OF ACTION

- Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other

- Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut-Off
 Conversion to Injection

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Per your request RE:3162.31 regarding the APD for the Federal 11-25 Attached are 3 copies of the revised well layout diagram showing the location of the flare pit between points "C" and "6". This change is made as requested during the onsite inspection.

Also, per the additional stipulations of the surface use program; A silt catchment dam will be constructed according to BLM specifications approximately 500' northeast of the location as staked. Construction will follow the guidelines of the BLM as best as is reasonably possible with the available construction materials, as described in Exhibit "E": "Minimum Standards for Dams Impounding Under 10 Acre Feet" attached hereto.

14. I hereby certify that the foregoing is true and correct

Signed

[Signature]

Title

Steve M. Fillingham
Geologist

Date

July 22, 1991

(This space for Federal or State office use)

Approved by

[Signature]

Title

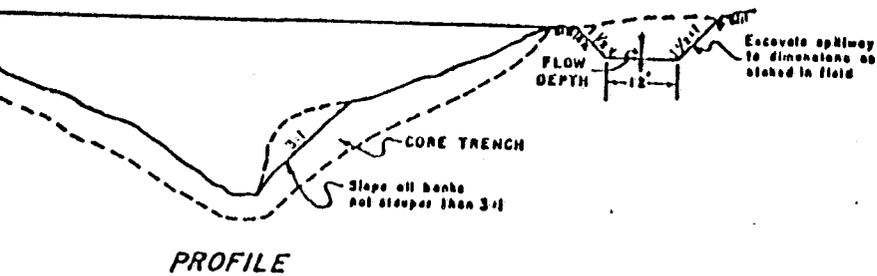
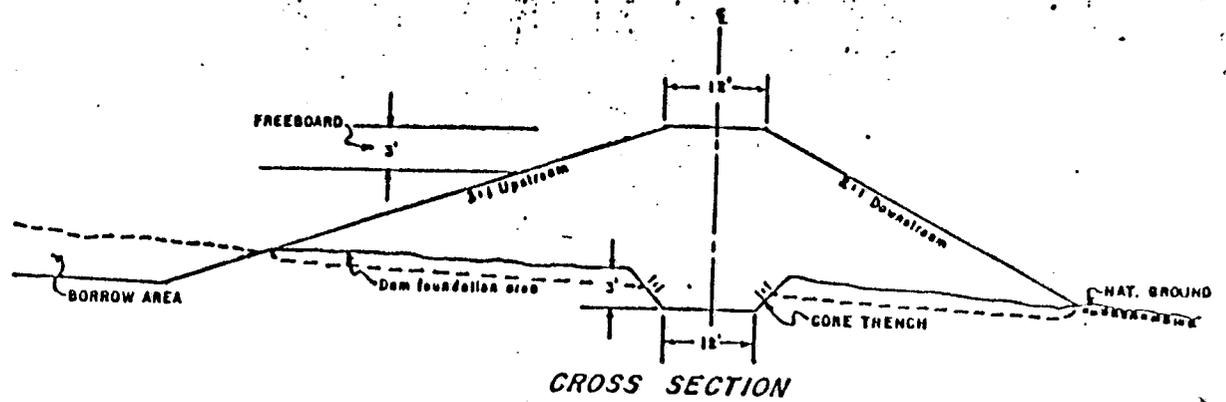
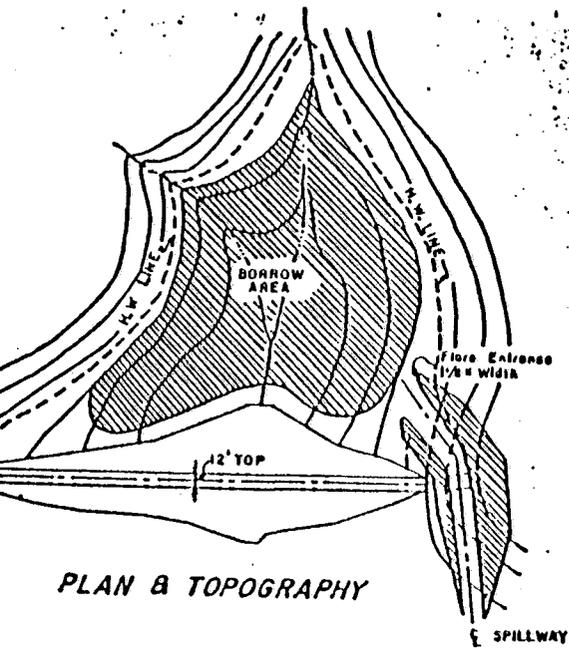
ASSISTANT DISTRICT
MANAGER MINERALS

Date

8/5/91

MINIMUM STANDARDS FOR DAMS
IMPOUNDING UNDER 10 AC. FT.

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U. S. DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT	
RETENTION DAM TYPICAL PLAN & SECTION	
DESIGNED _____	RECOMM. _____
DRAWN _____	RECOMM. _____ CHIEF, DIV. OF ENG.
CHECKED _____	APPROVED _____
SCALE NOT TO SCALE	
DATE _____	SHEET 1 OF 1
DRAWING NO. _____	

ALWAYS THINK SAFETY OPD 870 178

EXHIBIT "E"
Silt Catchment Dam Specifications

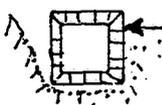
F-0.2'
El. 57.8'

F-1.8'
El. 56.2'

Topsoil Stockpile

F-
El. 5

RE-ROUTE DRAINAGE
AROUND LOCATION.



FLARE PIT

Reserve Pit Backfill
& Spoils Stockpile

C-3.9'
El. 61.9'

El. 67.7'
C-17.7'
(btm. pit)

Approx.
Top of
Cut Slope

RESERVE PITS
(8' Deep)
Volume with 2' of
Freeboard =
15,900 bbls.

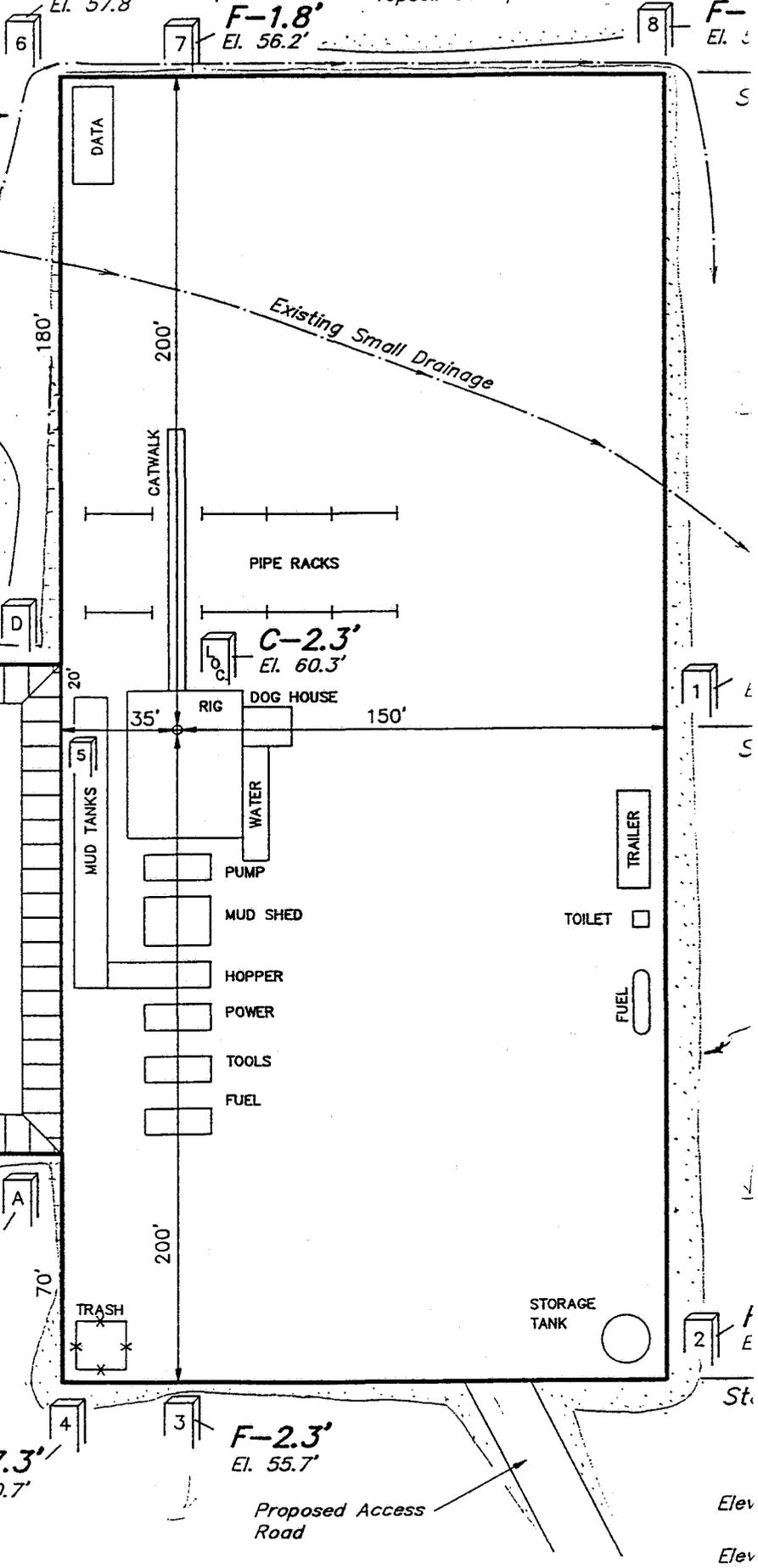
El. 65.4'
C-15.4'
(btm. pit)

El. 59.5'
C-1.5'

F-7.3'
El. 50.7'

F-2.3'
El. 55.7'

Proposed Access
Road

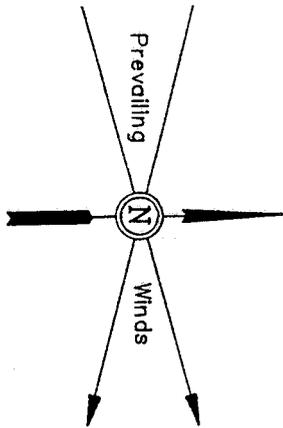


Elev
Elev

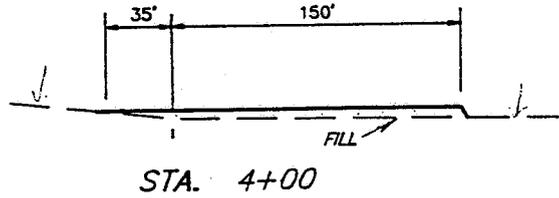
GREENWOOD HOLDINGS, INC.

LOCATION LAYOUT FOR

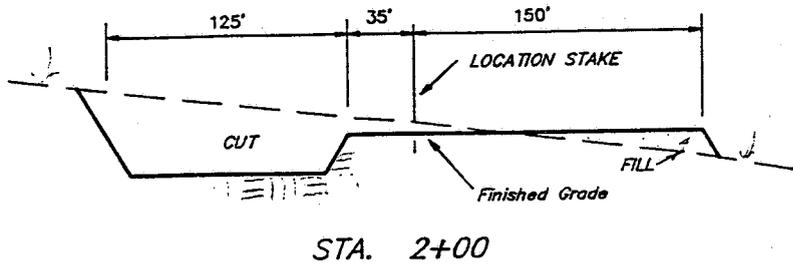
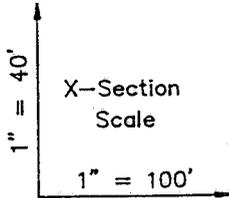
**FEDERAL #11-25
SECTION 25, T8S, R17E, S.L.B.&M.**



4+00

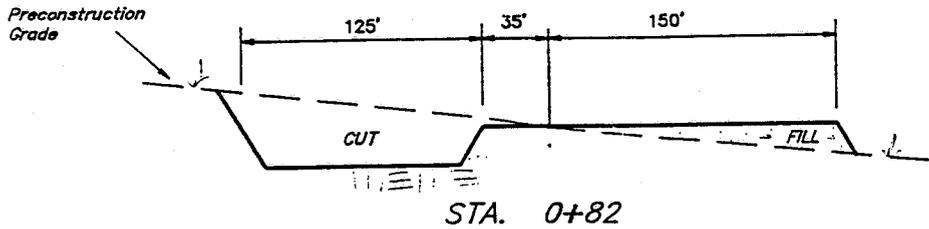


SCALE: 1" = 50'
DATE: 5-31-91
Drawn By: J.R.S.



5.2'
52.8'

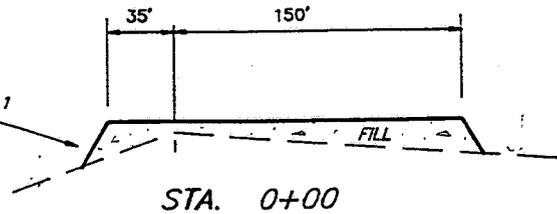
2+00



TYP. LOCATION LAYOUT

TYP. CROSS SECTIONS

Slope = 1 1/2:1 (Typ.)



pprox. ce of ill Slope

7.1'
50.9'

0+00

APPROXIMATE YARDAGES

(6") Topsoil Stripping = 1,750 Cu. Yds.
Remaining Location = 9,470 Cu. Yds.
TOTAL CUT = 11,220 CU.YDS.
FILL = 6,800 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION = 4,060 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.) = 4,060 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation) = 0 Cu. Yds.

Ingraded Ground at Location Stake = 5060.3'

Graded Ground at Location Stake = 5058.0'

UINTAH ENGINEERING & LAND SURVEYING

85 So. 200 East Vernal, Utah



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Vernal District Office
170 South 500 East
Vernal, Utah 84078

IN REPLY REFER TO:

Phone (801) 789-1362

FAX (801) 789-3634

3162.3-5
UT08438

AUG 6 1992

Greenwood Holdings, Inc.
Attn: Jim Ryder
5600 S Quebec Street Suite 150-C
Englewood, CO 80111

Re: Rescind Application for Permit
to Drill *43-047-22048*
Well No. Federal 11-25
Section 25, T8S, R17E
Lease No. U-67845
Uintah County, Utah

Gentlemen:

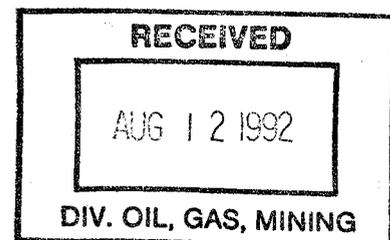
The Application for Permit to Drill the above-referenced well was approved on August 5, 1991. Since that date, no known activity has transpired at the approved location. Under current District policy, Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is rescinding the approval of the referenced application without prejudice. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Howard B. Cleavinger II
Assistant District Manager for Minerals

cc: State Div. OG&M





State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

August 25, 1992

Jim Ryder
Greenwood Holdings, Inc.
5600 South Quebec Street, Suite 150-C
Englewood, Colorado 80111

Dear Mr. Ryder:

Re: Well No. Federal 11-25, Sec. 25, T. 8S, R. 17E, Uintah County, Utah
API No. 43-047-32048

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 the commencement of any future work on the subject location.

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

Sincerely,

A handwritten signature in black ink that reads "Don Staley".

Don Staley
Administrative Manager
Oil and Gas

DME/lde
cc: R.J. Firth
Bureau of Land Management - Vernal
Well file
WOI196