

Seeley Oil Company

DE BENNEVILLE K. SEELEY, JR.
OWNER

POST OFFICE BOX 9015
SALT LAKE CITY, UT 84109-0015
PHONE (801) 467 - 6419
FAX (801) 272 - 3340

22 July 1996

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

Dear Sirs:

RE: Paul T. Walton & Associates
1 State
NE/SE Sec. 3 - T. 6S-R. 22 E
Uintah County, Utah

Enclosed please find our Application for Permit to Drill as well as Survey Plat and Archeology Report for the above referenced location.

We desire particularly to use the Platted irregular location due to geologic reasons, more particularly due to surface evidence of much better fracturing at the top of the structure rather than downdip to the west. Hence, chances of fracture oil production are increased at our requested location.

I shall be available at your earliest convenience for on-site conference or for any other data you may require. Please contact me at the letterhead telephone number.

Thank you for your assistance in this matter.

Very truly yours,



de Benneville K. Seeley, Jr.
agent for Paul T. Walton & Associates

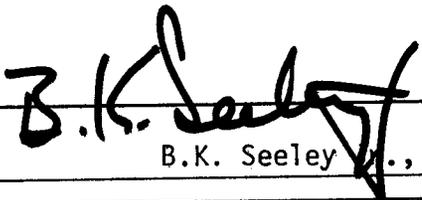
EXCEPTIONAL
SPACING
REQUEST

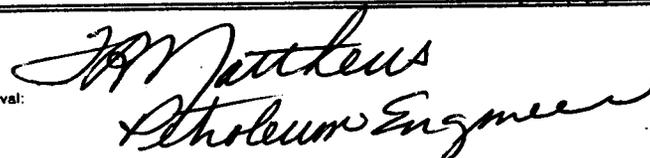
APPLICATION FOR PERMIT TO DRILL OR DEEPEN		5. Lease Designation and Serial Number: ML-45893	
		6. If Indian, Allottee or Tribe Name: N/A	
1A. Type of Work: DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		7. Unit Agreement Name: N/A	
B. Type of Well: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER: <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name: State	
2. Name of Operator: Paul T. Walton & Associates		9. Well Number: #1	
3. Address and Telephone Number: 1102 Walker Center, Salt Lake City, Utah 84111, 801-364-4333		10. Field and Pool, or Wildcat: Wildcat	
4. Location of Well (Footages) At Surface: 2262' N/S - 1184' W/E At Proposed Producing Zone: Same		11. Qtr/Qtr, Section, Township, Range, Meridian: NE/SE Sec. 3 - T.6S - R.22E S.L.M.	
14. Distance in miles and direction from nearest town or post office: 12 miles SE of town of Vernal.		12. County: Uintah	13. State: UTAH
15. Distance to nearest property or lease line (feet): 1184'	16. Number of acres in lease: 861.92	17. Number of acres assigned to this well: 40	
18. Distance to nearest well, drilling, completed, or applied for, on this lease (feet): N/A	19. Proposed Depth: 4000'	20. Rotary or cable tools: Rotary	
21. Elevations (show whether DF, RT, GR, etc.): 4944' ungraded ground		22. Approximate date work will start: August 1, 1996	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
surface csg.	7"	23-24#	250'	cement to surface
production csg.	4 1/2 - 5"			

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.

Propose to drill vertical hole with air compressors to 4000' depth in the Mancos shale, drilling for fracture oil production. If hole indicates oil production, will run casing and attempt oil completion.

24. 
Name & Signature: **B.K. Seeley**, phone **801-467-6419** Agent for Paul T. Walton & Assoc. 7/27/96

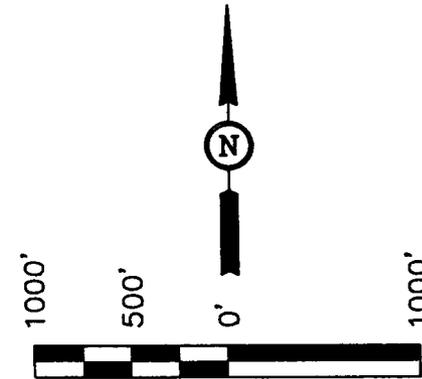
(This space for State use only)
API Number Assigned: **43-047-32770**
Approval: 
8/7/96

PAUL T. WALTON & ASSOCIATES

Well Location, #1 STATE, located as shown in NE 1/4 SE 1/4 of Section 3, T6S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT A RIDGE TOP IN THE NE 1/4 OF SECTION 4, T6S, R22E, S.L.B.&M. TAKEN FROM THE RASMUSSEN HOLLOW QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5294 FEET.



SCALE

CERTIFICATE

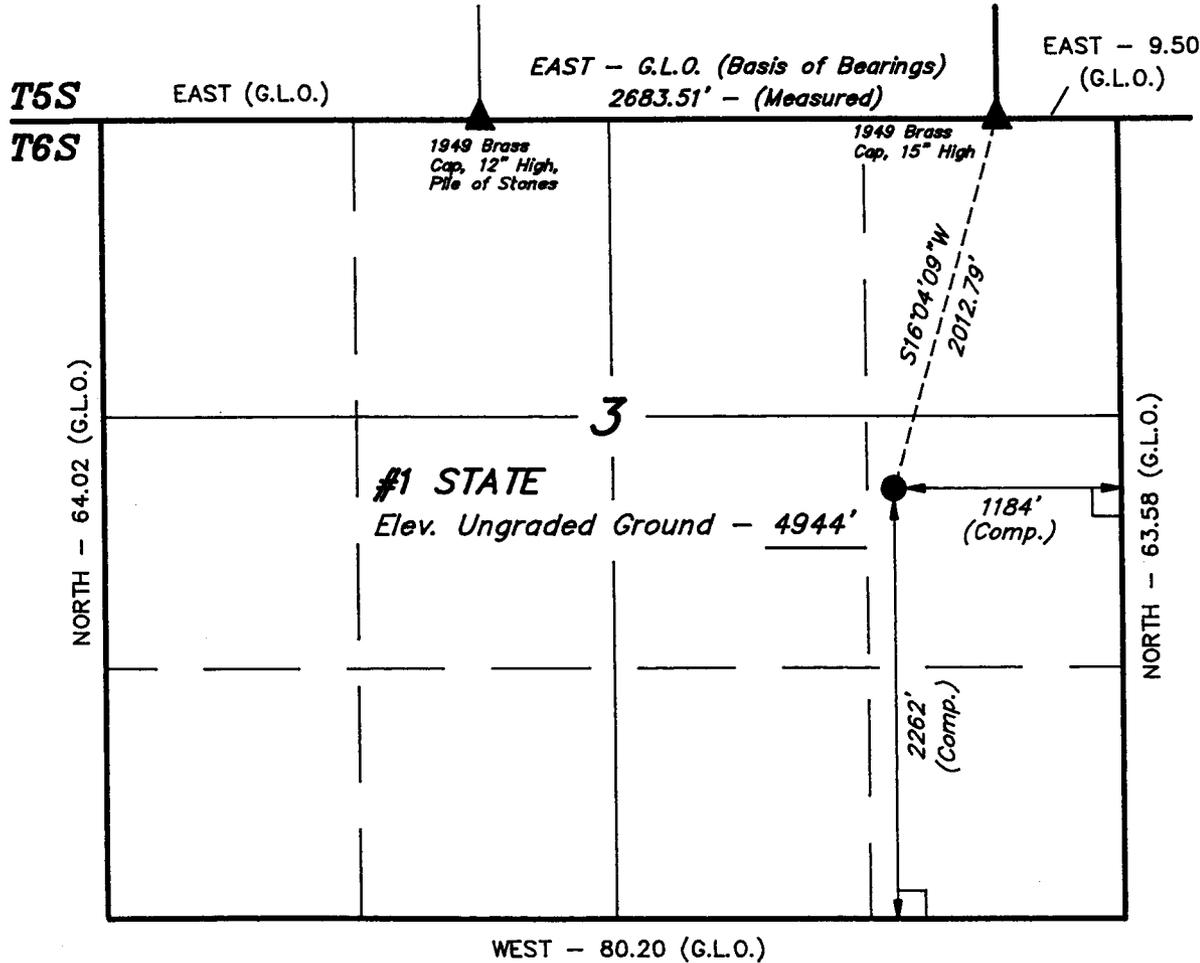
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

No. 161319

Robert Kay
ROBERT KAY

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

Sec. 34, T5S, R22E, S.L.B.&M.



WEST - 80.20 (G.L.O.)

T6S, R22E, S.L.B.&M.

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(801) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 7-8-96	DATE DRAWN: 7-12-96
PARTY G.S. J.K. C.B.T.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE PAUL T. WALTON & ASSOCIATES	

Paul T. Walton & Associates
1 State

SURFACE USE PLAN

- 1. Bonding requirements have been fulfilled by arrangement with Wells Fargo Bank. This is evidenced by Letter from the Bank to State Lands & Forestry.**

- 2. Surface on subject drillsite is owned by State of Utah. Grazing Permit #GP-21357 was issued to Alvie D. Atwood, 5292 South 1500 East, Vernal, Utah 84078, on 5/1/89 and will expire 4/30/99.**

- 3. Surface use currently is under State grazing permit, although currently appears unoccupied.**

- 4. Surface vegetation currently is sagebrush and native grasses. Wildlife appears to be rabbits and raptors. There is no Ferruginous Hawk nest within 1/4 mile of subject drillsite.**

- 5. Access road is county maintained gravel road to within approximately 1/2 mile of drillsite. Remaining distance has been center-flagged and will be bladed and cleared of sagebrush for vehicle access. No future road building is anticipated unless production is established.**

6. Any production found will be raised by pump jack, rods and downhole pump. Oil will be trucked from tank battery. Appropriately sized tank battery will consist of 300 or 400 barrel tanks.

7. Source of water for the drillsite will be Dalbo & A-1 Tank Application #53617 and well #43-84916.

8. No construction materials will be required for drillsite area. All material will be derived from pad area by moving surface and sub-surface soil cut material to fill areas. Similarly, all grading for production facilities will be achieved with pod materials except for gravel under tanks which will be brought in.

9. Waste management will include chemical toilet which will be provided by Mountain West Oil Field Services in Vernal. Flare pit will be utilized for drill cuttings. Trash container will be utilized for all solid trash and will be hauled off location by drilling contractor to Rangley landfill. All hazardous wastes will be disposed of offsite by drilling contractor.

10. Ancillary facilities will not be needed.

11. At conclusion of drilling operation, if well is dry, reserve pit will be allowed to evaporate and will then be covered. Drillsite will be re-graded and seeded with appropriate seed. If well produces, regrading and seeding will be delayed during the producing life of the well.

12. Formation tops are anticipated as follows:
 surface gravels -- ----- surface
 Mancos----- 20'
 Mancos----- total depth

13. No water is anticipated; oil may be encountered at several and any depths.

14. BOP and choke manifold diagram is attached. Equipment will be tested prior to commencement of drilling and daily thereafter. Flare line will be installed from drill hole to flare pit at least 100' away.

15. Circulating medium will be air.

16. Anticipated bottom hole temperature will be 85 - 95° and bottom hole pressure 1700#.

17. Casing will be 20' of 10 3/4" 32.75# conductor, 250' of 7 5/8" 26.4# K-55 8-rnd surface casing and will be set with 14.6# 1.18 yield cement. Production casing if needed, will be 4.5" or 5" and will be hung with pre-cut slots across production interval.

18. Layout of drill rig is attached.

THIRTEEN POINT SURFACE USE PLAN

1. EXISTING ROADS:

A. See Topographic Map A. There are no plans to change, alter or improve upon any existing state or county road.

B. See Topographic Map A. Proposed access road begins approximately miles from Vernal, UT.

2. ACCESS ROADS TO BE CONSTRUCTED OR RECONSTRUCTED:

See Topographic Maps A and B. An existing road mile will be upgraded. An access road approximately mile in length is proposed.

3. LOCATION OF EXISTING WELLS WITHIN ONE MILE:

See Topographic Map B.

4. LOCATION OF EXISTING OR PROPOSED FACILITIES IF WELL IS PRODUCTIVE:

A. See Topographic Map B.

B. Rod pumping equipment, a line heater and production tankage will be installed on the location.

C. Disturbed areas no longer needed for operations will be graded back to as near original state as possible. Drainage channels will be returned to original state and the areas will be reseeded as prescribed by the BLM.

D. A cathodic protection system will be installed on location following well completion.

5. LOCATION AND TYPE OF WATER SUPPLY:

Water from the following sources will be used:

6. CONSTRUCTION MATERIALS:

Native dirt and gravel will be used as construction materials.

7. **METHODS FOR HANDLING WASTE DISPOSAL:**

- A. A reserve pit will be constructed to contain excess drilling fluids.
- B. Excess reserve pit fluid will be disposed of via evaporation, percolation at pit abandonment or haul-off to a commercial disposal facility.
- C. Drill cuttings will be caught and settled in the reserve pit and buried when the pit is backfilled.
- D. Commercial service will provide portable toilets and haul-off to a commercial disposal facility.
- E. Trash will be stored in trash containers and hauled to commercial or municipal facility for disposal.
- F. It is not anticipated that any salt or chemicals will need to be disposed of. If required, disposal will be by commercial disposal facility.
- G. In the event fluids are produced, any oil will be transferred to existing facilities within Brennan Bottom Unit and sold. Any water will be transferred to Red Wash Unit disposal facilities.
- H. Hazardous chemicals 10,000lb. of which will most likely be used, produced, stored, transported or disposed of in association with the proposed action of drilling, completing and producing this well: We anticipate that none of the hazardous chemicals in quantities of 10,000 lb. or more will be associated with these operations.
- I. Extremely hazardous substances threshold quantities of which will be used, produced, stored, transported or disposed of in association with the proposed action of drilling, completing and producing this well: We anticipate that none of the extremely hazardous substances in threshold quantities per 40 CFR 355 will be associated with these operations.

8. **ANCILLARY FACILITIES:**

None.

9. **WELLSITE LAYOUT:**

- A. See Figures 1 and 2.
- B. Burn pit will not be lined.
- C. Access to the well pad will be as shown on Topographic Map B.

10. **PLAN FOR REHABILITATION OF SURFACE:**

A. All surface areas not required for production operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum. Any rock encountered in excavation will be disposed of beneath backfill to return surface to its present appearance and provide soil for seed growth.

B. The topsoil will be evenly distributed over the disturbed areas. Reseeding will be performed as directed by the

C. Pits that would present a hazard to wildlife or livestock will be backfilled when the rig is released and removed.

D. Completion of the well is planned during Rehabilitation will commence following completion of the well. If the wellsite is to be abandoned, all disturbed areas will be recontoured to the natural contour as soon as possible.

11. **SURFACE OWNERSHIP:**

The wellsite, access roads and production facilities are constructed on state lands. The operator shall contact the State office at () between 24 and 48 hours prior to construction activities.

12. **OTHER INFORMATION:**

A. The well is located in hilly and sandy terrain. Vegetation consists of sagebrush and natural grasses around the location. The soil is a poorly developed, semi-arid, thin topsoil layer over the Uintah Formation.

B. Surface use activities other than the oil and gas well facilities consist of grazing.

C. There are no occupied dwellings near the wellsite.

Grand River Institute

July 17, 1996

Paul T. Walton & Associates
1102 Walker Center
Salt Lake City, Utah 84111

Re: GRI Project No. 9622 - Cultural resources inventory of the proposed #1 State well location, its alternate location, and related 0.6 mile of new access in Uintah County, Utah

Dear Mr. Walton:

Enclosed is a copy of our final report for the above cited report. Distribution of the document is listed below. Please call me if you have any questions.

Sincerely,



Carl E. Conner
Director

Enc.

Distribution:

- 1 - Jim Dykman, Utah Division of State History, Salt Lake City
- 2 - Kim Seeley, Seeley Oil Company

COVER PAGE for the
Utah Division of State History
Preservation Office

Project Name: CRI of the proposed #1 State well location, its alternate location, and related 0.6 mile of new access in Uintah County, Utah for Paul T. Walton and Associates [GRI Project No. 9622]

State Proj. No.: U96-GB-0368s

Report Date: 7/12/96

Principal Investigator: Carl E. Conner

Field Supervisor(s): Carl E. Conner

Acreage Surveyed (in Utah)

Intensive: 35.0 acres

Recon/Intuitive: _____ acres

7.5' Series USGS Map Reference(s): Rasmussen Hollow 1965/1978

Sites Reported (in Utah)

Archaeological Sites

Revisits (no inventory form update) 0

Revisits (updated IMACS site inventory form attached) 0

New recordings (IMACS site inventory form attached) 0

Total Count of Archaeological Sites 0

Historic Structures (USHS 106 site info form attached) 0

Total National Register Eligible Sites 0

Paleontological Localities 0

Checklist of Required Items

1. 1 Copy of the Final Report
2. Copy of 7.5' Series USGS Map With Surveyed/Excavated Area Clearly Identified.
3. _____ Completed IMACS Site Inventory Forms, Including
_____ Parts A and B or C,
_____ the IMACS Encoding Form,
_____ Site Sketch Map,
_____ Photographs, and
_____ Copy of the Appropriate 7.5' Series USGS Map w/ the Site Location Clearly Marked and Labelled w/ the Smithsonian No.
4. _____ Paleontological locality form
5. Completed "Cover Sheet" Accompanying Final Report and Survey Materials

**Cultural Resource Inventory Report
on the
Proposed #1 State Well Location
and Related Access
in Uintah County, Utah
for
Paul T. Walton and Associates**

Declaration of Negative Findings

GRI Project No. 9622

July 12, 1996

Prepared by

Grand River Institute
P.O. Box 3543
Grand Junction, Colorado 81502
UDSH Project Authorization No. U96-GB-0368s



Carl E. Conner, Principal Investigator

Submitted to

Utah Division of State History
300 Rio Grande
Salt Lake City, Utah 84101-3500

Introduction

At the request of Paul T. Walton and Associates and the State of Utah, a cultural resource inventory was conducted for the proposed #1 State well location, an alternate well location, and the related 0.6 mile of new access in Uintah County, Utah. This Class III inventory was conducted by Carl E. Conner of Grand River Institute under Utah Division of State History (UDSH) Project Authorization No. U96-GB-0368s. This work was done to meet requirements of State laws and regulations that protect cultural resources. A files search conducted through the USDH on 8 July 1996 showed no cultural resources were previously recorded in the project area. Also a files search for paleontological resources was conducted through the Utah Geological Society the same day, and no localities were previously recorded in this area either. Field work was performed on the 8th July. A total of about 35 acres was inspected. No cultural or paleontological resources were encountered and clearance is recommended.

Location of Project Area

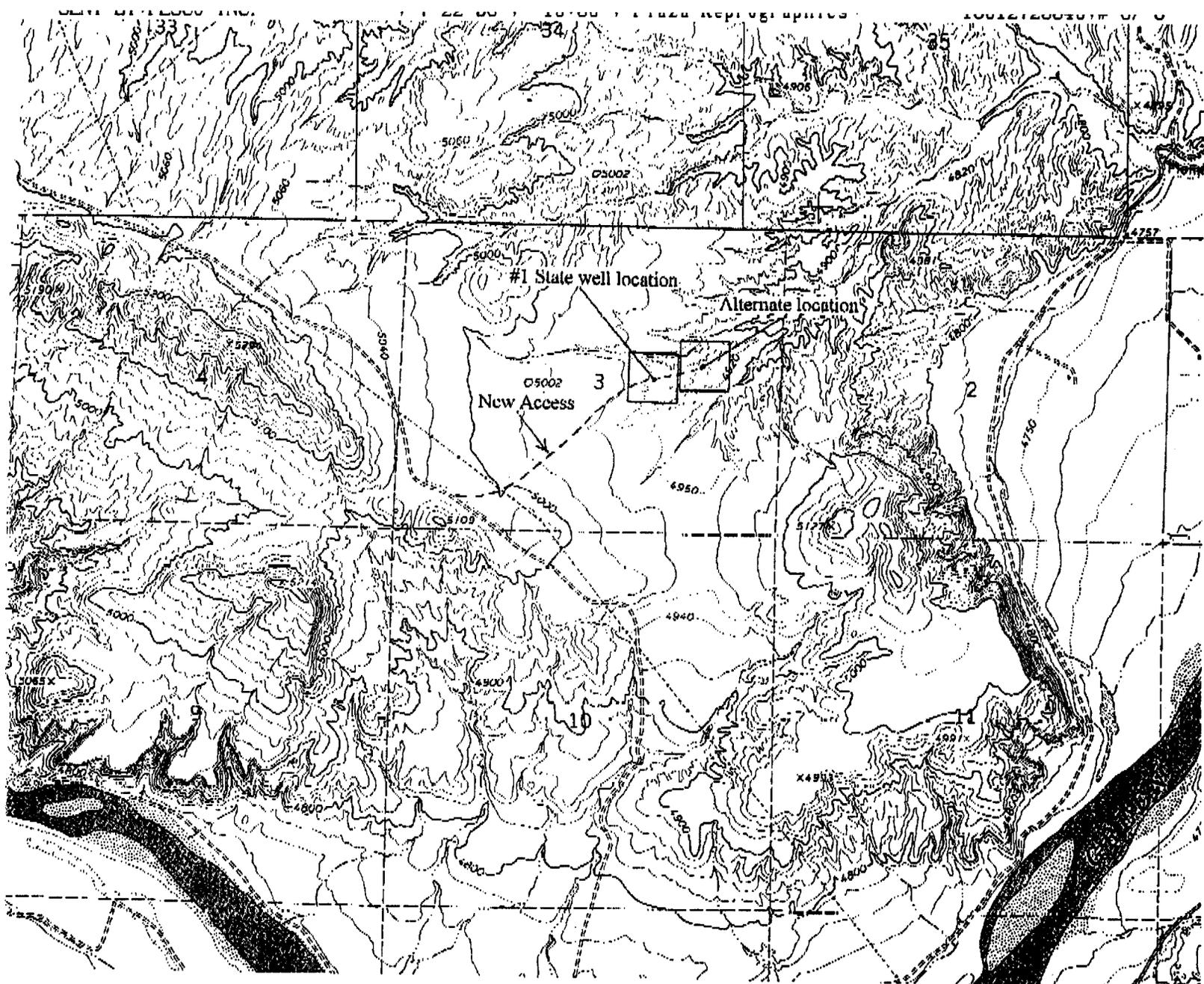
The study area is approximately 8.0 miles southeast of Vernal in Uintah County, Utah. The proposed well unit, its alternate location and the related 0.5 mile access are located in T.6S., R.22E., Section 3, S.L.B.M. (Figure 1).

Environment

The project area is within the major geologic subdivision of the Colorado Plateau known as the Uintah Basin. The basin is distinctively bowl-shaped and bounded by mountains on all sides (Nickens and Larralde 1980:11). The geology of the area consists of Quaternary- and Tertiary-age deposits which include Holocene and Pleistocene pediment deposits, and Cretaceous-age sedimentary rocks. The Mancos Shale is predominate in the project area. Soils are rocky, silty, and sandy loams.

Elevation of the project area is between 4920 and 5020 feet. The terrain is barren and predominated by a desert saltbush vegetation community. Regional faunal inhabitants include deer, pronghorn, coyote, cottontails, and raptors.

A cool desert climate prevails. Annual precipitation averages from 6 to 10 inches. Temperatures range from 100 F in the summer to -40 F in January. In this area, there is a frost-free period of about 120 days (Nickens and Larralde 1980:13). Paleoenvironmental data are scant, but it is generally agreed that gross climatic conditions have remained fairly constant over the last 12,000 years. However, changes in effective moisture and cooling and warming trends probably affected the prehistoric occupation of the region.



Rasmussen Hollow Quadrangle
Utah--Uintah County
1965/1978
USGS 7.5' Series (topographic)
Scale 1:24000
Contour interval 20 feet
T. 6S., R. 22E., S.L.B.M.

Figure 1. Cultural resources inventory of the proposed #1 State well location, its alternate location, and related 0.6 mile of new access in Uintah County, Utah, for Paul T. Walton and Associates. Areas surveyed are highlighted. [GRI Project No. 9622, 7/12/96]

Files Search

A files search conducted through the USDH on 8 July 1996 showed no cultural resources were previously recorded in the project area. Also a files search for paleontological resources was conducted through the Utah Geological Society the same day, and no localities were previously recorded in this area either. Regional archaeological studies suggest nearly continuous human occupation of northeastern Utah for the past 12,000 years. Evidence of the PaleoIndian Tradition, the Archaic Tradition, Fremont Culture, and Protohistoric/Historic Utes has been found. Historic records suggest occupation or use by EuroAmerican trappers, settlers, miners, and ranchers as well. Overviews of the prehistory and history of the region are provided in the Utah BLM Cultural Resource Series No. 5, Sample Inventories of Oil and Gas Fields in Eastern Utah (Nickens and Larralde 1980).

Study Objectives

The purpose of the study was to identify and record all cultural resources within the area of potential impact and to assess their significance and eligibility to the National Register of Historic Places (NRHP). The overall site density within the desert shrub vegetation communities of the Uintah Basin are quite low (0.86 per square mile in the Red Wash area, see Nickens and Larralde 1980:41). Paleontological resources were also considered in the inspection. However, a final evaluation of those resources must be provided by a paleontologist permitted by the State of Utah.

Field Methods

A Class III, 100% pedestrian, cultural resources survey of the proposed well locations was made by walking a series of concentric circles around the flagged center to a diameter of 750 feet. The related access route was surveyed by walking a zigzag transect centered on the flagged line to cover a corridor 200 feet wide. A total of about 35 acres was intensively surveyed for the well location and the related access.

Cultural resources were sought as surface exposures and were characterized as sites or isolated finds. Sites were defined by the presence of six or more artifacts and/or significant feature(s) indicative of patterned human activity. Isolated finds were defined by the presence of 1 to 5 artifacts apparently of surficial nature. Cultural resources encountered were to be recorded to standards set by the Preservation Office of the Utah Division of State History.

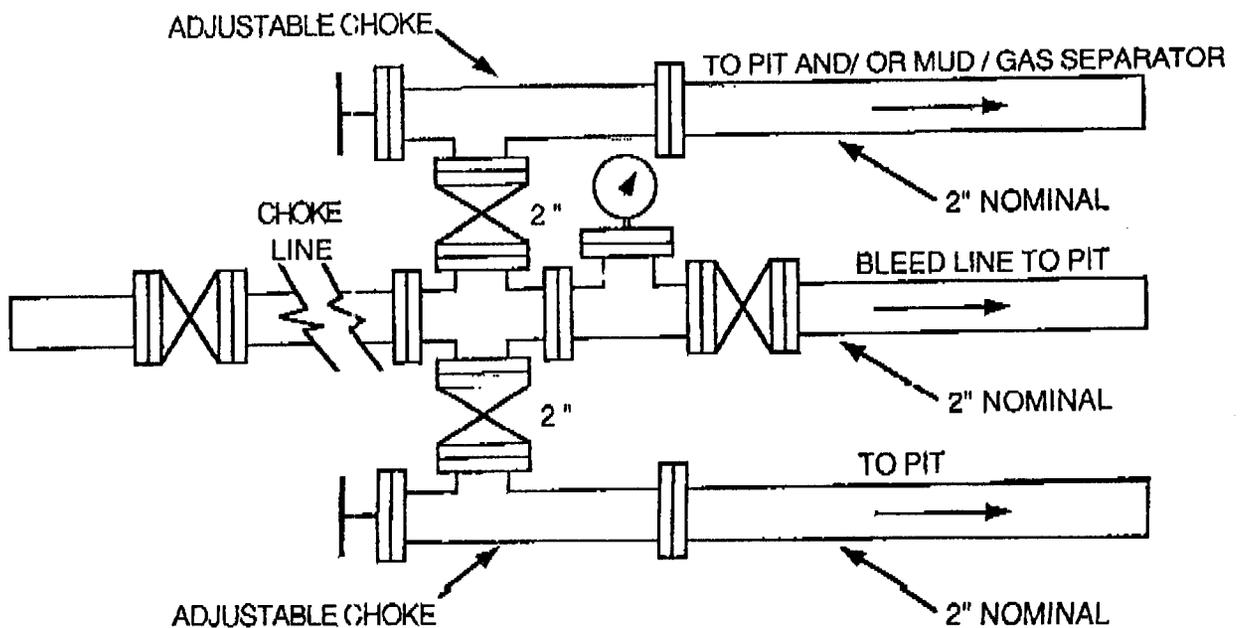
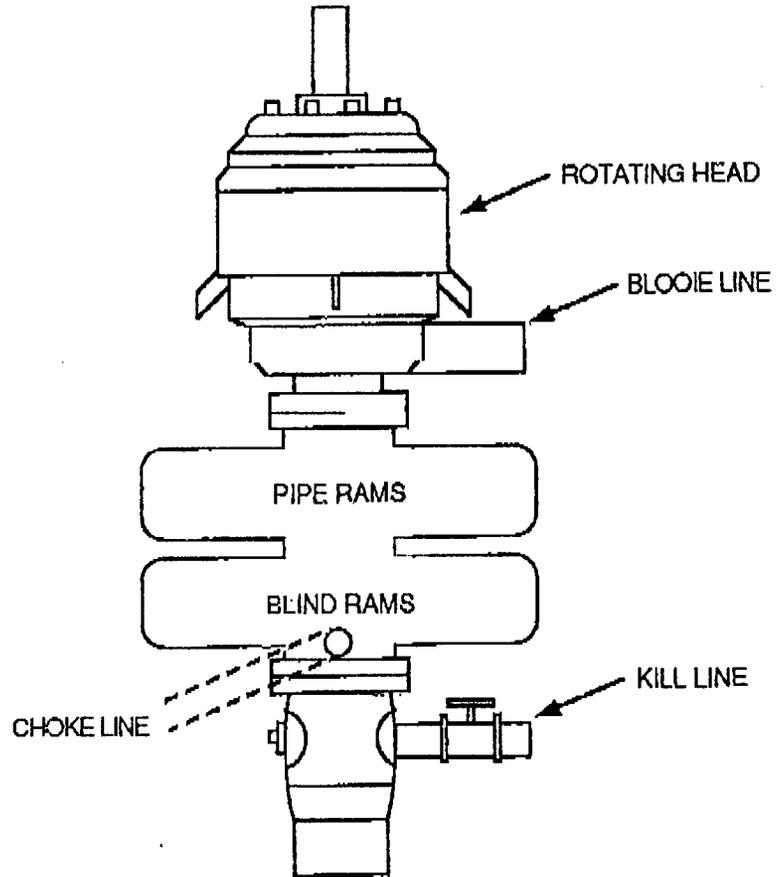
Study Findings/Recommendations

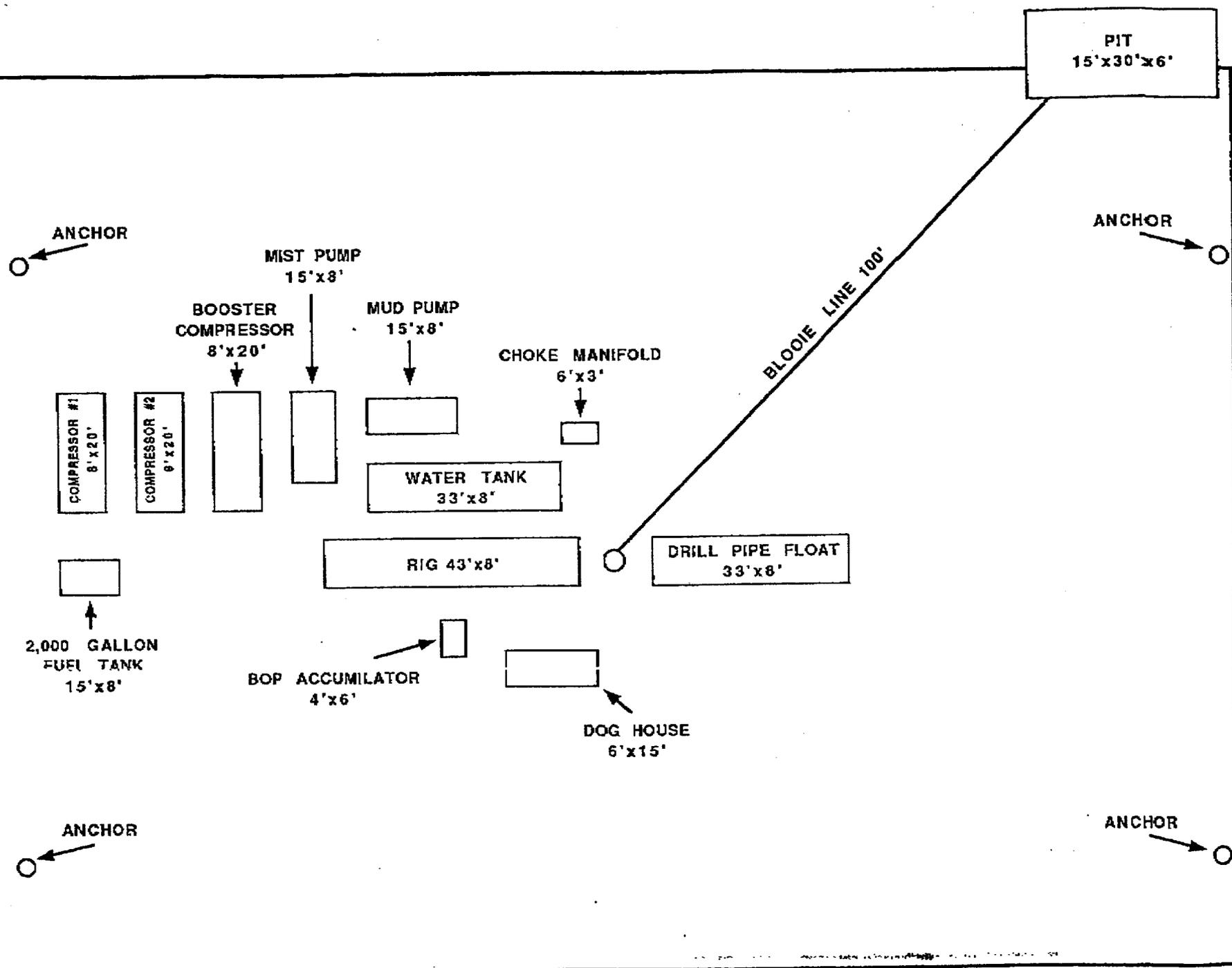
No cultural or paleontological resources were encountered during the survey. Accordingly, clearance is recommended.

References

- Nickens, Paul R. and Signa L. Larralde
1980 Archaeological inventory in the Red Wash Cultural Study Tract, Uintah County, Utah. In: Sample Inventories of Oil and Gas Fields in Eastern Utah, Utah BLM Cultural Resource Series No. 5. Bureau of Land Management, Salt Lake.

2M SYSTEM
BLOWOUT PREVENTER FOR HIGH PRESSURE WELLS
900 SERIES MINIMUM
2000# psi W.P.
BOP 6" X 3000 PSI or 10" X 3000 PSI

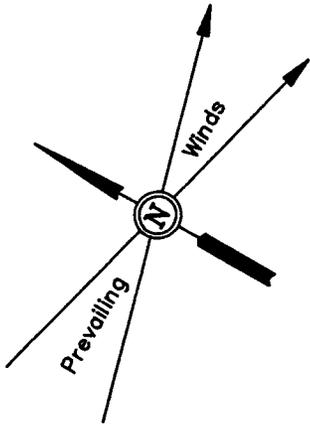




PAUL T. WALTON & ASSOCIATES

LOCATION LAYOUT FOR

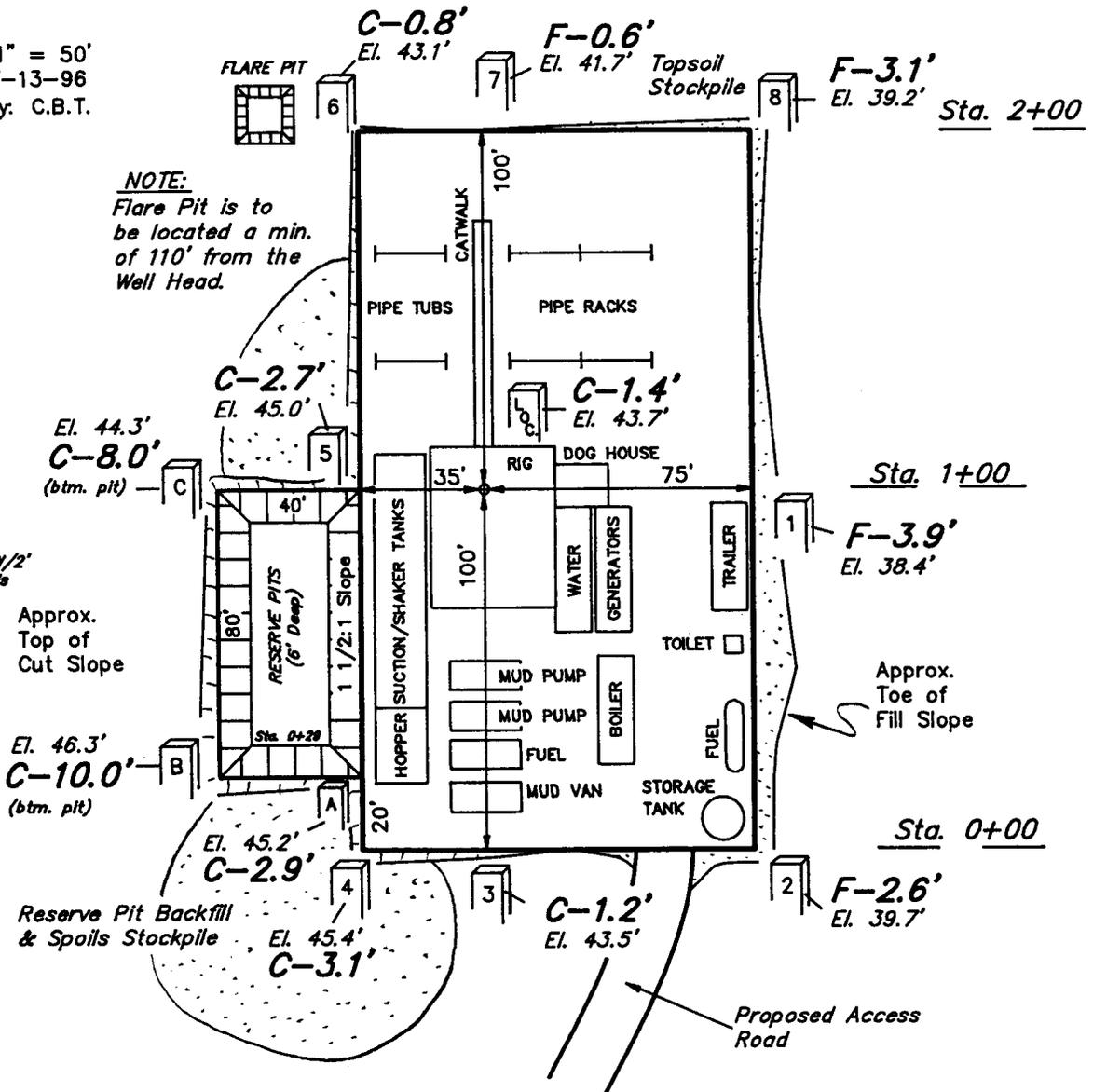
#1 STATE
SECTION 3, T6S, R22E, S.L.B.&M.
2262' FSL 1184' FEL



SCALE: 1" = 50'
 DATE: 7-13-96
 Drawn By: C.B.T.

NOTE:
 Flare Pit is to be located a min. of 110' from the Well Head.

NOTE:
 Pit Capacity W/2' of Freeboard is ±1,370 Bbls.



Elev. Ungraded Ground at Location Stake = **4943.7'**

Elev. Graded Ground at Location Stake = **4942.3'**

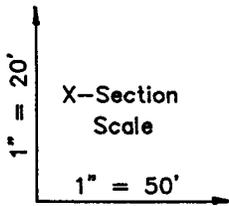
PAUL T. WALTON & ASSOCIATES

TYPICAL CROSS SECTIONS FOR

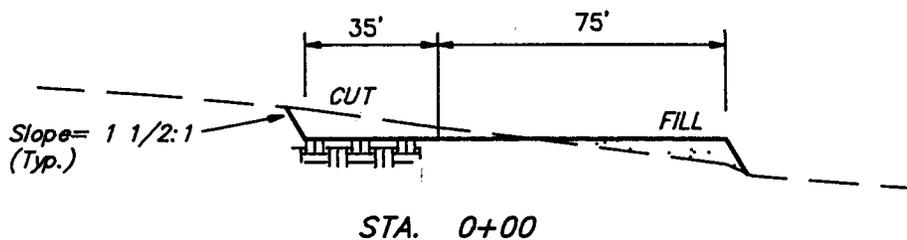
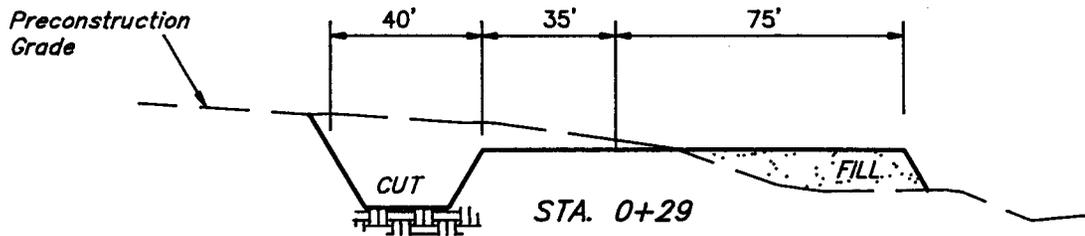
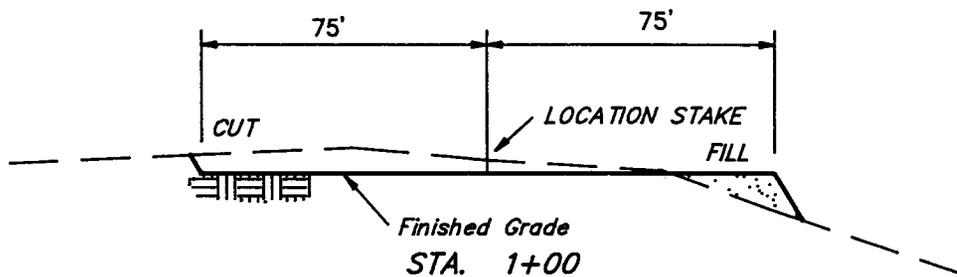
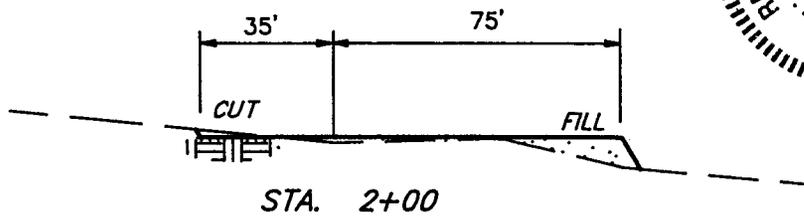
#1 STATE

SECTION 3, T6S, R22E, S.L.B.&M.

2262' FSL 1184' FEL



DATE: 7-13-96
Drawn By: C.B.T.

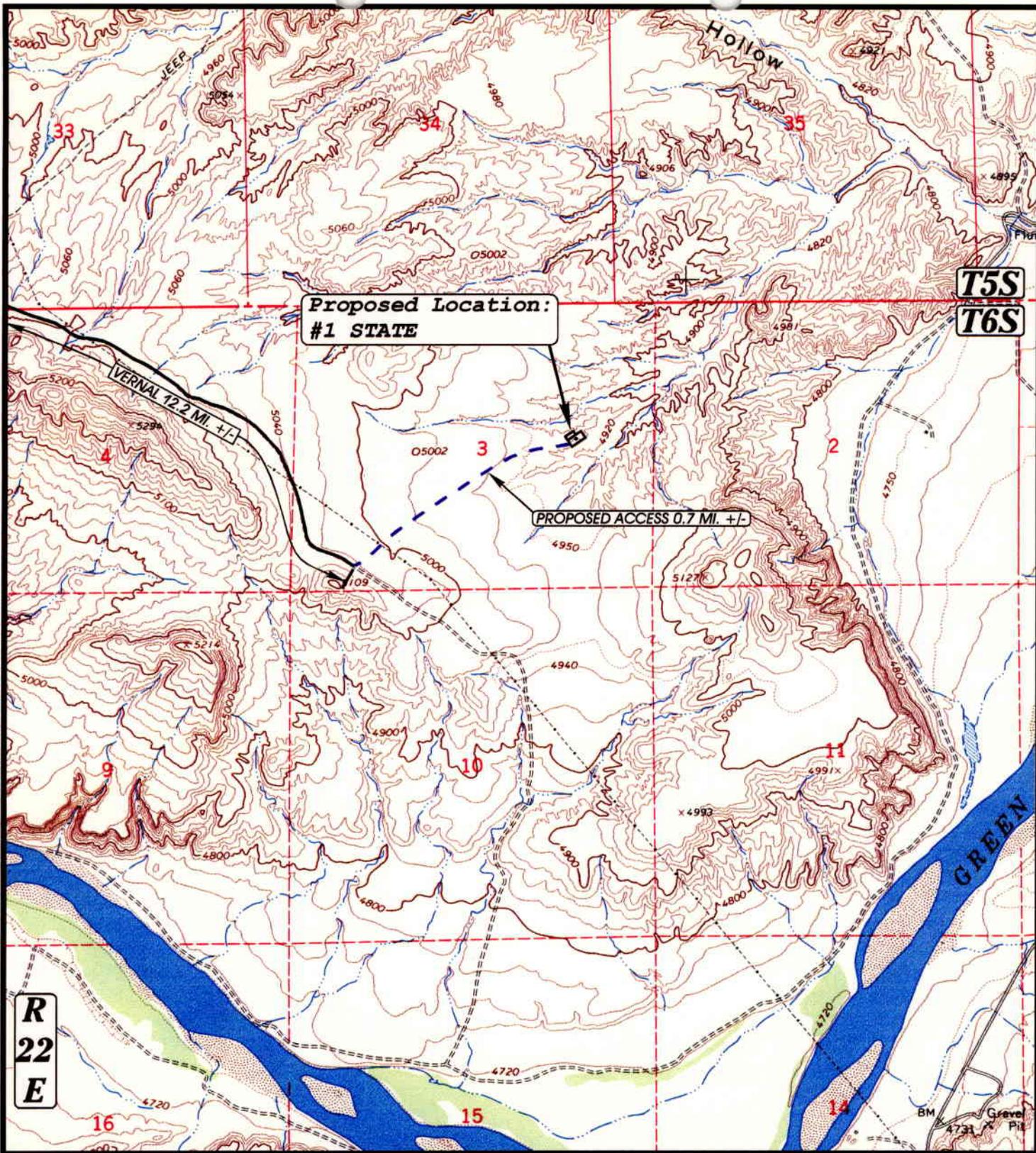


APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	470 Cu. Yds.
Remaining Location	=	1,230 Cu. Yds.
TOTAL CUT	=	1,700 CU.YDS.
FILL	=	930 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	720 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	720 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:
#1 STATE**

**T5S
T6S**

PROPOSED ACCESS 0.7 MI. +/-

VERNAL 12.2 MI. +/-

**R
22
E**

UELS

**TOPOGRAPHIC
MAP "B"**

**DATE: 7-12-96
Drawn by: D.COX**

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



PAUL T. WALTON & ASSOCIATES

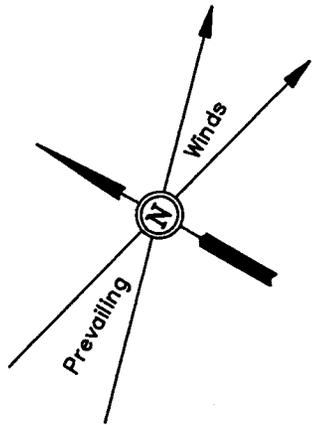
**#1 STATE
SECTION 3, T6S, R22E, S.L.B.&M.
2262' FSL 1184' FEL**

SCALE: 1" = 2000'

PAUL T. WALTON & ASSOCIATES

LOCATION LAYOUT FOR

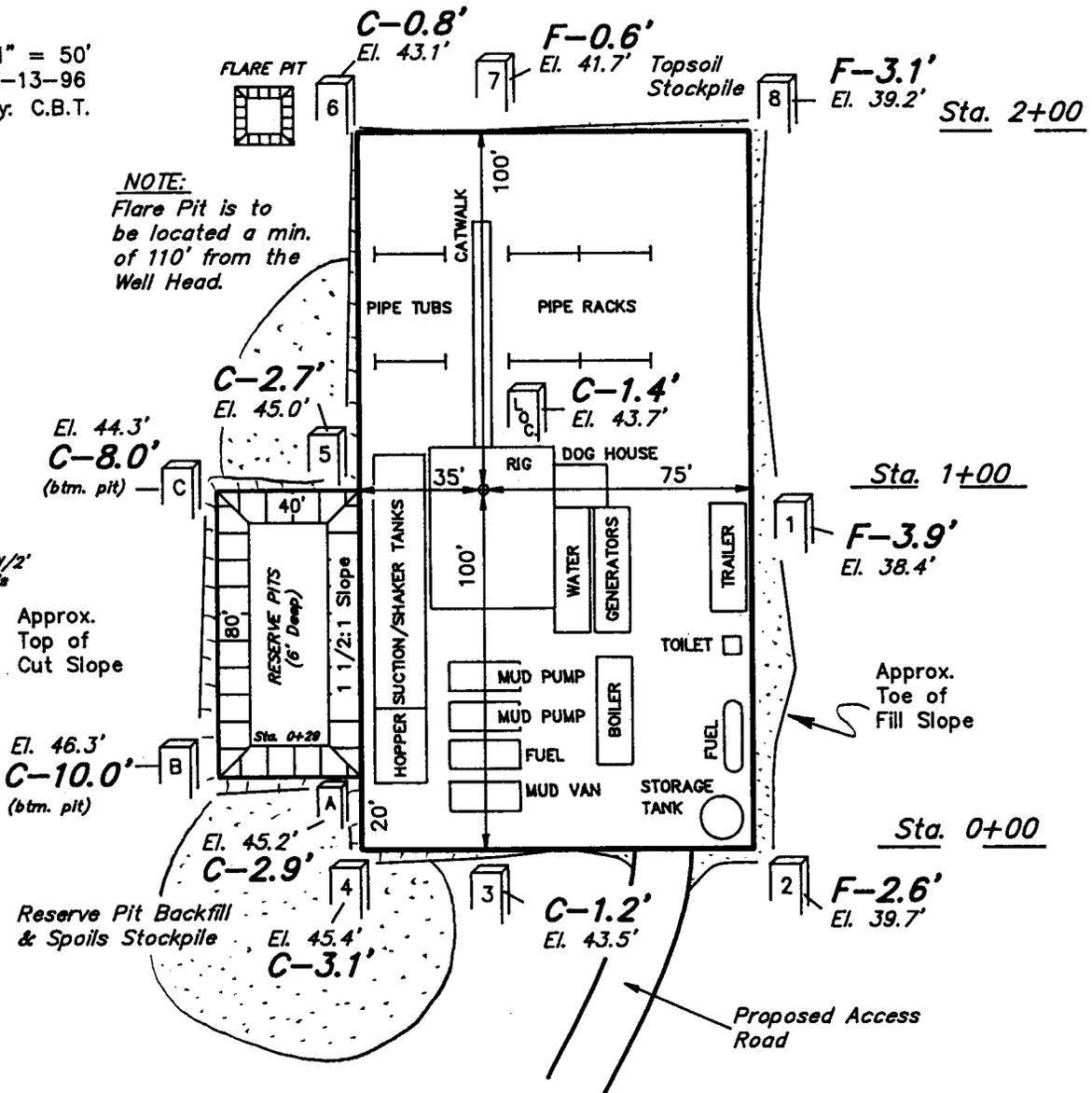
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SECTION 3, T6S, R22E, S.L.B.&M.
2262' FSL 1184' FEL



SCALE: 1" = 50'
DATE: 7-13-96
Drawn By: C.B.T.

NOTE:
Flare Pit is to be located a min. of 110' from the Well Head.

NOTE:
Pit Capacity W/2' of Freeboard is ±1,370 Bbls.



Elev. Ungraded Ground at Location Stake = 4943.7'

Elev. Graded Ground at Location Stake = 4942.3'

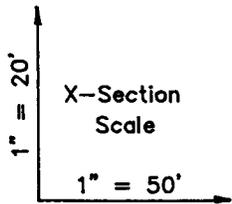
PAUL T. WALTON & ASSOCIATES

TYPICAL CROSS SECTIONS FOR

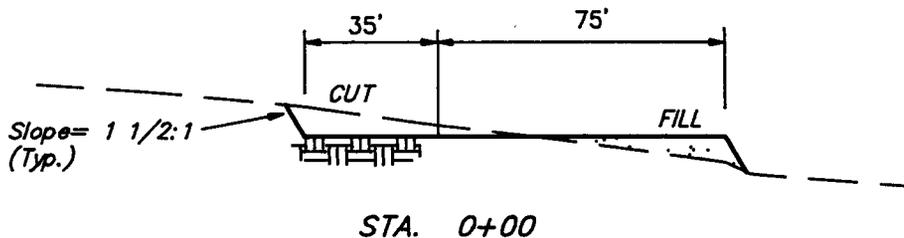
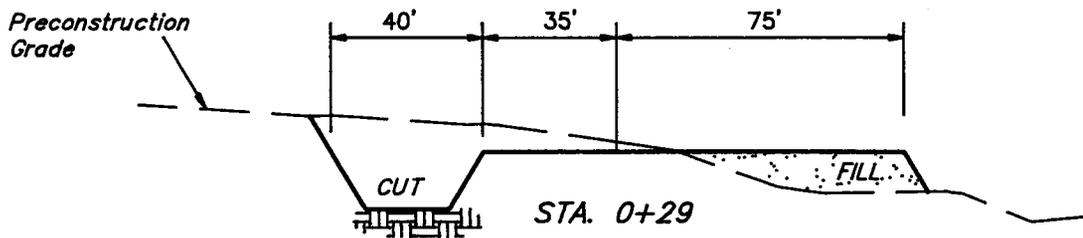
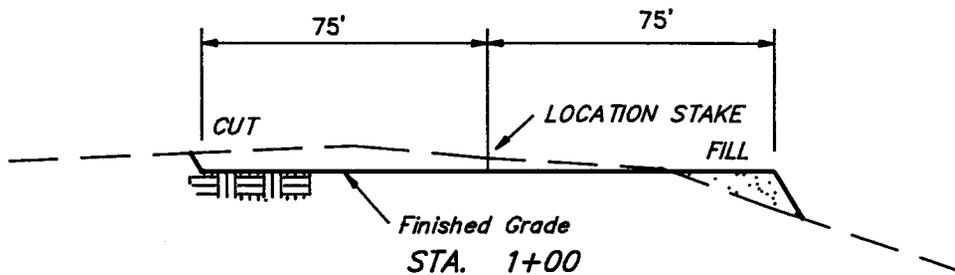
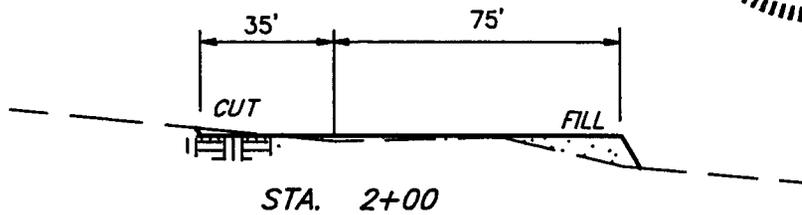
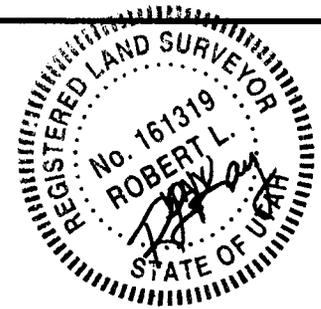
#1 STATE

SECTION 3, T6S, R22E, S.L.B.&M.

2262' FSL 1184' FEL



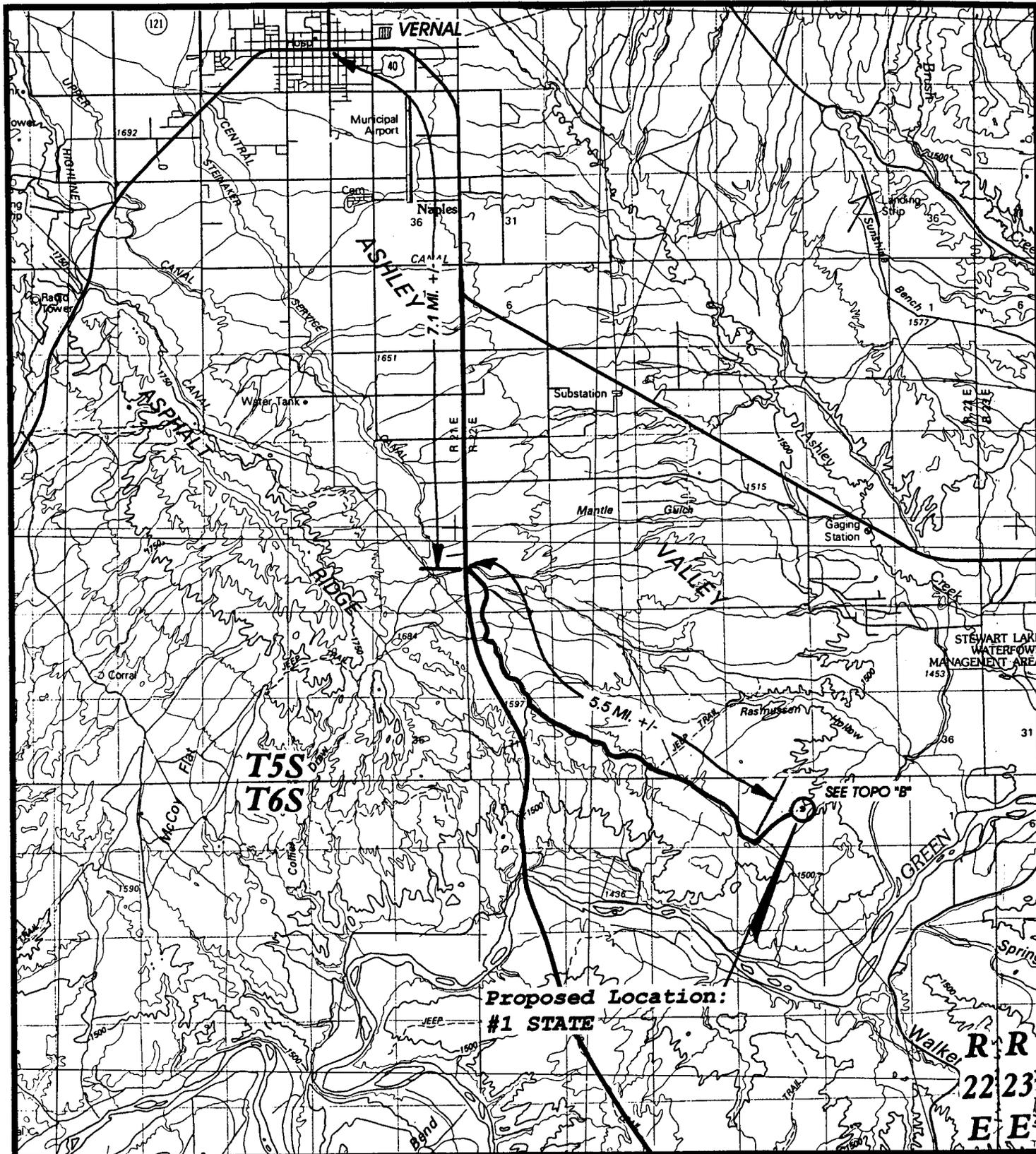
DATE: 7-13-96
Drawn By: C.B.T.



APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	470 Cu. Yds.
Remaining Location	=	1,230 Cu. Yds.
TOTAL CUT	=	1,700 CU.YDS.
FILL	=	930 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	720 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	720 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.



UELS

**TOPOGRAPHIC
MAP "A"**

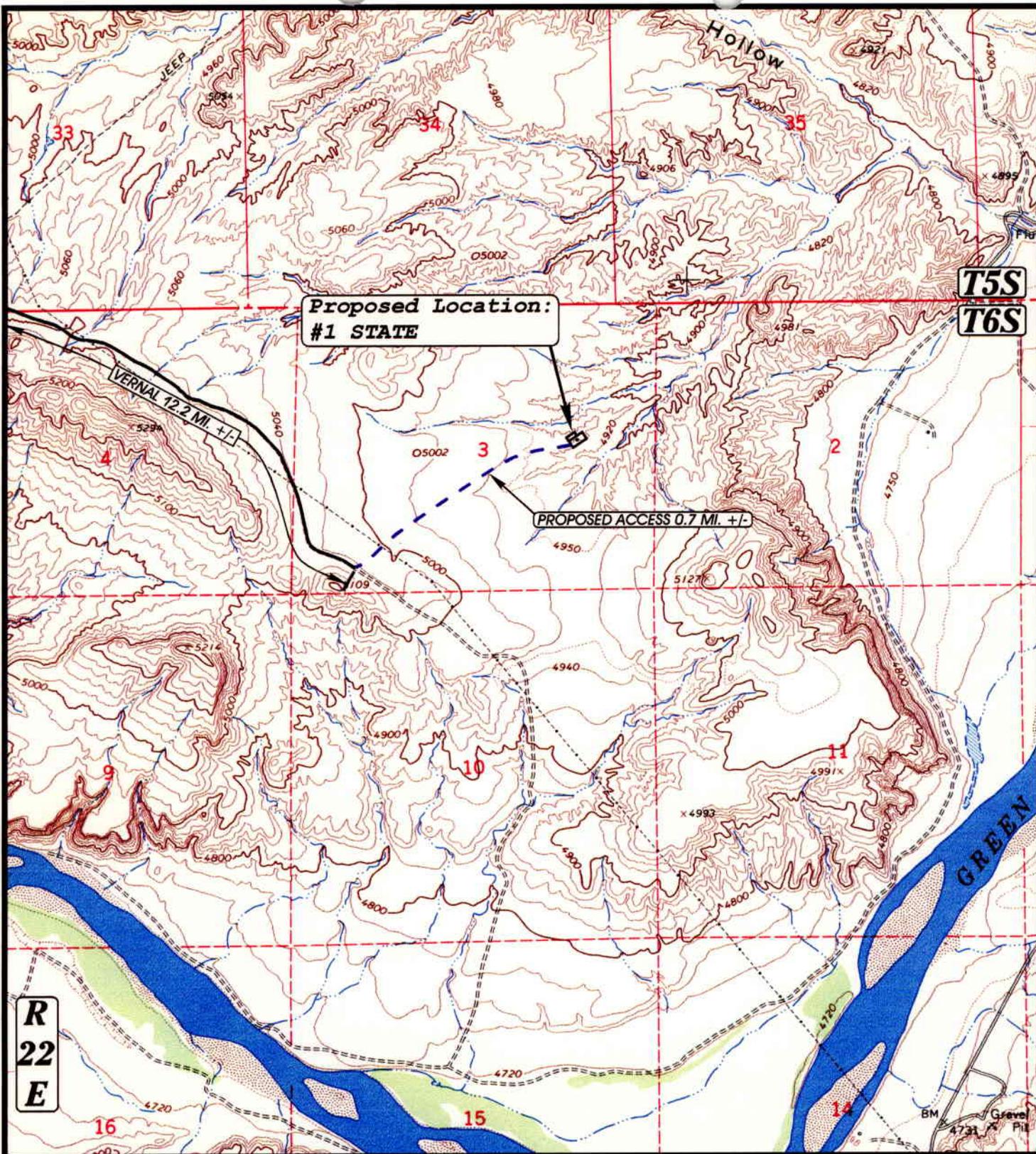
DATE: 7-15-96
Drawn by: D.COX

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



PAUL T. WALTON & ASSOCIATES

#1 STATE
SECTION 3, T6S, R22E, S.L.B.&M.
2262' FSL 1184' FEL



**R
22
E**

**TOPOGRAPHIC
MAP "B"**

**DATE: 7-12-96
Drawn by: D.COX**

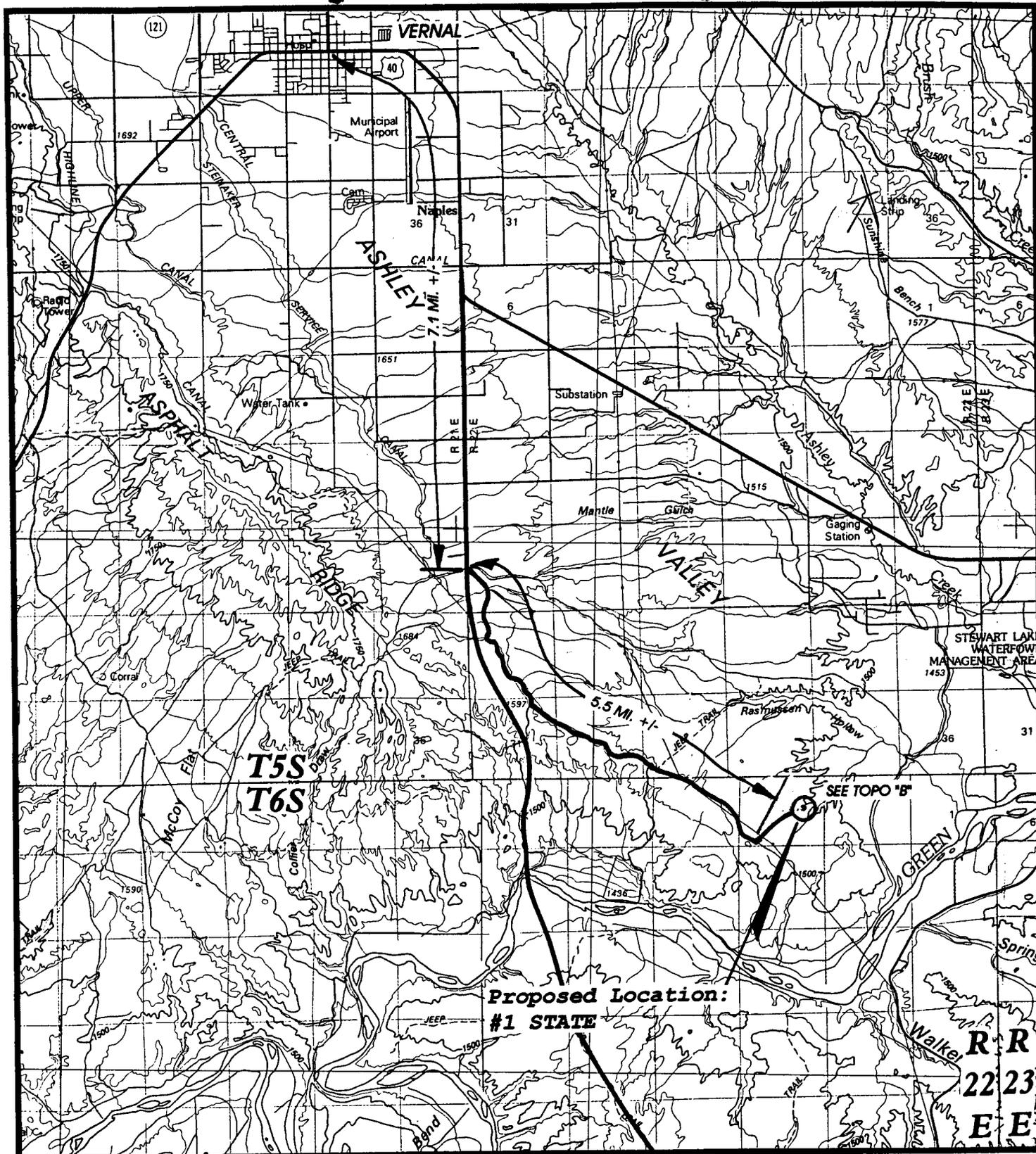
PAUL T. WALTON & ASSOCIATES

**#1 STATE
SECTION 3, T6S, R22E, S.L.B.&M.
2262' FSL 1184' FEL**



SCALE: 1" = 2000'

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



UELS

**TOPOGRAPHIC
MAP "A"**

DATE: 7-15-96
Drawn by: D.COX

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



PAUL T. WALTON & ASSOCIATES

#1 STATE
SECTION 3, T6S, R22E, S.L.B.&M.
2262' FSL 1184' FEL

APPLICATION FOR PERMIT TO DRILL OR DEEPEN		5. Lease Designation and Serial Number: ML-45893	
1A. Type of Work: DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		6. If Indian, Allottee or Tribe Name: N/A	
B. Type of Well: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER: SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. Unit Agreement Name: N/A	
2. Name of Operator: Paul T. Walton & Associates		8. Farm or Lease Name: State	
3. Address and Telephone Number: 1102 Walker Center, Salt Lake City, Utah 84111, 801-364-4333		9. Well Number: #1	
4. Location of Well (Footages) At Surface: 2262' ^{FSL} - 1184' ^{FEL} At Proposed Producing Zone: 689.6 360 Same		10. Field and Pool, or Wildcat: Wildcat	
11. Ctr/Ctr, Section, Township, Range, Meridian: NE/SE Sec. 3 - T.6S - R.22E S.L.M.		12. County: Uintah	
14. Distance in miles and direction from nearest town or post office: 12 miles SE of town of Vernal.		13. State: UTAH	
15. Distance to nearest property or lease line (feet): 1184'	16. Number of acres in lease: 861.92	17. Number of acres assigned to this well: 40	
18. Distance to nearest well, drilling, completed, or applied for, on this lease (feet): N/A	19. Proposed Depth: 4000'	20. Rotary or cable tools: Rotary	
21. Elevations (show whether DF, RT, GR, etc.): 4944' ungraded ground		22. Approximate date work will start: August 1, 1996	

23. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
surface csg.	7"	23-24#	250'	cement to surface
production csg.	4 1/2 - 5"			

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.

Propose to drill vertical hole with air compressors to 4000' depth in the Mancos shale, drilling for fracture oil production. If hole indicates oil production, will run casing and attempt oil completion.

24. Name & Signature: B.K. Seeley Jr. Phone 801-467-6419 Agent for Paul T. Walton & Assoc. 7/22/96

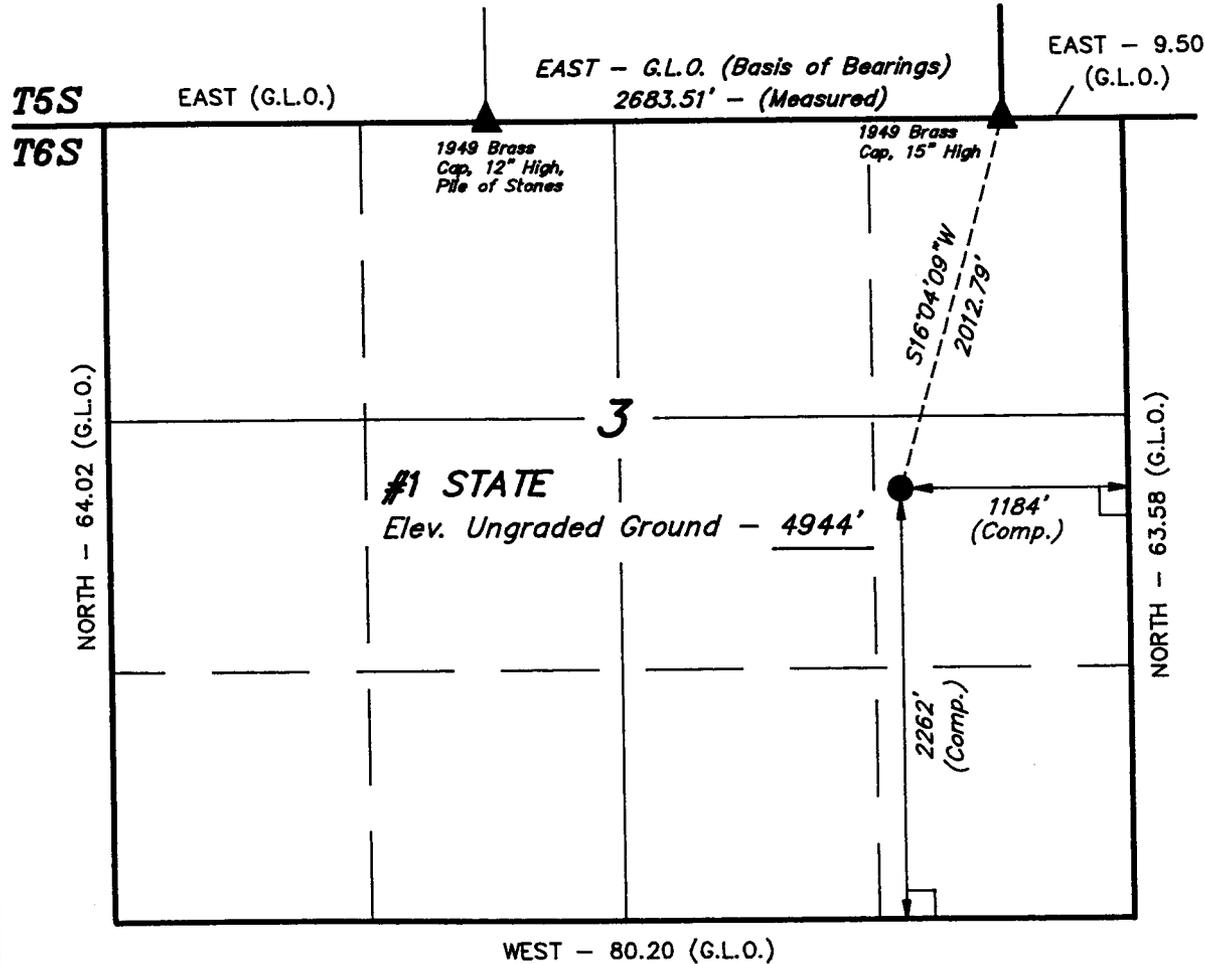
(This space for State use only)
API Number Assigned: 43-047-32770

Approval: J.M. Matthews
Petroleum Engineer
8/7/96

PAUL T. WALTON & ASSOCIATES

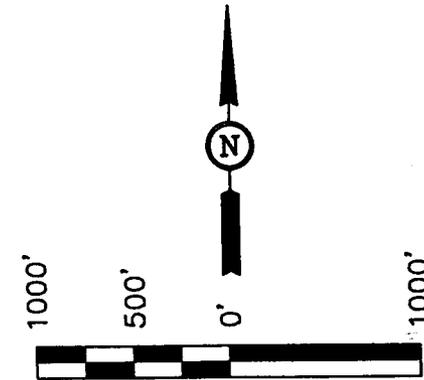
Well Location, #1 STATE, located as shown in NE 1/4 SE 1/4 of Section 3, T6S, R22E, S.L.B.&M. Uintah County, Utah.

Sec. 34, T5S, R22E, S.L.B.&M.



BASIS OF ELEVATION

SPOT ELEVATION AT A RIDGE TOP IN THE NE 1/4 OF SECTION 4, T6S, R22E, S.L.B.&M. TAKEN FROM THE RASMUSSEN HOLLOW QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5294 FEET.



SCALE

CERTIFICATE

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

REGISTERED LAND SURVEYOR

 REGISTRATION NO. 181319

 STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(801) 789-1017

LEGEND:

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

T6S, R22E, S.L.B.&M.

SCALE 1" = 1000'	DATE SURVEYED: 7-8-96	DATE DRAWN: 7-12-96
PARTY G.S. J.K. C.B.T.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE PAUL T. WALTON & ASSOCIATES	

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 07/23/96

API NO. ASSIGNED: 43-047-32770

WELL NAME: STATE #1
OPERATOR: PAUL T. WALTON (N5430)

PROPOSED LOCATION:
NESE 03 - T06S - R22E
SURFACE: 2262-FSL-1184-FEL
BOTTOM: 2262-FSL-1184-FEL
UINTAH COUNTY
WILDCAT FIELD (001)

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

LEASE TYPE: STA
LEASE NUMBER: ML - 45893

PROPOSED PRODUCING FORMATION: MNCS

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Federal State Fee
(Number LETTER OF CREDIT)
- Potash (Y/N)
- Oil shale (Y/N)
- Water permit
(Number 43-44916)
- RDCC Review (Y/N)
(Date: 7-AUG-96)

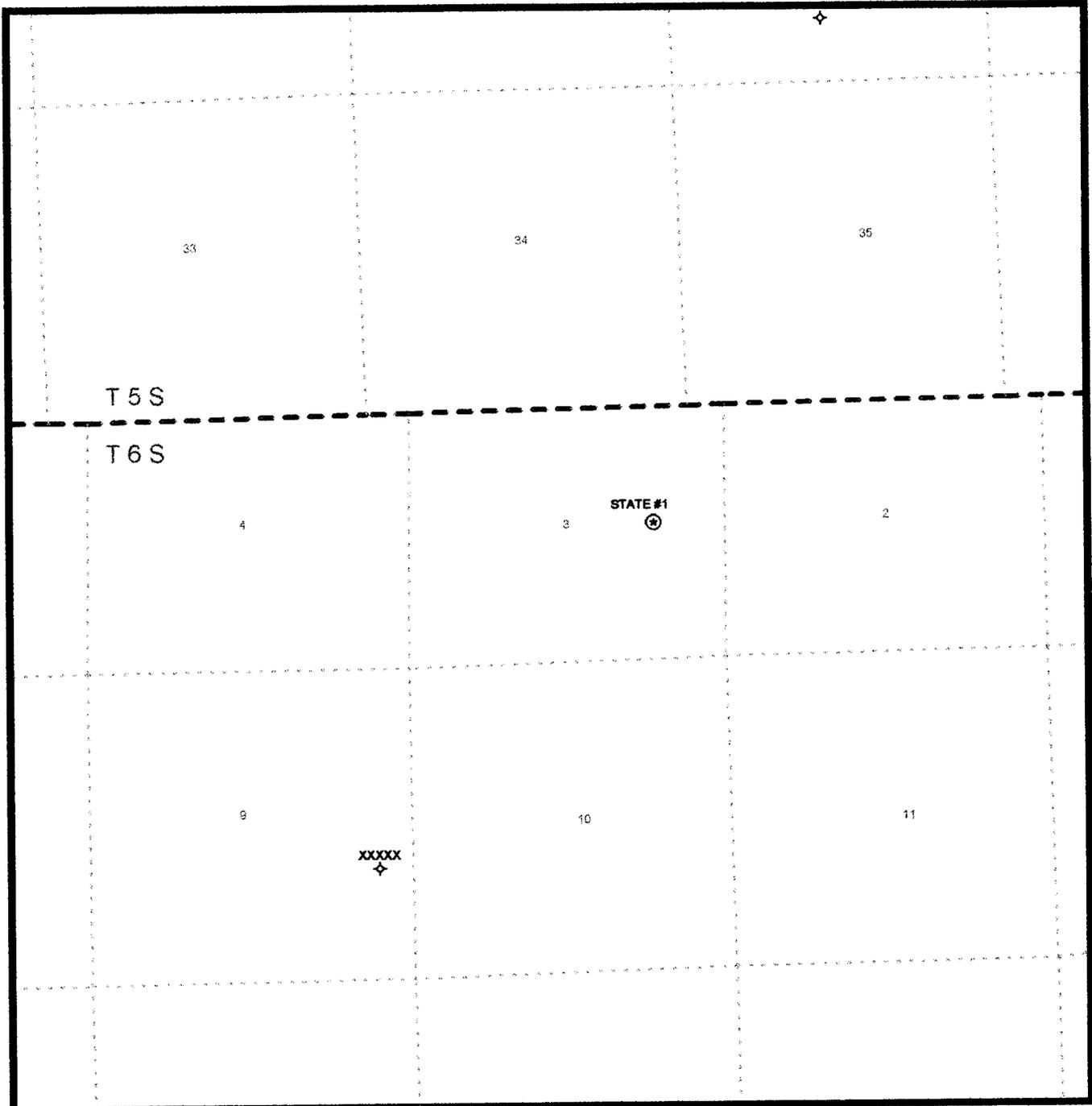
LOCATION AND SITING:

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

COMMENTS: _____

STIPULATIONS: _____

OPERATOR: PAUL T WALTON & ASSOC
FIELD: WILDCAT (001)
SEC, TWP, RNG: SEC. 3, T6S, R22E
COUNTY: UINTAH
UAC: R649-3-3



PREPARED:
DATE: 23-JULY-96

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
RECORD OF ABANDONMENT OPERATIONS

COMPANY NAME: PAUL T. WALTON & ASSOCIATES

WELL NAME: STATE #1 WELL

QTR/QTR: NE/SE SECTION: 3 TOWNSHIP: 68 RANGE: 22E

COUNTY: UINTAH API NO: 43-047-32770

INSPECTOR: DENNIS L. INGRAM TIME: 3:00 PM DATE: 9/4/96

SURFACE CASING SHOE DEPTH 250 FEET CASING PULLED YES NO

CASING PULLED: SIZE N/A CUT DEPTH FT/CSS RECOVERED

CASING TESTED YES NO TESTED TO: N/A PSI TIME: MIN:

CEMENTING COMPANY: INTERMOUNTAIN CONCRETE

CEMENTING OPERATIONS: P/A WELL:

PLUG 1. SET: FROM FT. TO FT. TAGGED YES NO

SLURRY:

PLUG 2. SET FROM FT. TO FT. TAGGED YES NO

SLURRY:

PLUG 3. SET FROM FT. TO FT. TAGGED YES NO

SLURRY:

SURFACE PLUG: FROM 0' FT. TO 340' FT.

ALL ANNULUS CEMENTED TO SURFACE: YES NO

PLUGGING FLUID TYPE: FORMATION WATER

PERFORATIONS: FROM N/A FT. TO FT.

FROM FT. TO FT.

1 CIBP SET: N/A

2 CIBP SET: N/A

ABANDONMENT BARRIER: PLATE: PIPE: CORRECT INFORMATION:

COMMENTS: PRODUCTION CASING WAS NOT RUN (OPEN HOLE FROM 250' TO 4000').

TAGGED BRIDGE AT 340 FEET AND LAY DOWN 11 JOINTS DRILL PIPE. BACKFILL

HOLE WITH 2 3/4 YARDS OF 7 BACK MORTER-MIX CEMENT--STOOD FULL. ALL

ANNULI WAS FULL OF CEMENT. POST WAS INSTALLED WITH PLATE SEAL TO BE ADDED.

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
CEMENTING OPERATIONS

WELL NAME: STATE #1 API NO: 43-047-32770

QTR/QTR: NE/SE SECTION: 3 TOWNSHIP: 6S RANGE 22E

COMPANY NAME: PAUL T. WALTON & ASSOC. COMPANY MANMR. BEELEY

INSPECTOR: DAVID W. HACKFORD DATE: 8/23/96

CASING INFORMATION: SURFACE CASING: YES

SIZE: 7 5/8" GRADE: USED HOLE SIZE: 9 5/8" DEPTH: 250'

PIPE CENTRALIZED: NO

CEMENTING COMPANY: DOWELL-SCHLUMBERGER

CEMENTING STAGES: SINGLE

SLURRY INFORMATION:

1. CLASS: "B" ADDITIVES: 2% CACL, 1/4# FLOECE PER BAG

LEAD: 75 BAGS TAIL:

2. SLURRY WEIGHT LBS. PER GALLON:

LEAD: 15.8 PPG TAIL:

3. WATER (GAL/BX)

LEAD: 4.97 GALLONS PER BAG TAIL: 1.15 YIELD

CEMENT TO SURFACE: NO LOST RETURNS: YES

1 INCH INFORMATION: WEIGHT: 15.8 CEMENT TO SURFACE: Y

FEET: 60 BX: 75 CLASS: B CACLX: 2% RETURNS: Y

ADDITIONAL COMMENTS: HOLE WAS CEMENTED THROUGH 1" THREE TIMES BEFORE HOLE CAME FULL AND STAYED FULL. NO CEMENT PLUS WAS USED. DISPLACEMENT WAS FIGURED TO LEAVE 30' CEMENT IN CASING. WATER FLOW AT 100'.
JOB FINISHED 4:00 AM ON 8/24/96.

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
DRILLING INSPECTION FORM

OPERATOR: PAUL T. WALTON & ASSOC. COMPANY REP: K. SEELEY

WELL NAME: STATE #1 API NO 49-047-32770

GTR/GTR: NE/SE SECTION: 3 TWP: 6S RANGE: 22E

CONTRACTOR: HAYES PETROLEUM RIG NUMBER: 1

INSPECTOR: DAVID W. HACKORD TIME: 2:00 PM DATE: 8/23/96

SPUD DATE: DRY; NO ROTARY: 8/22/96 PROJECTED Y. D.: 4000

OPERATIONS AT TIME OF VISIT: CIRCULATE HOLE WITH AIR AND MIST AT 355'

WELL SIGN: N MUD WEIGHT 9.4 LBS/GAL DOPE: N

BLOODIE LINE: Y FLARE PIT: Y H2S POTENTIAL: N

ENVIRONMENTAL:

RESERVE PIT: N FENCED: _____ LINED: _____ PLASTIC: _____

RUBBER: _____ BENTONITE: _____ SANITATION: N

DOPE TEST RECORDED IN THE RIG DAILY TOUR BOOK: N

REMARKS:

SURFACE HOLE HAS BEEN DRILLED TO 355'. RIG WILL RUN CASING AND CEMENT AND HIPPLE UP DOPE.

To: Mr. Dave Hackford; Utah Division of Oil, Gas and Mining

From: Stan Olmstead; Bureau of Land Management, Vernal

Date: September 17, 1996

Subject: Recommended Seed Mixture for Reclaimed Well Location.

Thank you for asking an opinion on reseeding the Walton State Well #1 (NESE Section 3, T6S, R22E). Since this is a State well location the following are only comments and recommendations that you should use at your own discretion. I visited the Walton State Well #1 on September 9, 1996 and noticed the following. The well location and access route have been recontoured well, no equipment or trash has been left at the location. The soils are deep and sandy, and the vegetation in the area is diverse. The location would most likely revegetate on it's own without seeding but seeding will reduce the likelihood of undesirable plants species from being introduced. Most importantly for reclamation will be to prevent any future vehicle travel of the recontoured area that may cause compacting of soils. Travel may occur due to non oil industry use and a berm at the south end of the access route may be all that is needed to prevent such use. It could be developed at the time of seeding.

SEED MIXTURE: (Pure Live Seed)

Wyoming Big Sage (*Artemisia tridentata* ssp. *wyomingensis*)

Fourwing saltbush (*Atriplex canescens*)

Shadscale (*Atriplex confertifolia*)

Western wheatgrass (*Pascopyrum smithii*)

Total

	<u>lbs/acre</u>
	3
	3
	3
	3
	<u>12</u>

- A. Drilling of the seed mixture is preferred but if broadcasted then the mixture should be double the lbs. per acre and the seeded area will be harrow dragged to assure coverage of seed by soil.
- B. Seeding should be done between September 15, 1996 and November 15, 1996.

Stan Olmstead
 Natural Resource Protection Specialist
 BLM



DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

Operator Name: PAUL T. WALTON & ASSOCIATES

Name & Number: #1 STATE

API Number: 43-047-32770

Location: 1/4,1/4 NE/SE Sec. 3 T. 6 S R. 22 E

Geology/Ground Water:

The proposed well will penetrate only the Mancos formation. It is not anticipated that any high quality aquifers will be encountered. The proposed surface casing and cement program will adequately protect any water, should it be encountered.

Reviewer: D. Jarvis

Date: 8/7/96

Surface:

The pre-site investigation of the surface has been performed by field personnel. All applicable surface management agencies and landowners have been notified and their concerns have been accommodated where reasonable and possible.

Reviewer: DAVID W. HACKFORD

Date: 7/30/96

Conditions of Approval/Application for Permit to Drill:

1. A FLARE PIT WILL BE CONSTRUCTED 100 FEET NORTHEAST OF WELL BORE.
2. IF IT BECOMES NECESSARY TO CONSTRUCT A RESERVE PIT, DOGM WILL BE NOTIFIED BEFORE SAID CONSTRUCTION BEGINS.
3. The operator agrees to abide by any and all conditions imposed by the RDCC review.

ON-SITE PREDRILL EVALUATION

Division of Oil, Gas and Mining

OPERATOR: PAUL T. WALTON & ASSOCIATES

WELL NAME & NUMBER: #1 STATE

API NUMBER: 43-047-32770

LEASE: ML-45893 FIELD/UNIT: WILDCAT

LOCATION: 1/4, 1/4 NE/SE Sec: 3 TWP: 6S RNG: 22E 2262' FSL 1184' FEL

LEGAL WELL SITING: 1148 F SEC. LINE; 136 F 1/4, 1/4 LINE; ___ F ANOTHER WELL.

GPS COORD (UTM): 12634035 E 4465068 N

SURFACE OWNER: STATE OF UTAH

PARTICIPANTS

DAVID W. HACKFORD (DOGM), BRAD HILL (DOGM), GERALD HAYES (DRILLING CONTRACTOR), MIKE HAYES (DRILLING CONTRACTOR), DE BENNEVILLE SEELEY JR. (PAUL T. WALTON & ASSOCIATES).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

SIGHT IS ON THE EDGE OF A FLAT TOP MESA WITH BREAKS FALLING AWAY TO THE NORTH AND EAST OF SITE. BREAKS LEAD TO GREEN RIVER OVER ONE MILE TO THE EAST.

SURFACE USE PLAN

CURRENT SURFACE USE: LIVESTOCK AND WILDLIFE GRAZING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 200' BY 150'.
PROPOSED ROAD TO LOCATION WILL BE 0.7 MILES.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE ATTACHED MAP FROM GIS DATABASE.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: ALL PRODUCTION FACILITIES WILL BE ON LOCATION AND ADDED AFTER DRILLING WELL.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL WILL BE BORROWED FROM THIS SITE DURING CONSTRUCTION AND IS NATIVE.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED

WASTE MANAGEMENT PLAN:

DRILLED CUTTINGS WILL BE SETTLED INTO FLARE PIT. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO RANGLEY LANDFILL BY DRILLING CONTRACTOR. ANY AND ALL HAZARDOUS WASTES WILL BE DISPOSED OF OFFSITE AT AN APPROVED FACILITY BY DRILLING CONTRACTOR.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE
FLORA/FAUNA: SAGE, NATIVE GRASSES, SALTBRUSH, PRICKLEY PEAR. RABBIT,
PRONGHORN, RODENTS, COYOTE, BIRDS.

SOIL TYPE AND CHARACTERISTICS: LIGHT RED SANDY CLAY.

SURFACE FORMATION & CHARACTERISTICS: ALLUVIUM DERIVED FROM MANCOS
SHALE.

EROSION/SEDIMENTATION/STABILITY: MINOR EROSION, MINOR SEDIMENTATION,
NO STABILITY PROBLEMS ANTICIPATED.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

RESERVE PIT

CHARACTERISTICS: NO RESERVE PIT WILL BE BUILT BEFORE SPUDDING WELL.

LINER REQUIREMENTS (Site Ranking Form attached): IF IT BECOMES
NECESSARY TO CONSTRUCT A RESERVE PIT AFTER DRILLING STARTS, A LINER
WILL NOT BE NECESSARY.

SURFACE RESTORATION/RECLAMATION PLAN

AS PER STATE OF UTAH, TRUST LANDS.

SURFACE AGREEMENT: STATE OF UTAH, TRUST LANDS.

CULTURAL RESOURCES/ARCHAEOLOGY: AN ARCHAEOLOGICAL INVESTIGATION HAS BEEN
CONDUCTED BY CARL E. CONNER OF GRAND RIVER INSTITUTE OF GRAND
JUNCTION, COLORADO, AND A REPORT OF THIS INVESTIGATION WILL BE PLACED
ON FILE.

OTHER OBSERVATIONS/COMMENTS

A RESERVE PIT WILL NOT BE CONSTRUCTED. IF WATER IS ENCOUNTERED
WHILE DRILLING WITH AIR, AND A RESERVE PIT IS NEEDED, DOGM WILL BE
NOTIFIED.

ATTACHMENTS:

PHOTOS OF PROPOSED SITE WILL BE PLACED ON FILE.

DAVID W. HACKFORD
DOGM REPRESENTATIVE

7/30/96 1:00PM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	15	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	15	
TDS >10000 or Oil Base	20	
Mud Fluid containing high levels of hazardous constituents		<u>0</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility		
Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>
Final Score (Level II Sensitivity)		<u>10</u>

Seeley Oil Company

DE BENNEVILLE K. SEELEY, JR.
OWNER

POST OFFICE BOX 9015
SALT LAKE CITY, UT 84109-0015
PHONE (801) 467 - 6419
FAX (801) 272 - 3340

22 July 1996

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



Dear Sirs:

RE: Paul T. Walton & Associates
1 State
NE/SE Sec. 3 - T. 6S-R. 22 E
Uintah County, Utah

Enclosed please find our Application for Permit to Drill as well as Survey Plat and Archeology Report for the above referenced location.

We desire particularly to use the Platted irregular location due to geologic reasons, more particularly due to surface evidence of much better fracturing at the top of the structure rather than downdip to the west. Hence, chances of fracture oil production are increased at our requested location.

I shall be available at your earliest convenience for on-site conference or for any other data you may require. Please contact me at the letterhead telephone number.

Thank you for your assistance in this matter.

Very truly yours,

A handwritten signature in black ink that reads "B. K. Seeley, Jr." The signature is written in a cursive style and is positioned above a horizontal line.

de Benneville K. Seeley, Jr.
agent for Paul T. Walton & Associates



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)

August 7, 1996

Paul T. Walton & Associates
1102 Walker Center
Salt Lake City, Utah 84111

Re: State #1 Well, 2262' FSL, 1184' FEL, NE SE, Sec. 3,
T. 6 S., R. 22 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 43-047-32770.

Sincerely,

R. J. Firth
Associate Director

lwp

Enclosures

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



Operator: Paul T. Walton & Associates
Well Name & Number: State #1
API Number: 43-047-32770
Lease: ML-45893
Location: NE SE Sec. 3 T. 6 S. R. 22 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)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Frank Matthews at (801)538-5334 or Mike Hebertson at (801)538-5333.
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.
4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis dated August 7, 1996 (copy attached).

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: PAUL T. WALTON & ASSOCIATES

Well Name: STATE # 1

Api No. 43-047-32770

Section 3 Township 6S Range 22E County UINTAH
~~DUCHESNE~~

Drilling Contractor HAYES DRILLING

Rig #: 1

SPUDDED:

Date: 8/22/96

Time: 8:00 AM

How: ROTARY

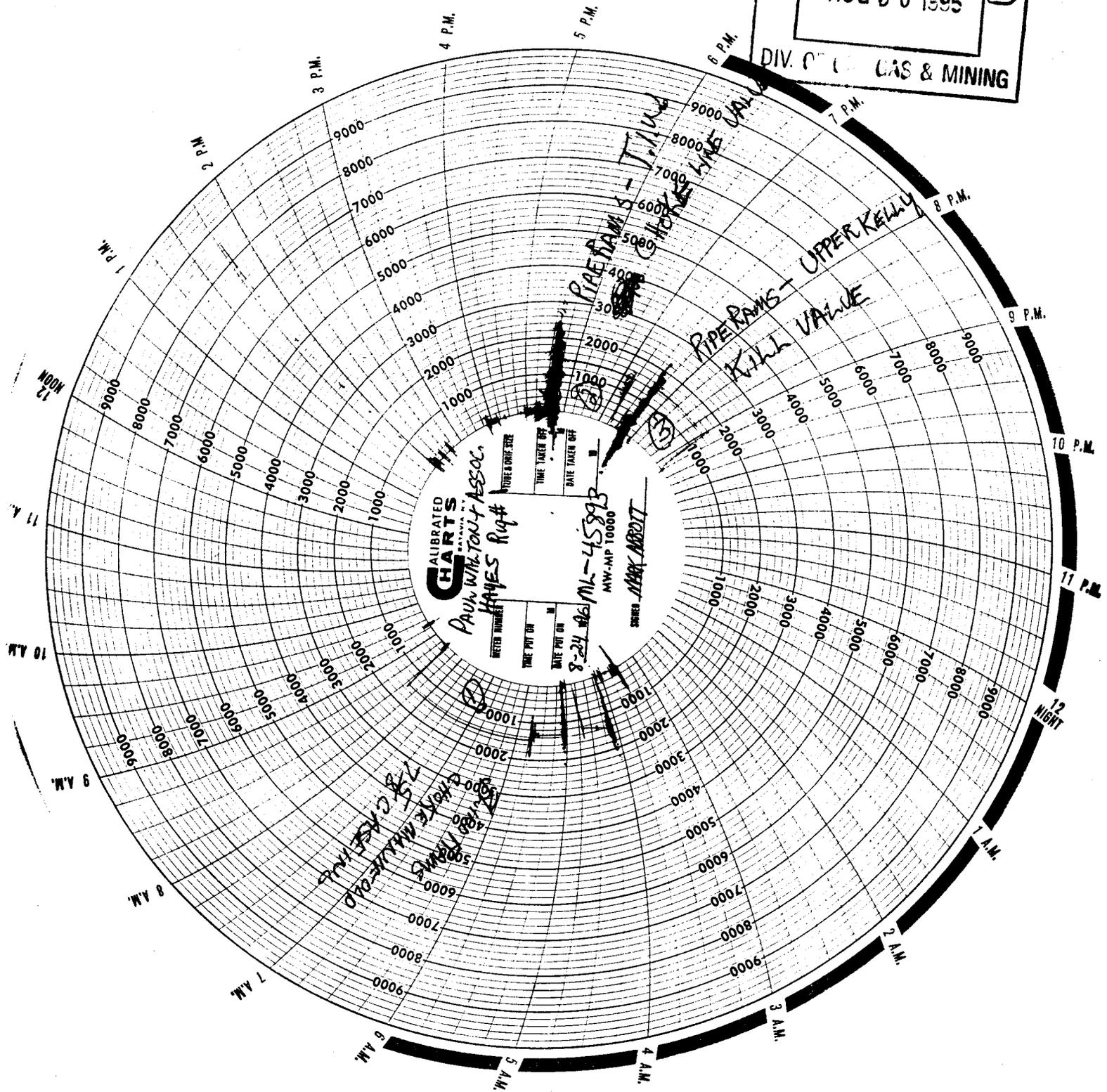
Drilling will commence: _____

Reported by: D. HACKFORD-DOGM

Telephone #: _____

Date: 8/23/96 Signed: FRM

RECEIVED
 AUG 30 1896
 DIV. OF GAS & MINING



Division of Oil, Gas and Mining
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to: State #1 Well File Suspense Other
(Location) Sec 3 Twp 6S Rng 22E (Return Date) _____
(API No.) 43-047-32770 (To - Initials) _____

1. Date of Phone Call: 9/3/96 Time: 9:00 AM

2. DOGM Employee (name) Frank Mathews (Initiated Call)
Talked to:
Name Seely (Initiated Call) - Phone No. ()
of (Company/Organization) Paul T Walter

3. Topic of Conversation: Plugging of Paul T Walter
Mancos all the way down

4. Highlights of Conversation: TD 4334' 300-200' TA9 plug-
No gas or oil show 105x plug
Start plugging 9/4/96
seed in middle of Oct.



State of Utah

GOVERNOR'S OFFICE OF PLANNING AND BUDGET
Resource Development Coordinating Committee



Michael O. Leavitt
Governor

Brad T. Barber
State Planning Coordinator

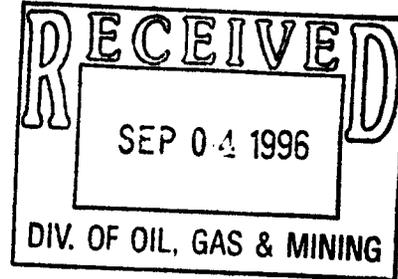
James L. Dykmann
Committee Chairman

John A. Harja
Executive Director

116 State Capitol Building
Salt Lake City, Utah 84114
(801) 538-1027
Fax: (801) 538-1547

September 3, 1996

Frank Matthews
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801



SUBJECT: Application for permit to drill State #1 wildcat well on State Lease
ML-45893
State Identification Number: UT960808-010

Dear Mr. Matthews:

The Resource Development Coordinating Committee (RDCC), representing the State of Utah, has reviewed this proposal. The Division of State History comments:

The report states that no cultural resources were located in the project area. We, therefore, concur with the report's recommendation that No Historic Properties will be impacted by the project.

If you have questions, please contact Jim Dykmann at (801) 533-3555 (Please refer to Case No. 96-1072)

The Committee appreciates the opportunity to review this proposal. Please direct any other written questions regarding this correspondence to the Utah State Clearinghouse at the above address or call Carolyn Wright at (801) 538-1535 or John Harja at (801) 538-1559.

Sincerely,

Brad T. Barber
State Planning Coordinator

BTB/ar

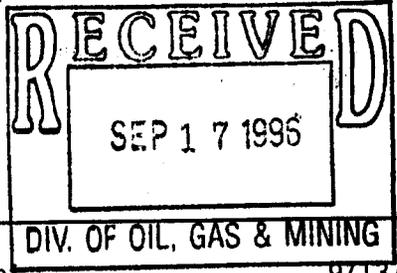
SUNDRY NOTICES AND REPORTS ON WELLS		5. Lease Designation and Serial Number: ML-45893
Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.		6. If Indian, Aliottee or Tribe Name:
		7. Unit Agreement Name:
1. Type of Well: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER: <input type="checkbox"/>		8. Well Name and Number: State #1
2. Name of Operator: Paul T. Walton & Associates		9. API Well Number:
3. Address and Telephone Number: 1102 Walker Center, S.L.C., Utah 84111 Tel. 801-364-4333		10. Field and Pool, or Wildcat: Wildcat
4. Location of Well Footage: 2262' n/s - 1184' w/e QQ, Sec., T., R., M.: ne/se Sec. 3 - T.6S - R.22E		County: Uintah State: Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT (Submit in Duplicate)	SUBSEQUENT REPORT (Submit Original Form Only)
<input type="checkbox"/> Abandon <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Multiple Completion <input type="checkbox"/> Other _____ Approximate date work will start _____	<input checked="" type="checkbox"/> Abandon <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Other _____ Date of work completion <u>Sept. 4, 1996</u> <small>Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form. * Must be accompanied by a cement verification report.</small>
<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Recomplete <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Hole drilled to 4333' in the Mancos w/ mist. Abandoned due to no oil shows. Hole filled w/ cuttings & water and cement plug set from 330' to surface w/ 81 sx. cement & sand mix. Set dry hole marker in cement in surface casing. Weld plate on dry hole marker, sealing it to casing. On Sept. 9, 1996 reclaim location surface to original ground contours and create contour rips w/ dozer tooth. Close access road, re-grade it & thoroughly rip same. Will re-seed approx. October 1st.



13. Name & Signature: B.K. Seely Title: Agent Date: 9/13/96

(This space for State use only)

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

RECEIVED
SEP 17 1996

4. LEASE DESIGNATION AND SERIAL NO.
ML-45893

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

5. FARM OR LEASE NAME

State

8. WELL NO.

#1

10. FIELD AND POOL, OR WILDCAT

Wildcat

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

Sec. 3 - T.6S - R.22E

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

DIV. OF OIL, GAS & MINING

12. TYPE OF WELL: OIL WELL GAS WELL DRY OTHER

1. TYPE OF COMPLETION:

NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. ACSTY. Other Abandon

2. NAME OF OPERATOR

Paul T. Walton & Associates

3. ADDRESS OF OPERATOR

1102 Walker Center, S.L.C., Utah 84111

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

At surface 2262' n/s - 1184' w/e

At top prod. interval reported below

At total depth

Same

14. API NO. DATE ISSUED

43-047-32770

12. COUNTY

Uintah

13. STATE

Utah

15. DATE SPUDDED 8/22/96 16. DATE T.D. REACHED 9/2/96 17. DATE COMPL. (Ready to prod.) 9/4/96 (Plug & Abd.) 18. ELEVATIONS (DF, BSR, RT, GR, ETC.) 4944' gd. 19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 4333' 21. PLUG BACK T.D., MD & TVD 22. IF MULTIPLE COMPL. HOW MANY 23. INTERVALS DRILLED BY 4333' 24. ROTARY TOOLS 25. CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD) 25. WAS DIRECTIONAL SURVEY MADE

26. TYPE ELECTRIC AND OTHER LOGS RUN

27. WAS WELL CORED YES NO (Submit analysis) DRILL STEM TEST YES NO (See reverse side)

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	MOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
103/4"		22'		cement to surface	
75/8"	26.4#	255'	97/8"	cement w/ 150 sx.	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACER SET (MD)

30. TUBING RECORD

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 CROCK SIZE PROD'N FOR TEST PERIOD OIL—BSL. GAS—MCF. WATER—BSL. GAS-OIL RATIO

FLOW. TUBING PRESS. CASING PRESSURE CALCULATED 24-HOUR RATE OIL—BSL. GAS—MCF. WATER—BSL. OIL GRAVITY-API (CORR.)

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

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

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

SIGNED

B.K. Seelye

TITLE

Agent

DATE

9/13/96

See spaces for Additional Data on Reverse Side

INSTRUCTIONS

This form should be completed in compliance with the Utah Oil and Gas Conservation General Rules. If not filed prior to this time, all logs, tests, and directional surveys as required by Utah Rules should be attached and submitted with this report.

ITEM 18: Indicate which elevation is used as reference for depth measurements given in other spaces on this form and on any attachments.

ITEMS 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

ITEM 29: "Sacks Cement"; Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

ITEM 33: Submit a separate completion report on this form for each interval to be separately produced (see instruction for items 22 and 24 above).

37. SUMMARY OF POROUS ZONES:		38. GEOLOGIC MARKERS	
Formation	Top	Bottom	Description, contents, etc.
		Name	Meas. Depth
			True Vert. Depth
		Surface gravels Mancos Total Depth	surface 90' 4333'

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number:
ML-45893

6. If Indian, Altiotsee or Tribe Name:

7. Unit Agreement Name:

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL GAS OTHER:

8. Well Name and Number:
State #1

2. Name of Operator:
Paul T. Walton & Associates

9. API Well Number:
43-047-32770

3. Address and Telephone Number:
1102 Walker Center, S.L.C., Utah 84111 Tel. 801-364-4333

10. Field and Pool, or Wildcat:
Wildcat

4. Location of Well

Footages: 2262' n/s - 1184' w/e
OO, Sec., T., R., M.: ne/se Sec. 3 - T.6S - R.22E

County: Uintah
State: Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT
(Submit in Duplicate)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- Other _____
- New Construction
- Pull or Alter Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

Approximate date work will start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other _____
- New Construction
- Pull or Alter Casing
- Reperforate
- Vent or Flare
- Water Shut-Off

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

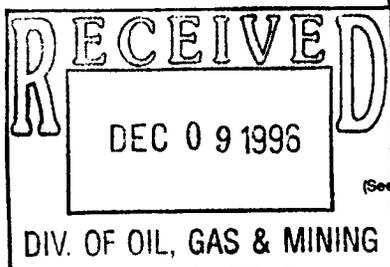
* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Drillsite location and access road have been re-seeded as per your instructions with tractor & drill and using Wyoming Big Sage seed mixture. This completes our rehabilitation of the above location.

13. Name & Signature: B. K. Seelye Title: Agent Date: 12/5/96

(This space for State use only)



(See Instructions on Reverse Side)

(4/84)

