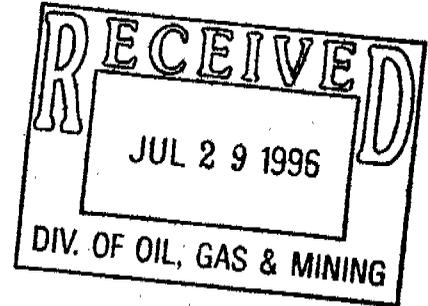




July 26, 1996

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

Attn: Frank Matthews



Re: **Enserch Exploration, Inc.**  
**Federal #44-18I**  
**SE SE Sec. 18, T9S - R17E**  
**Uintah County, Utah**

Dear Frank,

Enclosed please find three copies of the Application for Permit to Drill on the above mentioned well along with one copy of the drilling program and surface use plan which has been filed with the BLM in Vernal, Utah.

Please forward the approved copies to me at the address shown below. Thanks for your assistance in this matter.

Sincerely,

PERMITCO INC.

**Lisa L. Smith**  
**Consultant for:**  
**Enserch Exploration, Inc.**

Enc.

cc: **Enserch Exploration, Inc. - Dallas, TX**  
**Enserch Exploration, Inc. - Vernal, UT**

**Permitco Incorporated**  
A Petroleum Permitting Company

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

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

**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**

1a. TYPE OF WORK **DRILL**  **DEEPEN**  **PLUG BACK**   
 1b. TYPE OF WELL  
 OIL  GAS  SINGLE  MULTIPLE   
 WELL  WELL  OTHER  ZONE  ZONE

2. NAME OF OPERATOR **214/987-6430 4849 Greenville Ave., Suite 1200**  
**Enserch Exploration, Inc. Dallas, Texas 75206**  
 3. ADDRESS OF OPERATOR **303/452-8888 13585 Jackson Drive**  
**PERMITCO INC. - Agent Denver, CO 80241**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. \*)  
 At Surface **660' FSL and 660' FEL**  
 At proposed Prod. Zone **SE SE Sec. 18, T9S - R18E**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
**19 miles southeast of Myton, Utah**

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

16. NO. OF ACRES IN LEASE  
**1717.32**

17. NO. OF ACRES ASSIGNED TO THIS WELL  
**40**

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.  
**None**

19. PROPOSED DEPTH  
**5700'**

20. ROTARY OR CABLE TOOLS  
**Rotary**

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
**5118' GR**

22. APPROX. DATE WORK WILL START\*  
**September 21, 1996**

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	400'	270 cubic feet Class "G"
7-7/8"	5-1/2"	17#	5700'	1900 cubic feet Light & Class "G".

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

24. SIGNED *Dee G. Smith* CONSULTANT FOR: Enserch Exploration, Inc. DATE 07/26/96

PERMIT NO. 43-047-32776 APPROVAL DATE \_\_\_\_\_

APPROVED BY *J. Matthews* TITLE Petroleum Engineer DATE 8/15/96

cc: Utah Division of Oil, Gas & Mining

**\*See Instructions On Reverse Side**

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

5. LEASE DESIGNATION AND SERIAL NO.  
**U-39714**

6. IF INDIAN, ALLOTTEE OR TRIBAL NAME  
**N/A**

7. UNIT AGREEMENT NAME  
**N/A**

8. FARM OR LEASE NAME  
**Federal**

9. WELL NO.  
**#44-181**

10. FIELD AND POOL OR WILDCAT  
**Eight Mile Flat**

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
**Sec. 18, T9S - R18E**

12. COUNTY OR PARISH  
**Uintah**

13. STATE  
**Utah**

JUL 29 1996

DIV. OF OIL, GAS & MINING

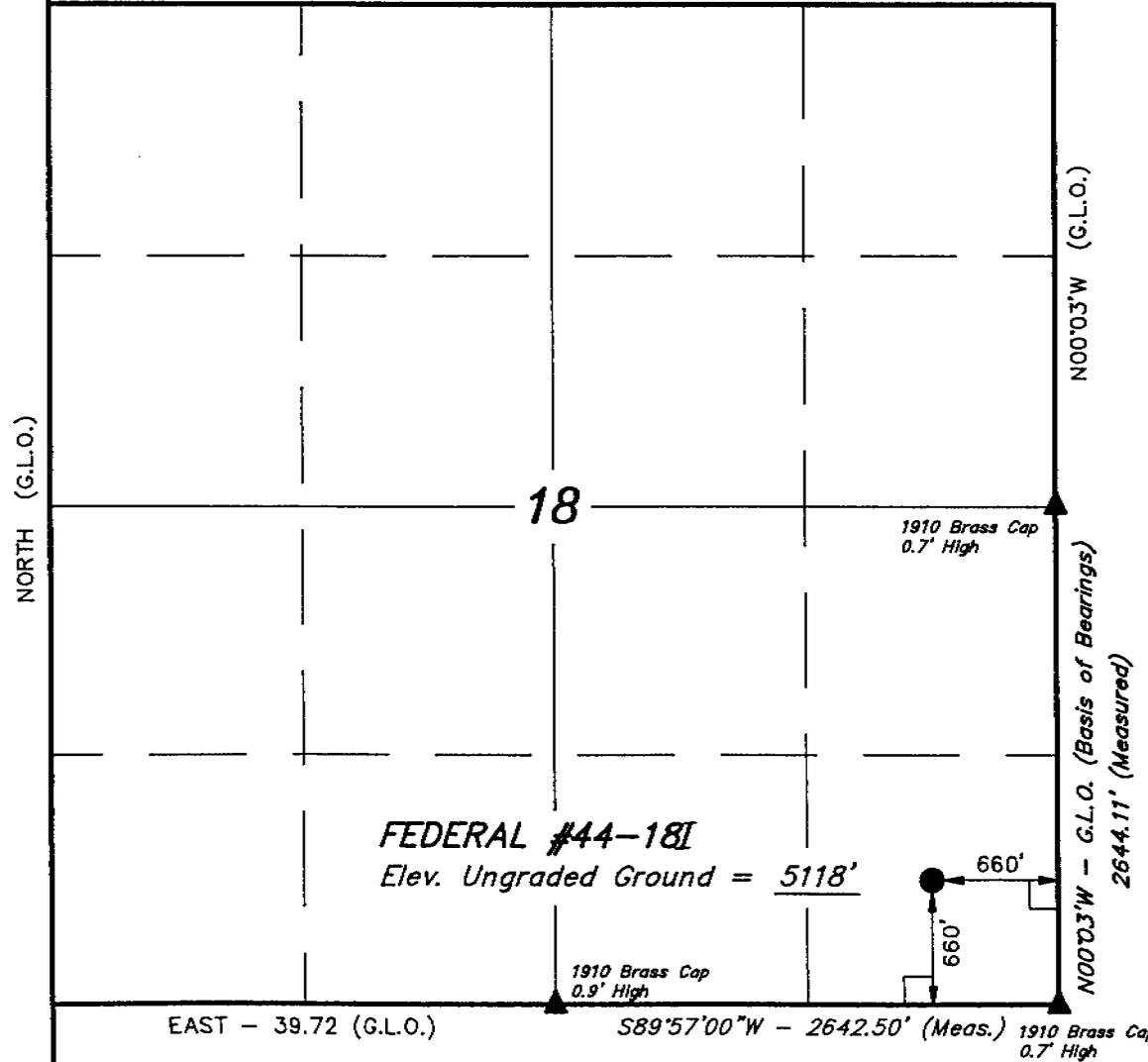
**ENSERCH EXPLORATION, INC.**

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

Well location, FEDERAL #44-18I, located as shown in the SE 1/4 SE 1/4 of Section 18, T9S, R18E, S.L.B.&M. Uintah County, Utah.

R  
17  
E

N89°59'E - 79.61 (G.L.O.)



NORTH (G.L.O.)

18

1910 Brass Cap  
0.7' High

**FEDERAL #44-18I**  
Elev. Ungraded Ground = 5118'

1910 Brass Cap  
0.9' High

EAST - 39.72 (G.L.O.)

S89°57'00"W - 2642.50' (Meas.)

1910 Brass Cap  
0.7' High

N00°03'W (G.L.O.)

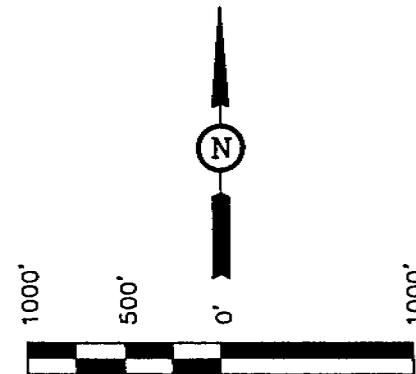
N00°03'W - G.L.O. (Basis of Bearings)  
2644.11' (Measured)

**LEGEND:**

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

**BASIS OF ELEVATION**

SPOT ELEVATION AT THE SOUTHEAST CORNER OF SECTION 18, T9S, R18E, S.L.B.&M. TAKEN FROM THE PARIETTE DRAW SW, QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5119 FEET.



SCALE

**CERTIFICATE**

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

*Robert K. Anderson*  
REGISTERED LAND SURVEYOR  
REGISTRATION NO. 319  
STATE OF UTAH

<b>UINTAH ENGINEERING &amp; LAND SURVEYING</b>		
85 SOUTH 200 EAST - VERNAL, UTAH 84078		
(801) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 7-12-96	DATE DRAWN: 7-15-96
PARTY G.S. J.K. C.B.T.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE ENSERCH EXPLORATION, INC.	

**CONFIDENTIAL - TIGHT HOLE**

**ONSHORE OIL & GAS ORDER NO. 1**

**Approval of Operations on Onshore  
Federal and Indian Oil & Gas Leases**

**Federal #44-18I  
660' FSL and 660' FEL  
SE SE Sec. 18, T9S - R18E  
Uintah County, Utah**

**Prepared For:**

**ENSERCH EXPLORATION, INC.**

**By:**

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

**CONFIDENTIAL - TIGHT HOLE**

**Copies Sent To:**

- 3 - BLM - Vernal, Utah**
- 1 - Utah Division of Oil, Gas & Mining - SLC, UT**
- 5 - Enserch Exploration, Inc. - Dallas, TX**
- 1 - Enserch Exploration, Inc. - Vernal, Utah**



**Permitco Incorporated**  
A Petroleum Permitting Company

**ENSERCH  
EXPLORATION INC.**

Drilling Division  
4849 Greenville Ave., Suite 1200  
Dallas, Texas 75206-4186

**Bureau of Land Management  
170 S. 500 East  
Vernal, Utah 84078**

**Attn: Minerals**

**Re: Federal 44-18 I  
Sec. 18-T9S-R18E  
Uintah Co., Utah**

**Gentlemen:**

**This letter is to inform you that Permitco Inc. is authorized to act as Agent and to sign documents on behalf of Enserch Exploration, Inc. when necessary for filing county, state and federal permits including Onshore Order No. 1, Right of Way applications, etc., for the above mentioned well.**

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

**Enserch Exploration, Inc. agrees to accept full responsibility for operations conducted in order to drill, complete and produce the above mentioned well.**

*Wm. Dane Hendley 7/25/96*  
**Wm. Dane Hendley      Date**

**TABLE OF CONTENTS**  
**Federal #44-18I**

	<u>Page No.</u>
<b>DRILLING PROGRAM</b>	
1. Formation Tops	1
2. Anticipated Depth of Oil, Gas & Water	1
3. Blow Out Preventor Requirements	2-3
4. Casing and Cement Program	4-7
5. Mud Program	7-8
6. Testing, Logging and Coring	8-9
7. Abnormal Pressures & H <sub>2</sub> S Gas	9
8. Other Information & Notification Requirements	10-12
 <b>SURFACE USE PLAN</b>	
1. Existing Roads	2
2. Access Roads to be Constructed or Reconstructed	2-4
3. Location of Wells Within 1-Mile	4-5
4. Proposed Production Facilities	5-6
5. Water Supply	6
6. Construction Materials	6
7. Waste Disposal	7
8. Ancillary Facilities	7
9. Wellsite Layout	8-9
10. Reclamation	9
11. Surface/Mineral Ownership	10
12. Other Information	10-12
13. Certification	12-13

ONSHORE ORDER NO. 1  
Enserch Exploration, Inc.  
Federal #44-18I  
660' FSL and 660' FEL  
SE SE Sec. 18, T9S - R18E  
Uintah County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. U-39714

DRILLING PROGRAM

Page 1

ONSHORE OIL & GAS ORDER NO. 1  
Approval of Operations on Onshore  
Federal and Indian Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Estimated Tops of Important Geologic Markers

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Uintah	Surface	
Green River	1207'	+3923'
Douglas Creek Marker	4306'	+ 770'
"D" Marker	4595'	+ 535'
"F" Marker	5159'	- 29'
Basal Limestone	5547'	- 417'
T.D.	5700'	

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

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil	D Sands	4595-4720'
Oil	F Marker	5190-5320'
Water	N/A	
Other Mineral Zones	N/A	

All fresh water prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment

Enserch's minimum specifications for pressure control equipment are as follows:

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

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

Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

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

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

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

Annular preventers shall be functionally operated at least weekly.

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

ONSHORE ORDER NO. 1  
Enserch Exploration, Inc.  
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CONFIDENTIAL - TIGHT HOLE

Lease No. U-39714

DRILLING PROGRAM

Page 3

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

Pressure tests shall apply to all related well control equipment.

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

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The District Office should be notified, with sufficient lead time, in order to have the BLM representative on location during pressure testing.

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



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4. Proposed Casing and Cementing Program:

- a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.
- b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).
- c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data)
- d. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- f. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
- g. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.
- h. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.

- i. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per joint starting with the shoe joint.
- j. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- k. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.
- l. On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

m. The proposed casing program will be as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>New or Used</u>
Surface	0-400'	12-1/4"	8-5/8"	24#	J-55	ST&C	New
Produc.	0-5700'	7-7/8"	5-1/2"	15.5#	J-55	LT&C	New

n. Casing design subject to revision based on geologic conditions encountered.

o. The cement program will be as follows:

<u>Surface</u>	<u>Type and Amount</u>
0-400'	270 cubic feet Class "G" containing CaCl <sub>2</sub> and fluid loss. Approx. 15.8 ppg and 1.17 cubic feet/sk.

Production  
0-5700'

Type and Amount

Lead: 1300 cubic feet Light weight cement containing gel, salt and LCM. Approx. 11.1 ppg and 2.82 cubic feet/sk.

Tail: 600 cubic feet Class "G" containing gypsum, retarder and salt. Approx. 14.9 ppg, 1.52 cubic feet/sk.

- p. Anticipated cement tops will be reported as to depth; not the expected number of sacks of cement to be used. The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.
- q. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.
- r. The following reports shall be filed with the District Manager within 30 days after the work is completed.
  - 1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:
    - a. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.
    - b. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.



s. Auxiliary equipment to be used is as follows:

1. Kelly cock
2. No bit float is deemed necessary.
3. A sub with a full opening valve.

5. Mud Program

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

<u>Interval</u>	<u>Mud Type</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>F/L</u>	<u>PH</u>
0-5700'	Wtr./Lime & Gel	8.4-8.8	27-36	N/C	9.0-10.0

There will be sufficient mud on location to control a blowout should one occur.

A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss, and Ph.

b. Mud monitoring equipment to be used is as follows:

1. Periodic checks will be made each tour of the mud system. The mud level will be checked visually.

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

d. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355,



in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

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

6. Evaluation Program

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

- a. No drill stem tests are anticipated, however, if DST's are run, the following requirements will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's 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 vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve provided some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

ONSHORE ORDER NO. 1  
Enserch Exploration, Inc.  
Federal #44-18I  
660' FSL and 660' FEL  
SE SE Sec. 18, T9S - R18E  
Uintah County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. U-39714

DRILLING PROGRAM  
Page 9

- b. The following logs will be run:
- |                                |            |
|--------------------------------|------------|
| Laterolog/Gamma Ray            | 0-5700'    |
| Microspher Focused Log/Caliper | 3000-5700' |
| Density Log                    | 3000-5700' |
| Neutron Log                    | 3000-5700' |
- c. No cores will be run.
- d. 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 authorized officer (AO).
- e. The anticipated completion program is as follows:  
Perforate zones of interest and frac hydrocarbon bearing zones. Flow to tanks.
- f. Daily drilling and completion progress reports shall be submitted to the BLM in Vernal on a weekly basis.

7. Abnormal Temperatures or Pressures

- a. The expected bottom hole pressure is 2600 psi.
- b. No hydrogen sulfide gas is anticipated and no abnormal pressures or temperatures are anticipated.

8. Anticipated Starting Dates and Notification of Operations

- a. Drilling will commence on approximately September 21, 1996.
- b. It is anticipated that the drilling of this well will take approximately 8 days.
- c. The BLM in Vernal, Utah shall be notified of anticipated date of location construction commencement and of anticipated spud date.
- d. 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.
- e. The spud date will be reported orally to the AO within 48 hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the following regular work day. The oral report will be followed up with a Sundry Notice.
- f. In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Vernal BLM District Office, 170 South 500 East, Vernal, UT 84078.
- g. 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.
- h. 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.

- i. 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 communications, not later than 5 days following the date on which the well is placed on production.**
- j. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.**
- k. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.**
- l. A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9.d.), shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4.).**
- m. A first production conference will be scheduled within 15 days after receipt of the first production notice.**
- n. 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 SO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 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.**



**ONSHORE ORDER NO. 1**  
**Enserch Exploration, Inc.**  
**Federal #44-181**  
**660' FSL and 660' FEL**  
**SE SE Sec. 18, T9S - R18E**  
**Uintah County, Utah**

**CONFIDENTIAL - TIGHT HOLE**

**Lease No. U-39714**

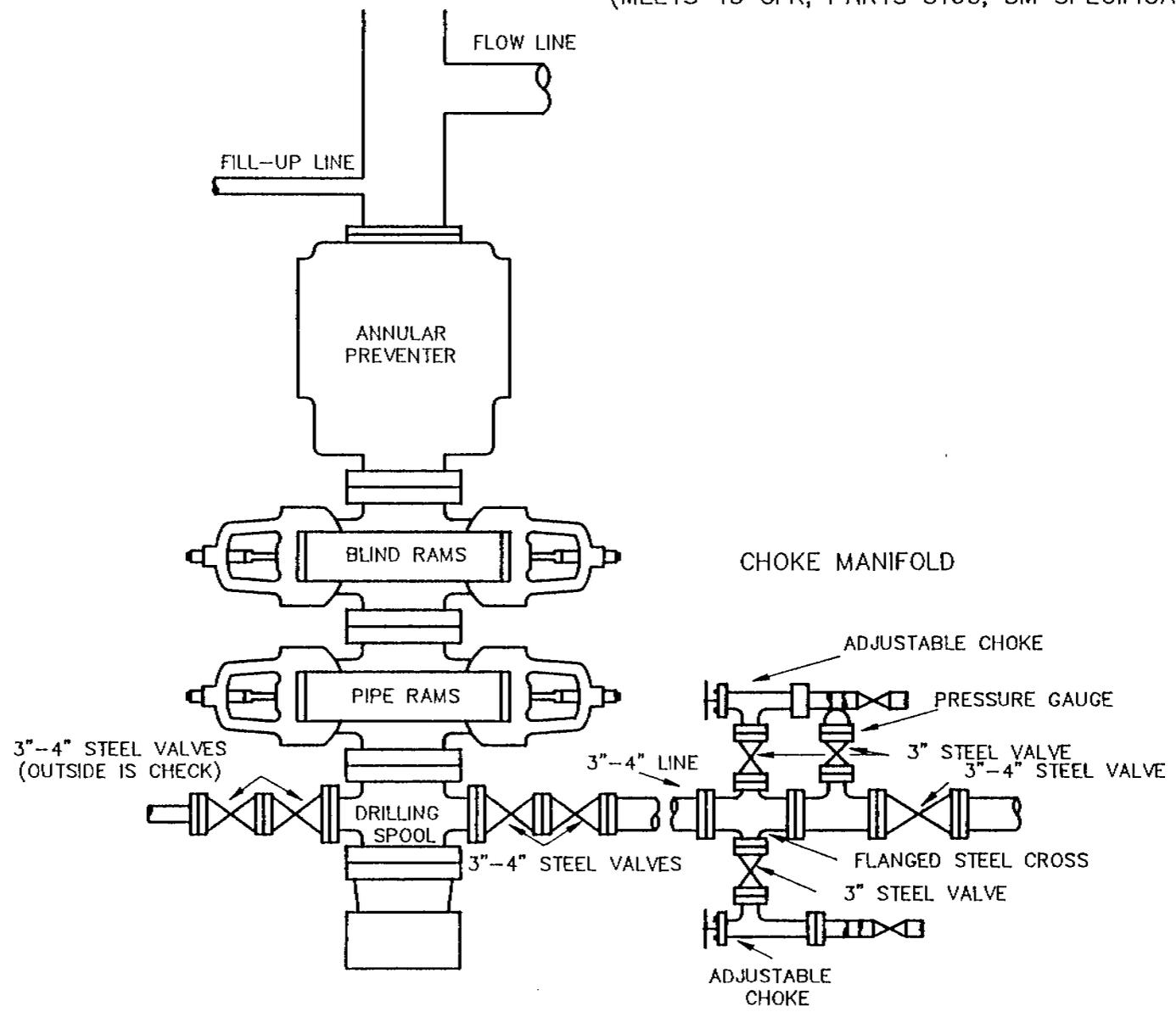
**DRILLING PROGRAM**  
**Page 12**

- o. Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian lands.**



**Permitco Incorporated**  
A Petroleum Permitting Company

THREE PREVENTER HOOKUP  
CLASS III  
(MEETS 43 CFR, PARTS 3160, 3M SPECIFICATIONS)



**ONSHORE ORDER NO. 1**  
Enserch Exploration, Inc.  
Federal #44-181  
660' FSL and 660' FEL  
SE SE Sec. 18, T9S - R18E  
Uintah County, Utah

**CONFIDENTIAL - TIGHT HOLE**

Lease No. U-39714

**SURFACE USE PLAN**

Page 1

**ONSHORE OIL & GAS ORDER NO. 1**

**Thirteen Point Surface Use Plan**

**NOTIFICATION REQUIREMENTS**

- Location Construction -** 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 -** twenty-four (24) hours prior to running casing and cementing all casing strings.
- BOP and Related Equipment Tests -** 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.

The onsite inspection for the above mentioned well was conducted on Tuesday, July 23, 1996 at approximately 11:25 a.m. Weather conditions were warm and dry. Present at the onsite inspection were the following individuals:

<b>Byron Tolman</b>	<b>Natural Resource Specialist</b>	<b>BLM</b>
<b>Robert Kay</b>	<b>Surveyor</b>	<b>UELS</b>
<b>Lisa Smith</b>	<b>Permitting Consultant</b>	<b>Permitco Inc.</b>
<b>Dane Hendley</b>	<b>Drilling Supervisor</b>	<b>Enserch Exploration, Inc.</b>
<b>Harley Jackson</b>	<b>Dirt Contractor</b>	<b>Harley Construction</b>
<b>Tony Pummell</b>	<b>Dirt Contractor</b>	<b>Stubbs &amp; Stubbs Const.</b>



**Permitco Incorporated**  
A Petroleum Permitting Company

1. Existing Roads

- a. The proposed well site is located approximately 16 miles southeast of Myton, Utah.
- b. Directions to the location from Myton, Utah are as follows:  
  
From Myton proceed south on Highway 40 for 1.5 miles. Turn left onto an existing paved road and proceed southerly and then southeasterly for 11.2 miles to the old Castle Peak Mine. Continue in a southeasterly direction for 3.2 miles along the Eight Mile Flat road. Then east for 1.8 miles. Turn right and proceed south for 0.9 miles. Turn right and proceed southwesterly for 0.7 mile. Turn right onto the new access road (flagged) and proceed northwesterly for approximately 0.2 miles to the location.
- c. For location of access roads within a 2-Mile radius, see Maps A & B.
- d. Improvement to the existing access will not be necessary.
- e. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.
- f. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.

2. Planned Access Roads

- a. There will be approximately 0.2 miles of new access which was flagged at the time of staking.
- b. The maximum grade is approximately 6% or less.
- c. No turnouts are planned.

- d. No culverts and/or bridges will be required, however, appropriate drain dips or water turnouts will be installed as necessary to control erosion.
- e. The need for surfacing material is not anticipated.
- g. No cattleguards will be necessary.
- h. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.
- i. Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, (1989).
- j. The road will be constructed/upgraded to meet the standards of the anticipated traffic flow and all weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowing and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.
- k. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.



ONSHORE ORDER NO. 1  
Enserch Exploration, Inc.  
Federal #44-181  
660' FSL and 660' FEL  
SE SE Sec. 18, T9S - R18E  
Uintah County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. U-39714

SURFACE USE PLAN

Page 4

1. A right of way will be necessary for access roads located outside of Lease No. U-39714. Total length of the right of way will be approximately 1500 feet, (1000 feet existing road, 500 feet new construction). Right of way may be issued to the wellhead if preferred by your office.

For location of right of way, please see Map "D" attached. The following BLM acreage will be crossed:

T9S - R18E

Sec. 17: NE SW

Sec. 20: NW NW

There are no related structures or facilities planned at this time.

The right of way is requested for 30 years or the entire life of the producing well, whichever is longer.

The road will be used year-round for maintenance of production facilities. Roads will be constructed to BLM standards. No temporary work areas will be needed.

Attached is the application and monitoring fee in the amount of \$375.00.

3. Location of Existing Wells Within a 1-Mile Radius of the Proposed Location.  
(See Map #C).

- a. Water wells - none
- b. Injection wells - none
- c. Producing wells - none
- d. Drilling wells - none
- e. Shut-in wells - none
- f. Temporarily abandoned wells - none



Permitco Incorporated  
A Petroleum Permitting Company

- g. Disposal wells - none**
- h. Dry Holes - none**

**4. Location of Tank Batteries and Production Facilities.**

- a. All permanent structures (onsite for six months or longer) constructed or installed (including oil well pump jacks) will be painted Desert Tan (10YR6/3). All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.**
- b. If storage facilities/tank batteries are constructed on this lease, the facility/battery or the wellpad shall surrounded by a containment dike of sufficient capacity to contain at a minimum, the entire content of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.**
- c. A production facilities diagram will be submitted under separate cover.**
- d. All loading lines will be placed inside the berm surrounding the tank battery.**
- e. If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the authorized officer.**
- f. Any necessary pits will be properly fenced to prevent any wildlife entry.**
- g. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.**



- h. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.
- i. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.
- j. The road will be maintained in a safe useable condition.

5. Location and Type of Water Supply

- a. All water needed for drilling purposes will be obtained from either the U.G.W. (well) located in Section 27, T1S - R2W (Permit No. 84-43-73 t 14099) or Gorman Draw Reservoir in Section 12, T4S - R2W, (Permit No. 47-1437 t20196).
- b. Water will be hauled to location over the roads marked on Maps A and B.
- c. No water well is to be drilled on this lease.
- d. A copy of the approved water permits are attached.

6. Source of Construction Material

- a. Surface and subsoil materials in the immediate area will be utilized.
- b. Any gravel used will be obtained from a commercial source.
- c. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2.3. Construction material will not be located on lease.
- d. No construction materials will be removed from Federal land.

7. Methods of Handling Waste Disposal

- a. The reserve pit will be constructed so as not to leak, break, or allow discharge.
- b. A reserve pit liner will not be necessary.
- c. Burning will not be allowed. All trash will be contained in a trash cage and its contents removed at the end of drilling operations and hauled to an approved disposal sight.
- d. After first production, produced waste water will be confined to a unlined pit or storage tank for a period not to exceed ninety (90) days. During the 90-day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.
- e. Drill cuttings are to be contained and buried in the reserve pit.
- f. Any salts and/or chemicals which are an integral part of the drilling system will be disposed of in the same manner as the drilling fluid.
- g. A chemical porta-toilet will be furnished with the drilling rig.
- h. The produced fluids will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas salt water or other produced fluids will be cleaned up and removed.

8. Ancillary Facilities

There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.



**9. Well Site Layout**

- a. **The reserve pit will be located on the north side of the location as shown on the location layout diagram.**
- b. **The flare pit will be located downwind of the prevailing wind direction and will be a minimum of 100 feet from the well head and will be a minimum of 35 feet from the reserve pit fence.**
- c. **Approximately six inches of topsoil will be stripped and wind rowed along the southwest side of the location between points 2 and 8 as shown on the location layout.**
- d. **Access to the wellpad will be from the southeast as shown on the attached rig layout.**
- e. **See Location Layout for orientation of rig, cross section of drill pad and cuts and fills.**
- f. **The location of mud tanks; reserve pit, trash cage; pipe racks; living facilities and soil stockpiles is shown on the Location Layout.**
- g. **All pits will be fenced according to the following minimum standards:**
  1. **39 inch net wire shall be used with at least one strand or barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).**
  2. **The net wire shall be no more than 2-inches above the ground. The barbed wire shall be 3-inches above the net wire. Total height of the fence shall be at least 42-inches.**
  3. **Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.**



4. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.
5. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.
- h. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until cleanup.

10. Plans for Restoration of Surface

Producing Location

- a. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
- b. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
- c. The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion. Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons removed and all cans, barrels, pipe, etc., will be removed.
- d. At the time of reclamation and final abandonment, the Bureau of Land Management will provide an appropriate seed mixture.

Dry Hole

- e. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and BLM will attached the appropriate surface rehabilitation conditions of approval.



11. Surface Ownership

**Access Roads - All roads are County maintained or a located on BLM lands. A ROW application has been filed for access roads not covered under Lease No. U-39714.**

**Wellpad - The well pad is located on lands owned by the BLM.**

12. Other Information

a. **A Class III archeological survey was conducted by Metcalf Archeological Consultants. No significant cultural resources were found and clearance has been recommended. A copy of this report will be submitted directly by Metcalf Archeological Consultants.**

b. **The operator is responsible for informing all persons in the areas 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 time frame for the AO to complete and 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. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the 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 required mitigation has been completed, the operator will then be allowed to resume construction.

- c. Pursuant to 43 CFR 10.4 (g) the holder of this authorization must notify the authorized officer, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. Further, pursuant to 43 CFR 10.4 (c) and (d), you must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the authorized officer.
- d. The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- e. Drilling rigs and/or equipment used during drilling operations on this wellsite will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure.
- f. 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 plan of operations, 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 the field representative to insure compliance.
- g. A complete copy of the approved APD shall be on location during construction of the location and drilling activities.



- h. This permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.
- i. The operator or his contractor shall contact the BLM Offices at 801/789-1362 48 hours prior to construction activities.
- j. The BLM Office shall be notified upon site completion prior to moving on the drilling rig.
- k. In the event after-hours approvals are necessary, please contact one of the following individuals:

Wayne Bankert	Petroleum Engineer	801/789-4170
Ed Forsman	Petroleum Engineer	801/789-7077
BLM Fax Machine		801/781-4410

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

Permit Matters  
PERMITCO INC.  
Lisa L. Smith  
13585 Jackson Drive  
Denver, CO 80241  
303/452-8888

Drilling & Completion Matters  
ENSERCH EXPLORATION, INC.  
4849 Greenville, Suite 1200  
Suite 1200  
Dallas, TX 75206  
Dane Hendley - 214/987-6430

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; 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 Enserch Exploration, Inc. and its contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.



ONSHORE ORDER NO. 1  
Enserch Exploration, Inc.  
Federal #44-18I  
660' FSL and 660' FEL  
SE SE Sec. 18, T9S - R18E  
Uintah County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. U-39714

SURFACE USE PLAN

Page 13

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

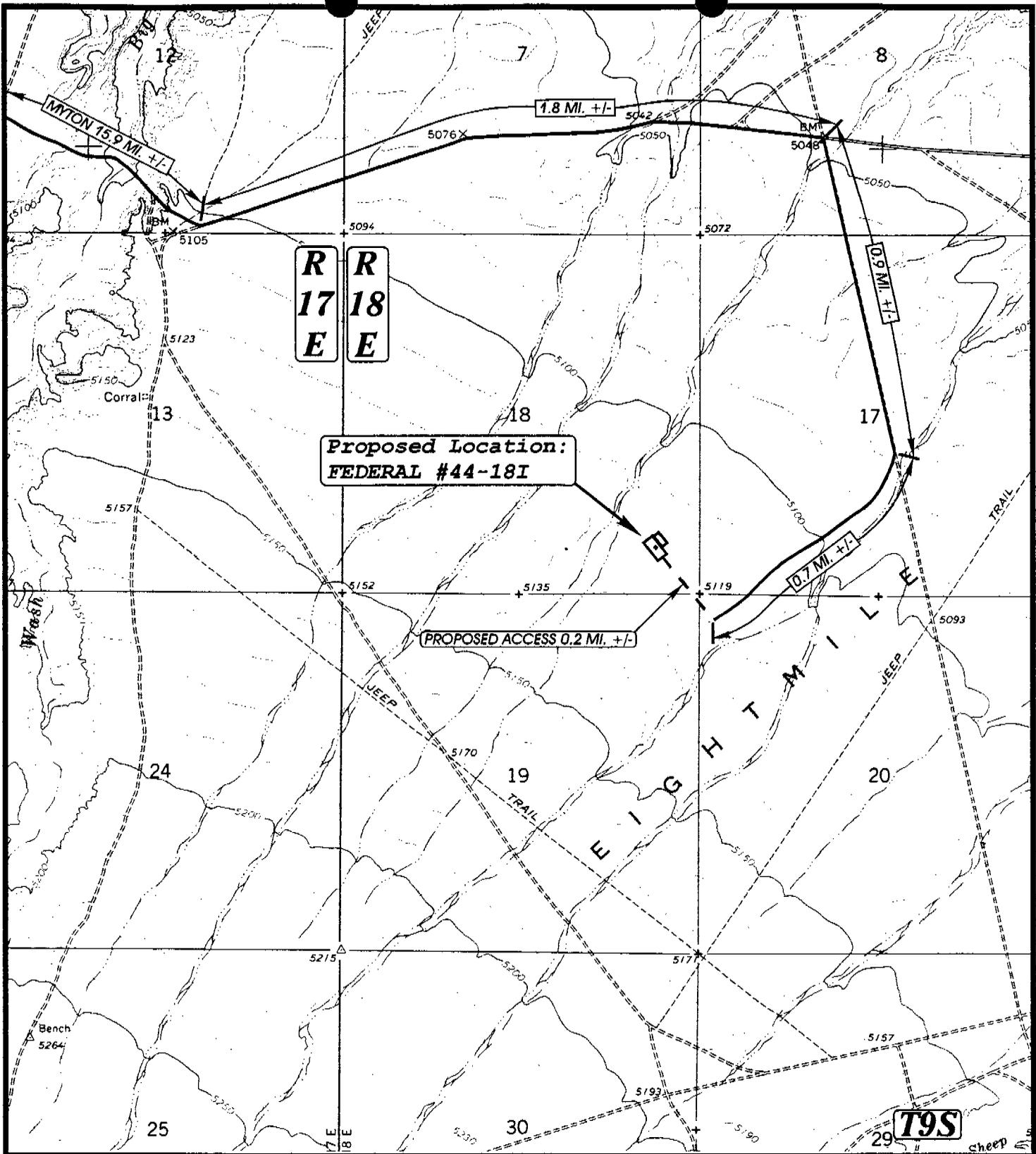
July 26, 1996  
Date:

  
\_\_\_\_\_  
Lisa L. Smith - PERMITCO INC.  
Authorized Agent for:  
Enserch Exploration, Inc.



Permitco Incorporated  
A Petroleum Permitting Company





**R  
17  
E**   **R  
18  
E**

**Proposed Location:  
FEDERAL #44-18I**

**PROPOSED ACCESS 0.2 MI. +/-**

**UELS**

**TOPOGRAPHIC  
MAP "B"**

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

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

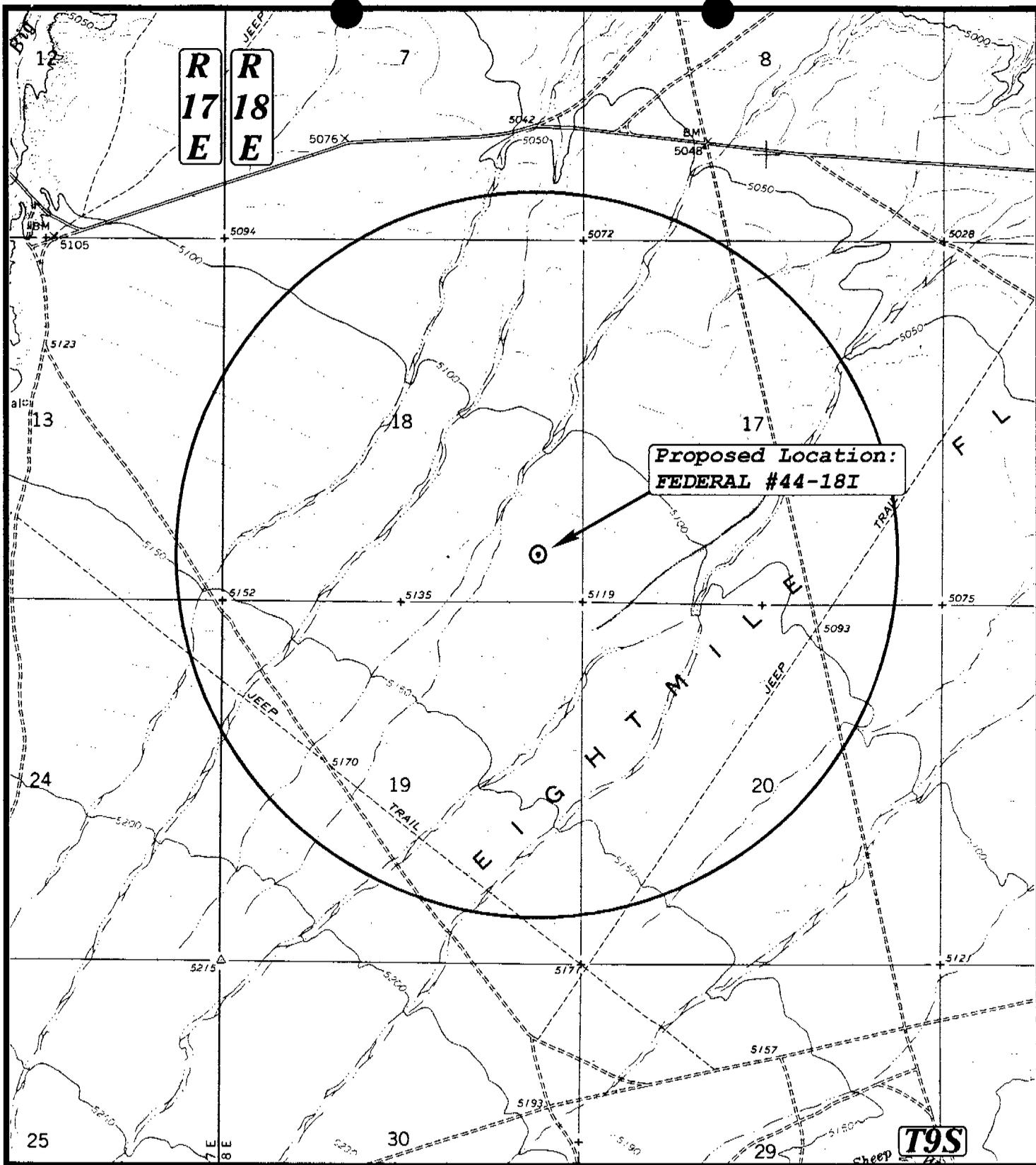


**SCALE: 1" = 2000'**

**ENSERCH EXPLORATION, INC.**

**FEDERAL #44-18I  
SECTION 18, T9S, R18E, S.L.B.&M.  
660' FSL 660' FEL**

**T9S**



**R 17 E**  
**R 18 E**

**Proposed Location:**  
**FEDERAL #44-18I**

**LEGEND:**

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

**UEIS**

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



SCALE: 1" = 2000'

**ENSERCH EXPLORATION, INC.**

**FEDERAL #44-18I**

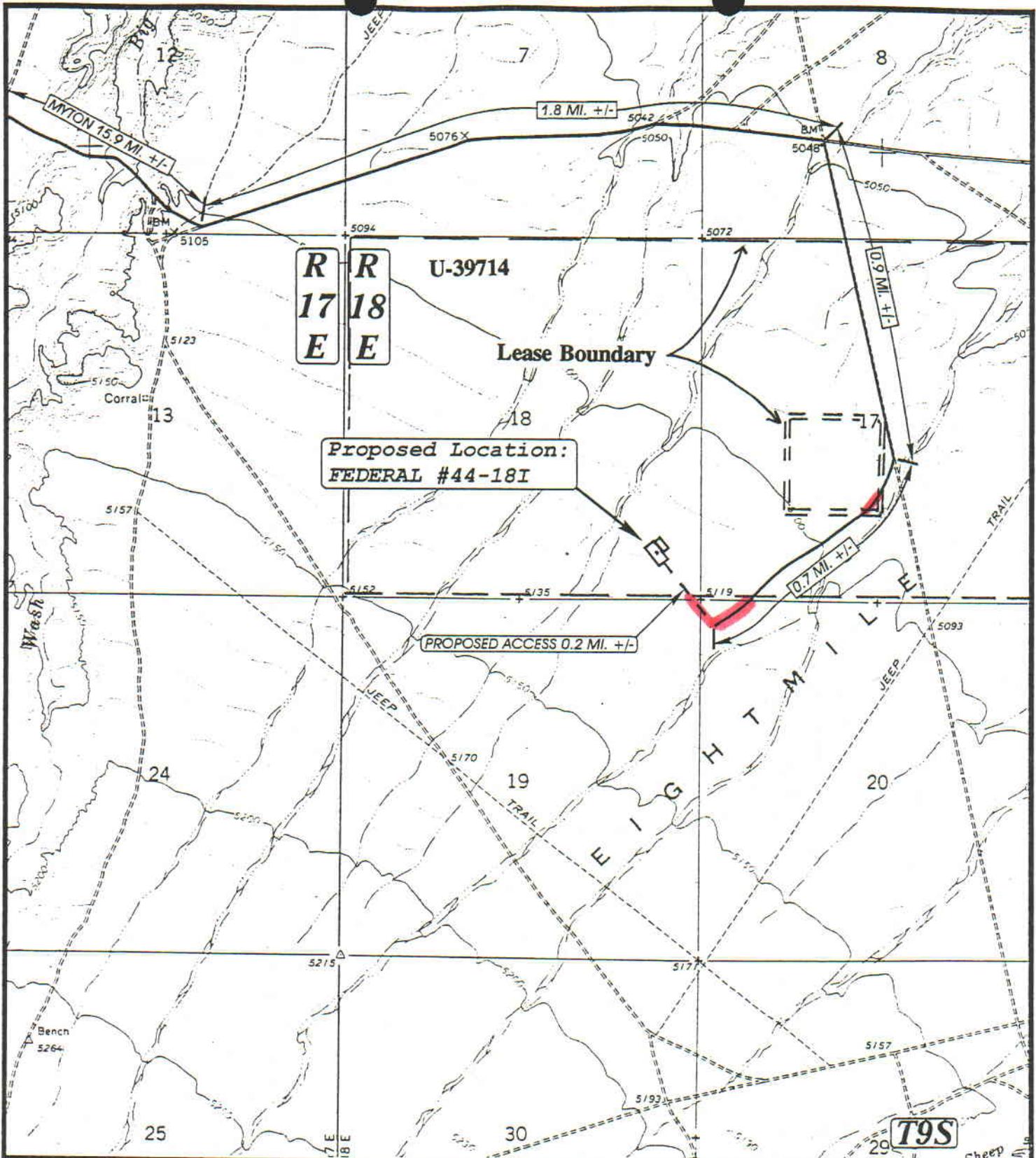
**SECTION 18, T9S, R18E, S.L.B.&M.**

**TOPOGRAPHIC**

**MAP "C"**

DATE: 7-15-96  
DRAWN BY: D.COX

**T9S**



UELS

**TOPOGRAPHIC  
Map "D"**

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

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



SCALE: 1" = 2000'

**ENSERCH EXPLORATION, INC.**  
FEDERAL #44-181  
SECTION 18, T9S, R18E, S.L.B.&M.  
660' FSL 660' FEL

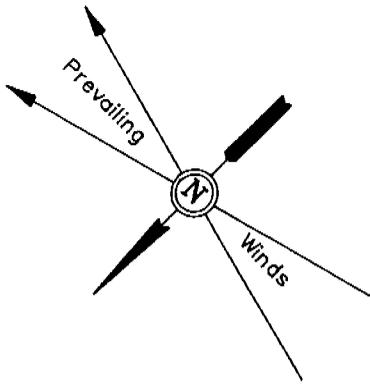
**ROW Requested**

ENSERCH EXPLORATION, INC.

LOCATION LAYOUT FOR

FEDERAL #44-18I  
SECTION 18, T9S, R18E, S.L.B.&M.  
660' FSL 660' FEL

*[Handwritten Signature]*



El. 18.6'  
C-0.9'

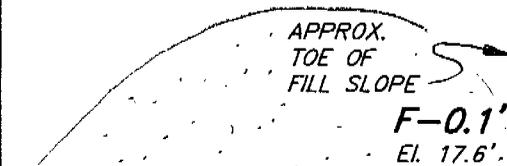
El. 18.9'  
C-1.2'

El. 20.5'  
C-2.8'

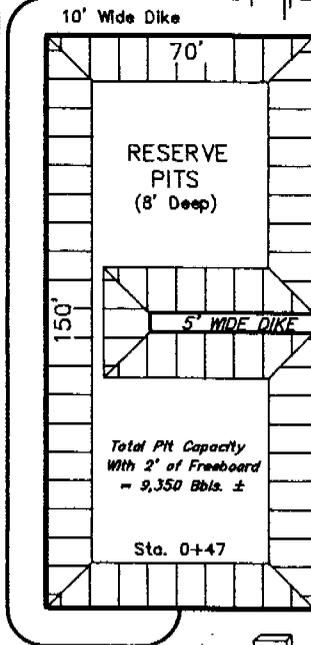
Sta. 3+50

SCALE: 1" = 50'  
DATE: 7-15-96  
Drawn By: C.B.T.  
Revised: 7-25-96 C.B.T.

FLARE PIT  
Min. 110' from  
rig substructure.



C-7.2'  
El. 16.9'  
(Btm. Pit)



C-7.7'  
El. 17.4'  
(Btm. Pit)

Reserve Pit Backfill & Spoils Stockpile

C-0.4'  
El. 18.1'

C-0.2'  
El. 17.9'

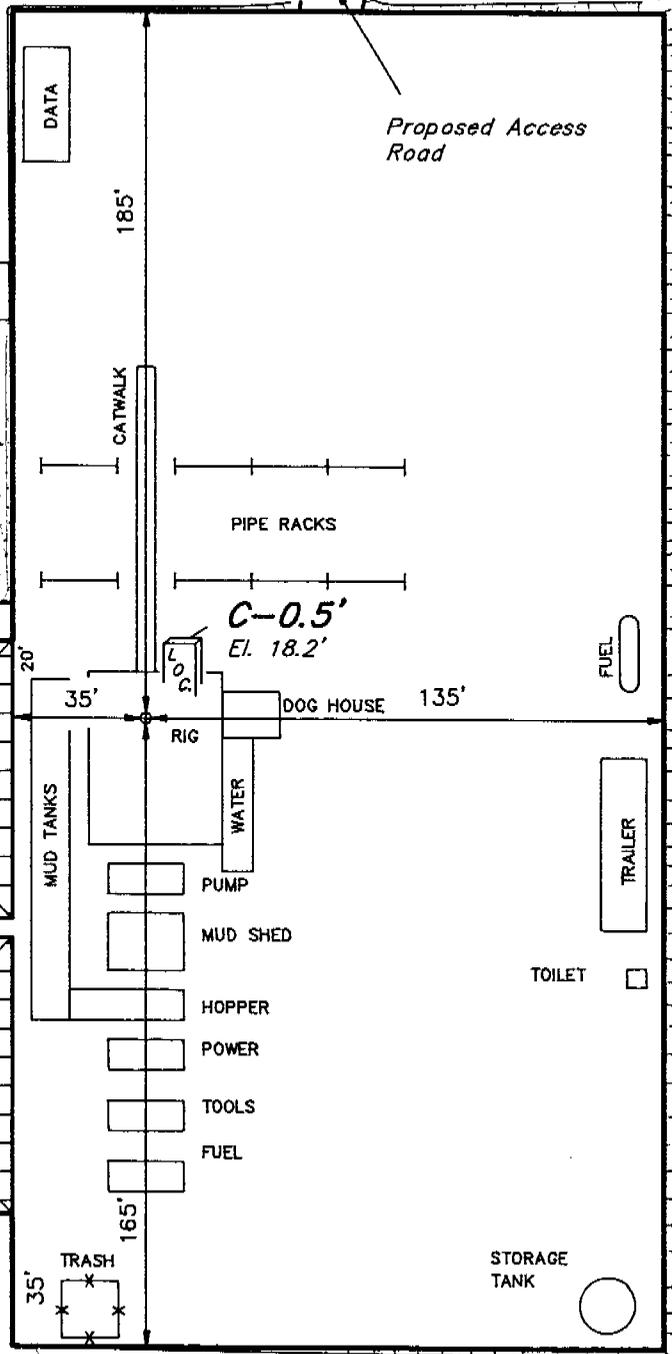
C-0.7'  
El. 18.4'

Sta. 1+65

C-2.5'  
El. 20.2'

Sta. 0+00

APPROX. TOP OF CUT SLOPE



Topsoil Stockpile

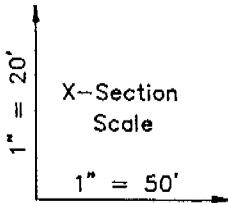
Elev. Ungraded Ground at Location Stake = 5118.2'

Elev. Graded Ground at Location Stake = 5117.7'

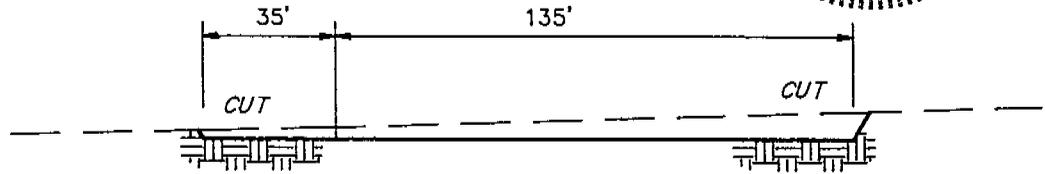
ENSERCH EXPLORATION, INC.

TYPICAL CROSS SECTIONS FOR

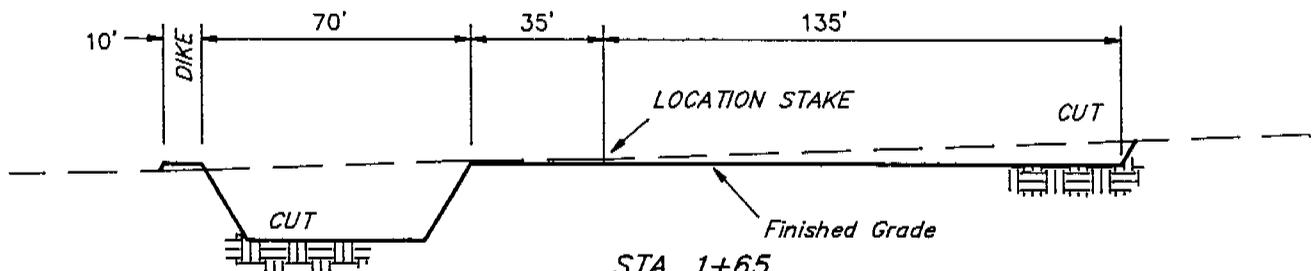
FEDERAL #44-18I  
SECTION 18, T9S, R18E, S.L.B.&M.  
660' FSL 660' FEL



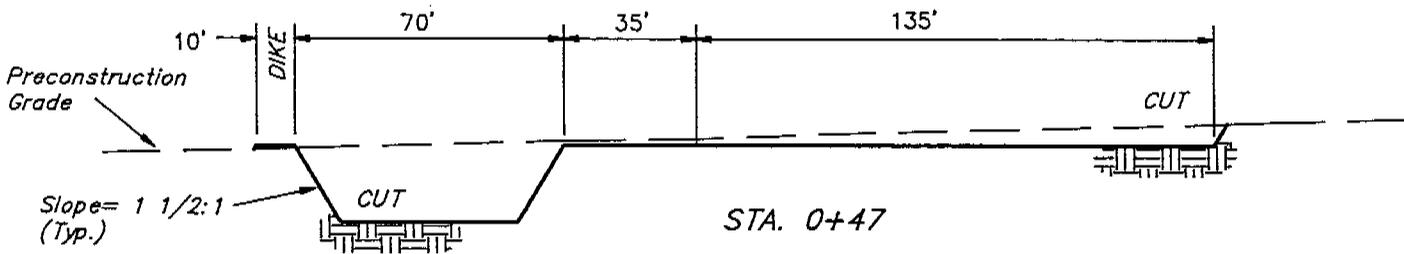
DATE: 7-15-96  
Drawn By: C.B.T.



STA. 3+50



STA. 1+65



STA. 0+47



STA. 0+00

NOTE:

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

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,300 Cu. Yds.
Remaining Location	= 4,330 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 5,630 CU.YDS.</b>
<b>FILL</b>	<b>= 60 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	= 5,560 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,270 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 3,290 Cu. Yds.

**A Class III Archeological Survey has been conducted by Metcalf Archeological Consultants. No significant cultural resources were found and clearance has been recommended. A copy of this report will be submitted to the appropriate agencies by Metcalf Archeological Consultants.**

**There are no federal stipulations at this time.**



# APPLICATION FOR PERMANENT CHANGE OF WATER

RECEIVED

STATE OF UTAH

APR 17 1987

WATER RIGHTS SALT LAKE

Rec. by D.L. [unclear]  
Fee Paid \$ 15.00  
Receipt # 22150  
Microfilmed \_\_\_\_\_  
Roll # \_\_\_\_\_

For the purpose of obtaining permission to make a permanent change of water in the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of the Laws of Utah.

\*WATER USER CLAIM NO. 43-9974 \*APPLICATION NO. a-14289

Changes are proposed in (check those applicable)

- \_\_\_\_\_ point of diversion.
- \_\_\_\_\_ point of return.
- place of use.
- nature of use.

1. OWNER INFORMATION

Name: Owen Dale Anderson \*Interest: \_\_\_\_\_ %  
Address: PO Box 1162 Vernal UT 84078

2. \*PRIORITY OF CHANGE: \_\_\_\_\_ \*FILING DATE: \_\_\_\_\_

\*Is this change amendatory? (Yes/No): \_\_\_\_\_

3. RIGHT EVIDENCED BY: 43-3525

Prior Approved Change Applications for this right: 83-43-21 84-43-73 6-14099

\*\*\*\*\* HERETOFORE \*\*\*\*\*

- 4. QUANTITY OF WATER: 0.5 cfs and/or \_\_\_\_\_ ac-ft.
- 5. SOURCE: U.G.W (well)
- 6. COUNTY: Duchesne
- 7. POINT(S) OF DIVERSION: South 1167 ft East 340 ft from N 1/4 Corner Section 27 T1S, R2W, USG+M

Description of Diverting Works: \_\_\_\_\_

8. POINT(S) OF REDIVERSION

The water will be rediverted from \_\_\_\_\_ at a point: \_\_\_\_\_

Description of Diverting Works: \_\_\_\_\_

9. POINT(S) OF RETURN

The amount of water consumed is \_\_\_\_\_ cfs or \_\_\_\_\_ ac-ft.  
The amount of water returned is \_\_\_\_\_ cfs or \_\_\_\_\_ ac-ft.  
The water will be returned to the natural stream/source at a point(s): \_\_\_\_\_

\*These items are to be completed by Division of Water Rights.

Permanent Change

4 acre cut

10. NATURE AND PERIOD OF USE

Stockwatering: From Jan 1 to Dec 31  
 Domestic: From \_\_\_\_\_ to \_\_\_\_\_  
 Municipal: From \_\_\_\_\_ to \_\_\_\_\_  
 Mining: From \_\_\_\_\_ to \_\_\_\_\_  
 Power: From \_\_\_\_\_ to \_\_\_\_\_  
 Other: From Jan 1 to Dec 31  
 Irrigation: From April 1 to Oct 31

11. PURPOSE AND EXTENT OF USE

Stockwatering (number and kind): 250 L livestock Units \_\_\_\_\_  
 Domestic: \_\_\_\_\_ Families and/or \_\_\_\_\_ Persons.  
 Municipal (name): \_\_\_\_\_  
 Mining: \_\_\_\_\_ Mining District in the \_\_\_\_\_ Mine.  
 Ores mined: \_\_\_\_\_  
 Power: Plant name: \_\_\_\_\_ Type: \_\_\_\_\_ Capacity: \_\_\_\_\_  
 Other (describe): drilling & completion of oil field - locations fish culture  
 Irrigation: 55.7 acres. Sole supply of \_\_\_\_\_ acres

12. PLACE OF USE

Legal description of areas of use other than irrigation by 40 acre tract: n/a

13. STORAGE

Reservoir Name: unnamed Storage Period: from 11-1 to 3-31  
 Capacity: 4.0 ac-ft. Inundated Area: \_\_\_\_\_ acres  
 Height of dam: \_\_\_\_\_ feet  
 Legal description of inundated area by 40 tract: NW 1/4 Sec 27, T15 R2W 45 N + M

\*\*\*\*\* THE FOLLOWING CHANGES ARE PROPOSED \*\*\*\*\*

14. QUANTITY OF WATER: \_\_\_\_\_ cfs and/or 20.0 ac-ft  
 15. SOURCE: UGW Remaining Water: same  
 16. COUNTY: Duchesne  
 17. POINT(S) OF DIVERSION: same

Description of Diverting Works: \_\_\_\_\_

18. POINT(S) OF REDIVERSION

The water will be rediverted from \_\_\_\_\_ at a point: \_\_\_\_\_

Description of Diverting Works: \_\_\_\_\_

19. POINT(S) OF RETURN

The amount of water consumed is \_\_\_\_\_ cfs or \_\_\_\_\_ ac-ft

The amount of water returned is \_\_\_\_\_ cfs or \_\_\_\_\_ ac-ft

The water will be returned to the natural stream/source at a point(s): \_\_\_\_\_

20. NATURE AND PERIOD OF USE

Stockwatering: From \_\_\_\_\_ to \_\_\_\_\_

Domestic: From \_\_\_\_\_ to \_\_\_\_\_

Municipal: From \_\_\_\_\_ to \_\_\_\_\_

Mining: From \_\_\_\_\_ to \_\_\_\_\_

Power: From \_\_\_\_\_ to \_\_\_\_\_

Other: From Jan 1 to Dec 31

Irrigation: From \_\_\_\_\_ to \_\_\_\_\_

21. PURPOSE AND EXTENT OF USE

Stockwatering (number and kind): \_\_\_\_\_

Domestic: \_\_\_\_\_ Families and/or \_\_\_\_\_ Persons

Municipal (name): \_\_\_\_\_

Mining: \_\_\_\_\_ Mining District in the \_\_\_\_\_ Mine

Ores mined: \_\_\_\_\_

Power: Plant name: \_\_\_\_\_ Type: \_\_\_\_\_ Capacity: \_\_\_\_\_

Other (describe): drilling and completion of oil wells

Irrigation: \_\_\_\_\_ acres. Sole supply of \_\_\_\_\_

22. PLACE OF USE

Legal description of areas of use by 40 acre tract: \_\_\_\_\_

\_\_\_\_\_

Other: hauled to locations by water trucks as needed

23. STORAGE

Reservoir Name: \_\_\_\_\_ Storage Period: from \_\_\_\_\_ to \_\_\_\_\_

Capacity: \_\_\_\_\_ ac-ft. Inundated Area: \_\_\_\_\_ acres

Height of dam: \_\_\_\_\_ feet

Legal description of inundated area by 40 tract: \_\_\_\_\_

24. EXPLANATORY

The following is set forth to define more clearly the full purpose of this application. Include any supplemental water rights used for the same purpose. (Use additional pages of same size if necessary): \_\_\_\_\_

Change is for oilfield drilling and exploration.

Approximately 4 acre ft/acre will be taken from

irrigation purposes and used for oilfield purposes  
Acres to be irrigated will change from ~~55.7~~ to ~~50~~ acres  
because of the change in use. ~~53.7~~ ~~48.7~~

The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained herein, at the time of filing, rests with the applicant(s).

*Quinn Dale Anderson*  
Signature of Applicant(s)



# APPLICATION FOR TEMPORARY CHANGE OF WATER

## STATE OF UTAH

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

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

CHANGE APPLICATION NUMBER: t20196

WATER RIGHT NUMBER: 47 - 1437

\*\*\*\*\*

This Change Application proposes to change the POINT(S) OF DIVERSION, PLACE OF USE, and NATURE OF USE.

\*\*\*\*\*

### 1. OWNERSHIP INFORMATION.

A. NAME: Keith Hicken  
 c/o Dalbo Inc.  
 ADDRESS: Route 3, Myton, UT 84052

B. PRIORITY OF CHANGE: July 15, 1996 FILING DATE: July 15, 1996

C. EVIDENCED BY:  
 A26762

-----\*  
 \* DESCRIPTION OF CURRENT WATER RIGHT: \*  
 -----\*

### 2. SOURCE INFORMATION.

A. QUANTITY OF WATER: 1.85 cfs

B. SOURCE: Gorman Draw COUNTY: Duchesne

C. POINT OF DIVERSION -- SURFACE:  
 (1) N 475 feet W 40 feet from SW corner, Section 12, T 4S, R 2W, USBM

### 3. STORAGE. Water is diverted for storage into:

(1) Gorman Draw reservoir, from Jan 1 to Dec 31.  
 CAPACITY: 80,000 ac-ft.

Area inundated includes all or part of the following legal subdivisions:

BASE	TOWN	RANG	SEC	NORTH-WEST				NORTH-EAST				SOUTH-WEST				SOUTH-EAST				
				NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE	
31	4S	2W	12				***					***			X	X	***			X
			13	X	X		***	X				***					***			

Temporary Change

CHANGE APPLICATION NUMBER: t20196 for Water Right: 47 - 1437 continued+\*\*\*\* Page: 3

. PLACE OF USE. Changed as Follows:

11. SIGNATURE OF APPLICANT(S).

The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application, through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained herein, at the time of filing, rests with the applicant(s).

*Keith Hickman by Ken Price*  
Signature of Applicant(s)

4. WATER USE INFORMATION.

The Water Right represented by this change application is SUPPLEMENTAL to other Water Rights.

IRRIGATION: from Apr 15 to Oct 15.      IRRIGATING: 82,7000 acres.  
 SOLE SUPPLY: 50,0000 acres

5. PLACE OF USE. (Which includes all or part of the following legal subdivisions:)

BASE	TOWN	RANG	SEC	NORTH-WEST				NORTH-EAST				SOUTH-WEST				SOUTH-EAST				
				NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE	
5L	4S	2W	12				***				***				***			X	X	X
			13				***	X		***				***	X					

6. EXPLANATORY.

FLOW: Claims 1350 and 1437 limited to a combined flow of 1.85 c.f.s.

THE FOLLOWING CHANGES ARE PROPOSED:

7. SOURCE INFORMATION.

- A. QUANTITY OF WATER: 4.0 acre-feet      REMAINING WATER: Same as HERETOFORE
- B. SOURCE: Unnamed Pond and ditch      COUNTY: Duchesne
- C. POINTS OF DIVERSION -- SURFACES: Changed as Follows:
  - (1) N 475 feet W 40 feet from SW corner, Section 12, T 4S, R 2W, USBM  
 DIVERT WORKS: Pond
  - (2) N 2000 feet W 475 feet from SE corner, Section 12, T 4S, R 2W, USBM  
 DIVERT WORKS: ditch below pond
- D. COMMON DESCRIPTION: 4 miles south of Myton

8. STORAGE. Same as HERETOFORE

9. WATER USE INFORMATION. Changed as Follows:

OIL EXPLORATION from 04/18/96 to 04/17/97. Drilling and completion of wells in the Monument Buttes & South Myton Areas.

**A Wastewater Permit Application will be filed with the Uintah Basin District Health Department in Vernal once the drilling contractor has been determined.**



**Permitco Incorporated**  
A Petroleum Permitting Company

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 07/29/96

API NO. ASSIGNED: 43-047-32776

WELL NAME: FEDERAL 44-18I  
OPERATOR: ENSERCH EXPLORATION (N4940)

PROPOSED LOCATION:  
SESE 18 - T09S - R18E  
SURFACE: 0660-FSL-0660-FEL  
BOTTOM: 0660-FSL-0660-FEL  
UINTAH COUNTY  
EIGHTMILE FLAT NORTH FIELD (590)

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

LEASE TYPE: FED  
LEASE NUMBER: U - 39714

PROPOSED PRODUCING FORMATION: GRRV

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Federal  State  Fee   
(Number 203826)
- Potash (Y/N)
- Oil shale (Y/N)
- Water permit  
(Number 47-1437)
- 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: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

STATE OF UTAH, DIV OF OIL, GAS & MINERALS

Operator: ENSERCH EXPLORATION	Well Name: FEDERAL 44-181
Project ID: 43-047-32776	Location: SEC. 18 - T09S - R18E

Design Parameters:

Mud weight ( 8.80 ppg) : 0.457 psi/ft  
 Shut in surface pressure : 2244 psi  
 Internal gradient (burst) : 0.064 psi/ft  
 Annular gradient (burst) : 0.000 psi/ft  
 Tensile load is determined using air weight  
 Service rating is "Sweet"

Design Factors:

Collapse : 1.125  
 Burst : 1.00  
 8 Round : 1.80 (J)  
 Buttress : 1.60 (J)  
 Other : 1.50 (J)  
 Body Yield : 1.50 (B)

Length (feet)	Size (in.)	Weight (lb/ft)	Grade	Joint	Depth (feet)	Drift (in.)	Cost		
1	5,700	5.500	15.50	J-55	LT&C	5,700	4.825		
	Collapse Load (psi)	Strgth (psi)	S.F.	Burst Load (psi)	Min Int Strgth (psi)	Yield S.F.	Tension Load (kips)	Strgth (kips)	S.F.
1	2606	4040	1.550	2606	4810	1.85	88.35	217	2.46 J

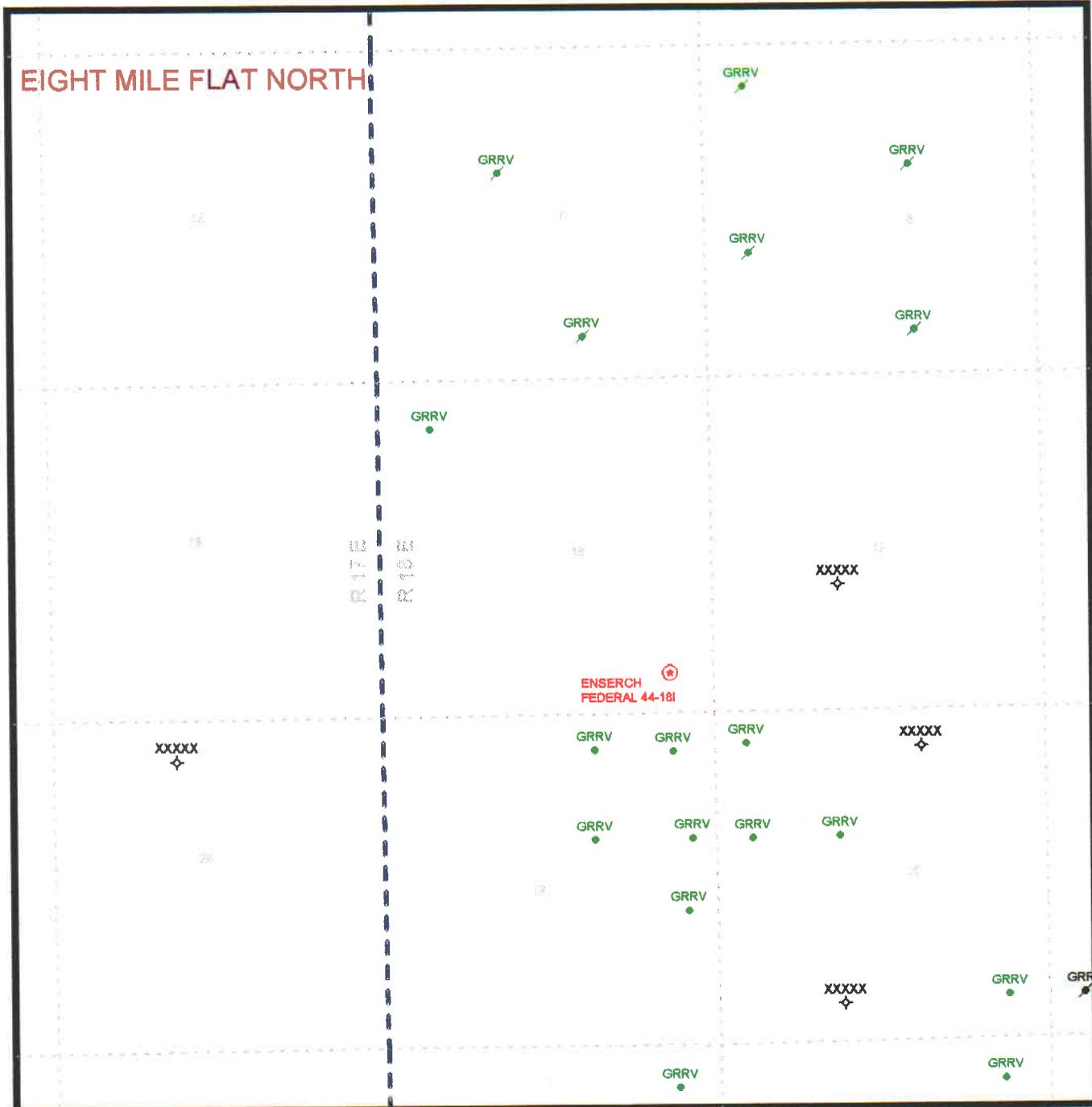
Prepared by : MATTHEWS, Salt Lake City, Utah  
 Date : 08-15-1996  
 Remarks :

GREEN RIVER

Minimum segment length for the 5,700 foot well is 1,500 feet.  
 SICP is based on the ideal gas law, a gas gravity of 0.75, and a mean gas temperature of 114°F (Surface 74°F , BHT 154°F & temp. gradient 1.400°/100 ft.)  
 String type: Production  
 The mud gradient and bottom hole pressures (for burst) are 0.457 psi/ft and 2,606 psi, respectively.

NOTE: The design factors used in this casing string design are as shown above. As a general guideline, Lone Star Steel recommends using minimum design factors of 1.125 - collapse (with evacuated casing), 1.0 - (uniaxial) burst, 1.8 - API 8rd tension, 1.6 - buttress tension, 1.5 - body yield tension, and 1.6 - EUE 8rd tension. Collapse strength under axial tension was calculated based on the Westcott, Dunlop and Kemler curve. Engineering responsibility for use of this design will be that of the purchaser.  
 Costs for this design are based on a 1987 pricing model. (Version 1.07)

OPERATOR: ENSERCH  
FIELD: EIGHT MILE FLAT NORTH  
SEC, TWP, RNG: SEC. 18, T9S, R18E  
COUNTY: UINTAH  
UAC: R649-3-2



PREPARED:  
DATE: 15-AUG-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)

August 15, 1996

Enserch Exploration, Inc.  
c/o Permitco, Inc.  
13585 Jackson Drive  
Denver, Colorado 80241

Re: Federal 44-18I Well, 660' FSL, 660' FEL, SE SE, Sec. 18,  
T. 9 S., R. 18 E., Uintah County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-32776.

Sincerely,

R. J. Firth  
Associate Director

lwp

Enclosures

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

Operator: Enserch Exploration, Inc.  
Well Name & Number: Federal 44-18I  
API Number: 43-047-32776  
Lease: U-39714  
Location: SE SE Sec. 18 T. 9 S. R. 18 E.

### Conditions of Approval

1. General

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

2. Notification Requirements

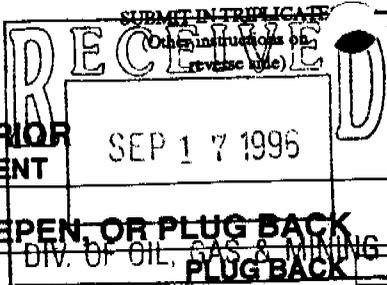
Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jimmie Thompson at (801)538-5336.

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.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT



Form approved.  
Budget Bureau No. 1004-0136  
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL  DEEPEN  PLUG BACK

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

2. NAME OF OPERATOR 214/987-6430 4849 Greenville Ave., Suite 1200  
Enserch Exploration, Inc. Dallas, Texas 75206

3. ADDRESS OF OPERATOR 303/452-8888 13585 Jackson Drive  
PERMITCO INC. - Agent Denver, CO 80241

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
At Surface 660' FSL and 660' FEL  
At proposed Prod. Zone SE SE Sec. 18, T9S - R18E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
19 miles southeast of Myton, Utah

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

16. NO. OF ACRES IN LEASE  
1717.32

17. NO. OF ACRES ASSIGNED TO THIS WELL  
40

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.  
None

19. PROPOSED DEPTH  
5700'

20. ROTARY OR CABLE TOOLS  
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
5118' GR

22. APPROX. DATE WORK WILL START\*  
September 21, 1996

5. LEASE DESIGNATION AND SERIAL NO.  
U-39714

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
N/A

7. UNIT AGREEMENT NAME  
N/A

8. FARM OR LEASE NAME  
Federal

9. WELL NO.  
#44-181

10. FIELD AND POOL OR WILDCAT  
Eight Mile Flat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
Sec. 18, T9S - R18E

12. COUNTY OR PARISH  
Uintah

13. STATE  
Utah

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	400'	270 cubic feet Class "G"
7-7/8"	5-1/2"	17#	5700'	1900 cubic feet Light & Class "G".

Enserch Exploration, Inc. proposes to drill a well to 5700' to test the Douglas Creek D & F Markers. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

CONFIDENTIAL - TIGHT HOLE

See Onshore Order No. 1 attached.

Please be advised that Enserch Exploration, Inc. is considered to be the Operator of the above mentioned well. Enserch Exploration, Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by BLM Nationwide Bond No. MT-0680 (203826). The principal is Enserch Exploration, Inc. via surety consent as provided for in 43 CFR 3104.2.

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

24. SIGNED [Signature] CONSULTANT FOR: TITLE Enserch Exploration, Inc. DATE 07/26/96

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY [Signature] ASSISTANT FIELD MANAGER DATE AUG 20 1996  
CONDITIONS OF APPROVAL IF ANY: ACTING Mineral Resources

cc: Utah Division of Oil, Gas & Mining

CONDITIONS OF APPROVAL ATTACHED  
\*See Instructions On Reverse Side

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

U+080-600-187

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Enserch Exploration, Inc.

Well Name & Number: Federal 44-181

API Number: 43-047-32776

Lease Number: U - 39714

Location: SESE Sec. 18 T. 9S R. 18E

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

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Enserch Exploration, Inc.

Well Name & Number: Federal 44-181

API Number: 43-047-32776

Lease Number: U - 39714

Location: SESE Sec. 18 T. 9S R. 18E

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.

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 **prior to setting the next casing string or requesting plugging orders**. Faxed 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.

#### 2. Pressure Control Equipment

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

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

#### 3. Casing Program and Auxiliary Equipment

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the base of the usable water zone, identified at 713 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

#### 4. Mud Program and Circulating Medium

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

5. Coring, Logging and Testing Program

A cement bond log (CBL) will be run from the production casing shoe to  $\pm$  513 ft., and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

6. Notifications of Operations

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

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 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.

7. Other Information

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead to the meter and within 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries and tests for meter accuracy will be conducted 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.

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, spent 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 (COA's)

-No surface disturbing activities, construction, or drilling operations, including the initial completion activities, are to occur on the well, access road, or location from March 15 through August 15. This restriction is to protect Mountain Plovers and Burrowing Owls located in the surrounding area. The restriction does not apply to maintenance and operation of existing wells and facilities. Waivers, exceptions, or modifications to this Condition of Approval may be specifically approved in writing by the authorized officer of the Bureau of Land Management if either the resource values change or the lessee/operator demonstrates that adverse impacts can be mitigated.

-The well pad and the access road must be constructed in such a way as to limit the number of prairie dog burrows that would be impacted. In order to accomplish this, a BLM representative should be present when dig work begins to guide the contractor around as many prairie dog burrows as possible.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

**SUBMIT IN TRIPLICATE**

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

5. Lease Designation and Serial No.

U-39714

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Federal 44-18I

9. API Well No.

43-047-32776

10. Field and Pool, or Exploratory Area

Eight Mile Flat

11. County or Parish, State

Uintah County, Utah

1. Type of Well

Oil Well  Gas Well  Other

2. Name of Operator

Enserch Exploration, Inc.

3. Address and Telephone No.

4849 Greenville Ave., Ste. 1200 - Dallas, Tx. 75206 214/987-6430

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

660' FSL & 660' FEL (se-se)  
Sec 18, T9S, R18E

CONFIDENTIAL

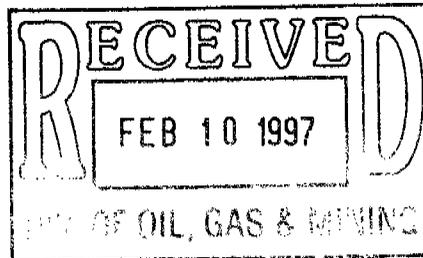
12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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

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

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

Casing design plan originally called for running 5-1/2" 17# to 5700'. We now plan to run 5-1/2" 15.50# casing to 5700'. The 15.50# casing meets the requirements of OOGO #2. New design factors are: Collapse 4040, Burst 4810, Joint Strength 217,000, Body Yield 248,000.



CONFIDENTIAL

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

Signed Wm. David Hendley

Title Sr. Drilling Engineer

Date 1-30-97

(This space for Federal or State office use)

Approved by \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Conditions of approval, if any:

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

\*See Instruction on Reverse Side

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

**SUBMIT IN TRIPLICATE**

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

5. Lease Designation and Serial No.

U-39714

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Federal 44-181

9. API Well No.

43-047-32776

10. Field and Pool, or Exploratory Area

Eight Mile Flat

11. County or Parish, State

Uintah County, Utah

1. Type of Well

Oil Well  Gas Well  Other Dry Hole

2. Name of Operator

Enserch Exploration, Inc.

3. Address and Telephone No.

4849 Greenville Ave., Ste. 1200 - Dallas, Tx. 75206 214/987-6430

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

660' FSL & 660' FEL (SE-SE)  
Sec. 18, T9S, R18E

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

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

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

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

SEE ATTACHMENT.

CONFIDENTIAL

RECEIVED  
MAR 03 1997  
DIV. OF OIL, GAS & MIN

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

Signed Wm. Dane Wendley  
(This space for Federal or State office use)

Title Sr. Drlg. Engineer

Date 2-17-97

Approved by \_\_\_\_\_  
Conditions of approval, if any:

Title \_\_\_\_\_

Date \_\_\_\_\_

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

\*See Instruction on Reverse Side

Attachment for Form 3160-5  
Federal 44-181

Spudded well at 2:00 PM MST 1-20-97. Ran and cemented 20' of 14" conductor pipe. Drilled 12-1/4" surface hole to 409'. Ran 8-5/8" 24# J-55 ST&C casing to 408'. Cemented with 295 sacks of Class G cement with 2% CaCl & .25 #/sk Celloflake. Had good returns and circulated 18 bbls. cement to surface. Installed 8-5/8" x 11", 3,000 psi wellhead and tested weld. Nippled up BOP equipment and tested pipe and blind rams and surface equipment to 3,000# and annular to 1500#. Attempted to test surface casing, but test would not hold. Tripped in hole to 334' with cup packer. Tested casing ok to 1500#. Drilled to total depth of 5,700' at 7:30 AM MST on 2-01-97. Ran open hole logs. Decision was made to plug and abandon. Verbal approval was received from BLM engineer, Mr. Ed Forsman. Plugging operations were witnessed by field representative, Mr., Alan Walker. Plugs set as follows:

Plug #1	4,634' - 4,434'	84 sacks Class G + 3% CaCl	tagged @ 4354'
Plug #2	2,169' - 1,960'	72 sacks Class G + 2% CaCl	tagged @ 2079'
Plug #2		Backside started falling & pumped additional 45 sacks Class G Neat	
Plug #3	811' - 611'	60 sacks Class G + 3% CaCl	tagged @ 721'
Plug #3		Backside started falling & pumped additional 45 sacks Class G Neat	
Plug #4	510' - 410'	70 sacks Class G Neat	
Plug #5	60' - surface	24 sacks Class G Neat	

Rig was released at 12:00 Noon MST 2-03-97. Restoration of surface will begin as weather and growing conditions allow and according to the approved Surface Use Plan of Operations.

REPORT OF WATER ENCOUNTERED DURING DRILLING

1. Well name and number: Federal 44-181

API number: 43-047-32776

2. Well Location: QQ SESE Section 18 Township 9S Range 18E County Uintah

3. Well operator: Enserch Exploration, Inc.

Address: 4849 Greenville Ave., Ste. 1200

Dallas, Texas 75206-4186

Phone: 214/987-6430

4. Drilling contractor: Caza Drilling, Inc.

Address: P. O. Box 17805

Denver, Colorado 80217

Phone: 303/292-1206

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

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
2100'	2500'	2" - 3"	Fresh

6. Formation tops: Green River 1207'

Douglas Creek Mkr. 4371'

Basal Lime 5556'

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: 03-12-97

Name & Signature: Wm. Dane Hendley Title: Sr. Drlg. Engineer

Wm. Dane Hendley

**OPERATOR CHANGE WORKSHEET**

Routing	
1-DEC ✓	6-DEC ✓
2-GLH ✓	7-KAS ✓
3-DTS ✓	8-SI ✓
4-VLD ✓	9-FILE ✓
5-JRB ✓	

Attach all documentation received by the division regarding this change.  
Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (~~well sold~~)       Designation of Agent  
 Designation of Operator       Operator Name Change ~~Only~~

The operator of the well(s) listed below has changed, effective: 2-5-98 (BLM APRVL)

TO: (new operator)	<u>EEX CORPORATION</u>	FROM: (old operator)	<u>ENSERCH EXPLORATION INC</u>
(address)	<u>4849 GREENVILLE AVE #1200</u>	(address)	<u>4849 GREENVILLE AVE #1200</u>
	<u>DALLAS TX 75206-4145</u>		<u>DALLAS TX 75206-4145</u>
Phone:	<u>(214)987-7859</u>	Phone:	<u>(214)987-7859</u>
Account no.	<u>N3375 (2-10-98)</u>	Account no.	<u>N4940</u>

**WELL(S)** attach additional page if needed:

Name: <u>FEDERAL 34-181/DRL</u>	API: <u>43-047-32780</u>	Entity: <u>12296</u>	S <u>18</u>	T <u>9S</u>	R <u>18E</u>	Lease: <u>U39714</u>
Name: <u>FEDERAL 44-181/DRL</u>	API: <u>43-047-32776</u>	Entity: <u>12297</u>	S <u>18</u>	T <u>9S</u>	R <u>18E</u>	Lease: <u>U39714</u>
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____

**OPERATOR CHANGE DOCUMENTATION**

1. (r649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator (attach to this form). \*BLM aprvl. 2-5-98. (Rec'd 2-11-98)
2. (r649-8-10) Sundry or other legal documentation has been received from the **NEW** operator (Attach to this form). \*BLM aprvl. 2-5-98. (Rec'd 2-11-98)
3. The **Department of Commerce** has been contacted if the new operator above is not currently operating any wells in Utah. Is the company **registered with the state?** (yes/no) \_\_\_\_ If yes, show company file number: #Co199807. (c/f. 4-22-97)
4. **FOR INDIAN AND FEDERAL WELLS ONLY.** The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of **Federal** and **Indian** well operator changes should ordinarily take place prior to the division's approval, and before the completion of **steps 5 through 9** below.
5. Changes have been entered in the **Oil and Gas Information System** (3270) for each well listed above. (2-10-98)
6. **Cardex** file has been updated for each well listed above. (2-10-98)
7. Well **file labels** have been updated for each well listed above. (2-10-98)
8. Changes have been included on the monthly "Operator, Address, and Account Changes" **memo** for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc. (2-10-98)
9. A folder has been set up for the **Operator Change file**, and a copy of this page has been placed there for reference during routing and processing of the original documents.

**ENTITY REVIEW**

- Yes 1. (r649-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) yes If entity assignments were changed, attach copies of Form 6, Entity Action Form.
- Yes 2. Trust Lands, Sovereign Lands, Tax Commission, etc., have been notified through normal procedures of entity changes.

**BOND VERIFICATION - (FEE WELLS ONLY)**

- N/A 1. (r649-3-1) The NEW operator of any fee lease well listed above has furnished a proper bond.
- Yes 2. A copy of this form has been placed in the new and former operator's bond files.
3. The FORMER operator has requested a release of liability from their bond (yes/no)     , as of today's date     . If yes, division response was made to this request by letter dated     .

**LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY**

1. Copies of documents have been sent on      to      at Trust Lands for changes involving State leases, in order to remind that agency of their responsibility to review for proper bonding.
2. (r649-2-10) The former operator of any fee lease wells listed above has been contacted and informed by letter dated      19     , of their responsibility to notify all interest owners of this change.

**FILMING**

- VB 1. All attachments to this form have been microfilmed. Today's date: 4.1.99.

**FILING**

1. Copies of all attachments to this form have been filed in each well file.
2. The original of this form, and the original attachments are now being filed in the Operator Change file.

**COMMENTS**

980210 BLM/SL Aprv. 2-5-98; last 2 remaining wells for Enserch.



EEX Corporation • 4849 Greenville Avenue, Suite 1200 • Dallas, Texas 75206 • Phone: 214-369-7893

# ENSERCH EXPLORATION, INC

has changed its name to:

# EEX CORPORATION

Post-It™ brand fax transmittal memo 7671		# of pages ▶ 1
To <i>LISHA CORROVA</i>	From <i>JOHN RENCE</i>	
Co.	Co.	
Dept.	Phone #	
Fax # <i>801/359-3940</i>	Fax #	

ENTITY ACTION FORM - FORM 6

OPERATOR EEX CORPORATION

OPERATOR ACCT. NO. H 3375

ADDRESS \_\_\_\_\_

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					NQ	SC	TP	RG	COUNTY		
A	99999	12296	43-047-32780	FEDERAL 34-18I		18	9S	18E	UINTAH	1-27-97	
WELL 1 COMMENTS:											
A	99999	12297	43-047-32776	FEDERAL 44-18I		18	9S	18E	UINTAH	1-21-97	
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.

(3/89)

L. CORDOVA (DOGM)

Signature

ADMIN. ANALYST

2-10-98

Title

Date

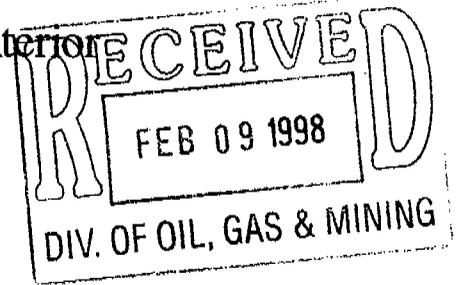
Phone No. ( )



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155



In Reply Refer To:  
3100  
U-11385  
(UT-932)

FEB 5 1998

NOTICE

EEX Corporation : Oil and Gas  
4849 Greenville Avenue, Suite 1200 : U-11385 et al  
Dallas, TX 75206 :

Name Change Recognized

Acceptable evidence has been received in this office concerning the change of name of Enserch Exploration, Inc. (Enserch) to EEX Corporation on Federal oil and gas leases.

The oil and gas lease files identified on the enclosed exhibit have been noted as to the name change. The exhibit was compiled from your list of leases, a list of leases obtained from our Automated Land and Mineral Record System (ALMRS), and a list of leases showing Enserch as lease well operator. We have not abstracted the lease files to determine if the entity affected by the name change holds an interest in the leases identified nor have we attempted to verify leases where the entity is the operator on the ground maintaining no vested record title or operating rights interest. We are notifying the Minerals Management Service and all applicable Bureau of Land Management offices of the name change by a copy of this notice. If additional documentation for changes of operator are required by our Field Offices, you will be contacted by them.

The following lease identified by you is closed on the records of this office for cessation of production: U-55626.

Due to the name change, the name of the principal on the bond is required to be changed from Enserch Exploration, Inc. to EEX Corporation on Bond No. 203866 (BLM Bond No. MT0680). This may be accomplished by submitting a consent of surety or a bond rider to the Montana State Office.

**ROBERT LOPEZ**

Robert Lopez  
Group Leader,  
Minerals Adjudication Group

Enclosure  
Exhibit (1p)

cc: Vernal Field Office  
Moab District Office  
MMS, Reference Data Branch, MS 3130, P.O. Box 5860, Denver, CO 80217  
State of Utah, DOGM, Attn: Lisha Cordova (Ste. 1210), P.O. Box 145801, SLC, Utah 84114-5801

Exhibit of Affected Leases

U-11385  
U-12942  
U-13905  
U-14236  
U-16172  
U-16544

U-19267  
U-39714  
U-40751  
U-47171  
U-49092  
U-52757

U-52765  
UTU-65472  
UTU-65949  
UTU-66004  
UTU-68624  
UTU-68625  
UTU-69482