

COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN THE DATE
(Other instructions on reverse side)
RECEIVED
MAR 20 1996
DIV OF OIL, GAS & MINING

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Chandler & Associates, Inc.

3. ADDRESS AND TELEPHONE NO.
 475 Seventeenth St., Suite 1000 Denver, CO 80202
 303-295-0400

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface: 1958' FSL 614' FWL
 At proposed prod. zone: 1958' FSL 614' FWL

6. LEASE DESIGNATION AND SERIAL NO.
 7-70192

7. UNIT AGREEMENT NAME
 N/A

8. FARMOR LEASE NAME, WELL NO.
 Larson Federal #12-3-8-23

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT
 Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 3, T8S, R23E, S.L.B.&M.

12. COUNTY OR PARISH
 Uintah

13. STATE
 Utah

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 See Topo Map "A"

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
 641'

16. NO. OF ACRES IN LEASE
 1280

17. NO. OF ACRES ASSIGNED TO THIS WELL
 160

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 2800'

19. PROPOSED DEPTH
 6150'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5385' GR

22. APPROX. DATE WORK WILL START*
 A.S.A.P.

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/2"	8 5/8"	24#	300'	(See attached drilling plan)
7 7/8"	5 1/2"	15.5#	6150'	(See attached drilling plan)

- M.I.R.U.
- Drill to T.D. 6150'
- Run 5 1/2" casing if commercial production is indicated.
- If dry hole, well will be plugged and abandoned as instructed by the B.L.M.
- Well will be drilled with fresh water to 4670', then Chem Gel Mud to T.D. Mud will be in place to run 5 1/2" casing.

CONFIDENTIAL

I hereby certify that I am responsible by the terms and conditions of the Lease to conduct lease operations. Bond Coverage pursuant to 43 CFR 3104 for lease activities is being provided by Chandler & Associates, Inc., B.L.M. Bond #124290364 with CNA.

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

24. SIGNED Robert L. Kay TITLE Agent for Chandler DATE 3-15-96
 (This space for Federal or State office use)

PERMIT NO. 43-047-32745 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 SPM Matthews TITLE Petroleum Engineer DATE 4/23/96

*See Instructions On Reverse Side

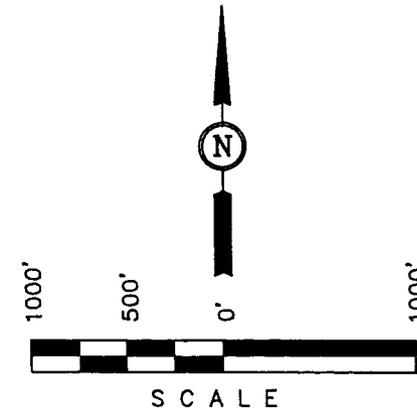
T8S, R23E, S.L.B.&M.

CHANDLER & ASSOCIATES, INC.

Well location, LARSON FEDERAL #12-3-8-23, located as shown in the NW 1/4 SW 1/4 of Section 3, T8S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION NEAR THE CENTER OF SECTION 3, T8S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH QUADRANGLE, UTAH-UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5485 FEET.

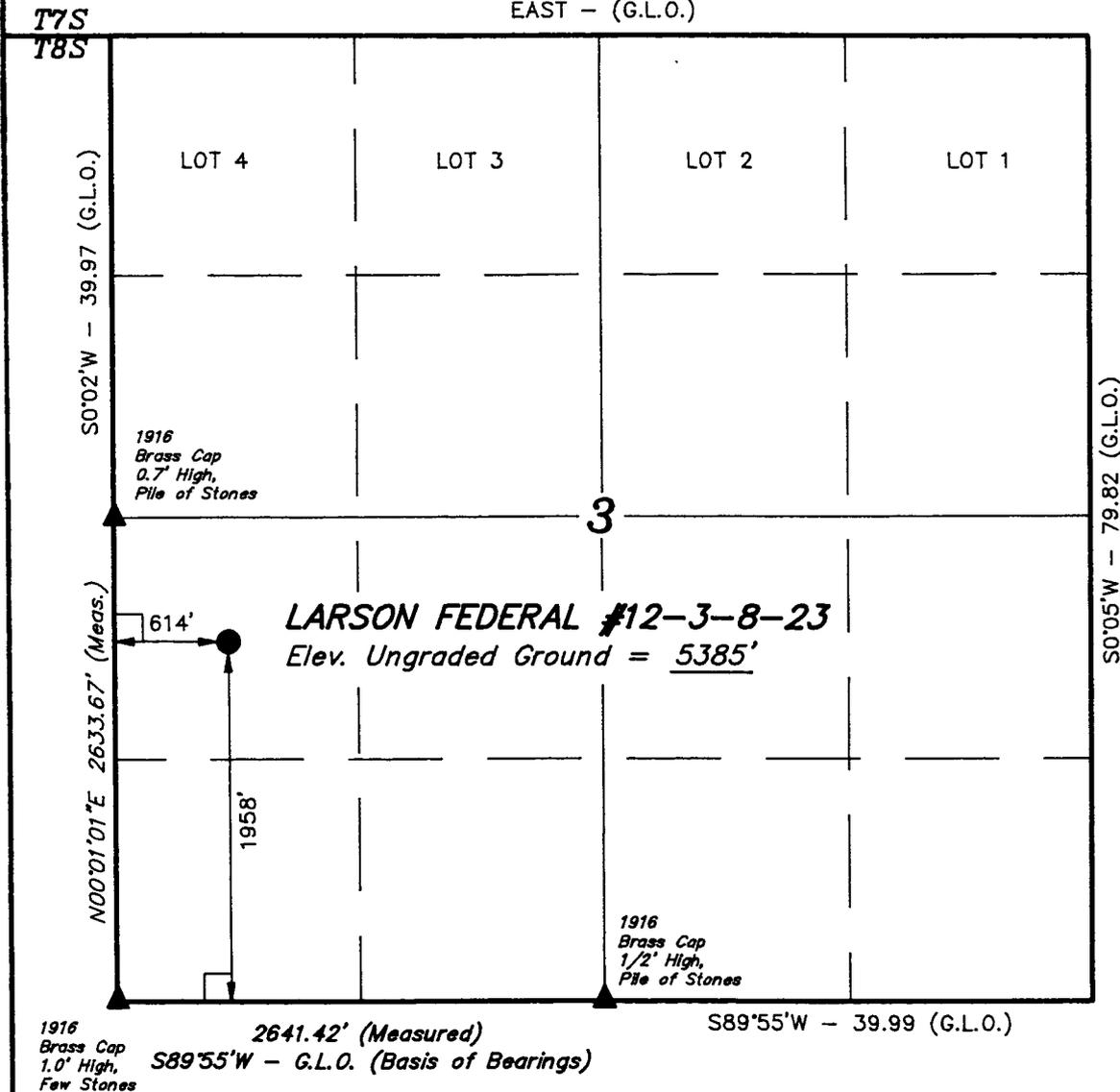


CERTIFICATE

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

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

UINTAH ENGINEERING & LAND SURVEYING		
85 SOUTH 200 EAST - VERNAL, UTAH 84078		
(801) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 2-27-96	DATE DRAWN: 2-29-96
PARTY B.B. D.W. D.R.B.		REFERENCES G.L.O. PLAT
WEATHER COOL		FILE CHANDLER & ASSOCIATES, INC.



LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

NOTE:
 DRY HOLE MAKER (SHELL GOVERNMENT #33-4) LOCATED IN THE NW 1/4 SE 1/4 OF SECTION 4, T8S, R23E, S.L.B.&M. WHICH BEARS S88°50'04"W 2749' FROM THE PROPOSED WELL HEAD.

CHANDLER & ASSOCIATES, INC.
DRILLING PLAN FOR THE
LARSON FEDERAL #12-3-8-23

I. DRILLING PLAN:

1. Geological Surface Formation: Uintah

2. Estimated Tops:

<u>Name</u>	<u>Top</u>	<u>Prod. Phase Anticipated</u>
Green River	2575'	
"X" Marker	4672'	Oil
Wasatch	5950'	

3. CASING PROGRAM:

	<u>Depth</u>	<u>Hole Size</u>	<u>Csg. Size</u>	<u>Type</u>	<u>Weight</u>
Surface	300'	12-1/4"	8-5/8"	K-55	24#/ft (new)
Prod.	6150'	7-7/8"	5-1/2"	K-55	15.5#/ft (new)

4. Operator's Specification for Pressure Control Equipment:

- A. 2,000 psi W.P. Double Gate BOP or Single Gate BOP (Schematic attached).
- B. Functional test daily.
- C. All casing strings shall be pressure-tested (0.2 psi/foot or 1500 psi, whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- D. All ram-type preventers and related control equipment shall be tested at the rated working pressure of the stack assembly or at 70 percent of the minimum internal yield pressure of the casing, whichever is less. Tests shall be done at the time of installation, prior to drilling out, and weekly. All tests shall be for a period of 15 minutes.

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Lason Federal #12-3-8-23

5. Auxiliary Equipment:

- A. Kelly Cock - yes.
- B. Float at the bit - no.
- C. Monitoring equipment on the mud system - Manned gas detection unit 1500' - TD..
- D. Full opening safety valve on rig floor - yes.
- E. Rotating head - no.
- F. The blooie line shall be a least 6" in diameter and extend at least 100' from the wellbore into the reserve/blooie pit.
- G. Blooie line ignition shall be provided by a continuous pilot (ignited when drilling below 500').
- H. Compressor shall be tied directly to the blooie line through a manifold.
- I. A mistor with a continuous stream of water shall be installed near the end of the blooie lines for dust suppression.

6. Proposed Circulating Medium:

<u>Depth</u>	<u>Mud Type</u>	<u>Density (lb./gal)</u>	<u>Viscosity</u>	<u>Water Loss</u>
0'-4670'	Fresh Water	8.4	30	No Control
4670-TD	Chem Gel	8.8	30-35	10 cc or less

7. Testing, Logging, and Coring Program:

- A. Cores - None anticipated.
- B. DST - none anticipated.

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Lason Federal #12-3-8-23

- C. Logging - DIL-GR (TD to base of surface casing).
FDC/CNL/GR/Cal (TD to 2000').
- D. Formation and Completion Interval: Green River interval, final determination of completion will be made by analysis of logs.
Stimulation - Stimulation will be designed for the particular area of interest as encountered.
- E. Frac gradient - approximately .80 psi/ft.

8. Cementing Program:

<u>Casing</u>	<u>Volume</u>	<u>Type & Additives</u>
Surface	200 sx	Class "G" w/2% CaCl ₂ (based on 100% access)
Production	700 sx*	250 sx 50/50 poz. followed by 450 sx Class "G".

Cement Characteristics:

Class "G" - yeild = 1.18 cu.ft. per. sack
weight = 15.8 lb./gal
strength = 3200 psi in 72 hrs @ 135 degrees

Super "G" - yeild = 2.76 cu.ft. Per. Sack
weight = 11.08 lb./gal.
Strength = 630 psi in 72 hrs @135 degrees

* Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

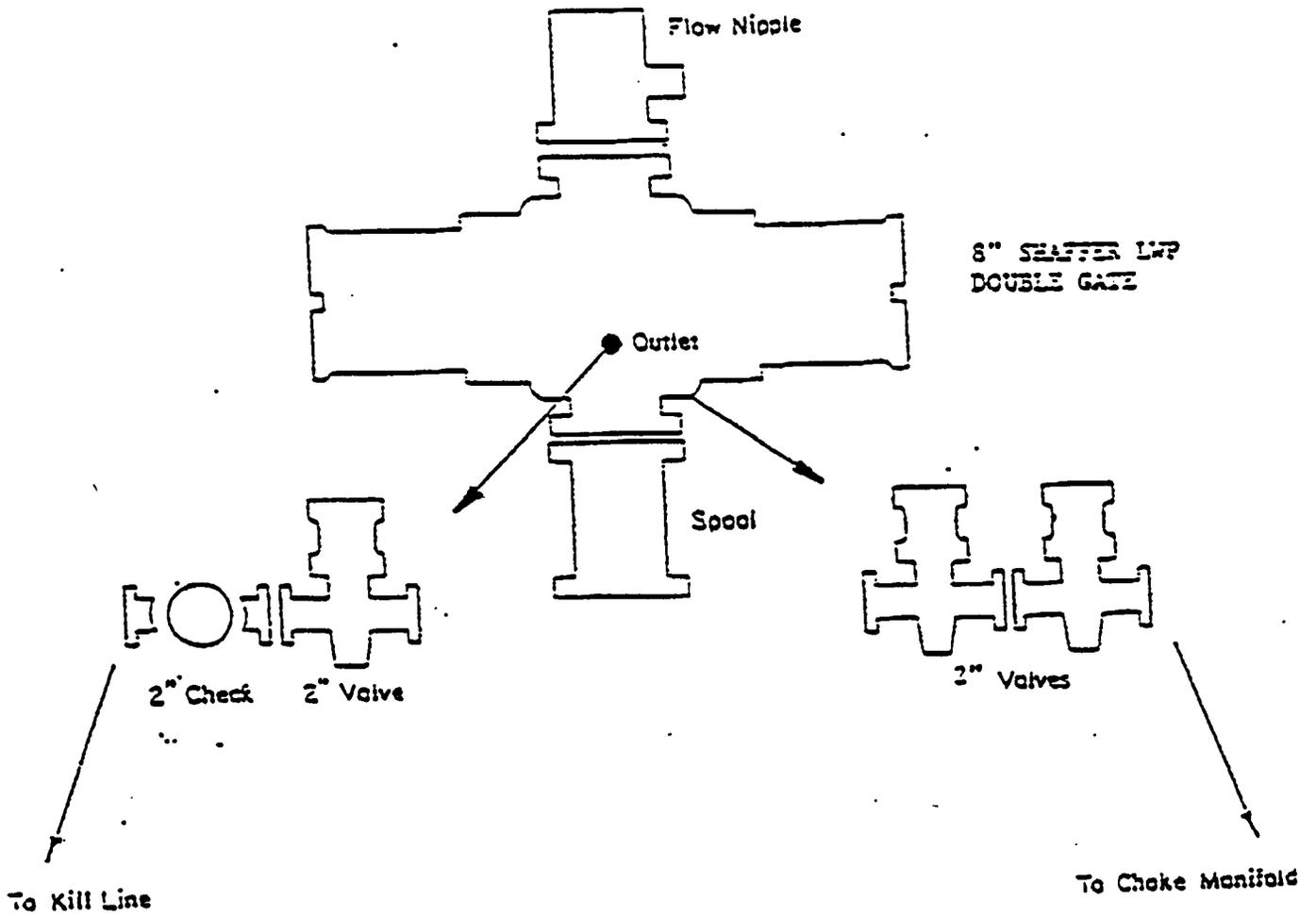
Chandler & Associates, Inc.
Lason Federal #12-3-8-23

9. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards:

No abnormal temperatures or pressures are anticipated. No H₂S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 1,600 psi (calculated at 0.342 psi/ft) and maximum anticipated surface pressure equals approximately 570 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/ft).

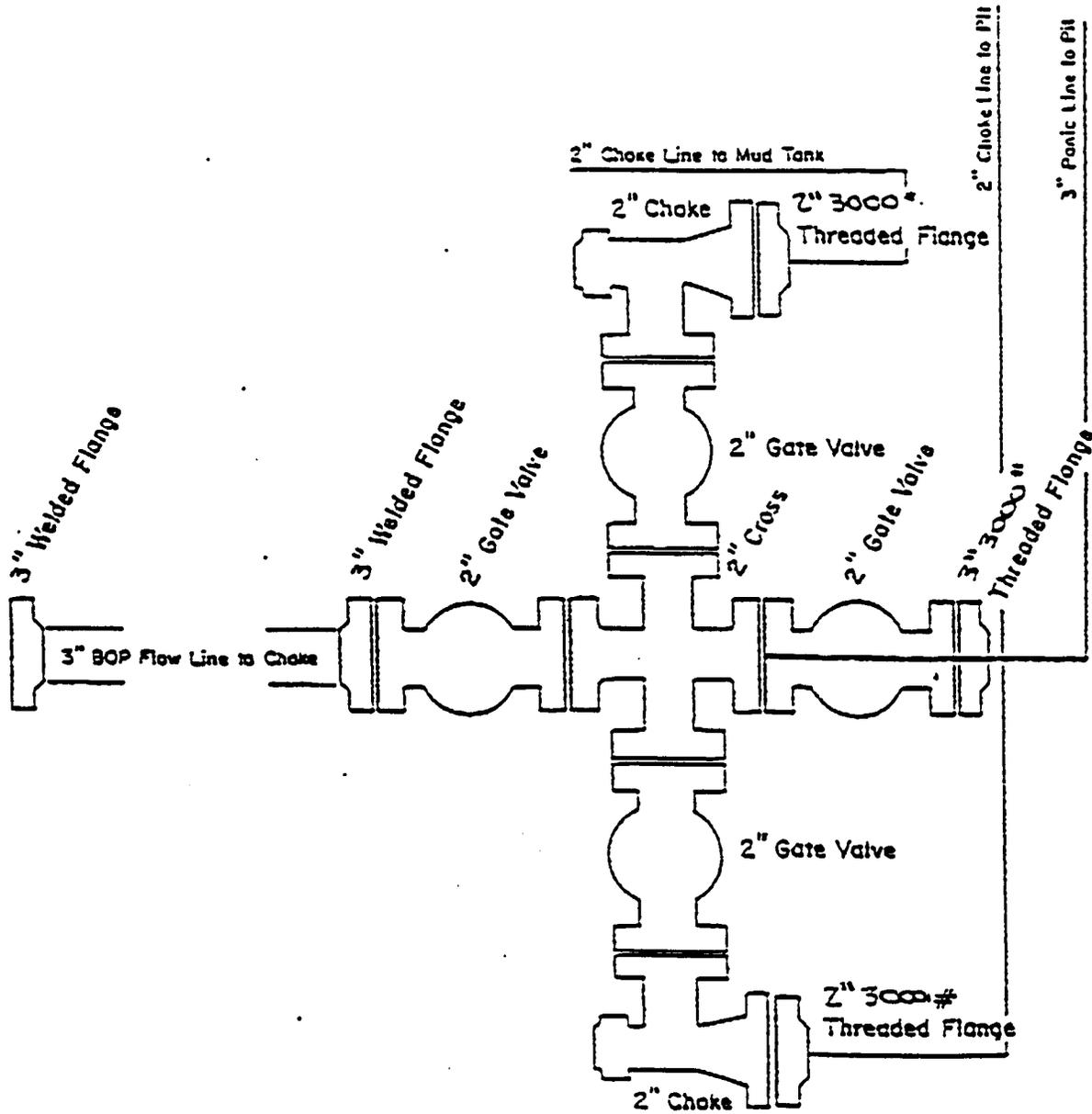
CHANDLER DRILLING

RIG NO.7



CHANDLER DRILLING

RIG NO.7



**II. SURFACE USE PLAN
CHANDLER & ASSOCIATES, INC.
LARSON FEDERAL #12-3-8-23**

1. Existing Road:

- A. Topo Map "A" is the vicinity map, showing the access routes from Vernal, Utah.
- B. Topo Map "B" shows the proposed access road to each individual well. It also shows existing roads in the immediate area.
- C. The existing and proposed access road, unless otherwise stated, shall be crowned, ditched, and dipped from the nearest improved road.
- D. Occasional maintenance blading and storm repairs will keep roads in good condition.
- E. There shall be no mud blading on the access road. Vehicles may be towed through the mud provided they stay on the roadway.

2. Planned Access Roads:

The proposed access road, will be crowned, ditched, and dipped.

- A. Maximum grade will be 8% or less, unless otherwise stated.
- B. No turnouts will be required.
- C. Low water crossings to be placed in Proposed Access road during drilling process and culverts may be installed at a later date.
- D. Road surface material will be that native to the area.

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Larson Federal #12-3-8-23

- E. No cattleguard will be required.
- F. The proposed access road was flagged at the time the location was staked.
- G. The area authorized officer will be contacted at least 24 hours prior to commencing construction of the access road and well pad.
- H. The backslopes of the proposed access roads will be no steeper than vertical or 1/4:1 in rock; and 2:1, elsewhere.

The operator or his contractor will notify the B.L.M. office at least 48 hours prior to commencement of any work on these locations, roadways, or pipelines.

3. Location of Existing Wells:

See Topo Map "C"

4. Location of Existing and/or Proposed Facilities:

- A. All Petroleum Production Facilities are to be contained within the proposed location sites.
- B. In the event that production of these wells is established, the following will be shown:
 - 1. Proposed location and attendant lines, by flagging, if off well pad.
 - 2. Dimensions of facilities.
 - 3. Construction methods and materials.

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- C. The area used to contain the proposed production facilities will be built using native materials. If these materials are not acceptable, then other arrangements will be made to acquire them from private sources. These facilities will be constructed using bulldozers, graders, and workman crews to construct and place the proposed facilities.
- D. All permanent facilities placed on the locations shall be painted a non-reflective color which will blend with the natural environment.
- E. A dike shall be constructed around the tank battery, of sufficient capacity to adequately contain at least 110 percent of the storage capacity of the largest tank within the dike.
- F. All buried pipelines shall be covered to a depth of 3 feet except at road crossings where they shall be covered to a depth of 4 feet.
- G. Construction width of the right-of way/pipeline route shall be restricted to 30 feet of disturbance.
- H. Pipeline location warning signs shall be installed within 90 days upon completion of construction.

5. Location and Type of Water Supply:

Any water to be used for the drilling of this well will be from a local trucking company and transported by truck along the access roads which are shown on the attached topo maps.

No water wells are to be drilled.

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6. Source of Construction Materials:

A. No construction materials are needed for drilling operations. In the event of production, the small amount of gravel needed for facilities will be hauled in by truck from a local gravel pit over existing access roads from the area. No special access other than for drilling operations and pipeline construction is needed.

B. All access roads crossing B.L.M. Land are described under item #2 and shown on Map #B. We are hereby requesting right-of-way for the portion of access road which is off lease and is highlighted on the attached Topo Map "B".

All Construction material for these location sites and access roads shall be borrow material accumulated during the construction of the location sites and access roads. No additional construction material from other sources is anticipated at this time, but if it is required, the appropriate actions will be taken to acquire it from private sources.

C. All well pad surface disturbance area is on B.L.M. lands

7. Methods for Handling Waste Disposal:

A. Drill cuttings will be buried in the reserve pit when covered.

B. Drilling fluids will be contained in the reserve pit.

C. Any hydrocarbon liquids produced while production testing will be contained in a test tank. Any unavoidable spills of oil or other adverse substances or materials will be removed immediately during drilling progress or during completion operations.

D. Portable chemical toilets will be provided and serviced by a local commercial sanitary service.

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- E. Garbage and trash will be collected in a trash cage and its contents hauled to a sanitary landfill.

All wastes caused by the construction activities shall be promptly removed and disposed of in a sanitary landfill or as directed by the authorized officer.

- F. Prior to commencement of drilling, the reserve pit will lined with a min. 12 mil liner over an adequate amount of straw bedding. It will also be fenced on three sides using 39-inch net wire with at least one (1) strand of barbed wire. All wire is to be stretched before attaching to corner posts. When drilling activities are completed it will be fenced on the fourth side and allowed to dry (if liquids are present). After drying, the fences will be removed and the pit shall be buried. Reclamation will be undertaken no later than the fall of the year after all drilling activity has ceased.

8. Ancillary Facilities:

No air strips, camps, or other living facilities will be built off the location. Housing and office trailers will be on the location as seen on the location layout.

9. Well Site Layout:

- A. See attached cutsheet.
- B. The areas authorized officer will be contacted at least 24 hours prior to commencing construction of the access road and well pad.
- C. The authorized officer will determine after the location is constructed whether the pit is to be lined, and if so, the type of material to be used.
- D. Topsoil shall be stripped to a depth of 4 to 6 inches and stockpiled as shown on the location layout plat.
- E. The backslopes of the locations will be no steeper than vertical or 1/4:1 in rock, and 2:1 elsewhere.

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- F. The upper edges of all cut banks on the access roads and well pads will be rounded.
- G. Catchment ponds to be placed as required to intercept drainage re-routes.

10. Plans for Restoration:

- A. Immediately upon completion, the location and surrounding area will be cleared of all debris, materials, trash and junk not required for production.
- B. Before any dirt work to restore the location takes place, the reserve pit must be completely dry. The reserve pit will be reclaimed within 90 days from the date of well completion.
- C. The area officer shall be notified at least 48 hours prior to commencing reclamation work.
- D. All disturbed areas will be seeded with the a mixture which is found suitable by the B.L.M.
- E. The seed bed will be prepared by disking, following the natural contour. Drill seed on contour at a depth no greater than 1/2 inch. In areas that cannot be drilled, the seed will be broadcast at double the seeding rate and harrowed into soil. Certified seed is recommended.
- F. Fall seeding will be completed after September, and prior to prolonged ground frost.

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Larson Federal #12-3-8-23

- G. If the well is a producer, access roads will be upgraded and maintained as necessary to prevent soil erosion, and accommodate year round traffic. Areas unnecessary to operations will be reshaped, topsoil distributed, and seed distributed according to the above mixtures. Perennial vegetation must be established. Additional work shall be required in case of seeding failures, etc.
- H. If the well is abandoned or is a dry hole, the access road and location will be restored to approximate the original contours. During reclamation of the site the fill material will be pushed into cuts and up over the backslope. No depressions will be left that would trap water or form ponds. Topsoil will be distributed evenly over the location and seeded according to the above mixture. The access road and the location shall be ripped or disked prior to seeding. Perennial vegetation must be established. Additional work shall be required in case of seeding failures, etc.
- I. Annual or noxious weeds shall be controlled on all disturbed areas. Method of control shall be by an approved mechanical method or an Environmental Protection Agency (EPA) registered herbicide. All herbicide application proposals must be approved. Application of herbicides must be under direct field supervision of an EPA certified pesticide applicator.

11. Other Information:

- A. The area is used by man for the primary purpose of grazing domestic livestock.

All activity shall cease when soils or road surfaces become saturated to a depth of three inches, unless otherwise approved by the Authorized Officer.

If any fossils are discovered during construction, the operator shall cease construction immediately and notify the Authorized Officer so as to determine the significance of the discovery.

- B. A Class III cultural resource inventory shall be completed prior to disturbance by a qualified professional Archaeologist.

Chandler & Associates, Inc.
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- C. The B.L.M. considers the development of groundwater resources to be necessary and frequently indispensable to effective land management. Therefore, any groundwater intercepted by the party conducting mineral exploration shall be reported to the authorized officer immediately including approximate quantities and a sample in a sealed quart container. The B.L.M. shall have the first opportunity to file State water rights for the intercepted groundwater. The undersigned may file for water rights only with a written waiver from the State.
- D. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:
- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and a timeframe for the AO to complete an expedited review under 36 CFR 800-11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

Chandler & Associates, Inc.
Larson Federal #12-3-8-23

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, an operator will then be allowed to resume construction.

- E. Less than 10,000 pounds of any chemical(s) from EPA's Consolidated list of Chemicals Subject to Reporting Under Title III of the Superfund Amendments and Reauthorization Act (SARA) of 1986, and less than threshold planning quantity (TPQ) of any extremely hazardous substances(s), as defined in 40 CFR, would be used, produced, transported, stored, disposed, or associated with the proposed action.

12. Lessee's or Operator's Representative:

Mr. Don Johnson
Manager Operations/Production
Chandler & Associates, Inc.
475 Seventeenth Street
Suite 1000
Denver, Colorado 80202
Telephone #(303)295-0400

Chandler & Associates, Inc.
Larson Federal #12-3-8-23

13. Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite(s) and access route(s); that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by **Chandler & Associates, Inc.**, and its contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

This statement is subject to the provision of 18 U.S.C. 1001 for the filing of a false statement.

3-18-96
Date

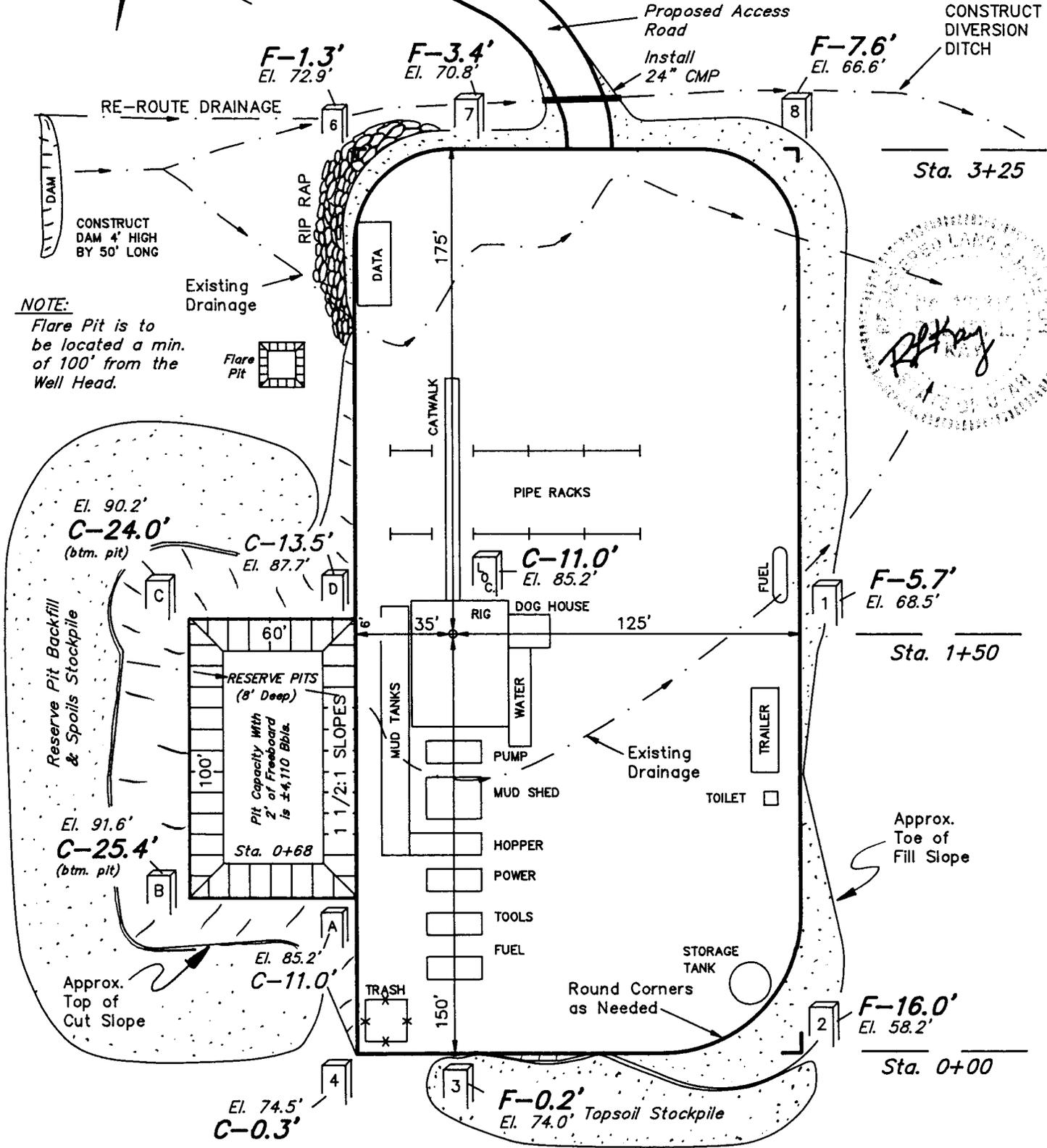
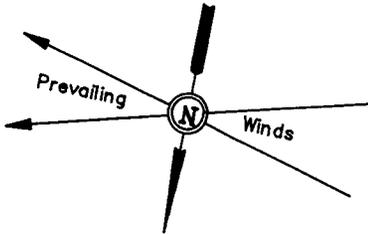
Robert L. Kay
Robert L. Kay
Agent

CHANDLER & ASSOCIATES, INC.

LOCATION LAYOUT FOR

LARSON FEDERAL #12-3-8-23
SECTION 3, T8S, R23E, S.L.B.&M.
1958' FSL 614' FWL

SCALE: 1" = 50'
DATE: 2-29-96
Drawn By: D.R.B.
Revised: 3-18-96 D.R.B.



NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.



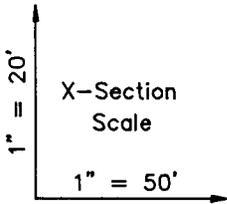
Elev. Ungraded Ground at Location Stake = 5385.2'
Elev. Graded Ground at Location Stake = 5374.2'

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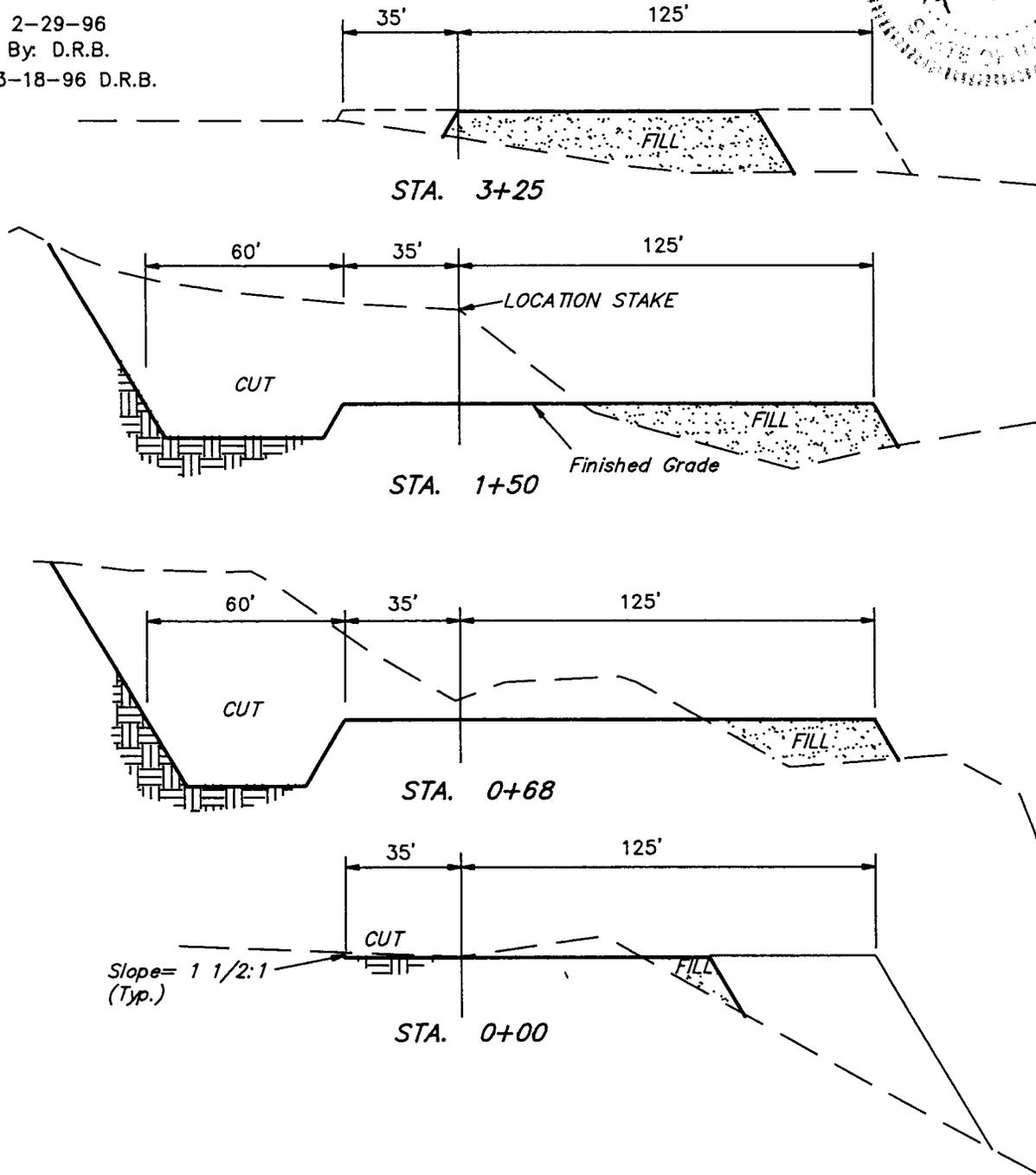
CHANDLER & ASSOCIATES, INC.

TYPICAL CROSS SECTIONS FOR

**LARSON FEDERAL #12-3-8-23
SECTION 3, T8S, R23E, S.L.B.&M.
1958' FSL 614' FWL**



DATE: 2-29-96
Drawn By: D.R.B.
Revised: 3-18-96 D.R.B.

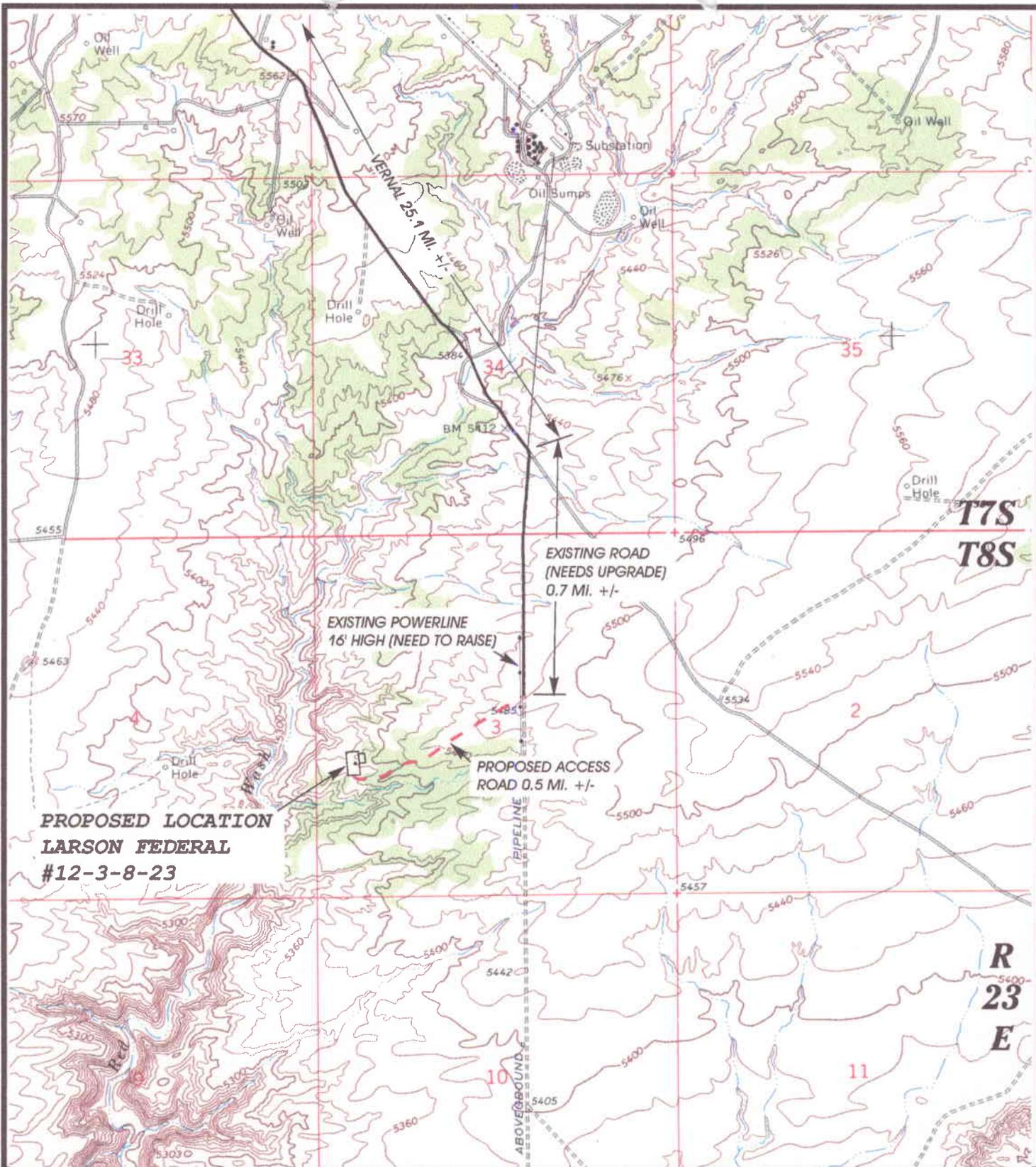


APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 1,070 Cu. Yds.
Remaining Location	= 9,030 Cu. Yds.
TOTAL CUT	= 10,100 CU.YDS.
FILL	= 7,980 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 1,700 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 1,700 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

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



**PROPOSED LOCATION
LARSON FEDERAL
#12-3-8-23**

UELS

**TOPOGRAPHIC
MAP "B"**

**DATE: 3-1-96
Drawn by: D.R.B.**

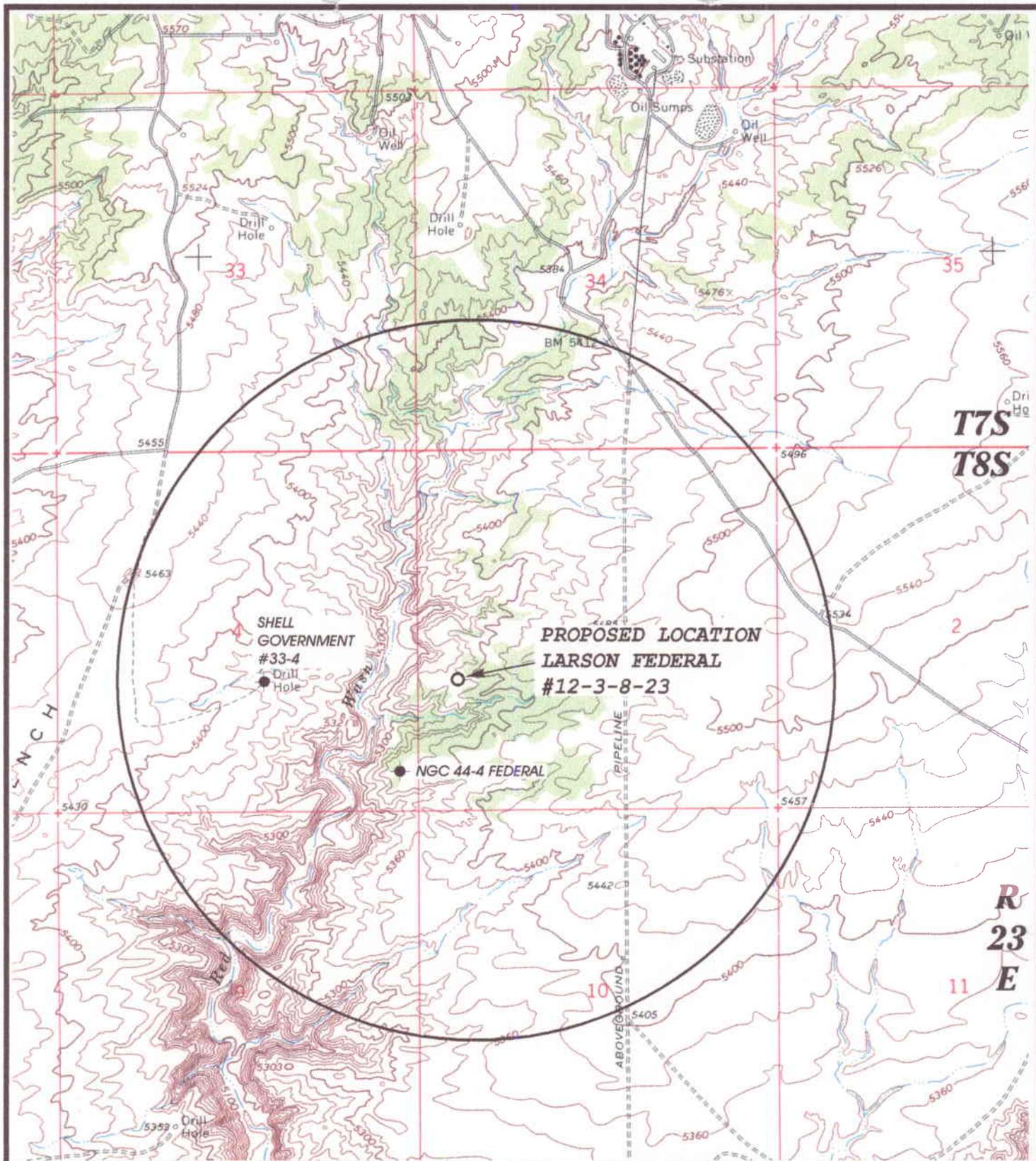
**UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017**



SCALE: 1" = 2000'

CHANDLER & ASSOCIATES, INC.

**LARSON FEDERAL #12-3-8-23
SECTION 3, T8S, R23E, S.L.B.&M.
1958' FSL 614' FWL**



LEGEND:

- Water Wells
- Abandoned Wells
- Temporarily Abandoned Wells
- Disposal Wells
- Drilling Wells
- Producing Wells
- Shut-in Wells

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



SCALE: 1" = 2000'

CHANDLER & ASSOCIATES, INC.

LARSON FEDERAL #12-3-8-23
 SECTION 3, T8S, R23E, S.L.B.&M.
**TOPOGRAPHIC
 MAP "C"**

DATE: 3-1-96 Drawn by: D.R.B.
 Revised: 3-18-96 D.Cox

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/20/96

API NO. ASSIGNED: 43-047-32745

WELL NAME: LARSON FEDERAL 12-3-8-23
OPERATOR: CHANDLER & ASSOCIATES (N3320)

PROPOSED LOCATION:

NWSW 03 - T08S - R23E
SURFACE: 1985-FSL-0614-FWL
BOTTOM: 1985-FSL-0614-FWL
UINTAH COUNTY
UNDESIGNATED FIELD (002)

INSPECT LOCATION BY: / /

TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: FED
LEASE NUMBER: U - 70192

PROPOSED PRODUCING FORMATION: GRRV

RECEIVED AND/OR REVIEWED:

Plat
 Bond: Federal State Fee
(Number 124290364)
 Potash (Y/N)
 Oil shale (Y/N)
 Water permit
(Number COMMERCIAL SOURCE)
 RDCC Review (Y/N)
(Date: _____)

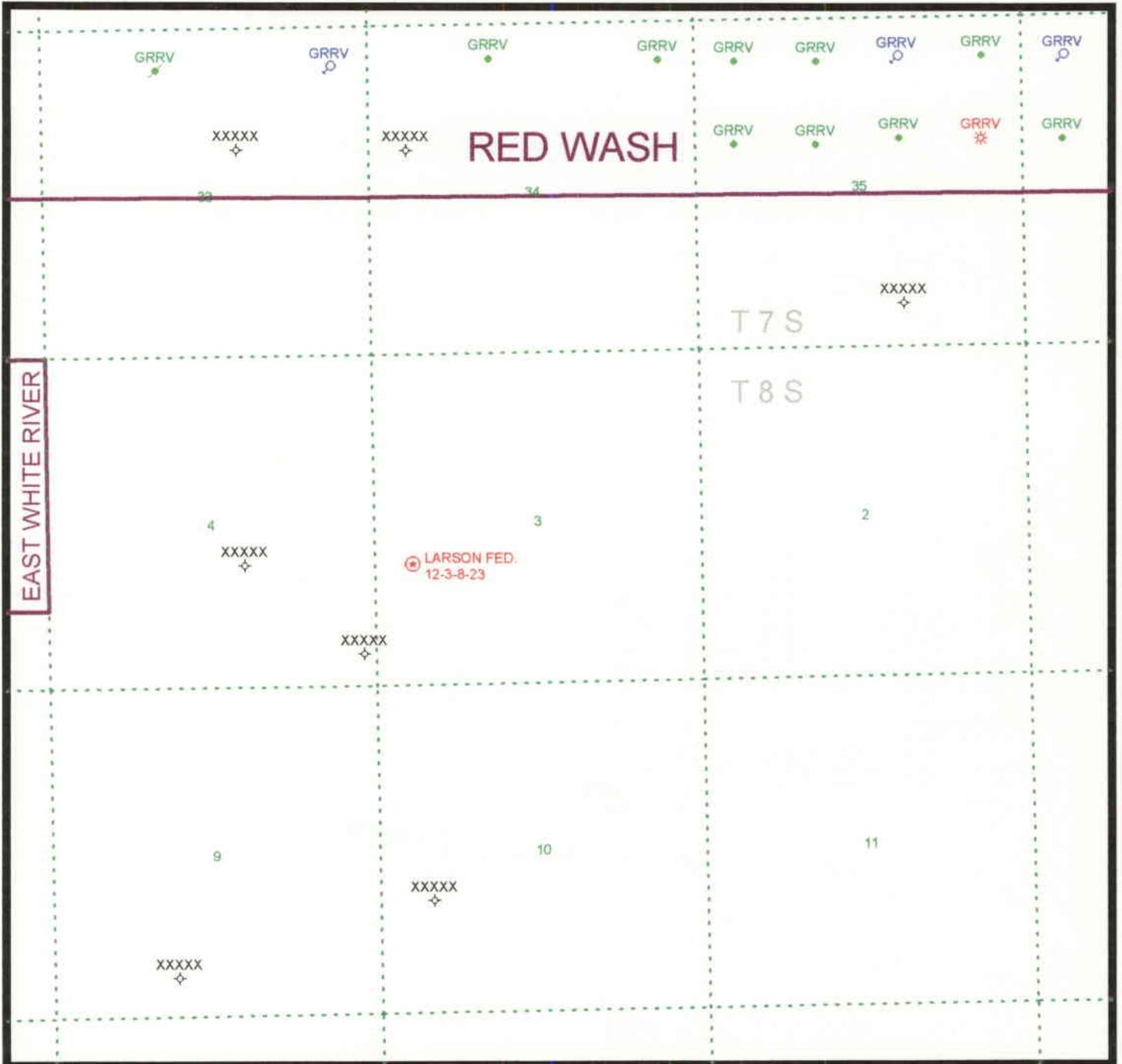
LOCATION AND SITING:

___ R649-2-3. Unit: _____
 R649-3-2. General.
___ R649-3-3. Exception.
___ Drilling Unit.
___ Board Cause no: _____
___ Date: _____

COMMENTS: _____

STIPULATIONS: _____

CHANDLER & ASSOCIATES EXPLORATORY DRILLING SEC. 3, T8S, R23E UINTAH COUNTY R649-3-2



PREPARED:
DATE: 22-MAR-96



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

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

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

April 23, 1996

Chandler & Associates, Inc.
475 Seventeenth Street, Suite 1000
Denver, Colorado 80202

Re: Larson Federal 12-3-8-23 Well, 1958' FSL, 614' FWL,
NW SW, Sec. 3, T. 8 S., R. 23 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 43-047-32745.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. J. Firth'.

R. J. Firth
Associate Director

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



Operator: Chandler & Associates, Inc.

Well Name & Number: Larson Federal 12-3-8-23

API Number: 43-047-32745

Lease: U-70192

Location: NW SW Sec. 3 T. 8 S. R. 23 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.

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

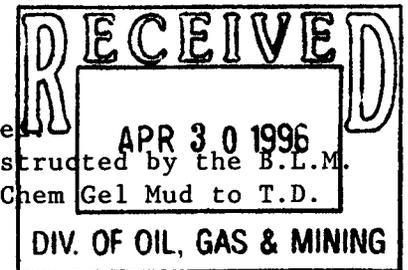
APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. U-70192
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
2. NAME OF OPERATOR Chandler & Associates, Inc.		7. UNIT AGREEMENT NAME N/A
3. ADDRESS AND TELEPHONE NO. 475 Seventeenth St., Suite 1000 Denver, CO 80202 303-295-0400		8. FARMOR LEASE NAME, WELL NO. Larson Federal #12-3-8-23
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1958' FSL 614' FWL At proposed prod. zone <i>43-047-32745</i>		9. API WELL NO.
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* See Topo Map "A"		10. FIELD AND POOL, OR WILDCAT Wildcat
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 641'	16. NO. OF ACRES IN LEASE 1280	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 3, T8S, R23E, S.L.B.&M.
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2800'	19. PROPOSED DEPTH 6150'	12. COUNTY OR PARISH Uintah
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5385' GR	20. ROTARY OR CABLE TOOLS Rotary	13. STATE Utah
22. APPROX. DATE WORK WILL START* A.S.A.P.		

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASINO	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/2"	8 5/8"	24#	300'	(See attached drilling plan)
7 7/8"	5 1/2"	15.5#	6150'	(See attached drilling plan)

1. M.I.R.U.
2. Drill to T.D. 6150'
3. Run 5 1/2" casing if commercial production is indicated
4. If dry hole, well will be plugged and abandoned as instructed by the B.L.M.
5. Well will be drilled with fresh water to 4670', then Chem Gel Mud to T.D. Mud will be in place to run 5 1/2" casing.



I hereby certify that I am responsible by the terms and conditions of the Lease to conduct lease operations. Bond Coverage pursuant to 43 CFR 3104 for lease activities is being provided by Chandler & Associates, Inc., B.L.M. Bond #124290364 with CNA.

210969

MAR 19 1996

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

24. SIGNED Robert L. Kay TITLE Agent for Chandler DATE 3-15-96
(This space for Federal or State office use)

NOTICE OF APPROVAL CONDITIONS OF APPROVAL ATTACHED

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 ASSISTANT DISTRICT MANAGER MINERALS DATE APR 24 1996
Div O&G M
U-7080-601-587

*See Instructions On Reverse Side

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Chandler & Associates

Well Name & Number: Larson Federal 12-3-8-23

API Number: 43-047-32745

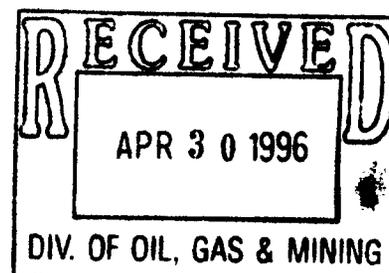
Lease Number: U - 70192

Location: NWSW Sec. 03 T. 8S R. 23E

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 2M 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 top of the Mahogany oil shale zone, identified at 3,670 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 \pm 3,470 ft., and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office. A Sonic log will be run from TD to a minimum of 200 ft above the top of the Mahogany oil shale.

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 3162.7-2, 3162.7-3, and 3162.7-4 shall be submitted to the appropriate District Office within thirty (30) 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 3162.7-4.

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 onlease 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 on initial meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

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

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

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

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

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

Ed Forsman (801) 789-7077
Petroleum Engineer

Wayne P. Bankert (801) 789-4170
Petroleum Engineer

Jerry Kenczka (801) 781-1190
Petroleum Engineer

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 PROGRAM
Conditions of Approval (COAs)

METHODS FOR HANDLING WASTE DISPOSAL

The reserve pit shall be constructed so as not to leak, break, or allow discharge. After first production, produced water will be confined to the reserve pit for a period not to exceed ninety (90) days. During the 90 day period, in accordance with Onshore Order # 7, an application for approval of a permanent disposal method and location, along with required water analysis, shall be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.

WELLSITE LAYOUT

Note especially the layout diagram shows the erosion dam discussed at the onsite to be about 4 feet high by 50 feet long. Its spillway would direct water to the reroute of the drainage and the 24 inch diameter culvert shown in the diagram. The southeast corner of the pad would be riprapped as shown to further protect the south side of the pad from possible erosion impacts of storm events.

OTHER INFORMATION

The lessee/operator is given notice that lands in this lease have been identified as containing Raptor Species or potential Habitat for Raptors. The following recommendation is therefore made: When production equipment is installed on the well, the well should be fitted with a multi-cylinder engine to quiet the well. This will limit the noise that will travel into areas that support raptors and/or raptor habitat.

Erosion control dam and pad reinforcement shall be implemented as indicated on the layout diagram.

The existing road .7 miles shown on map "B" would be maintained in it's current alignment to the same standard as that of the proposed new access road. Chandler and Associates would comply with the conditions specified in the right of way agreement for this off-lease access. The new access road would include a suitable pipeline crossing. Powerline crossings would be modified or lines raised where necessary to allow equipment to pass under the lines.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved APD, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

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

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: CHANDLER & ASSOCIATES

Well Name: LARSON FEDERAL 12-3-8-23

Api No. 43-047-32745

Section 3 Township 8S Range 23E County UINTAH

Drilling Contractor CHANDLER

Rig #: 7

SPUDDED:

Date: 5/11/96

Time: _____

How: ROTARY

Drilling will commence: _____

Reported by: D. HACKFORD-DOGM

Telephone #: _____

Date: 5/16/96 Signed: JLT

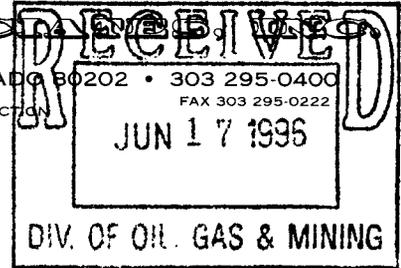


CHANDLER & ASSOCIATES, INC.

475 17TH ST. • SUITE 1000 • DENVER, COLORADO 80202 • 303 295-0400

OIL & GAS EXPLORATION AND PRODUCTION

FAX 303 295-0222



June 13, 1996

State of Utah.
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

RE: Well information Confidentiality

Chandler & Associates, Inc., as operator of the well listed below, respectively requests that all information regarding this well be held confidential.

Larson Federal #12-3-8-23
NW SW Section 3, T8S R23E
Uintah County, Utah
API #43 047 32745

Should you have any questions or need any additional information, please feel free to contact me at (303) 295-0400.

Sincerely,

Thomas D. Taylor
Production Geologist

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

REPORT OF WATER ENCOUNTERED DURING DRILLING

1. Well name and number: LARSON FEDERAL #12-3-8-23

API number: 43-047-32745

2. Well Location: QQ NWSW Section 3 Township 8S Range 23E County Uintah

3. Well operator: CHANDLER & ASSOCIATES, INC.

Address: 475 17th Street, Suite 1000

Denver, CO 80202

Phone: (303) 295-0400

4. Drilling contractor: CHANDLER DRILLING CORPORATION

Address: 475 17th Street, Suite 1000

Denver, CO 80202

Phone: (303) 295-0400

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

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
N.A.	N.A.	N.A.	N.A.

6. Formation tops: No open hole logs run due to problems
with stuck drill pipe.

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

I hereby certify that this report is true and complete to the best of my knowledge.

Date: 6/4/96

Name & Signature: *D.M. Johnson*

Title: Vice President/Operations

D.M. Johnson

OPERATOR CHANDLER & ASSOCIATES, INC.

OPERATOR ACCT. NO. N 3320

ADDRESS 475 17th STREET, SUITE 1000
DENVER, CO 80202

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
A	99999	11931	43-047-32745	LARSON FEDERAL#12-3-8-23	NWSW	3	8S	23E	Uintah	5-7-96	5-7-96
WELL 1 COMMENTS: Entity added 6-11-96. Lic											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

- ACTION CODES (See instructions on back of form)
- A - Establish new entity for new well (single well only)
 - B - Add new well to existing entity (group or unit well)
 - C - Re-assign well from one existing entity to another existing entity
 - D - Re-assign well from one existing entity to a new entity
 - E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

 6/4/96
Signature
Vice President/Operations
Title
Date
Phone No. (303) 295-0400

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See Instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

U-70192

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

N.A.

UNIT AGREEMENT NAME

N.A.

FARM OR LEASE NAME

LARSON FEDERAL

7. WELL NO.

12-3-8-23

10. FIELD AND POOL, OR WILDCAT

WILDCAT

11. SEC. T., R., M., OR BLOCK AND SURVEY OR AREA

Sec 3-T8S-R23E

12. COUNTY OR PARISH

Uintah

13. STATE

Utah

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL GAS WELL DRY

b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR.

2. NAME OF OPERATOR

CHANDLER & ASSOCIATES, INC.

3. ADDRESS OF OPERATOR

475 17th STREET, SUITE 1000 DENVER, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface

NW SW (1958' FSL & 614' FWL)

At top prod. interval reported below

At total depth

SAME

SAME

14. PERMIT NO.

43-047-32745

DATE ISSUED

4-23-96

12. COUNTY OR PARISH

Uintah

13. STATE

Utah

15. DATE SPUDDED

5-7-96

16. DATE T.D. REACHED

5-20-96

17. DATE COMPL. (Ready to prod.)

N.A. 5-22-96

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*

5385' GL 5395' KB

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD

6105

21. PLUG, BACK T.D., MD & TVD

N.A.

22. IF MULTIPLE COMPL., HOW MANY*

N.A.

23. INTERVALS DRILLED BY

→

ROTARY TOOLS

O-TD

CABLE TOOLS

NO

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

N.A.

25. WAS DIRECTIONAL SURVEY MADE

NO

26. TYPE ELECTRIC AND OTHER LOGS RUN

NONE/ PLUGGED DUE TO STUCK DRILL PIPE

27. WAS WELL CORED

NO

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

CASINO SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8	24	289	12 1/4	215sx. class 'G'	N.A.

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33.* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
			→				
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
		→					

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

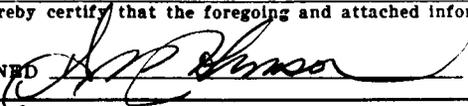
TEST WITNESSED BY

35. LIST OF ATTACHMENTS

cement report

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED



TITLE

Vice President of Operations

DATE

6/4/96

*(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
			<p>No cores No tests Not logged</p>

38. GEOLOGIC MARKERS

NAME	MEAS. DEPTH	TOP TRUE VERT. DEPTH



CUSTOMER Chambers		DATE 5-22-76	FB# 402458	SER. SUP. Rex Edwards	TYPE JOB PLA								
LEASE & WELL NAME-DCSG KANSAS Fed 12-3		LOCATION Sec 3 T8S R12E		COUNTY-PARISH-BLOCK Lincoln									
DISTRICT Vernal		DRILLING CONTRACTOR/RIG Chambers 7		OPERATOR Seame									
MATERIAL FURNISHED BY WPS	TYPE OF PLUGS		LIST-CSG-HARDWARE		SQ MANI FOLD	TOP OF EACH FLUID	PHYSICAL SLURRY PROPERTIES						
	TOP BTM	1/A	1/A				SLURRY WGT PPG	SLURRY YLD FT ³	WATER GPS	PUMP TIME HR:MIN	Bbl SLURRY	Bbl MIX WATER	
		1st Plug 115 SKS "G" + 3% CaCl₂ + 1/4 #/sk Cello Flake		2825	2825	15.8	1.14	5.0	1.00	23.5	13.7		
		2nd Plug 115 SKS "G" + 3% CaCl₂ + 1/4 #/sk Cello Flake		2825	2825	15.8	1.14	5.0	1.00	23.5	13.7		
		3rd Plug 35 SKS "G" NEAT		2515	2397	15.8	1.14	5.0	3.00	7.1	4.0		
		4th Plug 80 SKS "G" + 2% CaCl₂		2215	1946	15.8	1.14	5.0	1.30	16.2	9.5		
		5th Plug 155 SKS "G" + 2% CaCl₂		396	SURE	15.8	1.14	5.0	1.30	31.5	18.5		
Available Mix Water 400 Bbl.		Available Displ. Fluid 400 Bbl.		TOTAL		1018.594							
HOLE			TBG-CSG-D.P.			TBG-CSG-D.P.			COLLAR DEPTHS				
SIZE	% EXCESS	DEPTH	SIZE	WGT.	TYPE	DEPTH	SIZE	WGT.	TYPE	DEPTH	SHOE	EQAT	STAGE
7 7/8	30%	2840	4"	14.4	EUE	2825							
LAST CASING			PKR-CMT RET-BR PL-LINER			PERF. DEPTH		TOP CONN		WELL FLUID			
SIZE	WGT.	TYPE	DEPTH	BRAND & TYPE		DEPTH	TOP	STM	SIZE	THREAD	TYPE	WGT.	
8 5/8	24.00	J-55	288						4"	F.H.	MUD	8.8	
CAL DISPL VOL.-Bbl.			CAL PSI		CAL. MAX PSI		OP. MAX		MAX TBG PSI		MAX CSG PSI		DISPL FLUID
CSG.	CSG.	CSG.	TOTAL	BUMP PLOG	TO REV	SO. PSI	FATED	OP.	RATED	OP.			WATER SOURCE
0.084	0.637		26.0				7940	3000				8.39	Rig
EXPLANATION: TROUBLE SETTING TOOL, RUNNING CSG, ETC. PRIOR TO CEMENTING.													
PRESSURE/RATE DETAIL						EXPLANATION							
TIME HR: MIN.	PRESSURE-PSI		RATE BPM	Bbl. FLUID PUMPED	FLUID TYPE	SAFETY MEETING: WPS CREW <input checked="" type="checkbox"/> CO. REP <input type="checkbox"/>							
	PIPE	ANNULUS				TEST LINES 3000 PSI 8:50 PM							
PM						CIRCULATING WELL-RIG <input checked="" type="checkbox"/> WPS <input type="checkbox"/>							
8:52	200	0	3.3	10	H₂O	START H₂O AHEAD							
8:55	0	0				Shut Down mix Cmt / ST							
8:59	180	0	3.9	23.5	Cmt	START Cmt							
9:05	0	0	6.5	2.5	H₂O	START Displacement H₂O / Plug							
9:05	0	0	6.5	23.5	MUD	START MUD							
9:09	200	0				Shut Down Balance Plug							
						WAIT TILL 11:30 PM TO TAG							
3:01 AM	200	0	3.3	10	H₂O	START H₂O AHEAD							
3:04	0	0				Shut Down mix Cmt / Plug							
3:06	75	0	3.0	23.5	Cmt	START Cmt / over							
3:14	180	0	6.5	2.5	H₂O	START Displacement H₂O							
3:14	180	0	6.5	23.5	MUD	START MUD							
3:18	200	0				Shut Down Balance Plug							
						WAIT TILL 5:30 AM TO TAG							
6:22	200	0	3.3	10	H₂O	START H₂O							
6:25	100	0	2.0	7.1	Cmt	START Cmt / (top out)							
6:29	150	0	6.5	2.5	H₂O	START Displacement H₂O / 1st Plug							
6:29	150	0	6.5	23.5	MUD	START MUD							
6:32	250	0				Shut Down Balance Plug							
						(Go to next Plug up Hole)							
						Page 1 of 2 Supplement Page 2							
BUMPED PLUG	PSI TO BUMP PLUG	TEST FLOAT EQUIP.	TOTAL Bbl. PUMPED	Bbl. CMT RETURNS/ REVERSED	PSI LEFT ON CSG	SPOT TOP CEMENT	SER. SUP. Rex Edwards						
Y	N	Y	162.1			SURE	CUSTOMER REP Jim Simonson						