UTAH OIL AND GAS CONSERVATION COMMISSION

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

DATE FILED MAY 19, 1995

LAND: FEE & PATENTED STATE LEASE NO. PUBLIC LEASE NO. UTU-67178 INDIAN

DRILLING APPROVED: JULY 17, 1995

SPUDDED IN:

COMPLETED: PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: LOCATION ABANDONED PER BLM EFFECTIVE SEPTEMBER 11, 1996

FIELD: EIGHT MILE FLAT NORTH FIELD

UNIT: NA

COUNTY: UINTAH

WELL NO. KIDD FEDERAL 20-11 API NO. 43-047-32688

LOCATION 1980' FSL FT. FROM (N) (S) LINE, 1980' FWL FT. FROM (E) (W) LINE. NE SW 1/4 — 1/4 SEC. 20

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
9S	18E	20	SNYDER OIL CORP				

FORM 3160-3
(December 1990)

SUBMIT IN TRIPLICATE* (Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires December 31, 1991

RECEIVED
MAY 19 1995
DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: UTU-67178

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Not Applicable

1a. TYPE OF WORK: DRILL [XX] DEEPEN [ ]

1b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER [ ] SINGLE ZONE [ ] MULTIPLE ZONE [ ]

7. UNIT AGREEMENT NAME: Not Applicable

8. FARM OR LEASE NAME WELL NO: Kidd Federal 20-11

2. NAME OF OPERATOR: Snyder Oil Corporation

9. API WELL NO.:

3. ADDRESS OF OPERATOR: 1625 Broadway, Suite 2200; Denver, Colorado 80202

10. FIELD AND POOL OR WILDCAT: Eight Mile Flat South

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At Surface: 1,980' FSL 1,980' FWL
At proposed Prod. Zone: Same as above

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: NESW Section 20, T9S, R18E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Approximately nine (16) miles southeast of Myton, Utah

12. County: Uintah

13. STATE: Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): ~~2,000'~~ 660'

16. NO. OF ACRES IN LEASE: 960

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.: 3,000'

19. PROPOSED DEPTH: 4,900

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 5,133'

22. APPROX. DATE WORK WILL START*: July 18, 1995

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" J-55	J-55	24.0#	0-300'	225 SX circulated to surface*
7-7/8"	5-1/2" M-50	M-50	15.5#	4,900	595 SX cement

* Cement volumes may change due to hole size as calculated from caliper log.

EIGHT-POINT RESOURCE PROTECTION PLAN ATTATCHED

I hereby certify that Snyder Oil Corporation is authorized by the proper lease interest owners to conduct lease operations associated with this application for permit to drill the Kidd Federal 20-11, Federal Lease #UTU-67178. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Snyder Oil Corporation Nationwide Bond #WY-2272, which will insure responsibility 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: James M. McKinney, Jr. TITLE: Sr. Engineering Technician DATE: May 17, 1995

(This space for Federal or State office use)

PERMIT NO. 43-047-32688 APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY: [signature] TITLE: Associate Director, O&G DATE: 7/17/95

*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.

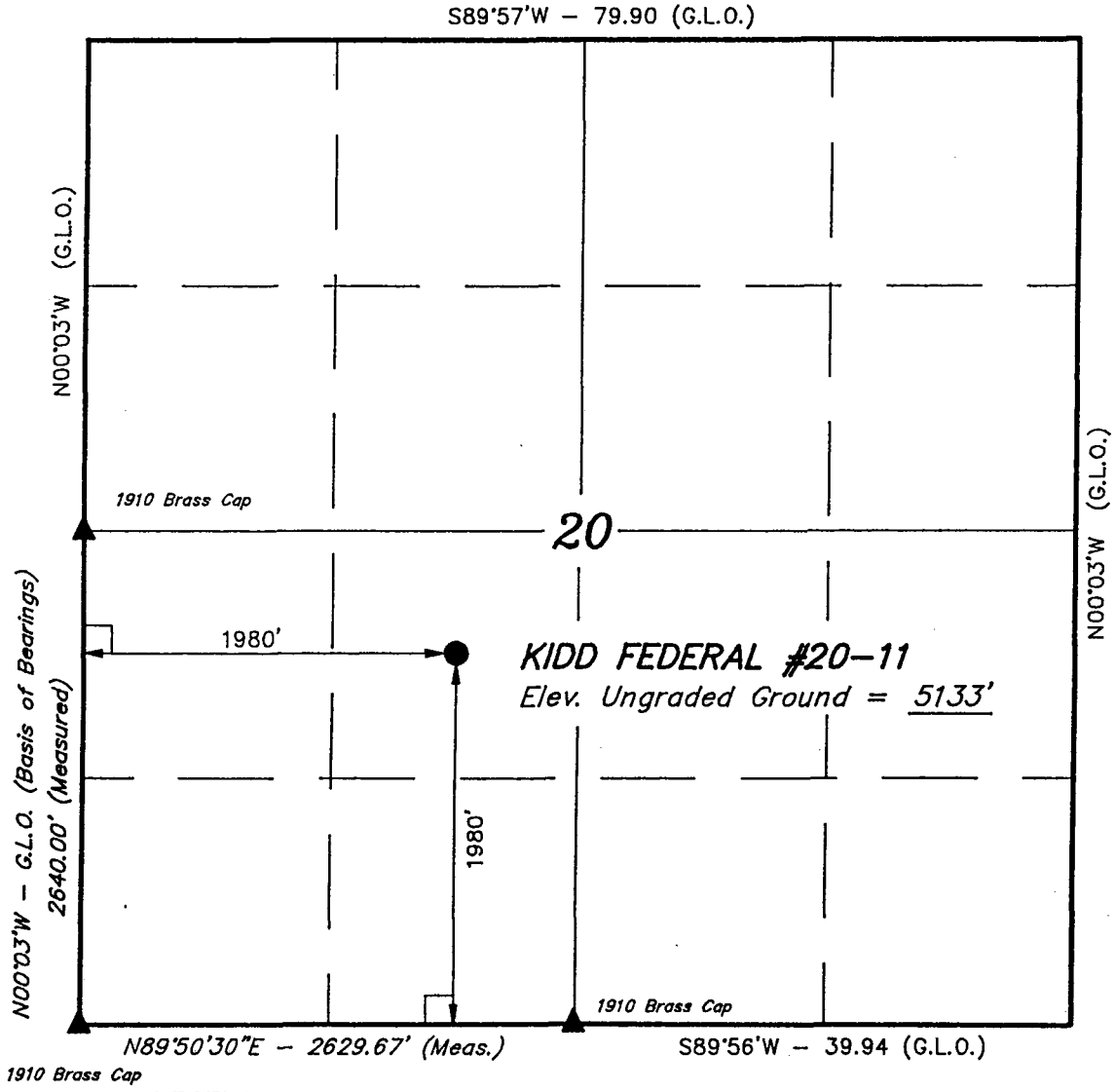
SNYDER OIL CORP.

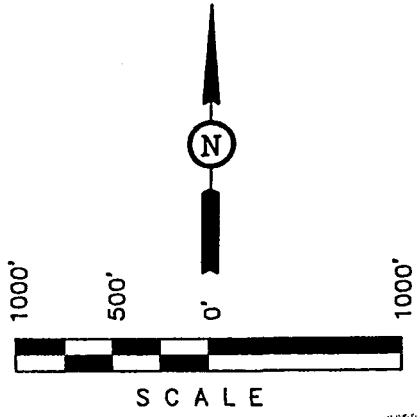
Well location, KIDD FEDERAL #20-11, located as shown in the NE 1/4 SW 1/4 of Section 20, T9S, R18E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT THE SOUTHWEST CORNER OF SECTION 20, T9S, R18E, 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 5171 FEET.

T9S, R18E, S.L.B.&M.





LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED. *(Brass Caps)*

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. 161319
STATE OF UTAH

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

SCALE 1" = 1000'	DATE SURVEYED: 2-20-95	DATE DRAWN: 2-22-95
PARTY D.A. L.T. C.B.T.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE SNYDER OIL CORP.	

SNYDER OIL CORPORATION
Lease #UTU-67178, Kidd Federal Federal 20-11
SE¼SW¼, Section 20, T9S, R18E
Uintah County, Utah

DRILLING PROGNOSIS

1. Estimated Tops of Important Geologic Markers

Uinta	Surface	Top Kidd Sand	4764'
Green River	1204'	Bottom Kidd Sand	4814'
Douglas Creek	4324'	Total Depth	4900'

2. Estimated Depths of Anticipated Water, Oil, Gas or Mineral Formations

Green River	1204'	Water	(Possible)
Douglas Creek	4324'	Oil/Gas	(Primary Objective)
Top Kidd Sand	4764'	Oil/Gas	(Possible)

Any shallow water zones encountered will be adequately protected and reported. All potentially productive hydro-carbon zones will be cemented off.

3. Pressure Control Equipment - Schematic Attached

A. **Type:** Eleven (11) Inch Double Gate Hydraulic BOP with Eleven (11) Inch Annular Preventer and 3,000 psi wellhead.

The Blow-Out Preventer will be equipped as follows:

1. One (1) blind ram (above).
2. One (1) pipe ram (below).
3. Drilling spool with two (2) side outlets (choke side 3-inch minimum, kill side 2-inch minimum).
4. Kill line (2-inch minimum).
5. Two (2) kill line valves, one of which will be a check valve (2-inch minimum).
6. 3-inch (minimum) choke line.
7. Two (2) choke line valves (3-inch minimum).
8. Two (2) adjustable chokes.

3. **Pressure Control Equipment** - continued

9. Pressure gauge on choke manifold.
10. Upper kelly cock valve with handle available.
11. Full opening internal blowout preventer or drill pipe safety valve able to fit all connections.
12. Fill-up line above the uppermost preventer.

B. **Pressure Rating:** 3,000 psi

C. **Testing Procedure:**

Annular Preventer

At a minimum, the Annular Preventer will be pressure tested to 50% of the rated working pressure for a period of ten (10) minutes or until provisions of the test are met, whichever is longer.

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

1) when the annular preventer 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 annular preventer will be functionally operated at least weekly.

Blow-Out Preventer

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.

3. **Pressure Control Equipment** - continued

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

All blowout preventer drills and tests will be recorded in the International Association of Drilling Contractors (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 open the hydraulically-controlled choke line valve (if so equipped), close all rams plus the annular preventer, and retain a minimum of 200 psi above precharge on the closing manifold without the use of the closing unit pumps. The fluid reservoir capacity will be double the accumulator capacity and the fluid level will be maintained at the manufacturer's recommendations.

The BOP system will have two (2) independent power sources to close the preventers. Nitrogen bottles (3 minimum) will be one (1) of these independent power sources and will maintain a charge equal to the manufacturer's specifications.

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 pressure is found to be above or below the maximum or minimum limits specified in *Onshore Oil & Gas Order Number 2.*

F. Special Drilling Operations:

In addition to the equipment already specified in Items A through E, above, the following equipment will be in place and operational during air/gas drilling:

1. Properly lubricated and maintained rotating head.
2. Spark arresters on engines or water cooled exhaust.

F. **Special Drilling Operations** - continued

3. Blooie line discharge 100 feet from well bore and securely anchored.
4. Straight run on blooie line.
5. Deduster equipment (not required for aerated water system).
6. All cuttings and circulating medium(s) shall be directed into a reserve or blooie pit.
7. Float valve above bit.
8. Automatic igniter or continuous pilot light on the blooie line (not required for aerated water system).
9. Compressors located in the opposite direction from the blooie line and at a minimum of 100 feet from the well bore.
10. Mud circulating equipment, water, and mud materials (does not have to be pre-mixed) sufficient to maintain the capacity of the hole and circulating tanks or pits.

G. **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 Oil & Gas Order Number 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 the Kidd Federal 20-11.

A flare line will be installed after the choke manifold, extending 125 feet (minimum) from the center of the drill hole to a separate flare pit.

4. The Proposed Casing and Cementing Program

A. **Casing Program:** All New

Hole Size	Casing Size	Wt./Ft.	Grade	Joint	Depth Set	
12-1/4"	8-5/8"	24.0#	J-55		ST&C	0-300'
7-7/8"	5-1/2"	15.5#	M-50		LT&C	0-4900'

[1] Conductor optional.

The surface casing will have centralizers on the bottom three (3) joints of casing, with a minimum of one (1) centralizer per joint starting with the shoe joint.

4. **The Proposed Casing and Cementing Program** - continued

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

B. **Cementing Program:**

Surface Conductor - Set with approximately five (5) cubic yards (yd^3) of Redi-Mix cement, circulated back to surface.

Surface Casing - Set with approximately 225 sx of Class "G" cement + additives, circulated back to surface.

Production Casing - Lead with approximately 267 sx of Pacesetter "Light" cement + additives.

Tail with approximately 328 sx of 50/50 Poz-Mix cement + additives.

A sufficient quantity of tail cement will be utilized to achieve full coverage across the upper Green River Formation. Estimated top of cement ≈ 1165'.

The above cement volumes are approximate and were calculated under the assumption that a gauge hole will be achieved. Actual cement volumes may vary due to variations in the actual hole size and will be determined by running a caliper log on the drilled hole.

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**

Interval	Type	Weight	Viscosity	Fluid Loss
0- 3000'	Fresh Wtr/Gel	8.2- 9.2	28-34	No Control
3000'-4900'	2% KCL Wtr/Gel	9.2- 9.8	30-35	+ 25 cc's

[1] The initial drilling fluids system will consist of fresh water for as long and/or as deep as possible (approximately 3000'). Should hole conditions deteriorate prior to reaching total depth, an alternative drilling fluids system would be utilized consisting of 2% KCL water (2% KCL water as the base fluid).

5. **Mud Program** - continued

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blowout will be available at the well site during drilling operations.

No chromate additives will be used in the mud system on Federal or Indian lands without prior approval of the Bureau of Land Management in order to ensure adequate protection of fresh water aquifers.

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

6. **Evaluation Program**

Logs: FDC/CNL/SP/GR[1] - from 4900' to 3500'
Micro-SFL - from 4900' to 300'
[1] Pull Gamma Ray to surface.

DST's: None anticipated.

Cores: None anticipated.

The proposed Evaluation Program may change at the discretion of the well site 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 Vernal District 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.

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

6. **Evaluation Program** - continued

be filed with Form #3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Authorized Officer, Vernal District Office, Bureau of Land Management, 170 South 500 East, Vernal, Utah 84078, Telephone: (801) 789-1362.

7. **Abnormal Conditions**

No abnormal temperatures or pressures are anticipated. No H_2S 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 2450 psi (calculated at 0.50 psi/ft of hole) and maximum anticipated surface pressure equals approximately 1372 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot of hole).

8. **Anticipated Starting Dates and Notification of Operations**

A. Anticipated Starting Dates:

Anticipated Commencement Date	July 18, 1995
Drilling Days	Approximately 7 Days
Completion Days	Approximately 7 days

B. Notification of Operations:

Vernal District Office, Bureau of Land Management
Address : 170 South 500 East; Vernal, Utah 84078
Phone: (801) 789-1362
Fax: (801) 789-3634

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

Contact Title	Contact Name	Home Phone
Petroleum Engineer	Gerald E. Kenczka	(801) 781-1190
Petroleum Engineer	Ed Forsman	(801) 789-7077

The Vernal District Office, Bureau of Land Management will be notified at least twenty-four (24) hours ***PRIOR*** to the commencement of the following activities:

B. Notification of Operations - Continued

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.

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR, Part 3160), and this approved *Application for Permit to Drill.* The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved *Application for Permit to Drill* must be on location during construction, drilling and completion operations. The following items are emphasized:

DRILLING/PRODUCING OPERATING STANDARDS

There shall be no deviation from the proposed drilling and/or workover program as approved. Safe drilling and operating practices must be observed.

All wells, whether drilling, producing, suspended or abandoned shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, the lease serial number, the well number and the surveyed description of the well.

Any changes in operations must have prior approval from the Authorized Officer (AO), Vernal District Office, Bureau of Land Management.

Pressure tests are required before drilling out from under all casing strings set and cemented in place. Blowout preventer controls will remain in use until the well is either completed or abandoned. Preventers will be inspected and operated at least daily to insure good mechanical working order, and this inspection will be recorded on the daily drilling report. All BOP tests must be recorded in the daily drilling report. ***NOTIFY RESOURCE AREA PETROLEUM ENGINEER AT LEAST TWENTY-FOUR (24) HOURS IN ADVANCE OF PRESSURE TESTS.***

In accordance with *Onshore Oil & Gas Order Number 1,* this well will be reported on MMS Form #3160-6, *Monthly Report of Operations and Production,* 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 the Royalty Management Program, Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217.

Notification of Operations - *Continued*

All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL-3A will be reported to the Vernal District Office. Major events will be reported verbally within twenty-four (24) hours and will be followed with a written report within fifteen (15) days. "Other than Major Events" will be reported in writing within fifteen (15) days. "Minor Events" will be reported on the *Monthly Report of Operations and Production* (Form #3160-6)

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 Area Petroleum Engineer.

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 3162.6 The following information will be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch: Company Name, Well Name and Number, Location by Quarter/Quarter, Section, Township, Range, and the Federal 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.

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) day or otherwise authorized test period.

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

ninety (90) days, the operator shall notify the Authorized Officer by letter or *"Sundry Notice"*, of the date on which such production has begun or resumed. The notification shall provide as a minimum, the following informational items:

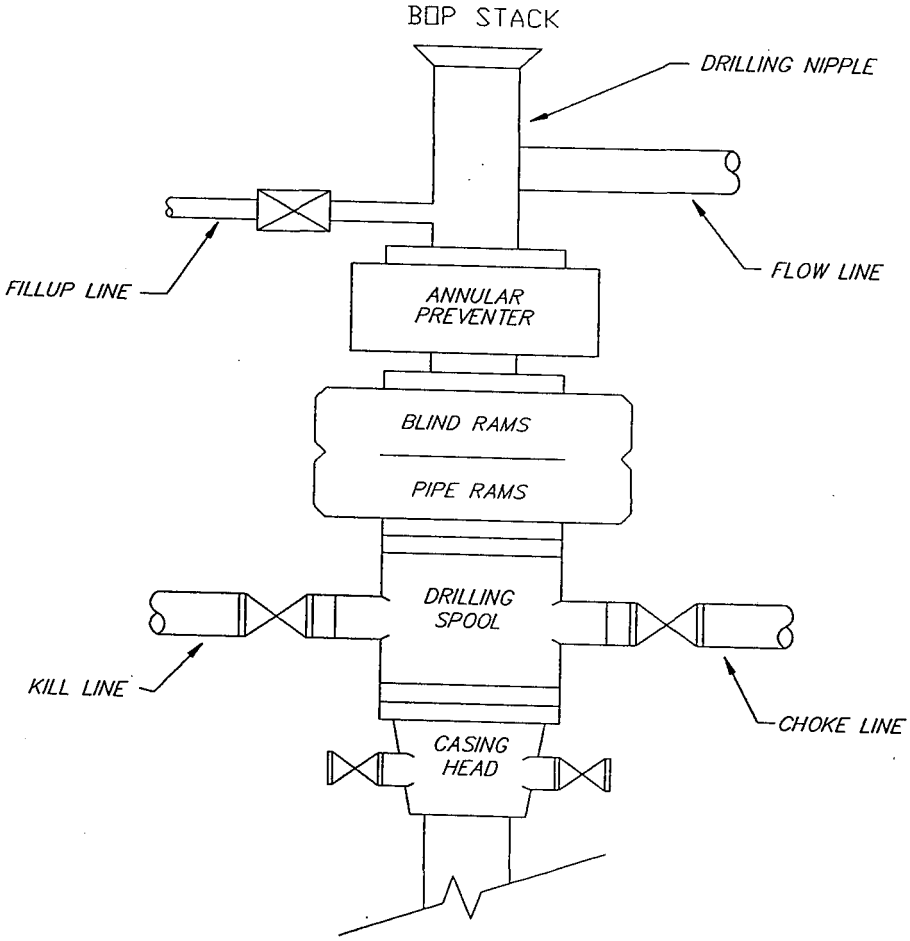
a. Operator name, address, and telephone number
b. Well name and number
c. Well location "¼, ¼, Section, Township, Range, P.M."
d. Date well was placed in a producing status
e. The nature of the wells production, i.e.: crude oil casing gas, or natural gas and entrained liquid hydrocarbons.
f. The OCS, Federal or Indian lease prefix and number on which the well is located. Otherwise, the non-Federal or non-Indian land category, ie.: state or private.

Within sixty (60) days following construction of a new tank battery, a site facility diagram of the battery showing actual conditions and piping must be submitted to the Authorized Officer. Facility diagrams shall be filed within sixty (60) days after existing facilities are modified. For complete information as to what is required on these diagrams, please refer to 43 CFR 3162.7-4(d).

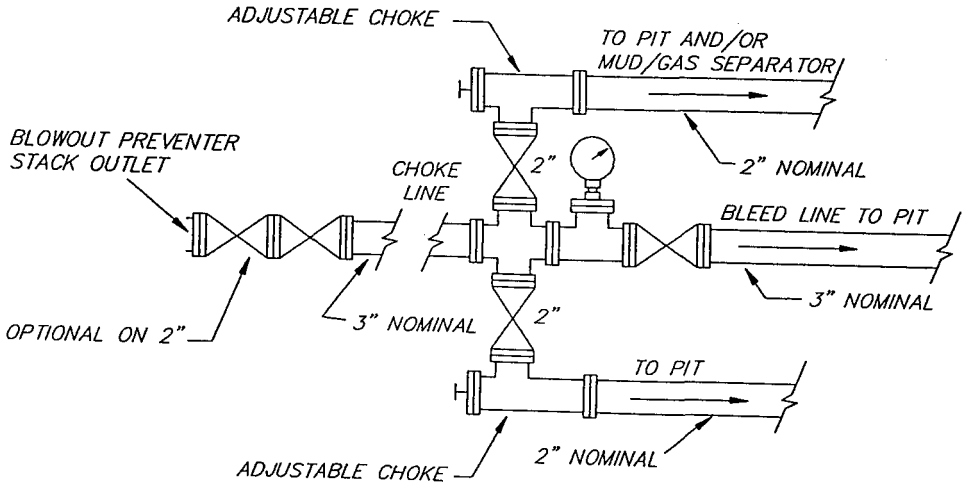
Pursuant to *Onshore Oil & Gas Order Number 1,* lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in such a manner which conforms with applicable federal laws and regulations and with state and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal and Indian lands.

SNYDER OIL CORPORATION

TYPICAL 3,000 p.s.i. BLOWOUT PREVENTER SCHEMATIC



TYPICAL 3,000 p.s.i. CHOKE MANIFOLD SCHEMATIC



SNYDER OIL CORPORATION
Lease #UTU-67178, Kidd Federal 20-11
NE¼SW¼, Section 20, T9S, R18E
Uintah County, Utah

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

1. **Existing Roads** - Refer to Maps "A" and "B" (shown in ORANGE)

   A. The proposed well site is staked and four (4) 200-foot reference stakes are present.

   B. To reach the location from the community of Myton, Utah; proceed generally southwest approximately 1.5 miles on U.S. Highway 40 (a paved U.S. Highway), thence generally south/southeast approximately 7.0 on an existing paved (an ungraded Duchesne County road), thence generally south/southeast approximately 4.2 miles on an existing Duchesne County road (crowned and ditched with a gravel surface), thence generally east approximately 4.9 miles on an existing Duchesne/Uintah County road (crowned & ditched with a gravel surface), thence generally south/southeast approximately 2.0 miles on an existing upgraded oilfield road (crowned & ditched with a gravel surface), thence generally southwest approximately fifty 0.5 miles to the proposed Kidd Federal 20-11 well location.

   C. Access roads - refer to Maps "A" and "B".

   D. Access roads within a one (1) mile radius - refer to Map "B".

   E. The existing 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 Kidd Federal 20-11 well location.

2. **Planned Access Roads** - Refer to Map "B" (shown in GREEN)

   Approximately thirty (528) feet of new road construction will be required for access to the proposed Kidd Federal 20-~~10~~ 11 well location.

2. **Planned Access Roads** - continued

A. Width - maximum thirty (30) foot overall right-of-way with an eighteen (18) foot running surface, crowned and ditched for drilling and completion operations.

B. Construction standard - the proposed access road will be constructed in accordance with roading guidelines established for oil & gas exploration and development activities as referenced in the joint BLM/USFS publication: *Surface Operating Standards for Oil and Gas Exploration and Development, Third Edition.*

The access road will be designed and 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 roadway.

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.

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 drainages 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 - 3%.

D. Turnouts - turnouts will be constructed along the access road route as necessary or required to allow for the safe passage of traffic. None anticipated for this short segment of new access road.

E. Drainage design - the access road will be upgraded and maintained as necessary to prevent soil erosion and accommodate all-weather traffic. The proposed road

2. **Planned Access Roads** - Continued

will be crowned and ditched with water turnouts installed as necessary to provide for proper drainage along the access road route.

F. Culverts, cuts and fills - no culverts will be required along the access road route. There are no major cuts and/or fills on/along the proposed access road route.

G. Surfacing material - 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 within the general area, if required by the Authorized Officer, Bureau of Land Management.

H. Gates, cattleguards or fence cuts - no gates, cattleguards or fence cuts will be required on/along the proposed access road route.

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 will be kept clear and free-flowing, and will also be maintained in accordance with the original construction standards.

The access road right-of-way will be kept free of trash during all operations.

J. The proposed access road route has been centerline staked.

3. **Location of Existing Wells Within a One-Mile Radius** - Please Refer to Map "C".

A. Water wells - none known.
B. Abandoned wells - NW¼SW¼, Section 28, T9S, R18E.
C. Temporarily abandoned wells - none known.
D Disposal wells - none known.
E. Drilling wells - none known.
F. Producing wells - NE¼SW¼, Section 17, T9S, R18E.
NE¼NE¼, Section 19, T9S, R18E.
SW¼NE¼, Section 19, T9S, R18E.
E/2 NW¼NE¼, Section 19, T9S, R18E.
SE¼NE¼, Section 19, T9S, R18E.
SE¼SE¼, Section 20, T9S, R18E.
SW¼SE¼, Section 20, T9S, R18E.
SW¼NW¼, Section 20, T9S, R18E.
G. Shut-in wells - none known.

4. **Location of Existing Wells Within a One (1) Mile Radius** - continued

H. Injection wells - none known.
I. Monitoring wells - none known.

4. **Location of Existing and/or Proposed Facilities Owned By Snyder Oil Corporation Within a One (1) Mile Radius**

A. Existing

1. Tank batteries -
   SE¼SE¼, Section 20, T9S, R18E.
2. Production facilities -
   SE¼SE¼, Section 20, T9S, R18E.
3. Oil gathering lines - none known.
4. Gas gathering lines - none known.

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 (20) feet from the toe of the back slope or top of the fill slope.

2. Should drilling result in the establishment of commercial production from the Kidd Federal 20-11 well location, production facilities will require an area approximately 250' X 125'.

   A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via *"Sundry Notice"* (Form 3160-5) for approval ***PRIOR*** to commencement of installation operations.

3. Production facilities will be accommodated on the disturbed portion of the well pad. Construction materials needed for installation of the production facilities will be obtained from the site; any additional materials needed will be purchased from a local supplier having a permitted source of materials in the general area.

   A dike will be constructed completely around those production facilities which are designed to hold fluids (e.g., condensate tanks and/or produced water tanks). These dikes will be constructed of compacted subsoil, be impervious, be designed to hold 100% of the capacity of the largest tank, and be independent of the back cut.

B. New Facilities Contemplated - continued

4. All permanent [on-site for six (6) months or longer] above-the-ground structures constructed or installed on the well location (including pumping units, tank batteries, etc.) 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 Safety and Health Act Rules and Regulations* will be excluded from this painting requirement.

   The required paint color is Carlsbad Canyon, Munsell standard color number 2.5Y 6/2.

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 *"sheep-tight"* with woven wire mesh having two (2) top strands of barbed wire held in place by metal side posts and wooden corner "H" braces in order to protect livestock and wildlife (refer to Item 9F, page's 9 and 10).

D. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road and any additional areas which may be 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 Authorized Officer, Bureau of Land Management.

5. Location and Type of Water Supply

A. Fresh water for drilling will be obtained from an irrigation drain owned by Joe Shields and located in the SW¼NE¼SE¼ of Section 15, Township 4 South, Range 2 West,(USBM) in Duchesne County, Utah; permit #43-1721 (A10906/t17981).

5. **Location and Type of Water Supply** - continued

In the event this source of water proves inadequate, fresh water for use in drilling and cementing operations would be obtained from a concrete diversion box in Babcock Draw which is owned by Nebeker Trucking. The proposed diversion point is located in the SW1/4SE1/4NW1/4 of Section 34, Township 3 South, Range 2 West (USBM) in Duchesne County, Utah; permit #43-1721 (A10906/t17981).

B. Water will be transported via tank truck over existing roads from the point of diversion to the proposed Kidd Federal 20-11 well location. No new road construction will be required on/along the proposed water haul route.

Acess across any off-lease federal lands which may be crossed on/along the proposed water haul route will be secured under a separate right-of-way authorization to be issued by the Authorized Officer, Book Cliffs Resource Area Office, Bureau of Land Management.

C. No water well will be drilled on this location.

6. **Source of Construction Materials**

A. Any construction materials which may be required for surfacing of the drill pad will be obtained from a private contractor having a previously approved (private) source of materials within the general area.

Please refer to Item 2G (page 3) for information regarding any construction materials which may be required for on the access road.

B. No construction materials will be taken from Federal or Indian lands without prior approval from the appropriate Surface Management Agency.

C. If production is established, any construction materials which may be required for surfacing of the access road and/or installation of production facilities will be purchased from a local supplier having a permitted (private) source of materials within the general area.

D. No new access roads for transportation of these construction materials will be required.

7. **Methods of Handling Waste Materials**

A. Cuttings - the drilled cuttings will be deposited in the reserve pit.

7. **Methods of Handling Waste Materials** - continued

B. Drilling fluids - including any salts and/or chemicals utilized in the mud system will be contained in the reserve pit.

The reserve pit will be constructed so as not to leak, break, or allow discharge. 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 Snyder Oil Corporation.

C. Produced fluids - liquids produced during completion operations will either be placed in test tanks on the well location (when a gel frac system is used) or into the reserve pit (when a foam frac system is used). Produced water will be confined to a lined pit (reserve pit) for a period not to exceed ninety (90) days after initial well completion.

During this ninety (90) day period, in accordance with *Onshore Oil & Gas Order Number 7,* an application for approval of a permanent disposal method and location, along with the required water analysis, shall be submitted to the Authorized Officer for review and approval as applicable. Failure to file an application within the time frame allowed will be considered as an incidence of noncompliance.

Any spills of oil, gas, salt water or any other potentially hazardous substance will be cleaned up and immediately removed to an approved disposal site.

D. Sewage - portable, self-contained chemical toilets will be provided by Rocket Sanitation for human waste disposal. Upon completion of operations (or as required) the toilet holding tanks will be pumped and the contents thereof disposed of in an approved sewage disposal facility. Sewage disposal will be in strict accordance with applicable State of Utah rules and regulations regarding sewage treatment and disposal.

E. Garbage and other waste material - all garbage and non-flammable waste materials will be contained in a self contained, portable dumpster or trash cage.

7. **Methods of Handling Waste Materials** - continued

Upon completion of operations, or as needed, the accumulated trash will be hauled off-site to an approved sanitary landfill. No trash will be 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 potentially adverse materials or substances will be left on the location.

Any open pits will be fenced during the drilling operation and said fencing will be maintained until such time as the pits have been backfilled.

G. Hazardous materials - Snyder Oil Corporation has no plans to utilize, store, transport or dispose of more than10,000 pounds of any chemical or chemicals listed on or subject to the Environmental Protection Agency's *Consolidated List of Chemicals Subject to Reporting Under Title III of the Superfund Amendments and Reauthorization Act* (SARA) of 1986, or any extremely hazardous substances at or above the threshhold planning quantities, as defined in 40 CFR 355, on the Kidd Federal 20-~~10~~ 11 lease.

8. **Ancillary Facilities**

None anticipated.

9. **Wellsite Layout**

A. Figure #1 shows the drill site layout as staked. Cross sections have been drafted to visualize the planned cuts and fills across the proposed well location (refer to Figure #2).

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. Refer to Figure #1 for the location of the topsoil and subsoil stockpiles.

B. Figure #1 is a diagram showing a typical rig layout. No permanent living facilities are planned on the Kidd Federal 20-11 well location. There will be a maximum of three (3) trailers on location during drilling operations, which will serve as both office and housing for the mud logger, geologist and toolpusher.

C. All equipment and vehicles will be confined to the approved areas in this Application for Permit to Drill (i.e., access road and well pad areas).

D. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via *Sundry Notice* (Form 3160-5) for approval *prior* to the commencement of installation operations. Please refer to Item 4B2 (page 4) for additional information in this regard.

E. If porous subsoil materials (i.e., 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.

If required, this liner will have a permeability less than or equal to 1×10^{-7} cm/sec. The liner will be chemically compatible with all substances which may be put into the pit and will be installed so that it will not leak. Liners made of any man-made synthetic material will be of sufficient strength and thickness to withstand normal installation and pit use.

F. Prior to the commencement of drilling operations, the reserve pit will be fenced "sheep tight" on the three (3) non-working sides according to the following minimum standards (if/as required by the Authorized Officer):

1. 32-inch net wire shall be used with two (2) strands of barbed wire on top of (above) the net wire.
2. The net wire shall be no more than four (4) inches above the ground. The first strand of barbed wire shall be ≈ three (3) inches above the net wire. Total height of the fence shall be at least forty-two (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. The 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.

The fourth (*4th*) side of the reserve pit will be fenced immediately upon removal of the drilling rig and the fencing will be maintained until the pit is backfilled.

G. Any hydrocarbons on the pit will be removed as soon as possible after drilling operations are completed.

10. Plans for Reclamation of the Surface

A. Rat and mouse holes will be backfilled and compacted from bottom to top immediately upon release of the completion rig from the location.

B. If any oil is on the pits and is not immediately removed after operations cease, the pit containing the oil or other adverse substance(s) will be flagged overhead or covered with wire mesh to protect migrating waterfowl.

C. Producing Operations:

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. Any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.

2. If a plastic or nylon reinforced pit liner is used, it shall be torn and perforated before backfilling of the reserve pit.

3. 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. All other waste and spoil materials will be disposed of immediately upon completion of drilling and workover activities.
4. The reserve pit and that portion of the location and access road not needed for production facilities and/or operations will be reclaimed within ninety (90) days from the date of well completion, weather permitting.
5. For production, the fill slopes will be reduced from a 1.5:1 slope to a 4:1 slope and the cut slopes will be reduced from a 1.5:1 slope to a 4:1 slope by pushing the fill material back up into the cut.
6. Upon completion of backfilling, leveling and recontouring, all disturbed surfaces (access road and well pad areas) will be scarified to a depth of one (1) foot and left with a rough surface. The stockpiled topsoil will then be evenly redistributed to a depth of six (6) inches over the reclaimed area(s).
7. Prior to commencement of seeding operations, the seedbed will be prepared by disking on the contour to a depth of four (4) to six (6) inches, leaving no depressions that would trap water or form ponds.

10. Plans for Reclamation of the Surface - continued

All disturbed surfaces (including the access road and well pad areas) will be reseeded with a seed mixture to be recommended by the Authorized Officer, Bureau of Land Management.

8. Seed will be drilled on the contour with a seed drill equipped with a depth regulator in order to ensure even depths of planting. Seed will be planted between one-quarter (1/4) to one-half (1/2) inches deep, with shrub seeds planted in rows separate from the grass seed, unless otherwise directed by the Authorized Officer, Bureau of Land Management.

   Where drilling is not possible (too steep or rocky), hand broadcast the seed at double the rate indicated above and rake or chain the area to cover the broadcast seed.

9. Fall seeding will be completed after September 15*th* and prior to ground frost. If applicable, spring seeding will be completed after the frost has left the ground and prior to May 15*th*.

   The seeding will be repeated until a satisfactory stand, as determined by the Authorized Officer, is achieved. The first evaluation of growth will be made following the completion of the first growing season.

D. Dry Hole/Abandoned Well Location:

1. At such time as the well is physically plugged and abandoned, Snyder Oil Corporation 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 location and proposed access road route are situated on surface estate which is owned by the United States of America and administered by:

Area Manager
Book Cliffs Resource Area Office
Bureau of Land Management

11. Surface Ownership - continued

170 South 500 East
Vernal, Utah 84078
Telephone: (801) 789-1362

12. Other Information

A. General Description of the Project Area:

The project area is situated in the Uinta Basin section of the Colorado Plateaus physiographic province in an area of northeastern Utah which has undergone intensive natural gas development activities within the last few years. The overall area is characterized by moderately to severely eroded uplands located between the White River to the south and the Green River to the east. This area is classified as a "High Plains Steppe" (cold desert) and exhibits a sparse to moderate vegetation density which is typical of semi-arid areas at higher elevations (4500-5500').

Generally, local flora consists of native grasses such as salt grass, galleta grass, needle-and-threadgrass, Indian ricegrass; woody species such as shadscale, horsebrush, black sagebrush, fringe sagebrush, big sagebrush, rabbitbrush, and greasewood along the dry drainages.

Local fauna consists primarily of mule deer, mountain lions, coyotes, badgers, skunks, rabbits, raptors, and various smaller vertebrate and invertebrate species.

There are no known threatened or endangered species that would be affected by implementation of operations on the Kidd Federal 20-11 well location.

B. Surface Use Activities:

The primary surface use is for livestock grazing.

C. Proximity of Water, Occupied Dwellings, Archaeological,Historical or Cultural Sites:

1. The closest source of permanent water is the Duchesne River, located approximately two (9) miles north of the proposed well location.

2. The closest occupied dwellings are located approximately twelve (12) miles to the east of the proposed well location in the community of Myton, Utah.
3. Snyder Oil Corporation will be responsible for informing all persons associated with this project that they will be subject to prosecution for damaging, altering, excavating or removing any archaeological, historical, or vertebrate fossil objects or site(s).

   If archaeological, historical or vertebrate fossil materials are discovered, Snyder Oil Corporation will suspend all operations that further disturb such materials and immediately contact the Authorized Officer.

   Operations will not resume until written authorization to proceed is issued by the Authorized Officer.

   Within five (5) working days the Authorized Officer will evaluate the discovery and inform Snyder Oil Corporation of actions that will be necessary to prevent loss of significant cultural or scientific values.

   Snyder Oil Corporation will be responsible for the cost of any mitigation required by the Authorized Officer. 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, Snyder Oil Corporation will be allowed to resume operations.

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

1. Snyder Oil Corporation 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 Bureau of Land Management authorization is obtained, it is only a temporary measure to allow Snyder Oil Corporation the time to make arrangements for permanent storage at a commercial facility.

3. Snyder Oil Corporation 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. The Bureau of Land Management shall be notified upon site completion and prior to moving drilling tools onto the location.

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

Representative:

Snyder Oil Corporation
James M. McKinney, Sr. Reservoir Engineering Technician
1625 Broadway, Suite 2200
Denver, Colorado 80202
Telephone: (303) 592-8500

* Contact for any additional information which may be required for approval of this Application for Permit to Drill.

Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations (43 CFR 3100), *Onshore Oil & Gas Orders,* the approved plan of operations, and any applicable Notice to Lessees.

Snyder Oil Corporation will be fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished to their field representative(s) in order to ensure compliance.
The dirt contractor will be provided with a copy of the Surface Use Plan from the approved Application for Permit to Drill.

12. Other Information - Continued

This drilling permit will be valid for a period of one (1) year from the date of approval. An extension period may be granted, if requested, prior to the expiration of the original approval period.

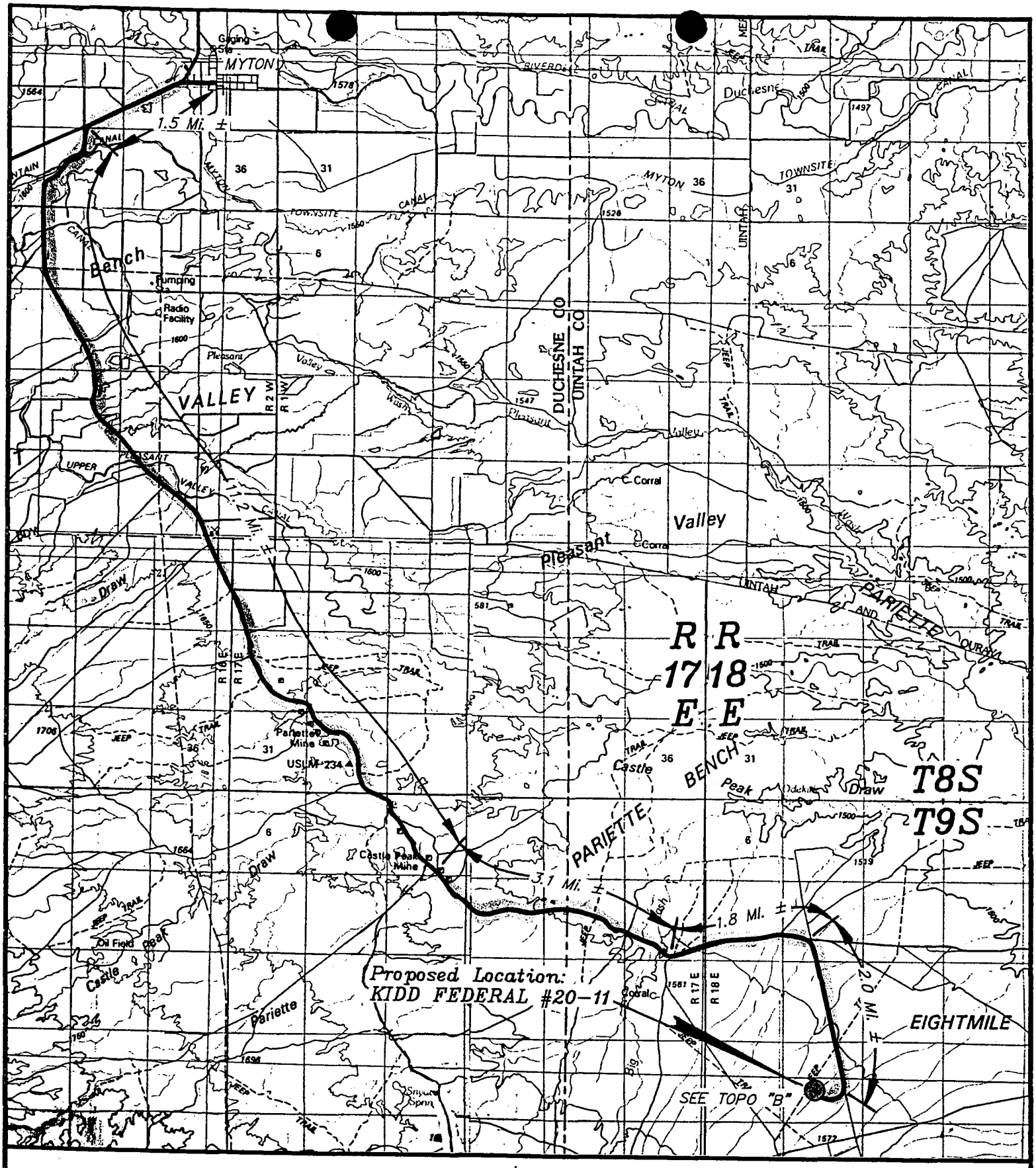
No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the Authorized Officer. If operations are to be suspended, prior approval

of the Authorized Officer will be obtained and notification given before resumption of 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 Snyder Oil Corporation, their 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.

5/17/95 — Date

James M. McKinney, Jr.



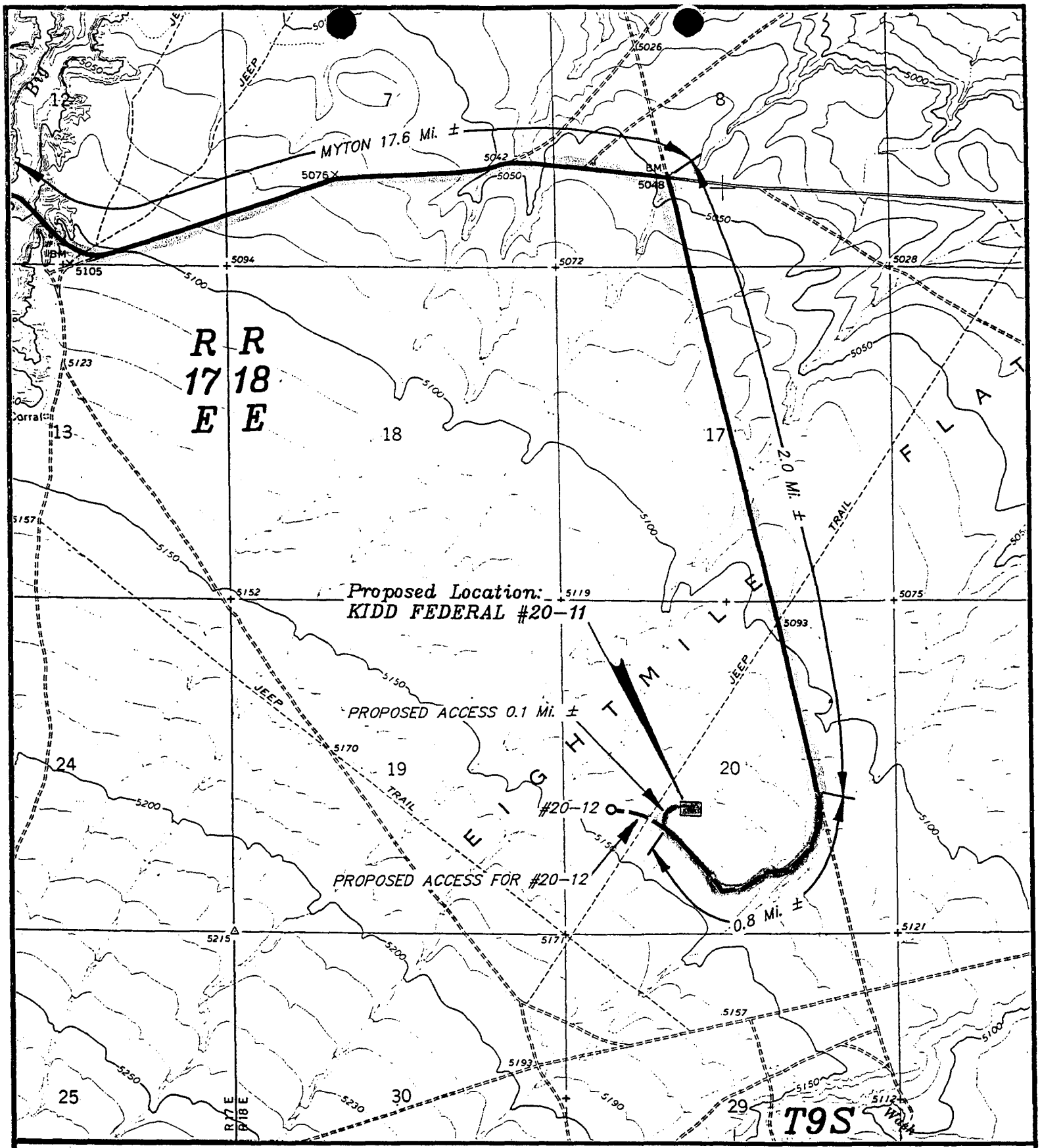
TOPOGRAPHIC
MAP "A"

DATE: 2/22/95 D.COX

N

SNYDER OIL CORP.

KIDD FEDERAL #20-11
SECTION 20, T9S, R18E, S.L.B.&M.
1980' FSL 1980' FWL



TOPOGRAPHIC
MAP "B"

SCALE: 1"=2000'

DATE: 2/22/95 D.COX

N

SNYDER OIL CORP.

KIDD FEDERAL #20-11
SECTION 20, T9S, R18E, S.L.B.&M.
1980' FSL 1980' FWL

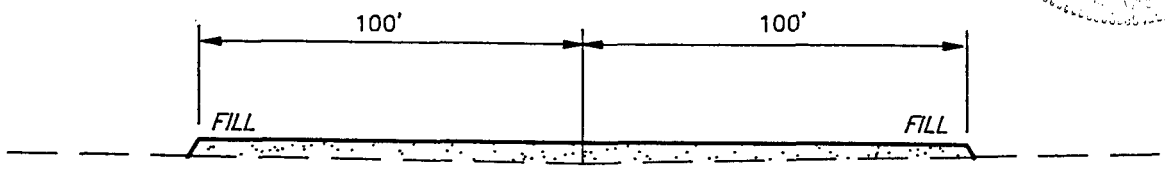
SNYDER OIL CORP.

TYPICAL CROSS SECTIONS FOR

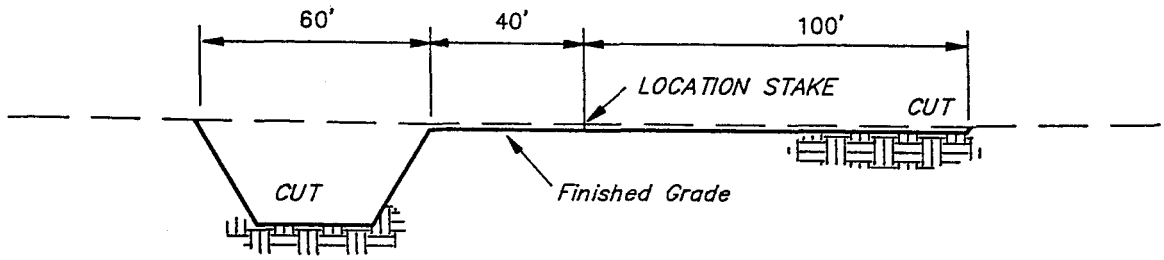
KIDD FEDERAL #20-11
SECTION 20, T9S, R18E, S.L.B.&M.
1980' FSL 1980' FWL

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

DATE: 2-23-95
Drawn By: C.B.T.



STA. 3+35



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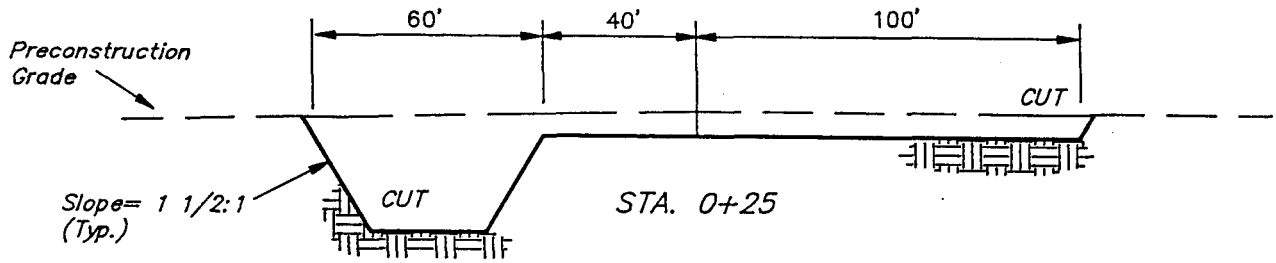
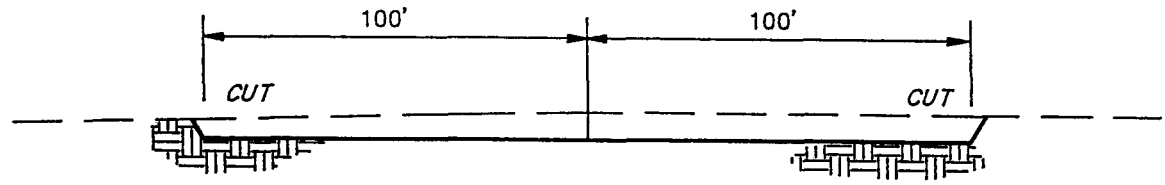


STA. 0+25



STA. 0+00

NOTE:
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

FIGURE #2

APPROXIMATE YARDAGES

CUT

(6") Topsoil Stripping	=	1,240 Cu. Yds.
Remaining Location	=	3,810 Cu. Yds.
TOTAL CUT	=	5,050 CU.YDS.
FILL	=	1,550 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	3,420 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	2,550 Cu. Yds.
EXCESS CUT MATERIAL	=	870 Cu. Yds.

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

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/19/95

API NO. ASSIGNED: 43-047-32688

WELL NAME: KIDD FEDERAL 20-11
OPERATOR: SNYDER OIL COROPRATION (N1305)

PROPOSED LOCATION:
NESW 20 - T09S - R18E
SURFACE: 1980-FSL-1980-FWL
BOTTOM: 1980-FSL-1980-FWL
UINTAH COUNTY
EIGHT MILE FLAT NORTH FIELD (590)

LEASE TYPE: FED
LEASE NUMBER: UTU-67178

PROPOSED PRODUCING FORMATION: GRRV

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

RECEIVED AND/OR REVIEWED:

Y Plat
Y Bond: Federal[✓] State[] Fee[]
(Number WY-2272)
N Potash (Y/N)
N Oil shale (Y/N)
Y Water permit
(Number 43-1721)
N RDCC Review (Y/N)
(Date:)

LOCATION AND SITING:

___ R649-2-3. Unit: ___

✓ R649-3-2. General.

___ R649-3-3. Exception.

___ Drilling Unit.
Board Cause no: ___
Date: ___

COMMENTS: ___

STIPULATIONS: ___

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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

July 17, 1995

Snyder Oil Corporation
1625 Broadway, Suite 2200
Denver, Colorado 80202

Re: Kidd Federal 20-11 Well, 1980' FSL, 1980' FWL, NE SW, Sec. 20, T. 9 S., R. 18 E., Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-32688.

Sincerely,

R. J. Firth
Associate Director

ldc
Enclosures
cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office
WAPD

Operator: Snyder Oil Corporation

Well Name & Number: Kidd Federal 20-11

API Number: 43-047-32688

Lease: Federal UTU-67178

Location: NE SW **Sec.** 20 **T.** 9 S., **R.** 18 E.

Conditions of Approval

1. General
   Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements
   Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jimmie Thompson at (801)538-5340.

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

3. Reporting Requirements
   All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

FORM 3160-3
(December 1990)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires December 31, 1991

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.
UTU-67178

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Not Applicable

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK — DRILL [XX] DEEPEN [ ]

7. UNIT AGREEMENT NAME
Not Applicable

1b. TYPE OF WELL
OIL WELL [X] GAS WELL [ ] OTHER [ ] SINGLE ZONE [ ] MULTIPLE ZONE [ ]

8. FARM OR LEASE NAME WELL NO
Kidd Federal 20-11

2. NAME OF OPERATOR
Snyder Oil Corporation

9. API WELL NO.
43-047-32688

3. ADDRESS OF OPERATOR
1625 Broadway, Suite 2200; Denver, Colorado 80202

10. FIELD AND POOL OR WILDCAT
Eight Mile Flat South

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At Surface 1,980' FSL 1,980' FWL
At proposed Prod. Zone
Same as above

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
NESW Section 20, T9S, R18E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately nine (16) miles southeast of Myton, Utah

12. County: Uintah
13. STATE: Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
~~2,000'~~ 660'

16. NO. OF ACRES IN LEASE
960

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.
3,000'

19. PROPOSED DEPTH
4,900

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5,133'

22. APPROX. DATE WORK WILL START*
July 18, 1995

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4" 8-5/8" J-55	J-55	24.0#	0-300'	225 SX circulated to surface*
7-7/8" 5-1/2" M-50	M-50	15.5#	4,900	595 SX cement

* Cement volumes may change due to hole size as calculated from caliper log.

EIGHT-POINT RESOURCE PROTECTION PLAN ATTATCHED

I hereby certify that Snyder Oil Corporation is authorized by the proper lease interest owners to conduct lease operations associated with this application for permit to drill the Kidd Federal 20-11, Federal Lease #UTU-67178. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Snyder Oil Corporation Nationwide Bond #WY-2272, which will insure responsibility for compliance with all the terms and conditions of that portion of the lease associated with this application.

RECEIVED
MAY 22 1995

RECEIVED
JUL 25 1995
DIV. OF OIL, GAS & MINING

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

24.
SIGNED James M. McKinney, Jr. TITLE Sr. Engineering Technician DATE May 17, 1995

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE

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

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Jerry Kenczka TITLE Acting ASSISTANT DISTRICT MANAGER MINERALS DATE JUL 18 1995

*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.

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

UT080-5M-158

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Snyder Oil Corporation

Well Name & Number: KIDD 20-11

API Number: 43-047-32688

Lease Number: UTU-67178

Location: NESW Sec. 20 T.09S R. 18E

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.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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.

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 Orders, 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 the field representative to insure compliance.

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

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **3M** system and individual components shall be operable as designed. 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.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

The Vernal District Office shall be notified, at least 24 hours prior to initiating the pressure tests, in order to have a BLM representative on location during pressure testing.

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 ft. above the base of the usable water zone, identified at ± **948** ft.. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

The Vernal District Office shall be notified at least 24 hours prior to the running and cementing of all casing strings, in order to have a BLM representative on location while running and cementing all casing strings.

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 AO. 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 AO.

A cement bond log (CBL) will be run from the production casing shoe to ± **748** ft. and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

The Vernal District Office shall be notified, during regular work hours (7:45 a.m.-4:30 p.m., Monday through Friday except holidays), at least 24 hours **prior** to spudding the well.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

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

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

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.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or 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.

A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9. d.) shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b. 4).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

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 on-lease or off-lease will have prior written approval from the AO.

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 following initial installation 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 approval or notification is necessary, please contact one of the following individuals:

Wayne Bankert Petroleum Engineer	(801) 789-4170
Ed Forsman Petroleum Engineer	(801) 789-7077
BLM FAX Machine	(801) 781-4410

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, spend solvents, spilled chemicals, and waste acids

- Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

- 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 PLAN OF OPERATION
Conditions of Approval (COAs)

Method for handling Waste Materials

To prevent puncturing of the reserve pit liner, 10.C.3 of the Surface Use Plan changes: No cans, barrels, pipe, etc... will enter the reserve pit.

Plans For Reclamation Of Location

The reserve pit and that portion of the location not needed for production facilities or operations in addition to being recontoured to approximate natural contours will also be reseeded to the specifications of the authorized officer of the BLM. Contact the authorized officer at time of reserve pit reclamation for seed mixture.

At time of abandonment the intent of reclamation will be to return the disturbed area to near natural conditions. Recontour the surface of the disturbed area to blend all cuts, fills, road berms, and borrow ditches to be natural in appearance with the surrounding terrain. Stockpiled topsoil will be spread over the surface, and the area revegetated to the satisfaction of the authorized officer of the BLM.

Additional Surface Conditions of Approval

All construction materials for surfacing of the access road or well pad will be materials native to the location. The operator will require approval from the authorized officer of the BLM before using non-native materials for construction as stated in 2.G and 6.A of the Surface Use Plan.

Section 4.B.4 of the Surface Use Plan is changed. The required paint color for all permanent facilities will be **Desert Brown**, Munsell standard color number 10 YR 5/3.

The reserve pit **will be lined** with a synthetic liner. And in addition to having a permeability of less than or equal to 1X10\-7, it will have a thickness of 12 mil or more.

A complete copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

If the access road and oil well pad are scheduled to be constructed or the well is to be drilled between March 15 and August 15, contact the authorized officer of the BLM to coordinate additional surveys for mountain plover & burrowing owl. The surveys will be required a minimum of 14 days prior to surface disturbance. If an active nest or chicks are found, the proposed activity will be delayed until the chicks are out of downy plumage or the brood vacates the area.

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Vernal District Office
170 South 500 East
Vernal, Utah 84078-2799

Phone: (801) 781-4400
Fax: (801) 781-4410

IN REPLY REFER TO:
3162
UT08438

September 9, 1996

Snyder Oil Corporation
1625 Broadway, Suite 2200
Denver, CO 80202

Re: Notification of Expiration
Well No. Kidd Federal 20-11
Section 20, T9S, R18E
Lease No. U-67178
Duchesne County, Utah

43-047-32688

Gentlemen:

The Application for Permit to Drill the above-referenced well was approved on July 18, 1995. Since that date no known activity has transpired at the approved location. Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. 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,

Margie Herrmann

Margie Herrmann
Legal Instruments Examiner

cc: State Div. OG&M
Snyder, Vernal Office

DOGM
LA
DATE

RECEIVED
SEP 11 1996
DIV. OF OIL, GAS & MINING