

NOTICE OF STAKING (Not to be used in place of Application to Drill Form 9-331-C)		5. Lease Number ML-45172
1. Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		6. If Indian, Affinee or Tribe Name N/A
2. Name of Operator 303/452-8886 PG & E Resources Company c/o PERMITCO INC.		7. Unit Agreement Name N/A
3. Address of Operator or Agent 13585 Jackson Drive Denver, CO 80241		8. Farm or Lease Name State
4. Surface Location of Well (Governmental 1/4 or 1/4 1/4) NW NW Sec. 32 Attach. Topographical or other acceptable map showing location, access road, and lease boundaries.		9. Well No. #4-32B 43-047-302246
14. Formation Objective(s) Wasatch		10. Field or Wildcat Name Riverbend
15. Estimated Well Depth 8085'		11. Sec., T., R., M., or Blk and Survey or Area Sec. 32, T9S - R19E
		12. County or Parish 13. State Utah Utah

- 16. To Be Completed by Operator Prior to Onsite**
- a. Location must staked To be done by Uinta Engineering
 - b. Access Road Flagged To be done by Uinta Engineering
 - c. Sketch and/or map of location, showing road, pad dimensions, reserve pit, cuts, and fills
(To be provided at onsite)

- 17. To Be Considered By Operators Prior to Onsite**
- a. H₂S Potential - None
 - b. Private Surface Ownership State of Utah
 - c. Cultural Resources (Archaeology) To be done by Sagebrush Archeology
 - d. Federal Right of Way As necessary depending on actual access route

18. Additional Information
Lease Description - See attached.

19. Signed *Don G. Smith* **Title** Consultant for
PG & E Resources Company **Date** 4/2/92

cc: 3 - BLM - Vernal, UT
1 - PG & E Resources - Dallas, TX
1 - PG & E Resources - Vernal, UT

RECEIVED

APR 06 1992

DIVISION OF
OIL, GAS & MINING

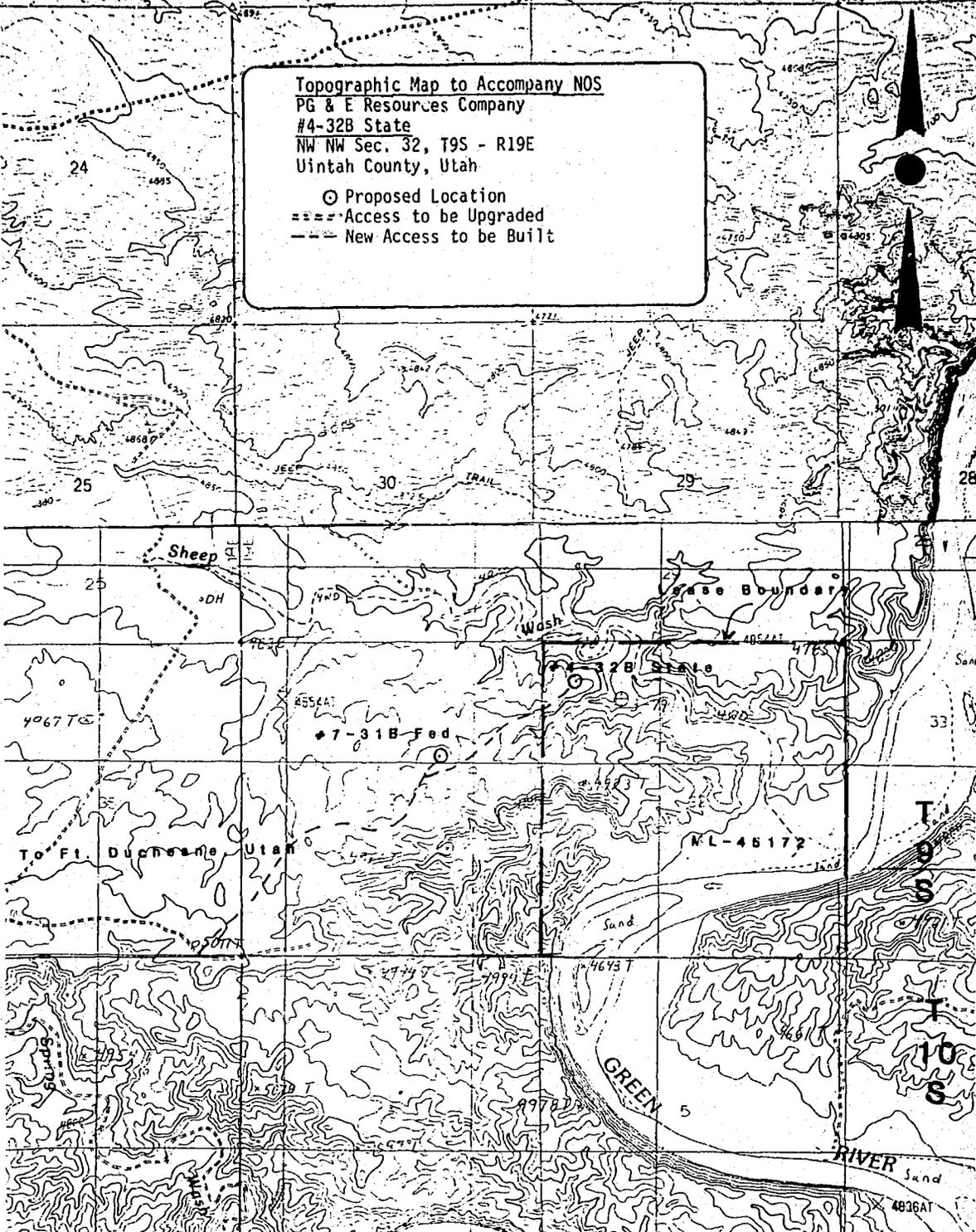
R18E

R19E

N

Topographic Map to Accompany NOS
 PG & E Resources Company
 #4-32B State
 NW NW Sec. 32, T9S - R19E
 Uintah County, Utah

○ Proposed Location
 - - - Access to be Upgraded
 - - - New Access to be Built



24

25

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29

28

33

Sheep

Base Boundary

Wash

#4-32B State

#7-31B Fed

NL-45172

To Ft. Duchesne Utah

T
9
S

T
10
S

GREEN

RIVER

Sand

4836A1

Lease Descriptions

UTU-65216

T9S - R19E

Sec. 19: N/2, SW/4, N/2 SE/4, SW/4 SE/4

Total lease acres: 600.00

UTU-58631

T9S - R20E

Sec. 30: Lots 2, 3, 4, S/2 NE/4, SE/4 NW/4, E/2 SW/4, SE/4

Sec. 31: All

Total lease acres: 1340.05

UTU-68626

T9S - R19E

Sec. 31: All

Sec. 33: Lots 5, 6, 13, 14

Total lease acres: 706.62

UTU-58625

T9S - R19E

Sec. 23: Lots 9, 10, 11, 12, 13, E/2 SE/4

Sec. 24: Lot 2, W/2 E/2, NE/4 NW/4, S/2 NW/4, S/1/4

Sec. 26: Lots 4, 5, 6, 7, NE/4, S/2

Sec. 27: Lots 10, 11, 12, 13, 14, SW/4, S/2 SE/4

Sec. 35: NE/4 NE/4

Total lease acres: 1667.76

UTU-68109

T9S - R19E

Sec. 29: SE/4, E/2 NW/4, SW/4 NE/4

Total lease acres: 280.00

UTU-68627

T10S - R19E

Sec. 5:

Sec. 6: NW/4, N/2 SW/4

Sec. 8:

Sec. 18:



ML-45171
T9S - R18E
Sec. 36: All

ML-45172
T9S - R19E
Sec. 31: All

ML-45173
T9S - R19E
Sec. 36: All

Note: Federal Surface/State Minerals



RECEIVED

May 3, 1992

MAY 06 1992

DIVISION OF
OIL, GAS & MINING

Utah Division of Oil, Gas & Mining
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Attn: Tammi Searing

Re: PG & E Resources Company
#4-32B State
NW NW Sec. 32, T9S - R19E
Uintah County, Utah

Dear Tammi,

Enclosed please find three copies of the Application for Permit to Drill on the above mentioned location along with copies of the drilling program, water permits and associated maps and diagrams.

Please contact me at your earliest convenience if you should require additional information.

Upon approval of the enclosed application, please forward the approved copies to Permitco Inc. - Agent for PG & E Resources Company at the address shown below. I will then forward copies to PG & E for their files. Your assistance in this matter would be greatly appreciated.

Sincerely,

PERMITCO INC.

A handwritten signature in cursive script, appearing to read "Lisa L. Smith".

Lisa L. Smith
Consultant for:
PG & E Resources Company

Enc.

cc: PG & E - Dallas, TX
PG & E - Vernal, UT
PIC Technologies - Denver, CO

Permitco Incorporated
A Petroleum Permitting Company

13585 Jackson Drive Denver Colorado 80241 (303) 452-8888

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

5 Lease Designation and Serial No

ML-45172

6 If Indian Allottee or Tribe Name

N/A

7 Unit Agreement Name

N/A

8 Term or Lease Name

State

9 Well No

#4-32B

10 Well and Pool or Surface (if 40)

Natural Buttes #630

11 Sec T R M or Bk and Survey or Area

Sec. 32, T9S - R19E

12 County of Parish 13 State
Uintah Utah

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

17 Type of Work

DRILL [X] DEEPEN [] PLUG BACK []

18 Type of Well

Oil [] Gas Well [X] Other [] Single Zone [X] Multiple Zone []

2 Name of Operator 214/750-3300 5950 Berkshire Lane, #600

PG & E Resources Company Dallas, TX 75225

Address of Operator 303/452-8888 13585 Jackson Drive

Permitco Inc - Agent Denver, CO 80241

1 Location of Well (Report location clearly and in accordance with any State requirements *)

At surface 653' FNL and 465' FWL
At proposed prod zone NW NW Sec 32

14 Distance in miles and direction from nearest town or post office*

27 miles southeast of Myton, Utah

15 Distance from proposed location on to nearest property or lease line ft (Also of nearest drill line if any)

465'

16 No of acres in lease

476.29

17 No of acres assumed to this well

40

18 Distance from proposed locat on to nearest well drilling completed or applied for on his lease ft

approx 3200'

19 Proposed depth

8085' WSTC

20 Rotary or cable tools

Rotary

21 Elevations (show whether DF RT GR etc)

4851' GR

22 Approx date work will start*

Immediately upon approval of this application

23 PROPOSED CASING AND CEMENTING PROGRAM

Table with 5 columns: Size of Hole, Size of Casing, Weight per Foot, Setting Depth, Quantity of Cement. Rows include 12-1/4" and 7-7/8" hole sizes.

PG & E Resources Company proposes to drill a well to 8085' to test the Wasatch formation. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per State of Utah requirements

Bond coverage for this well is provided under Bond No 8063-38-07 and 8057-26-00.



MAY 06 1992

DIVISION OF OIL, GAS & MINING

TECHNICAL REVIEW

Engr [Signature] 5-14-92
Geol [Signature] 5/13/92
Surface [Signature] 5/8/92

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 Consultant for PG & E Resources Company Date 5/3/92

Signature of Consultant

Permit No 43 247-30026

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

Approved by Conditions of approval if any

DATE 5-14-92
WELL SPACING 6-19-3-2

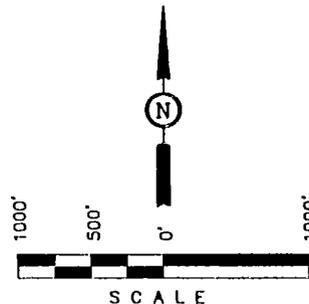
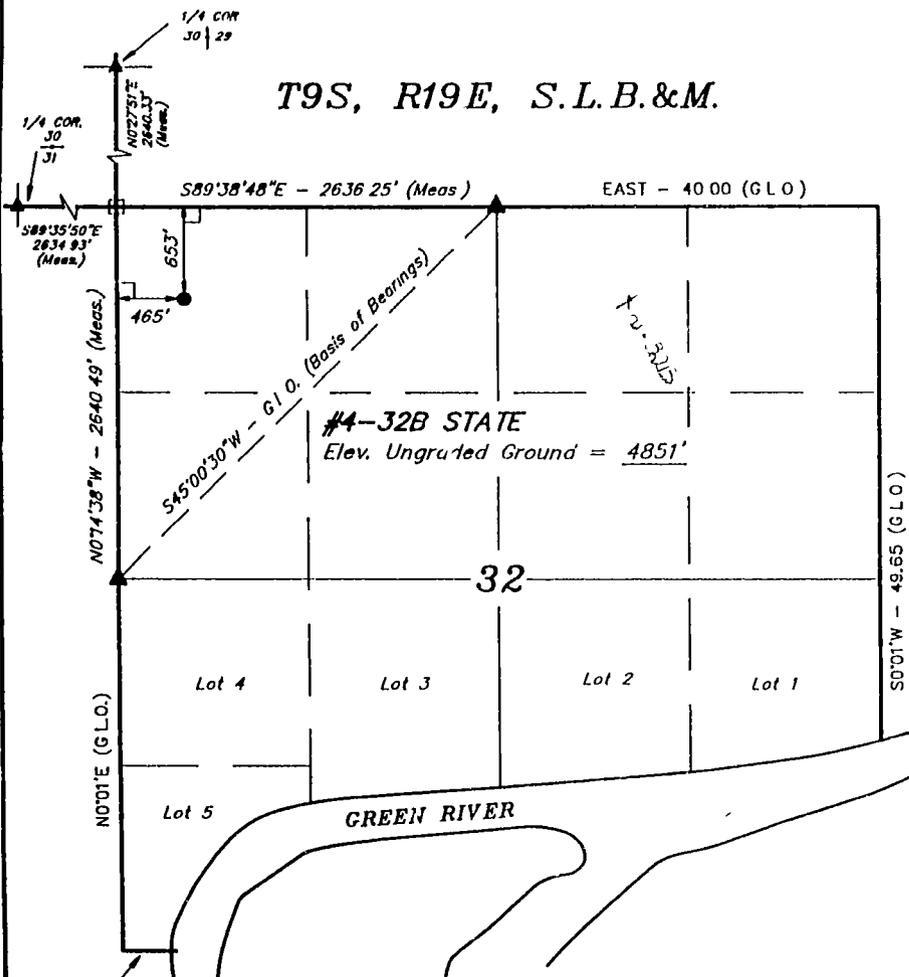
PG&F RESOURCES COMPANY

Well location, #4-32B STATE, located as shown in the NW 1/4 NW 1/4 of Section 32, T9S, R19E, S.L.B.&M. Uintah County, Utah

T9S, R19E, S.L.B.&M.

BASIS OF ELEVATION

FLUK TRIANGULATION STATION LOCATED IN THE SOUTHEAST 1/4 OF SECTION 32, T9S, R18E, S.L.B.&M. TAKEN FROM THE CROW KNOLL 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 5244 FEET.



CERTIFICATE

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

REGISTERED LAND SURVEYOR
REGISTRATION NO 5709
STATE OF UTAH

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

LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED. (B.ross Caps)

□ = SECTION CORNER, POSITION RE-ESTABLISHED BY DOUBLE PROPOSITION METHOD, NOT SET ON GROUND

SCALE 1" = 1000'	DATE SURVEYED. 4-15-92	DATE DRAWN. 4-21-92
PARTY GS D A R.E.H	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE PG&E RESOURCES	

CONFIDENTIAL - TIGHT HOLE

RECEIVED

MAY 06 1992

DIVISION OF
OIL, GAS & MINING

#4-32B STATE
653' FNL and 465' FWL
NW NW Sec. 32, T9S - R19E
Uintah County, Utah

Prepared For:

PG & E RESOURCES COMPANY

By:

PERMITCO INC.
13585 Jackson Drive
Denver, Colorado 80241
303/452-8888

Copies Sent To:

- 3 - Division of Oil, Gas & Mining
- 1 - BLM - Vernal, UT (Attn: Joy Wehking)
- 1 - PG & E Resources Co. - Vernal, Utah
- 3 - PG & E Resources Co. - Dallas, TX
- 1 - PIC Technologies - Denver, CO



Permitco Incorporated
A Petroleum Permitting Company

April 9, 1992



Bureau of Land Management

RE: 6-29B SENW Sec 29-T9S-R19E
1980' FNL & 1980' FWL

5-31B SWNW Sec 31-T9S-R19E
1980' FNL & 660' FWL

9-36B NESE Sec. 36-T9S-R19E
1980' FSL & 660' FEL

5-6E SWNW Sec 6-T10S-R19E
1980' FNL & 660' FWL

4-32B NWNW Sec. 32-T9S-R19E
660' FNL & 660' FWL

7-24B SWNE Sec. 24-T9S-R19E
1980' FNL & 1980' FEL'

13-36A SWSW Sec 36-T9S-R18E
660' FSL & 660' FWL

13-26B SWSW Sec 26-T9S-R19E
660' FSL & 660' FWL

13-30C SWSW Sec 30-T9S-R20E
660' FSL & 660' FWL

1-26B NENE Sec. 26-T9S-R19E
660' FNL & 660' FEL'

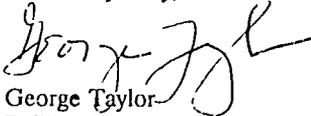
Gentlemen.

This letter is to inform you that Permitco is authorized to act as Agent and to sign documents on behalf of PG&E Resources Company when necessary for filing county, state and federal permits including Onshore Order No 1, Right-of-Way applications, etc., for the above mentioned wells

It should be understood that Permitco is acting as Agent only in those matters stated above and is not responsible for drilling, completion, production or compliance with regulations

PG&E Resources Company agrees to accept full responsibility for operations conducted in order to drill, complete and produce the above mentioned wells.

Yours very truly,


George Taylor
Drilling Manager

GET/cs

DRILLING LOCATION ASSESSMENT

**State of Utah
Division of Oil, Gas and Mining**

OPERATOR: PG & E RESOURCES CO. WELL NAME: STATE 4-32B
SECTION: 32 TWP: 9S RNG: 18E LOC: 653 FNL 465 FWL
QTR/QTR NW/NW COUNTY: UINTAH FIELD: RIVERBEND
SURFACE OWNER: STATE OF UTAH
SPACING: 460 F SECTION LINE 460 F QTR/QTR LINE 920 F ANOTHER WELL
GEOLOGIST: BRAD HILL DATE AND TIME: 4/23/92 15:30

PARTICIPANTS: Dan Jarvis-DOGMI; Lisa Smith-Permitco; Robert Kay-Uintah Engineering; Jake Neves & James Leonard-PG&E Consultants

REGIONAL SETTING/TOPOGRAPHY: The proposed location is in the south central Uinta Basin on a narrow ridge top surrounded by deep drainages.

LAND USE:

CURRENT SURFACE USE: None

PROPOSED SURFACE DISTURBANCE: A rectangular pad with dimensions of 300'X 130' will be constructed with a 130'X 75' extension for the reserve pit. A .60 mile access road will be constructed to the site with an upgrade required on approximately 1.5 miles of existing road on BLM land.

AFFECTED FLOODPLAINS AND/OR WETLANDS: None

FLORA/FAUNA: Shadscale, Short saltbush, Curly Grass, Ephedra, Bunchgrass, Indian Ricegrass, Daisies, Greer wood, Rabbitbrush, Speckle-pod Locweed/Deer, Antelope, Rabbits, Coyote

ENVIRONMENTAL PARAMETERS

SURFACE GEOLOGY

SOIL TYPE AND CHARACTERISTICS: Sandy-silt with abundant rock fragments and outcrops.

SURFACE FORMATION & CHARACTERISTICS: Uinta Formation

EROSION/SEDIMENTATION/STABILITY: No active erosion or sedimentation at present. The location should be stable.

PALEONTOLOGICAL POTENTIAL: None Observed

SUBSURFACE GEOLOGY

OBJECTIVES/DEPTHS: Wasatch-5125'

ABNORMAL PRESSURES-HIGH AND LOW: None anticipated

CULTURAL RESOURCES/ARCHAEOLOGY: Done by Sagebrush Archeological Consultants.

CONSTRUCTION MATERIALS: Onsite materials will be used for construction.

SITE RECLAMATION: To be reclaimed as per State Lands instructions.

RESERVE PIT

CHARACTERISTICS: The reserve pit will be rectangular in shape with a central dike. Dimensions will be 130'X 750'X 8'.

LINING: PG&E has agreed to line the reserve pit without further evaluation.

MUD PROGRAM: 0'-8085'-Water/gel-KOH

DRILLING WATER SUPPLY: Water will be obtained from Babcock Draw.

OTHER OBSERVATIONS

A portion of the access road is on BLM lands.

STIPULATIONS FOR WPD APPROVAL

The pit is to be lined with a synthetic liner with a minimum thickness of 12 mils.

ATTACHMENTS

Photographs will be placed on file.

Application for Permit to Drill
P G & E Resources Company
#4-32B State
653' FNL and 465' FWL
NW NW Sec. 32, T9S - R19E
Uintah County, Utah

1. Formation Tops

The estimated tops of important geologic markers are as follows:

<u>Formation</u>	<u>Depth</u>
Uinta	Surface
Basal Limestone	4985'
Wasatch	5125'
Chapita Wells 1	5859'
Chapita Wells 2	6019'
Chapita Wells 3	6229'
Uteland Buttes	6565'
T.D.	8085'

2. Casing Program

The proposed casing program will be as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>
Surface	0-400'	12-1/4"	9-5/8"	36#	K-55
Produc.	0-8085'	7-7/8"	5-1/2"	17#	N-80

Casing design subject to revision based on geologic conditions encountered.

3. Cement Program

The cement program will be as follows:

<u>Surface</u> 0-400'	<u>Type and Amount</u> 170 sx Class "A" cement or sufficient volume to circulate to surface.
<u>Production</u>	<u>Type and Amount</u> 600 sx or sufficient to cover zones of interest.



4. Drilling Fluids

The proposed circulating mediums to be employed in drilling are as follows:

<u>Interval</u>	<u>Mud Type</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>PH</u>
0-8085'	Water Gel-XCH	8.4-8.7	20-40	9

5. Testing, Logging and Coring

The anticipated type and amount of testing, logging and coring are as follows:

- a. One drill stem test is possible after log evaluation. A straddle test may be run in the Greer River formation.
- b. The logging program will consist of a DIL-SFL-SP-GR and an SDL-DSN-GR-CAL will be run from T.D. to case of surface casing.
- c. No cores are planned, however, after log evaluation, a rotary sidewall core is possible.

6. Start Date/Drilling Time

- a. Drilling will commence immediately upon approval of this application.
- b. It is anticipated that the drilling of this well will take approximately 19 days.

7. Proposed Access Roads

- a. The access road leading to the proposed well will cross Federal lands not currently covered under an existing right of way. A right of way has been requested from the BLM for access across Section 31, T9S - R19E.
- b. The total length of road crossing BLM lands (not currently covered under an existing right of way) will be approximately 6700 feet. The road will be crowned and ditched with a running surface of approximately 18 feet and a total disturbed width of approximately 30 feet.



- c. Drainage will be installed as necessary, including low water crossings, drain dips and water turnouts.
- d. The term of years needed is 30 years, or the entire life of the well, whichever is longer.
- e. The road will be used year round for maintenance of production facilities. Volume or amount of product to be transported is unknown at this time.
- f. Construction of the road right of way will begin immediately upon issuance of a right of way grant from the BLM. Duration of construction will be approximately 3-4 days. No temporary work areas will be needed.
- g. If the well is not productive, it will be plugged and abandoned and the portion of road located on BLM lands will be reclaimed and reseeded as requested by the Bureau of Land Management.
- h. A map is attached showing the location of the proposed access road and wellpad.

8. Water Source

The proposed water source is located in Babcock Draw which is located in the SW/4 of Section 34, T3S - R2W, Uintah County Utah. A permit has been filed with the Utah Division of Water Rights and an approved copy is attached.

8. Archeological Survey

A Class III archeological survey was conducted by Sagebrush Archeological Consultants. No significant cultural resources were found and clearance is recommended. A copy of this report will be forwarded to the appropriate agencies by Sagebrush Archeological Consultants.

10. BOP Requirements

PG & E's minimum specifications for pressure control equipment are as follows:

Ram Type: 10" Hydraulic double with annular, 3000 psi w.p.

Application for Permit to Drill
P G & E Resources Company
#4-32B State
653' FNL and 465' FWL
NW NW Sec. 32, T9S - R19E
Uintah County, Utah

CONFIDENTIAL - TIGHT HOLE

Page 5

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 70 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. when initially installed;
- b. whenever any seal subject to test pressure is broken
- c. following related repairs; and
- d. at 30-day intervals

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

Annular preventers shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log.

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the

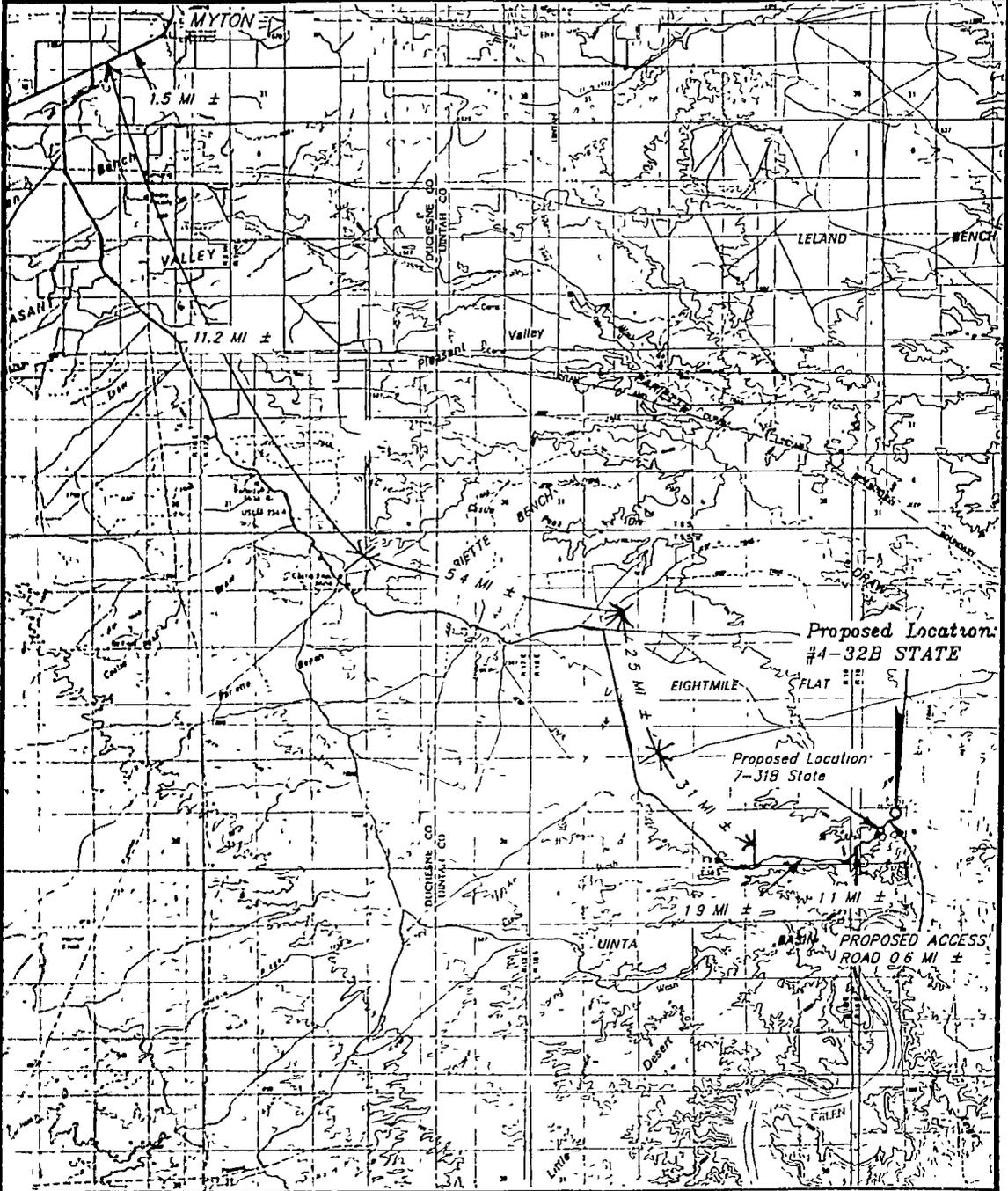
well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

- a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 10", 3000 psi working pressure blowout preventor.
- b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.
- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

11. Anticipated Pressures

- a. The expected bottom hole pressure is 3600 psi.
- b. No hydrogen sulfide gas or abnormal pressures are anticipated.





TOPOGRAPHIC
MAP "A"

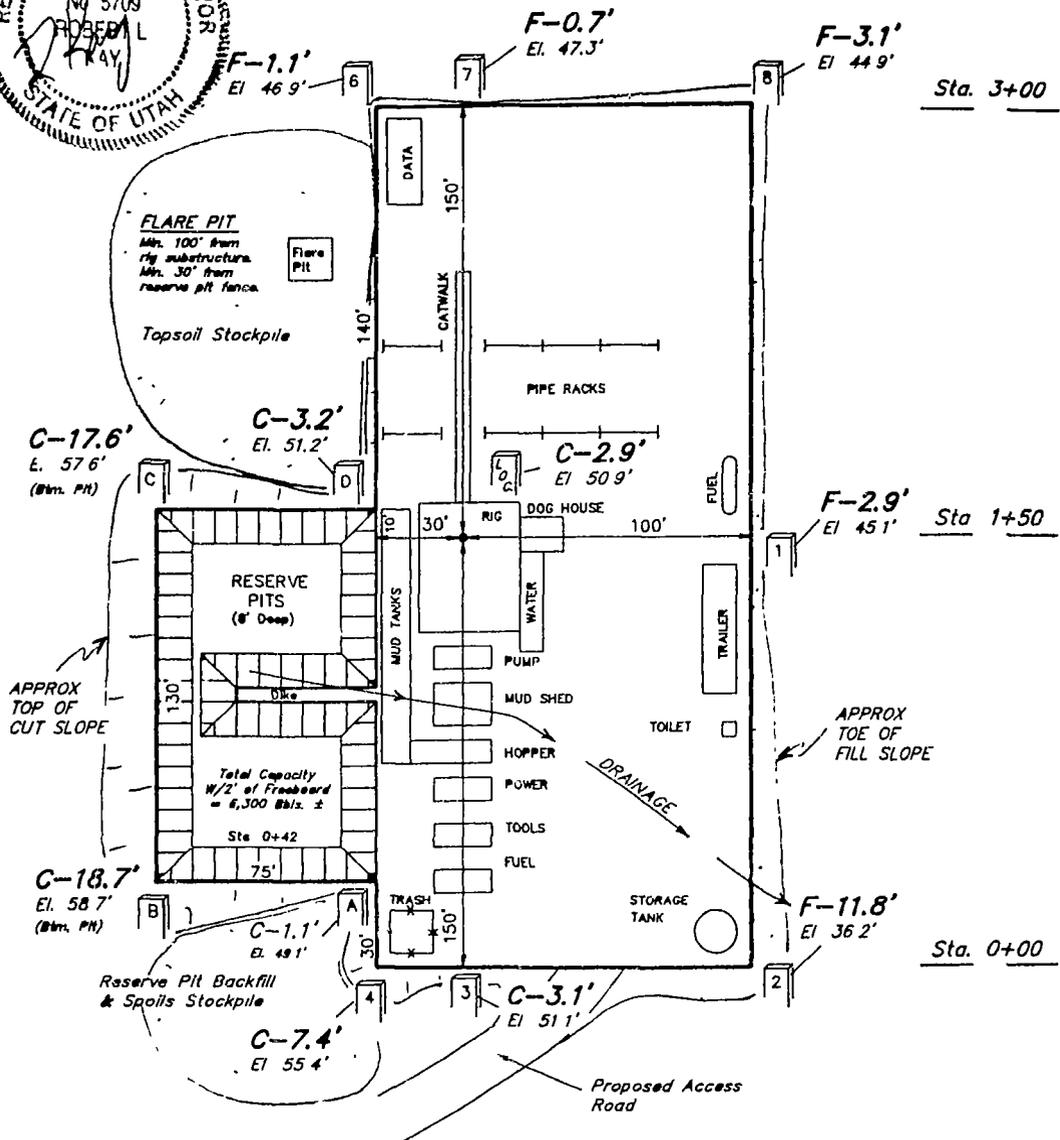
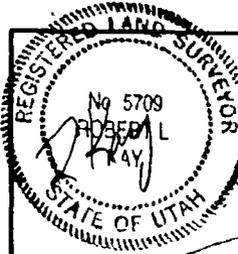
DATE 4-22-92 M.G



PG&E RESOURCES COMPANY

#4-32B STATE
SECTION 32, T9S, R19E, S.L.B.&M.

653' FNL 465 FWL



APPROXIMATE YARDAGES

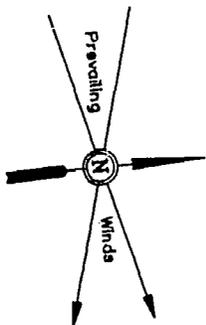
CUT	
(6") Topsoil Stripping	= 900 Cu Yds
Remaining Location	= 6,240 Cu Yds
TOTAL CUT	= 7,140 CU.YDS.
FILL	= 4,990 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 1,890 Cu. Yds
Topsoil & Pit Backfill (1/2 Pit Vol)	= 1,880 Cu. Yds
EXCESS UNBALANCE (After Rehabilitation)	= 10 Cu. Yds.

PG&E RESOURCES COMPANY

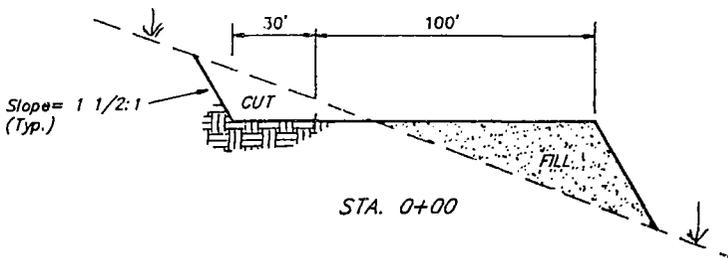
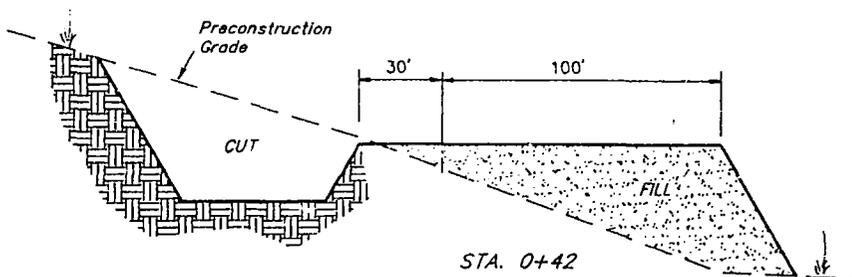
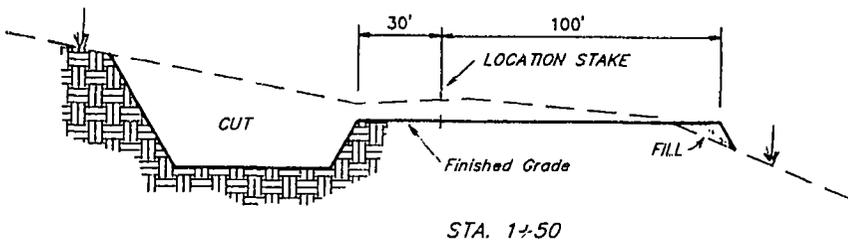
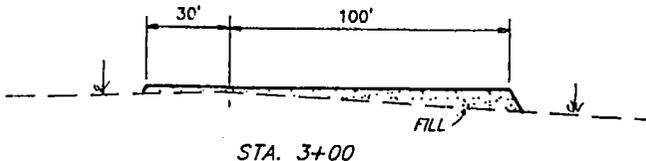
LOCATION LAYOUT FOR

#4-32B STATE
SECTION 32, T9S, R19E, S.L.B.&M.
653' FNL 465' FWL



SCALE: 1" = 50'
 DATE: 4-21-92
 Drawn By: R.E.H.

X-Section Scale
 1" = 20'
 1" = 50'



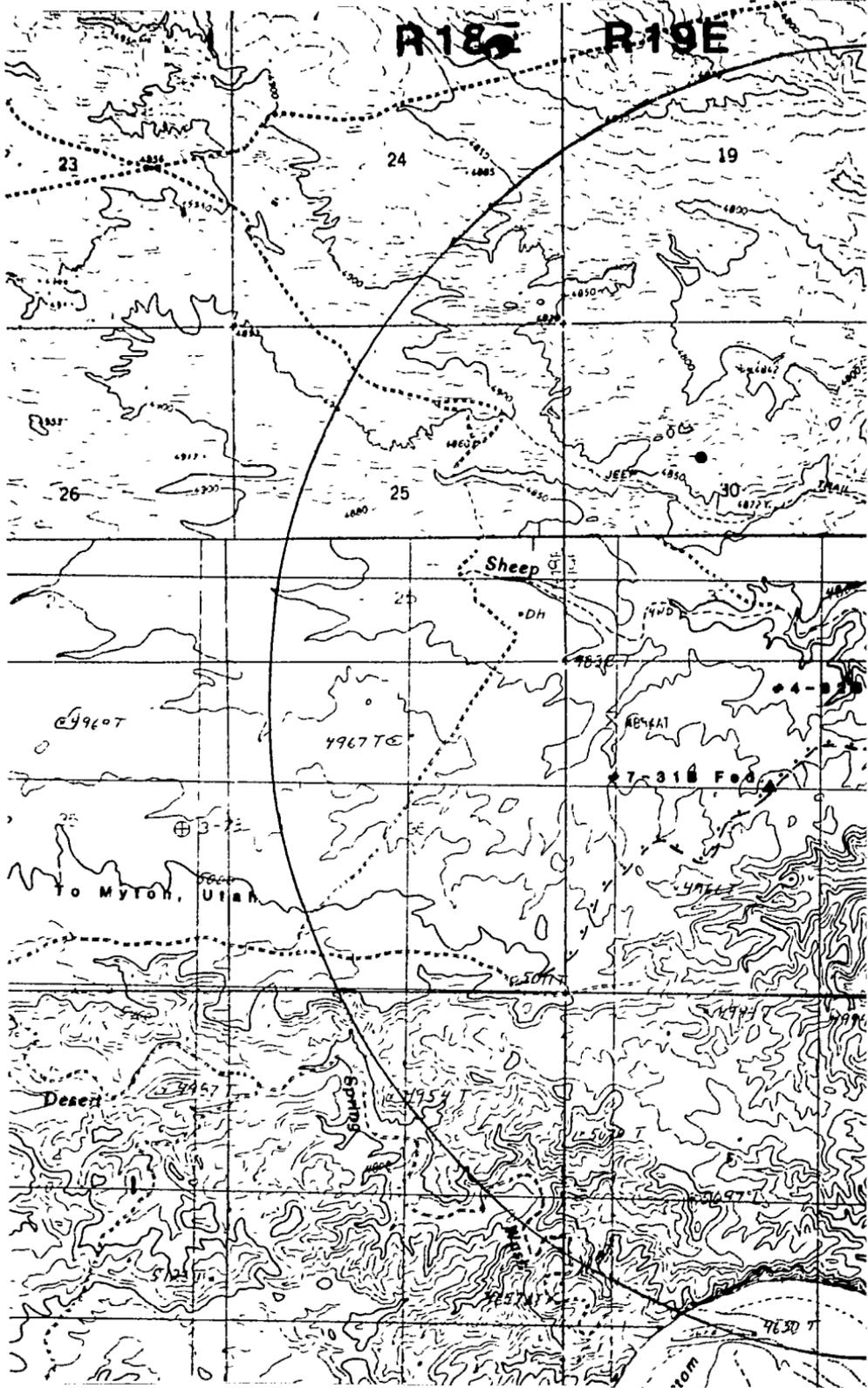
TYP. CROSS SECTION LAYOUT

Elev. Ungraded Ground at Location Stake = 4850.9'

Elev. Graded Ground at Location Stake = 4848.0'

R18E

R19E



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Sheep

Dh

4960T

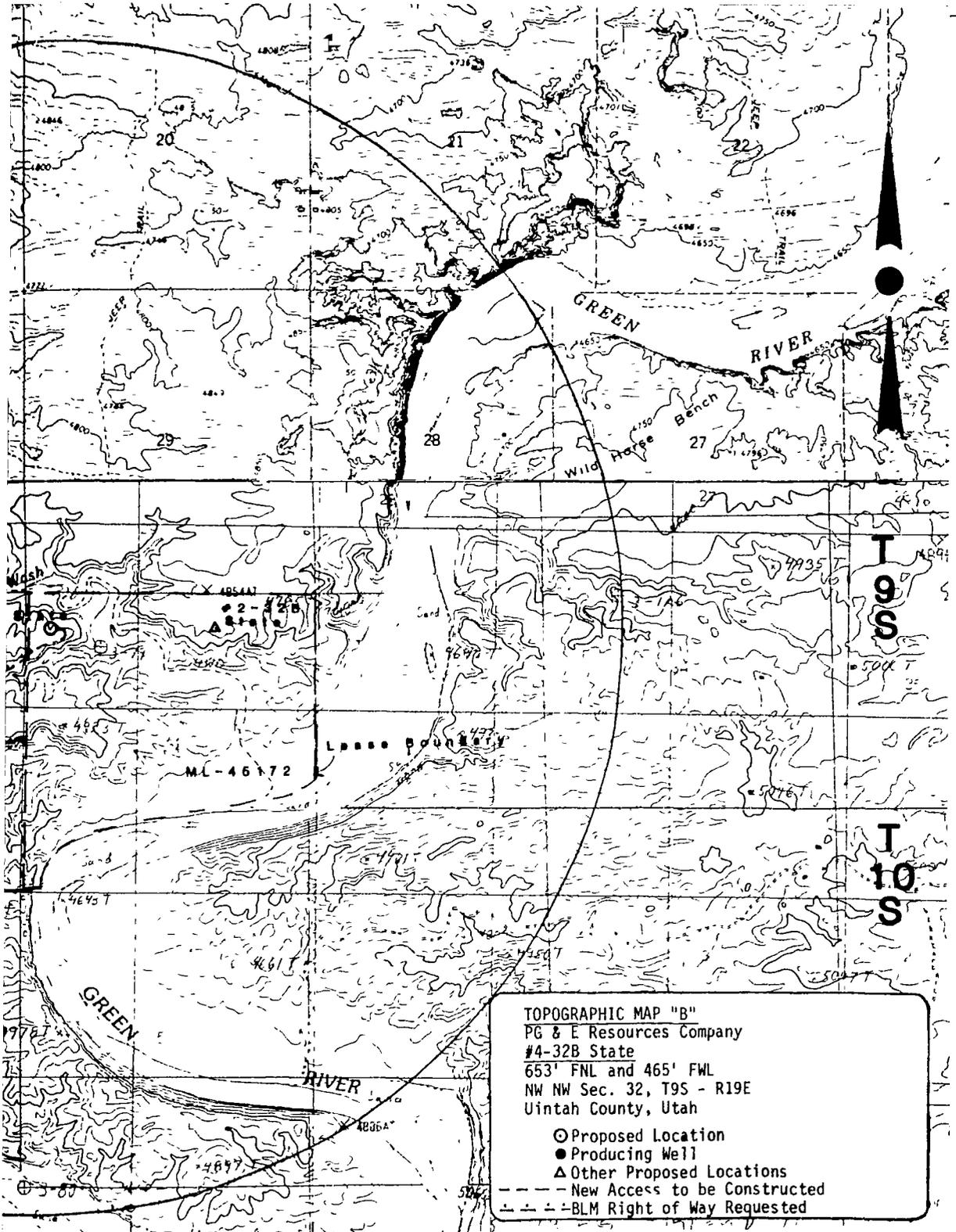
4967T

To Myton, Utah

Desert

Springs

100m



TOPOGRAPHIC MAP "B"
 PG & E Resources Company
 #4-32B State
 653' FNL and 465' FWL
 NW NW Sec. 32, T9S - R19E
 Uintah County, Utah

- Proposed Location
- Producing Well
- △ Other Proposed Locations
- - - - - New Access to be Constructed
- · - · - BLM Right of Way Requested

APPLICATION FOR TEMPORARY CHANGE OF WATER

STATE OF UTAH

Rec. by _____
Fee Paid \$ _____
Receipt # _____
Microfilmed _____
Roll # _____

For the purpose of obtaining permission to make a temporary change of water in the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Section 73-3-3 Utah Code Annotated 1953, as amended

CHANGE APPLICATION NUMBER: t92-43-08 WATER RIGHT NUMBER: 43 - 8290

This Change Application proposes to change the PLACE OF USE.

1. OWNERSHIP INFORMATION.

- A. NAME: West Hazmat Trucking Corporation INTEREST: 100%
ADDRESS: P.O. Box 1667, Vernal, UT 84078
- B. PRIORITY OF CHANGE: April 13, 1992 FILING DATE: April 13, 1992
- C. RIGHT EVIDENCED BY: A51641 (t92-43-06)

* DESCRIPTION OF CURRENT WATER RIGHT: *

2. SOURCE INFORMATION.

- A. QUANTITY OF WATER: 0.04 cfs
- B. DIRECT SOURCE: Underground Water Well COUNTY: Uintah
- C. POINT OF DIVERSION -- UNDERGROUND:
(1) N 960 feet W 130 feet from E1 corner, Section 9, T 8S, R 20E, SLBM
WELL DIAMETER: 18 inches WELL DEPTH: 54 feet

3. WATER USE INFORMATION.

INDUSTRIAL: from Jan 1 to Dec 31 Makin Brine Drilling fluid for drilling
Oil & Gas Wells.

OPERATOR PG E Resources Co. I DATE 5-14-90

WELL NAME State 4-3013

EC NW 30 T 9S R 19E COUNTY Murtah

43-047-30016
API NUMBER

State (3)
TYPE OF LEASE

HECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD SURM

POTASH OR OIL SHALE

PROCESSING COMMENTS:

CONFIDENTIAL

One additional well within (i.e. 30)
Water Permit 43-8090 (+90-43-08) West Hazmat
Permit 5-7-90 - Geology volume 5-13-90

APPROVAL LETTER:

SPACING: R615-2-3

N/A
UNIT

R615-3-0
R615-3-2

N/A
CAUSE NO. & DATE

R615-3-3

STIPULATIONS:

1. Pat is to be lined with a synthetic liner
of a minimum thickness of 12 mils.
cc State Lands.



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

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center Suite 150
Salt Lake City Utah 84180 1203
801 538 5340

May 14, 1992

PG & E Resources Company
5950 Berkshire Lane, Suite 600
Dallas, Texas 75225

Gentlemen:

Re: State #4-32B Well, 653 feet from the north line, 465 feet from the west line, NW 1/4 NW 1/4, Section 32, Township 9 South, Range 19 East, Uintah County, Utah

Pursuant to Utah Admin. R. 649-3-2 and Utah Admin. R. 649-3-4, approval to drill the referenced well is hereby granted.

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

1. Pit is to be lined with a synthetic liner of a minimum thickness of 12 mil.
2. Compliance with the requirements of Utah Admin. R. 649-1 et seq., Oil and Gas Conservation General Rules.
3. Notification within 24 hours after drilling operations commence.
4. Submittal of Entity Action Form, Form 6, within five working days following commencement of drilling operations and whenever a change in operations or interests necessitates an entity status change.
5. Submittal of the Report of Water Encountered During Drilling, Form 7.
6. Prompt notification prior to commencing operations, if necessary, to plug and abandon the well. Notify Frank R. Matthews, Petroleum Engineer, (Office) (801)538-5340, (Home) (801)476-8613, or R.J. Firth, Associate Director, (Home) (801)571-6068.

Page 2
PG & E Resources Company
State #4-32B Well
May 14, 1992

7. Compliance with the requirements of Utah Admin R 649-3-20, Gas Flaring or Venting, if the well is completed for production

Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site should be submitted to the local health department. These drilling operations and any subsequent well operations should 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 Department of Environmental Quality, Division of Drinking Water/Sanitation, telephone (801)538-6159.

This approval shall expire one year after date of issuance unless substantial and continuous operation is underway or a request for an extension is made prior to the approval expiration date. The API number assigned to this well is 43-047-32246.

Sincerely,



R.O. Firth
Associate Director, Oil and Gas

ldc
Enclosures
cc: Bureau of Land Management
J L. Thompson
WO11



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal District Office
176 South 500 East
Vernal, Utah 84078

Phone (801) 789-1362

FAX (801) 789-3634

IN REPLY REFER TO:
2500
UTC-69111
(11-682)

Tammy Searing
Division of Oil, Gas and Mining
355 West North Temple
Third Triad Center Suite 350
Salt Lake City, Utah 84150-1203

JUN 24 1992

State 4-32B
43-047-32246
Sec 32 T9S R19E

Dear Ms. Searing:

This is in reference to State mineral lease M-45172, located in Uintah County. PG&I Resources Company has secured a Federal right-of-way from our office for access to well #4-32B. We have enclosed a copy of the right-of-way document for your information and files.

We request that you notify our office of any future changes in the status of this well so that our records can be updated and the right-of-way terminated if necessary. Please reference our right-of-way serial number UTC-69111 in any future correspondence concerning this well. Should you have any questions concerning this matter, please contact Cindy McKee of our office. We thank you for your cooperation.

Sincerely,

Ronald S. Trogstad
Area Manager
Doubt Mountain Resource Area

Enclosure:
As stated

RECEIVED

JUN 25 1992

DIVISION OF
OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
RIGHT-OF-WAY GRANT/TEMPORARY USE PERMIT

RECEIVED

JUN 25 1992

SERIAL NUMBER UTU-69111

DIVISION OF
OIL GAS & MINING

1. A right-of-way is hereby granted pursuant to Title V of the Federal Land Policy and Management Act of 1976 (90 Stat. 2776; 43 U.S.C. 1761).
2. Nature of Interest:
 - a. By this instrument, the holder:

PG&E Resources Company
5950 Berkshire Lane, #600
Dallas, Texas 75225

receives a right to construct, operate, maintain, and terminate an access road to well #4-32B, on public lands described as follows:

T.9 S., R. 10 S., SLM, Utah
Sec. 31 E $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$.
 - b. The right-of-way or permit area granted herein is 30 feet wide, 7,392 feet long and contains 5.09 acres, more or less.
 - c. This instrument shall terminate upon the expiration of oil and gas lease WL-45172 or 30 years from its effective date unless, prior thereto, it is relinquished, abandoned, terminated, or modified pursuant to the terms and conditions of this instrument or of any applicable Federal law or regulation.
 - d. This instrument may be renewed. If renewed, the right-of-way or permit shall be subject to the regulations existing at the time of renewal and any other terms and conditions that the authorized officer deems necessary to protect the public interest.
 - e. Notwithstanding the expiration of this instrument or any renewal thereof, early relinquishment, abandonment, or termination, the provisions of this instrument, to the extent applicable, shall continue in effect and shall be binding on the holder, its successors, or assigns, until they have fully satisfied the obligations and/or liabilities accruing herein before or on account of the expiration, or prior termination, of the grant.

3. Rental:

For and in consideration of the rights granted, the holder agrees to pay the Bureau of Land Management fair market value rental as determined by the authorized officer unless specifically exempted from such payment by regulation. Provided, however, that the rental may be adjusted by the authorized officer, whenever necessary, to reflect changes in the fair market rental value as determined by the application of sound business management principles, and so far as practicable and feasible, in accordance with comparable commercial practices.

4. Terms and Conditions:

- a. This grant or permit is issued subject to the holder's compliance with all applicable regulations contained in Title 43 Code of Federal Regulations part 2800.
- b. Upon grant termination by the authorized officer, all improvements shall be removed from the public lands within 90 days, or otherwise disposed of as provided in paragraph (4)(c) or as directed by the authorized officer.
- c. The stipulations, plans, maps, or designs set forth in Exhibit "A", dated June 5, 1992, attached hereto, are incorporated into, and made a part of this grant instrument as fully and effectively as if they were set forth herein in their entirety.
- d. Failure of the holder to comply with applicable law or any provision of this right-of-way grant or permit shall constitute grounds for suspension or termination thereof.
- e. The holder shall perform all operations in a good and workmanlike manner so as to ensure protection of the environment and the health and safety of the public.
- f. Any cultural and/or paleontological resource discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. The holder shall suspend all operations in the immediate areas of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.
- g. Prior to termination of the right-of-way, the holder shall contact the authorized officer to arrange a joint inspection of the right-of-way. The inspection will be held to agree to an acceptable termination plan. This plan shall include but is not limited to, removal of the facilities, drainage structures, or surface material, recontouring, topsoiling, or seeding. Compliance with the termination plan must be approved in writing by the authorized officer.

IN WITNESS WHEREOF, The undersigned agrees to the terms and conditions of this right-of-way grant or permit.

Mike McManis

(Signature of Holder)

Prod. Supt.

(Title)

6/24/92

(Date)

Donald S. Zappala

(Signature of Authorized Officer)

Diamond Mountain
Resource Area Manager

(Title)

6-24-92

(Effective Date of Grant)



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

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center Suite 350
Salt Lake City Utah 84110 1203
801 538 5340
801 359 3940 (Fax)
801 538 5319 (TDD)

February 3, 1994

Jim LaFevers
PG & E Resources Company
6688 N. Central Expressway, Suite 1000
Dallas, Texas 75206

Re: State 4-32B Well, Sec. 32, T. 9 S., R. 19 E., Uintah County, Utah
API No. 43-047-32246

Dear Mr. LaFevers:

Due to excessive time delay in commencing drilling operations, approval to drill the subject well is hereby rescinded, effective immediately.

Please note that 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 cursive script that reads "Don Staley".

Don Staley
Administrative Supervisor
Oil and Gas

DME/lde
cc R J. Firth
Well file
WOI219