

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG  ELECTRIC LOGS   WATER SANDS  LOCATION INSPECTED  SUB REPORT/abd.

DATE FILED **MARCH 5, 1999**  
 LAND: FEE & PATENTED STATE LEASE NO. PUBLIC LEASE NO. **UTU-76490** INDIAN

DRILLING APPROVED: **OCTOBER 27, 1999**

SPOUDED IN:  
 COMPLETED: PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED:

FIELD: **NATURAL BUTTES**

UNIT: **RIVERBEND**

COUNTY: **UINTAH**

WELL NO. **RIVER BEND 6-9H**

API NO. **43-047-33313**

LOCATION **826 FNL** FT. FROM (N) (S) LINE, **812 FEL**

FT. FROM (E) (W) LINE. **SE NE**

**1/4 - 1/4 SEC 9**

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
10S	19E	9	RETAMCO OPERATING				

RECEIVED  
SUBMIT IN TRIPLICATE  
(Other instructions on reverse)  
JAN 19 1999

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
BLM VERNAL, UTAH

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK  
 DRILL  DEEPEN

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

2. NAME OF OPERATOR  
 Retamco Operating Inc.

3. ADDRESS AND TELEPHONE NO.  
 671 Garnet Billings, MT 59105 Joe Glennon 406/248-5594

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
 At surface 825.5' FNL, 811.6' FEL of Sec 9 T<sup>9</sup>S, R19E 604119.36  
 252 249 10 10 41124149.65  
 At proposed prod. zone 262825.5' FNL, 1718.4' FWL of Sec. 9 T<sup>9</sup>S, R19E ← 603486.68  
 162 624 10 10 4124144.34

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 21.4 miles SW of Ouray, UT

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)  
 Bottom Hole 322.88'

16. NO. OF ACRES IN LEASE  
 1,005.02

17. NO. OF ACRES ASSIGNED TO THIS WELL  
 136.31

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
 11,500' TVD 12243MD

20. ROTARY OR CABLE TOOLS  
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 4,946.7' GR

22. APPROX. DATE WORK WILL START\*  
 5/1/99

5. LEASE DESIGNATION AND SERIAL NO.  
 UTU 76490

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.  
 River Bend 6-9H

9. A/WELL NO.

10. FIELD AND POOL, OR WILDCAT

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 SENE T10S, R19E (Lot 1)

12. COUNTY OR PARISH | 13. STATE  
 Uintah | UT

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
13.33	9 5/8	60.7#	2000'	696 sxs
8.75	7	34.7#	TD	1687 sxs

See attached Drilling program, 10 Point and 13 Point plan.

Retamco Operating Inc. requests permission to drill subject well as outlined in the Sperry-Sun Drilling Services Proposal Report attached.

If you require additional information please contact:

Joe Glennon  
 671 Garnet  
 Billings, MT 59105  
 (406) 248-5594

RECEIVED  
 MAR 05 1999  
 DIV. OF OIL, GAS & MINING

Federal Approval of this  
 Action is Necessary

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

24. SIGNED Joe Glennon TITLE Joe Glennon, A-I-F DATE 12/15/98

(This space for Federal or State office use)

PERMIT NO. 43-017-33313 APPROVAL DATE \_\_\_\_\_

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

APPROVED BY Bradley G. Hill TITLE BRADLEY G. HILL RECLAMATION SPECIALIST III DATE 10/27/99

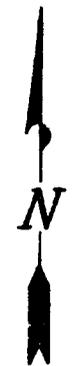
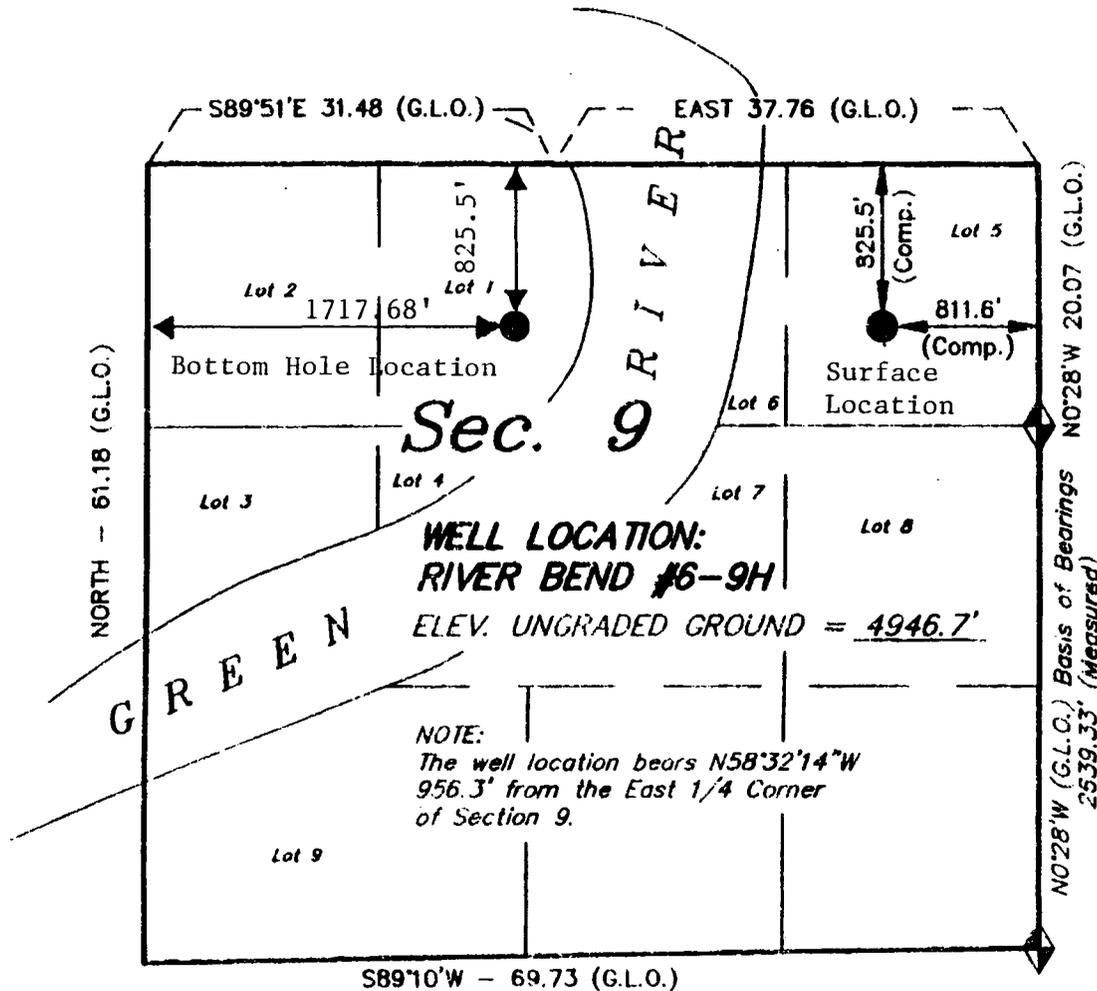
\*See Instructions On Reverse Side

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.

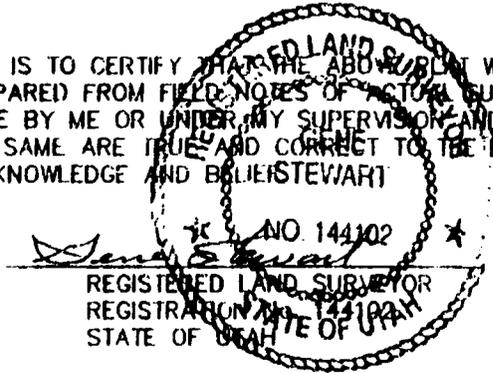
T10S, R19E, S.L.B.&M.

RETAMCO OPERATING COMPANY

WELL LOCATION, RIVER BEND #6-9H,  
 LOCATED AS SHOWN IN LOT 5 OF  
 SECTION 9, T10S, R19E, S.L.B.&M. UINTAH  
 COUNTY, UTAH.



THIS IS TO CERTIFY THAT THE ABOVE PLAN 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 STEWART



◆ = SECTION CORNERS LOCATED

BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (MOON BOTTOM)

<b>TRI STATE LAND SURVEYING &amp; CONSULTING</b>	
38 WEST 100 NORTH - VERNAL, UTAH 84078 (435) 781-2501	
SCALE: 1" = 100.0'	SURVEYED BY: G.S.
DATE: 8-13-98	WEATHER: WARM
DRAWN BY: J.R.S.	REVISIONS:

Cement Systems: (Continued)

Volume Calculations: 1,000 ft x 0.4639 cf/ft with 50% excess = 695.8 cf  
1,000 ft x 0.4639 cf/ft with 50% excess = 695.8 cf  
40 ft x 0.3826 cf/ft with 0% excess = 15.3 cf (inside pipe)  
Total Slurry = 1406.9 cf 251 bbls

Depth (TVD) 11500'  
Depth (MD) 12244'

Pump Via Casing total wtr mix 11,760 gals

Stage No: 1 Float Collar set @ 12,183ft Spacer Mud Clean 20 bbls Density 8.3ppg -  
Slurry: 903 Volume cu-ft / 1.19 vol fact., Class G 840 sks + 0.3% bwoc R-3 + 0.25 lbs/sack  
Cello Flake + 1 bbls/sack Flex Seal + 0.8% bwoc FL-25 + 45.1% fresh wtr.,  
Density 15.6 ppg Yield 1.19 cf/sks -  
Displacement: 450 bbls Fresh wtr @ 8.34 ppg

Volume Calculations: 4,872 ft x 0.1503 cf/ft with 35% excess = 988.9 cf  
40 ft x 0.1963 cf/ft with 0% excess = 7.9 cf (inside pipe)  
Total Slurry = 996.8 cf 177 bbls

Stage No: 2 Float Collar set @ 7,300ft Spacer Mud Clean 20 bbls Density 8.3ppg -  
Slurry: 1391 Volume cu-ft / 1.64 vol fact., Class G plus A-10 847 sks + 10% bwow Sodium  
Chloride + .2510% bwoc A-10 + 0.2% bwoc R-3 + 71.1% fresh wtr.,  
Density 14.4 ppg Yield 1.64 cf/sks -  
Displacement - Fresh wtr 255.3 bbls Density 8.34 ppg

Volume Calculations: 2,500 ft x 0.1668 cf/ft with 0% excess = 417.0 cf  
4,800 ft x 0.1503 cf/ft with 35% excess = 974.1 cf  
Total Slurry = 1391.2 cf 248 bbls

- Note: Actual volumes to be calculated from log. 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 string and cementing.
- After cementing but before commencing any test, the casing string shall stand cemented until cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the drillers log.

5. Pressure Control Equipment: (See Attached)

Retamco Operating Inc.'s anticipated bottom hole pressure will be less than 5000 psi.

A 5000# system will be installed, used, maintained and tested in accordance with all requirements specified in Section III. A-I of Onshore Order 2, except where variations are presented in this application.

**Pressure Control Equipment:** (Continued)

Minimum standards outlined in Onshore Order 2 will be met for BOP, choke manifold, accumulator system and power for closing unit, and locking devices. Hydraulic controls will be located on the rig floor. Manual controls will be hand wheels. Remote controls for the accumulator will be 100-120 feet from the drill hole. The kill line will not be used as a fill-up line.

BOP system has system as described has a 5000 psi working pressure. BOP will be installed and maintained from the 9 5/8" surface casing. The BOP system including the casing will be pressure tested to the minimum standards set forth in "On Shore Order #2".

The BOP will be mechanically checked daily during the drilling operation and noted on the daily drilling report.

6. **Mud Program:**

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>
0-2000'	LSND	8.5 - 9.2	32 - 40	12-18
2000-7400'	LSND	8.8 - 9.2	35-45	10-15
7400-11500'	LSND	9.2 - 11.5	35-45	0-10

See Mustang Drilling Fluids Recommended Mud Program attached.

- Sufficient quantities of mud materials will be maintained or readily accessible for the purpose of assuring well control during the course of drilling operations.
- 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.

Mud monitoring equipment to be used is as follows:

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

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.

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

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

7. Auxiliary Equipment:

- a. Kelly cock
- b. Full opening stabbing valve on floor with DF connection for use when Kelly is not in string
- c. 2 1/2" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

A mud logger will be used from 800' to TD. No drill stem tests are anticipated. The logging program will consist of a DIL-GR from TD to base of Surface casing and a DSI-GR will be run from TD to the base of surface casing. No cores are anticipated.

Well completion reports and 2 copies of all logs and will be submitted to the BLM not later than 30 days after completion of the well.

9. Anticipated Abnormal Pressures or Temperatures Expected:

No abnormal temperatures or pressures are anticipated. No H<sub>2</sub>S has been encountered in the formations to be penetrated from previous wells drilled to similar depths in the general area.

10. Anticipated Starting Date and Duration Of The Operation:

Starting date: April 1, 1999  
Duration: 30 days



**SELF-CERTIFICATION STATEMENT**

The following self-certification is provided per Federal requirements dated June 15, 1988.

Please be advised that Retamco Operating Inc. is considered to be the operator of the following well.

River Bend #6-9H  
SENE Section 9, T10S,R19E  
Lease UTU 76490  
Uintah County, Utah

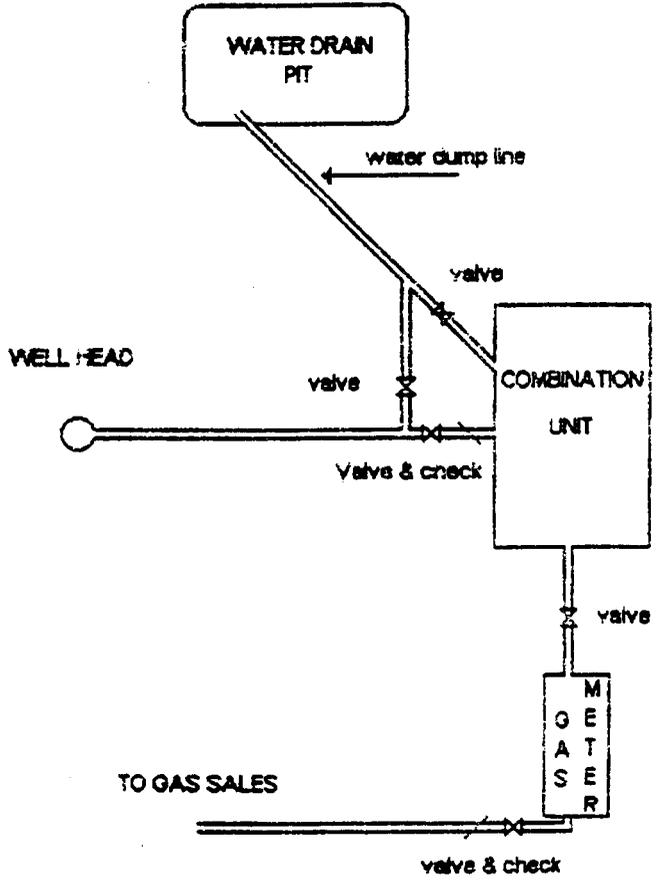
Retamco Operating Inc. is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

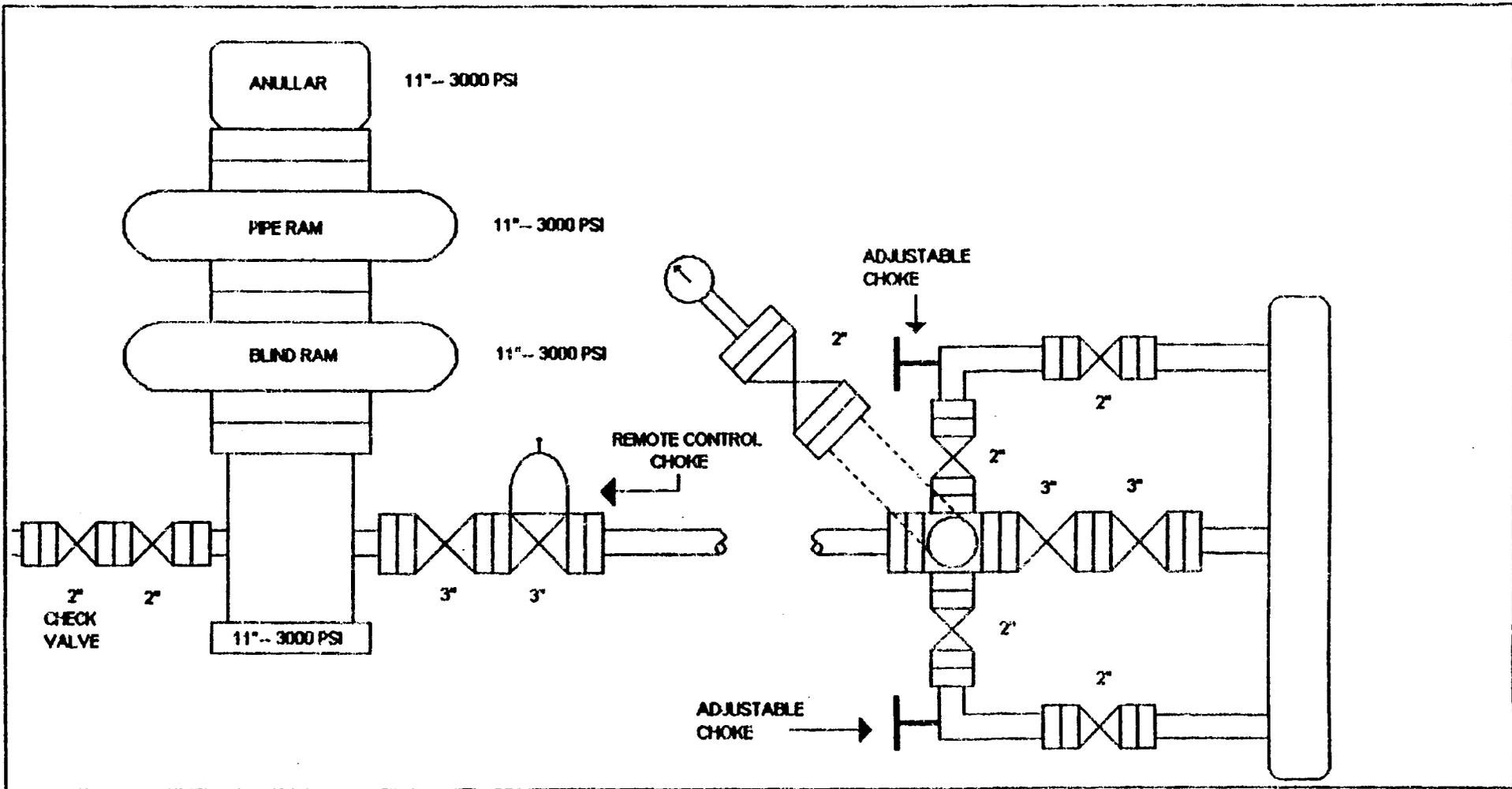
State Wide Bond Coverage is provided by Bond Fed. UT-1088.

A handwritten signature in black ink, appearing to read "Joe Glennon", with a horizontal line underneath the signature.

Joe Glennon, A-I-F  
Retamco Operating Inc.  
671 Garnet  
Billings, MT 59105  
406/248-5594 Office  
406/860-2626 Cell  
406/248-6068 Fax

TYPICAL  
GAS WELL





## Multi-Point Surface Use and Operations Plan

RETAMCO OPERATING COMPANY  
RIVER BEND #6-9H  
SE NE SEC. 9, T10S, R19E, S.L.B.&M.  
UINTAH COUNTY, UTAH

### **1. Existing Roads: Refer to Maps "A" & "B"**

- A. The proposed well site is staked and reference stakes are present.
- B. The River Bend #6-9H is located 10 miles Southwest of Ouray Utah in the NE1/4 NE1/4 Section 9, T10S, R19E, SLB&M, Uintah County, Utah. To reach the 6-9H, proceed South from Ouray, Utah for 8.9 miles to a road intersection; Turn right and proceed 2.9 miles to a road intersection, turn right and continue 3.4 miles to road intersection. Turn right and proceed 5.6 miles to the proposed access road sign. Follow flags 0.6 miles to location.
- C. Access roads - refer to Maps "A" and "B".
- D. Access roads within a one-mile radius - refer to map "B".
- E. The existing roads will be maintained in the same or better condition as existed prior to the commencement of operations and said maintenance will continue until final abandonment and reclamation of the well location.

### **2. Planned Access Roads: Refer to Map "B"**

Approximately 0.6 miles of new road construction will be required for access to the proposed well location.

- A. Width - maximum 30-foot overall right-of-way with an 18-foot road running surface, crowned & ditched and/or sloped and dipped.
- B. Construction standard - the access road will be constructed so as to conform to the standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. (1989)

The road will be constructed to meet the standards of the anticipated traffic flow and all-weather requirements. Construction will include ditching, draining, crowning, and capping or sloping and dipping the roadbed as

necessary to provide a well constructed and safe road. Prior to construction/upgrading, the roadway shall be cleared of any snow cover and allowed to dry completely. Traveling off of the thirty (30) foot right-of-way will not be allowed.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossing shall be designed so they will not cause siltation or the accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts.

Upgrading shall not be allowed during muddy conditions.

Should mud holes develop, they shall be filled in and detours around them avoided.

- C. Maximum grade - Less than 8%
- D. Turnouts - no turnouts will be required on this access road.
- E. Drainage design - the access road will be crowned and ditched or sloped and dipped, and water turnouts installed as necessary to provide for proper drainage along the access road route.
- F. Culverts, cuts and fills - none.
- G. Surface materials - all construction materials will be native material taken from onsite.
- H. Gates, cattleguards or fence cuts - none required.
- I. Road maintenance - during both the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing, and will also be maintained in accordance with the original construction standards. The access road right-of-way will be kept free of trash during operations.
- J. The proposed access road has been centerline flagged.
- K. If a right-of-way is required please consider this APD the application for said right-of-way.

**3. Location of Existing Wells Within a One-Mile Radius:**

- A. Water wells - none known.
- B. Abandoned wells - none known
- C. Temporarily abandoned wells - none known.
- D. Disposal wells - none known.
- E. Drilling wells - none known.
- F. Producing wells - see Map "B".
- G. Shut-in wells - none known.
- H. Injection wells - none known.
- I. Monitoring wells - none known.

**4. Location of Existing and/or Proposed Facilities Owned by Retamco Operating Co. Within a One-Mile Radius:**

A. Existing

- 1. Tank batteries - none.
- 2. Production facilities - none.
- 3. Oil gathering lines - none.
- 4. Gas gathering lines - none.

B. New Facilities Contemplated

- 1. All production facilities will be located on the disturbed portion of the well pad and at a minimum of twenty-five (25) feet from the toe of the backslope or toe of the fill slope.
- 2. The production facilities will consist primarily of a pumping unit, Two tanks and an emergency pit. A diagram showing the proposed production facility layout is included in this APD.
- 3. Production facilities will be accommodated on the existing well pad. Construction materials required for installation of the production facilities will be obtained from the site; any additional materials required will be purchased from a local supplier having a permitted (private) source of materials within the area.

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

- 4. All permanent (onsite for six months or longer) above

the ground structures constructed or installed including pumping units) will be painted Desert Brown. All production facilities will be painted within six (6) months of installation. Facilities required to comply with Occupational Health and Safety Act Rules and Regulations will be excluded from this painting requirement.

- C. The production (emergency) pit will be 12'x12' and will be fenced. Said fence will be maintained in good condition.
- D. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road right-of-way and any additional areas as specified in the approved Application for Permit to Drill.
- E. Reclamation of disturbed areas no longer needed for operation will be accomplished by grading, leveling and seeding as recommended by the Bureau of Land Management.

For Pipeline:

- F. Any proposed pipelines will be submitted to the authorized officer Via Sundry Notice for approval of subsequent operations.
- G. Retamco Operating Company shall be responsible for road maintenance from the beginning to completion of operations.

#### **5. Location and Type of Water Supply**

- A. Water to be used for the drilling of these wells will be hauled by truck over the roads described in item #1 and item #2. *Nebeker Trucking 43-10664 per op. 3-17-99. LC*
- B. No water well will be drilled on this location.

#### **6. Source of Construction Materials**

- A. No construction materials are needed for drilling operations. In the event of production, the small amount of gravel needed for facilities will be hauled in by truck from a local gravel pit over existing access roads to the area. No special access other than for drilling operations and pipeline construction is needed.
- B. All access roads crossing Federal land are described under item #2, and shown on Map #A.

All construction material for this location site and

access roads shall be borrowed material accumulated during the construction of the location sites and access roads. No additional construction material from other sources is anticipated at this time, if in the future it is required the appropriate actions will be taken to acquire it from private sources.

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

D. There are no trees on this location.

**7. Methods of Handling Waste Materials:**

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

B. Drilling fluids - including salts and chemicals will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within one hundred twenty (120) days after termination of drilling and completion activities.

In the event adverse weather conditions prevent removal of the fluids from the reserve pit within this time period, an extension may be granted by the Authorized Officer upon receipt of a written request from Retamco Operating Company.

The reserve pit will be constructed so as not to leak, break, or allow discharge. The reserve pit will be lined with a 12 mil plastic reinforced liner.

C. Produced fluids - liquid hydrocarbons produced during completion operations will be placed in test tanks on the location. Produced waste water will be confined to a lined pit (reserve pit) or storage tank for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period, in accordance with Onshore Order #7, an application for approval of a permanent disposal method and location, along with the required water analysis, shall be submitted for the Authorized Officer's approval. Failure to file an application within the time frame allowed will be considered an incidence of noncompliance.

Any spills of oil, gas, salt water or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

D. Sewage - self-contained, chemical toilets will be provided

for human waste disposal. Upon completion of operations, or as needed, the toilet holding tanks will be pumped and the contents thereof disposed of in the nearest, approved, sewage disposal facility.

- E. Garbage and other waste material - garbage, trash and other waste materials will be collected in a portable, self-contained and fully-enclosed trash cage during drilling and completion operations. Upon completion of operations (or as needed) the accumulated trash will be disposed of at an authorized sanitary landfill. No trash will be burned on location or placed in the reserve pit.
- F. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from the well location. No adverse materials will be left on the location. Any open pits will be fenced during the drilling operation and the fencing will be maintained until such time as the pits are backfilled.
- G. The reserve and/or production pit will be constructed on the existing location and will not be located in natural drainages where a flood hazard exists or surface runoff will destroy or damage the pit walls. All pits will be constructed so as not to leak, break, or allow the discharge of liquids therefrom.

**8. Ancillary Facilities:**

None anticipated.

**9. Wellsite Layout:**

- A. Plat #1 shows the drill site layout as staked. Cross sections have been drafted to visualize the planned cuts and fills across the location. An average minimum of six (6) inches of topsoil will be stripped from the location (including areas of cut, fill, and/or subsoil storage) and stockpiled for future reclamation of the well site. Refer to Figure #1 for the location of the topsoil and subsoil stockpiles.
- B. Plat #2 is a diagram showing the rig layout. No permanent living facilities are planned. There may be as many as three (3) trailers on location during drilling operation.
- C. A completion rig will be moved onto location for completion operations after drilling operations have been completed and the drilling rig has been moved off location.

D. A diagram showing the proposed production facility layout is included in this APD.

E. The reserve pit will be constructed so as to be capable of holding 20,000 bbls. of fluid.

The reserve pit will be lined with a 12 mil plastic liner, it will be torn and perforated after the pit dries and before backfilling of the reserve pit.

F. Prior to the commencement of drilling operations, the reserve pit will be fenced on three (3) sides using 39-inch net wire with one strand of barbed wire on top of the net wire. The net wire will be no more than two inches above the ground. the barbed wire will be three inches above the net wire. total height of the fence will be at least 42-inches.

1. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

2. Standard steel, wood, or pipe posts shall be used between the corner braces. The maximum distance between any two (2) posts shall be no greater than sixteen (16) feet.

3. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

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

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

#### **10. Plans for Reclamation of the Surface:**

The B.L.M. will be contacted prior to commencement of any reclamation operations.

##### **A. Production**

1. Immediately upon well completion, the well location and surrounding area(s) will be cleared of all debris, materials, trash and junk not required for production.

2. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR

3162.7-1.

3. The plastic pit liner shall be torn and perforated before backfilling of the reserve pit.
4. Before any dirt work to restore the location takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc. will be removed.

Other waste and spoil materials will be disposed of immediately upon completion of drilling and workover activities.

5. The reserve pit and that portion of the location and access road not needed for production facilities/operations will be reclaimed within one hundred twenty (120) days from the date of well completion, weather permitting.
6. If the well is a producer, Retamco Operating Company will, upgrade and maintain access roads as necessary to prevent soil erosion, and accommodate year round traffic. Reshape areas unnecessary to operations, distribute topsoil, disk and seed all disturbed areas outside the work area according to the recommended seed mixture. Perennial vegetation must be established. Additional work shall be required in case of seeding failures, etc.

If the well is abandoned/dry hole, Retamco Operating Company will, restore the access road and location to approximately the original contours. During reclamation of the site, push the fill material into cuts and up over the backslope. Leave no depressions that will trap water or form ponds. Distribute topsoil evenly over the location, and seed according to the above seed mixture. The access road and location shall be ripped or disked prior to seeding. Perennial vegetation must be established. Additional work shall be required in case of seeding failures, etc.

Seedbed will be prepared by disking, following the natural contours. Seed will be drilled on contours at a depth no greater than one-half inch (1/2"). In areas that cannot be drilled, seed will be broadcast at double the seeding rate and harrowed into soil. Certified seed will be used whenever available.

Fall seeding will be completed after September 15 and prior to prolonged ground frost. Spring seeding, to be effective, will be completed after the frost has left the ground and prior to May 15th.

7. Upon completion of backfilling, leveling and recontouring, the stockpiled topsoil will be evenly spread over the reclaimed area(s). Prior to reseeding, all disturbed surfaces will be scarified and left with a rough surface. No depressions will be left that would trap water and form ponds. All disturbed surfaces will be reseeded with the seed mixture stipulated by the B.L.M.

Seed will be drilled on the contour to a approximate depth of one-half (1/2) inch. All seeding will be conducted after September 15 and prior to ground frost. Spring seeding will be done after the frost leaves the ground and no later than May 15. If the seeding is unsuccessful, Retamco Operating Company may be required to make subsequent seedings.

**B. Dry Hole/Abandoned Location**

1. On lands administered by the Bureau of Land Management, abandoned well sites, roads, or other disturbed areas will be restored to near their original condition. This procedure will include:
  - (a) ensuring revegetation of the disturbed areas to the specifications of the Bureau of Land Management at the time of abandonment.
2. All disturbed surfaces will be recontoured to the approximate natural contours and reseeded according to BLM specifications. Reclamation of the well pad and access road will be performed as soon as practical after final abandonment and reseeding operations will be performed in the fall or spring following completion of reclamation operations.

**11. Surface Ownership:**

The well site and proposed access road are situated on surface lands administered by

Bureau of Land Management  
Vernal District Office  
Vernal, Utah

**12. Other Information:**

- A. Topographic and geologic features of the area (reference Topographic Map #A) are:

The proposed drill site is located in the River Bend Gas field, which lies in a large basin formed by the Uinta Mountains to the North and the Bookcliff Mountains to the South. The site is located approximately 0.5 mile East of the Green River, which is the major drainage for this area, and approximately 10 miles Southwest of Ouray Utah.

This basin floor is interlaced with numerous canyons and ridges formed by the non-perennial streams of the area. The sides of these canyons are steep and ledges formed in sandstone, conglomerate deposits and shale are common in this area.

The geologic structures that are visible in the area are of the Uinta formation (Eocene Epoch) tertiary period and the cobblestone and younger alluvial deposits from the Quaternary period.

The soils in the semi-arid area of the Williams Fork Formation (Upper Cretaceous) and Wasatch Formation (Eocene) consist of light brownish gray clay (OL) to sand soil (SM-ML) type with poorly graded gravels.

Outcrops of sandstone ledges, conglomerate deposits and shale are common in this area.

The topsoils in the area range from a sandy clay (SM-ML) type soil to a clayey (OL) soil.

The majority of the numerous washes and draws in the area are of a non-perennial nature flowing during the early spring run-off and heavy rain storms of long duration which are rare as the normal annual rainfall in the area is only 8".

The flora of the area includes sagebrush, mountain mahogany, serviceberry, rabbit brush, greasewood, four-wing saltbush, Gambel scrub oak, willow, tamarack, shadscale, Spanish bayonet, indian rice grass, cheatgrass, wheatgrass, curly grass, crested wheatgrass, sweet clover, gum weed, foxtail, mustard, Canadian thistle, Russian thistle, Kochia, sunflowers and cacti.

The fauna of the area includes cattle, horses, elk, deer, coyotes, rabbits, rodents, lizards, bull snakes, rattle snakes, water snakes and horned toads. Birds of the area are ground sparrows, bluejays, bluebirds, magpies, ravens, raptors, morning doves, swallows, nighthawks, hummingbirds, and chukar.

- B. The surface ownership is Federal. The surface use is grazing and petroleum production.

- C. 1. The closest live water is the Green River which is approximately 0.5 mile West of the proposed site.
2. There are no occupied dwellings in the immediate area
3. An archaeological report will be forwarded upon completion.
4. There are no reported restrictions or reservations noted on the oil and gas lease.
5. A silt catchment dam will not be required for this location.

**13. Lessee's or Operator's Representative:**

Retamco Operating Company  
671 Garnet  
Billings, Montana 59105  
(406)248-5594  
FAX: (406)248-6068

Joe Glennon,

Home (406)248-5594

**14. 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 any 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 Retamco Operating Company, and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

12/15/98

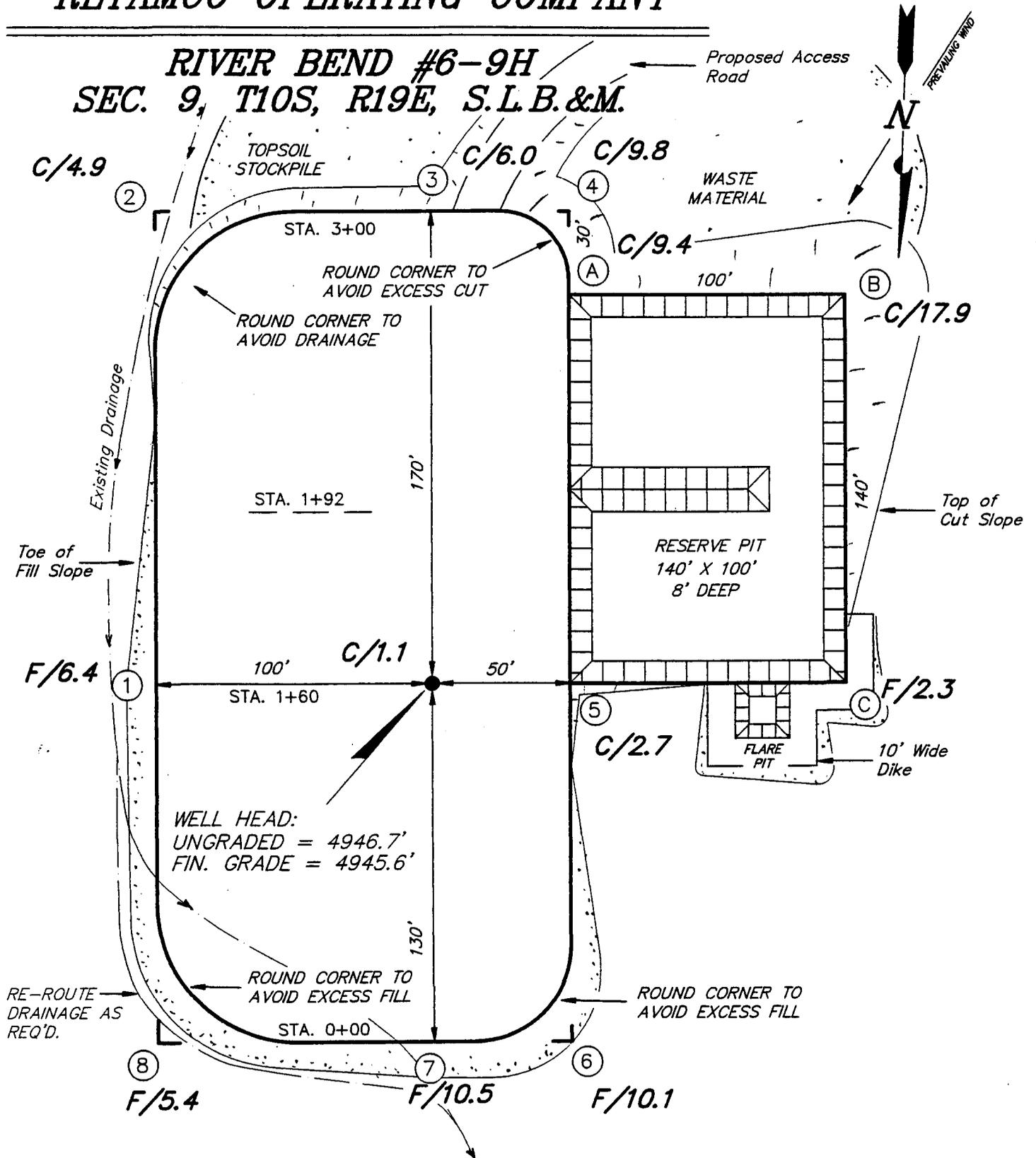
Date

Joe Glennon

Joe Glennon

# RETAMCO OPERATING COMPANY

## RIVER BEND #6-9H SEC. 9, T10S, R19E, S.L.B.&M.



### REFERENCE POINTS

220' SOUTH = 4950.6'  
200' WEST = 4950.2'  
250' WEST = 4957.8'

SURVEYED BY: D.S.

DRAWN BY: J.R.S.

DATE: 8-13-98

SCALE: 1" = 50'

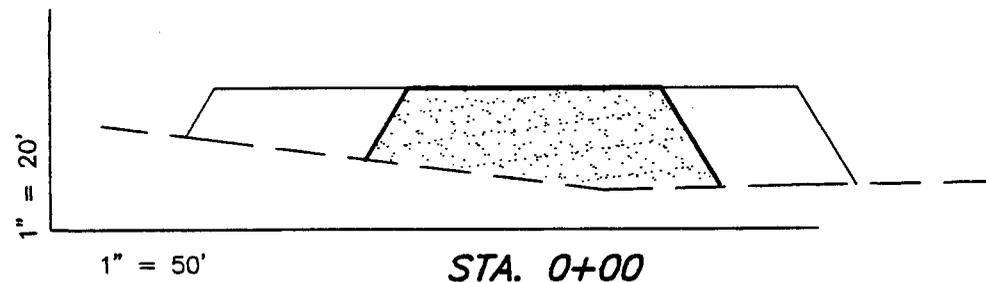
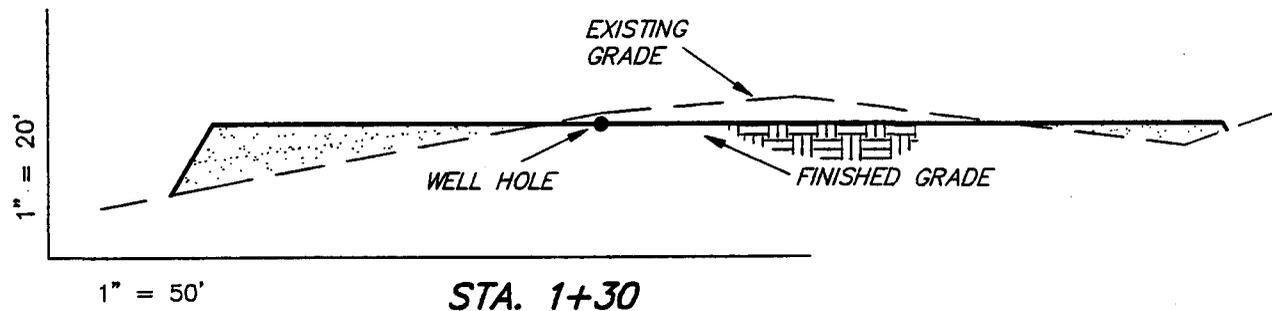
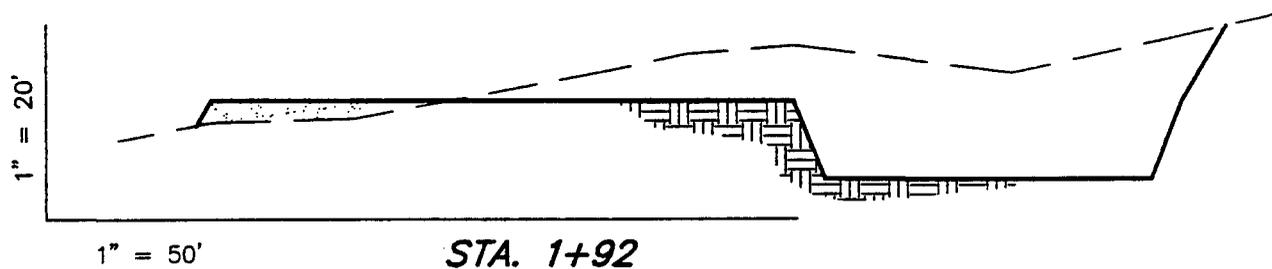
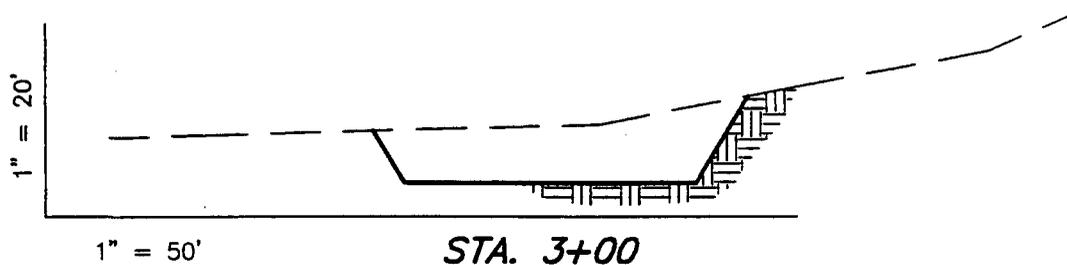
REVISIONS:

**Tri State**  
Land Surveying, Inc.  
(801) 781-2501

38 WEST 100 NORTH VERNAL, UTAH 84078

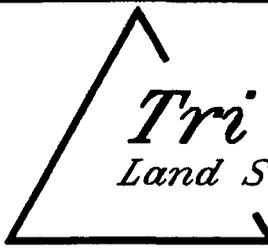
# CROSS SECTIONS

## RIVER BEND #6-9H



### APPROXIMATE YARDAGES

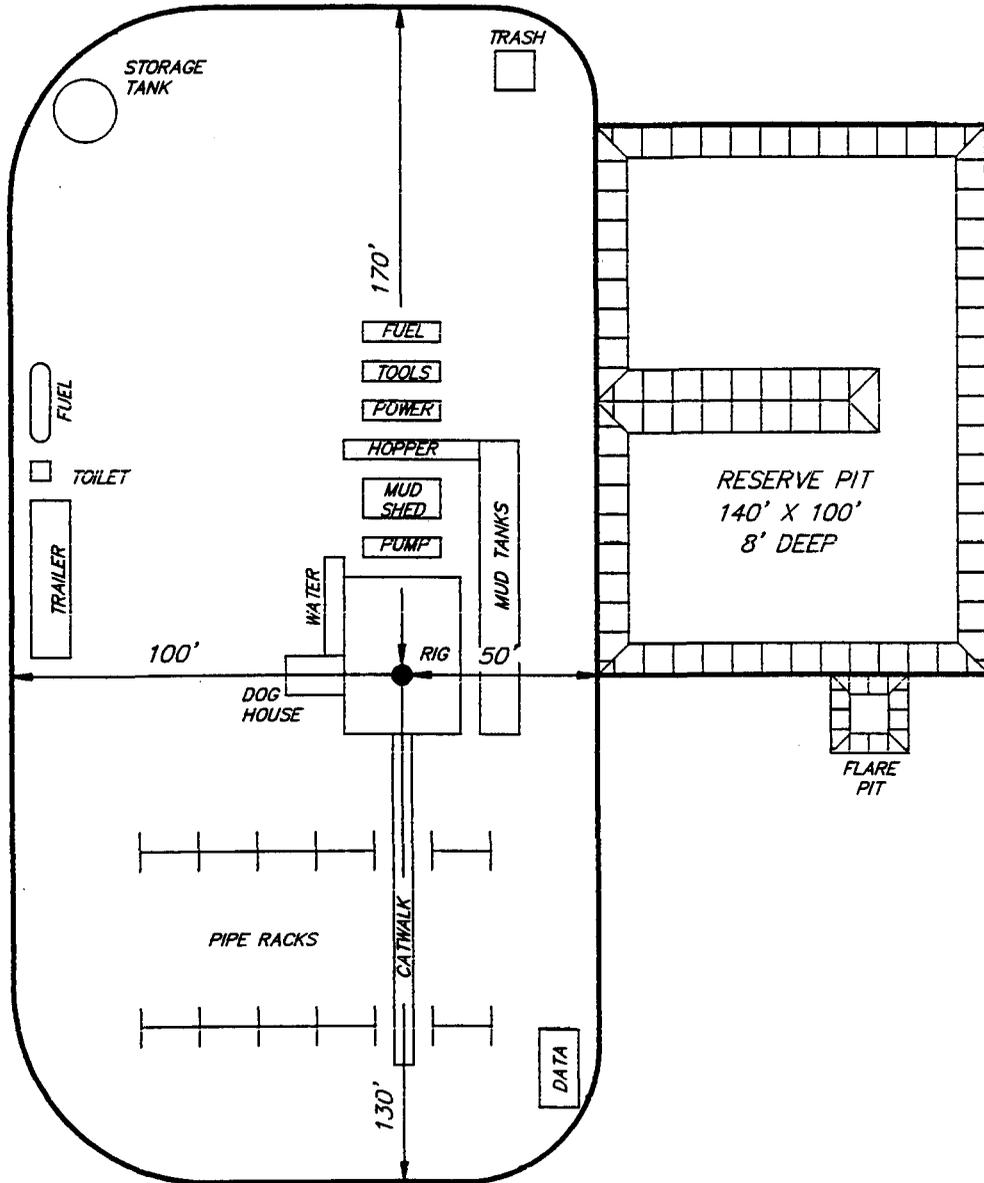
- CUT = 5,650 Cu. Yds.
- FILL = 5,440 Cu. Yds.
- PIT = 3,450 Cu. Yds.
- 6" TOPSOIL = 1,090 Cu. Yds.



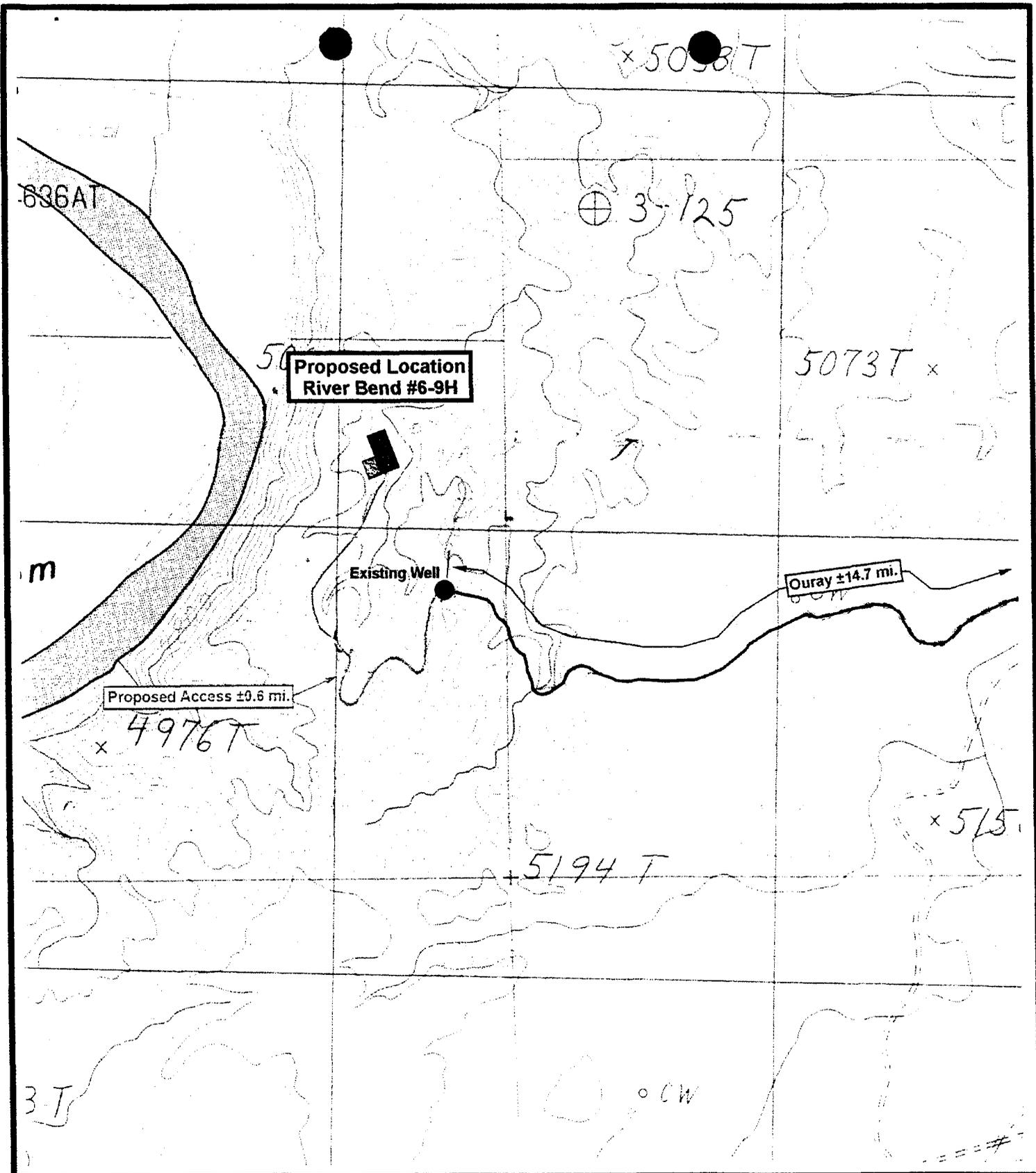
**Tri State**  
Land Surveying, Inc.  
(801) 781-2501  
38 WEST 100 NORTH VERNAL, UTAH 84078

# RIG LAYOUT

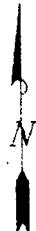
## RIVER BEND #6-9H



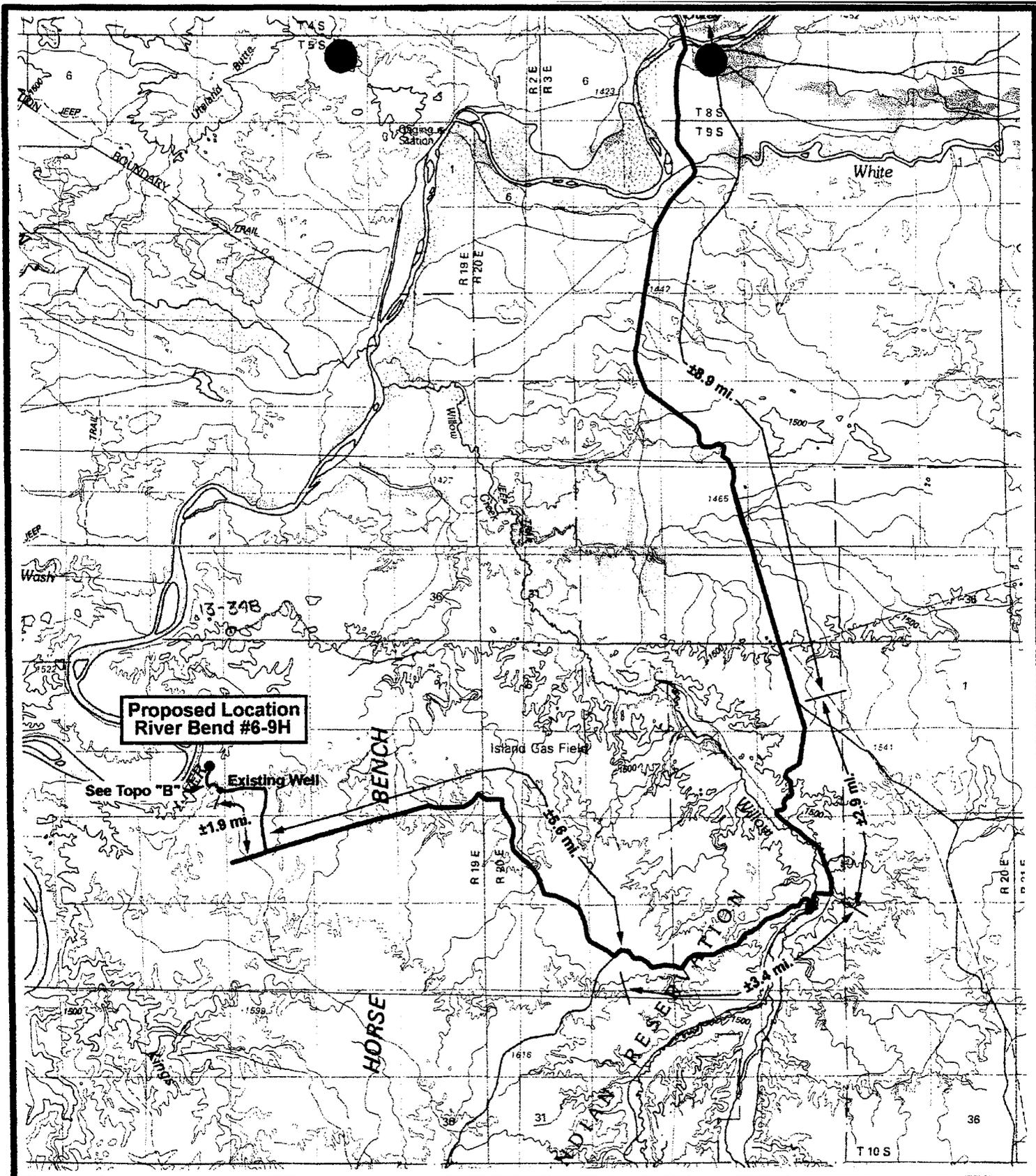
**Tri State**  
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(801) 781-2501  
38 WEST 100 NORTH, VERNAL, UTAH 84078



**RETAMCO OPERATING COMPANY**  
**RIVER BEND #6-9H**  
**SEC. 9, T10S, R19E, S.L.B.&M.**  
**TOPOGRAPHIC MAP "B"**



Drawn By: SS	Revision:
Scale: 1" = 1000'	File:
Date: 8/12/98	
Tri-State Land Surveying Inc. P.O. Box 533, Vernal, UT 84078 435-781-2501 Fax 434-781-2518	



# RETAMCO OPERATING COMPANY

**RIVER BEND #6-9H  
SEC. 9, T10S, R19E, S.L.B.&M.  
TOPOGRAPHIC MAP "B"**



Drawn By: SS

Revision:

Scale: 1:100,000

File:

Date: 8/12/98

Tri-State Land Surveying Inc.  
P.O. Box 533, Vernal, UT 84078  
435-781-2501 Fax 434-781-2518

**Retamco  
Operating Inc.**

**Utah  
Uintah County  
Sec. 9-T10S-R19E  
River Bend 6-9H - Initial Proposal**

**PROPOSAL REPORT**

**22 December, 1998**

**sperry-sun**  
**DRILLING SERVICES**  
A DIVISION OF DRESSER INDUSTRIES, INC.

**Proposal Ref: pro3319**

# Sperdy-Sun Drilling Services

## Proposal Report for River Bend 6-9H - Initial Proposal



Retamco Operating Inc.  
Utah

Uintah County  
Sec. 9-T10S-R19E

Measured Depth (ft)	Incl.	Azim.	Vertical Depth (ft)	Northings (ft)	Eastings (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)
0.00	0.000	0.000	0.00	0.00 N	0.00 E	0.00	
1500.00	0.000	0.000	1500.00	0.00 N	0.00 E	0.00	0.000
1600.00	5.000	270.000	1599.87	0.00 N	4.36 W	4.36	5.000
1700.00	10.000	270.000	1698.99	0.00 N	17.41 W	17.41	5.000
1800.00	15.000	270.000	1796.58	0.00 N	39.05 W	39.05	5.000
1900.00	20.000	270.000	1891.93	0.00 N	69.11 W	69.11	5.000
2000.00	25.000	270.000	1984.28	0.00 N	107.36 W	107.36	5.000
2100.00	30.000	270.000	2072.96	0.00 N	153.52 W	153.52	5.000
2200.00	35.000	270.000	2157.27	0.00 N	207.24 W	207.24	5.000
2300.00	40.000	270.000	2236.58	0.00 N	268.09 W	268.09	5.000
2395.79	44.789	270.000	2307.30	0.00 N	332.66 W	332.66	5.000
2500.00	44.789	270.000	2381.26	0.00 N	406.08 W	406.08	0.000
3000.00	44.789	270.000	2736.11	0.00 N	758.33 W	758.33	0.000
3500.00	44.789	270.000	3090.96	0.00 N	1110.58 W	1110.58	0.000
4000.00	44.789	270.000	3445.81	0.00 N	1462.83 W	1462.83	0.000
4347.87	44.789	270.000	3692.70	0.00 N	1707.90 W	1707.90	0.000
4400.00	42.183	270.000	3730.52	0.00 N	1743.77 W	1743.77	5.000
4500.00	37.183	270.000	3807.45	0.00 N	1807.61 W	1807.61	5.000
4600.00	32.183	270.000	3889.66	0.00 N	1864.49 W	1864.49	5.000
4700.00	27.183	270.000	3976.51	0.00 N	1914.00 W	1914.00	5.000
4800.00	22.183	270.000	4067.34	0.00 N	1955.74 W	1955.74	5.000
4900.00	17.183	270.000	4161.47	0.00 N	1989.41 W	1989.41	5.000
5000.00	12.183	270.000	4258.17	0.00 N	2014.75 W	2014.75	5.000
5100.00	7.183	270.000	4356.72	0.00 N	2031.57 W	2031.57	5.000
5200.00	2.183	270.000	4456.35	0.00 N	2039.73 W	2039.73	5.000
5243.66	0.000	0.000	4500.00	0.00 N	2040.56 W	2040.56	5.000
12243.66	0.000	0.000	11500.00	0.00 N	2040.56 W	2040.56	0.000

All data is in feet unless otherwise stated. Directions and coordinates are relative to True North. Vertical depths are relative to Well. Northings and Eastings are relative to Well.

The Dogleg Severity is in Degrees per 100ft.  
Vertical Section is from Well and calculated along an Azimuth of 270.000° (True).

Based upon Minimum Curvature type calculations, at a Measured Depth of 12243.66ft.,  
The Bottom Hole Displacement is 2040.56ft., in the Direction of 270.000° (True).

Continued...

# Sperry-Sun Drilling Services

Proposal Report for River Bend 6-9H - Initial Proposal



Retamco Operating Inc.  
Utah

Uintah County  
Sec. 9-T10S-R19E

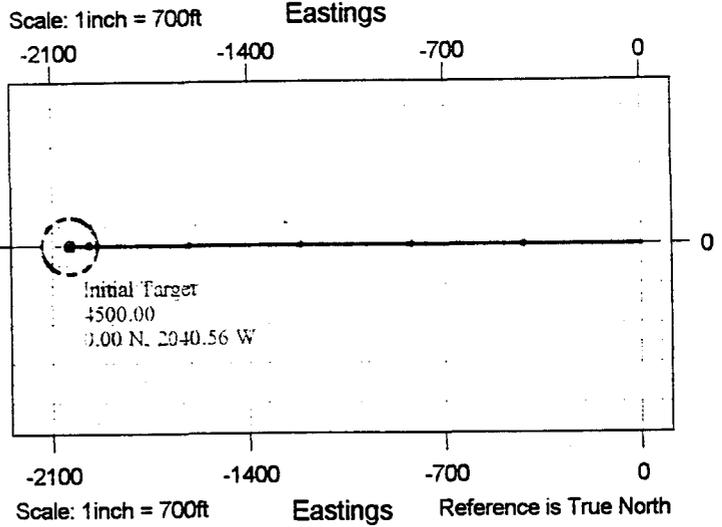
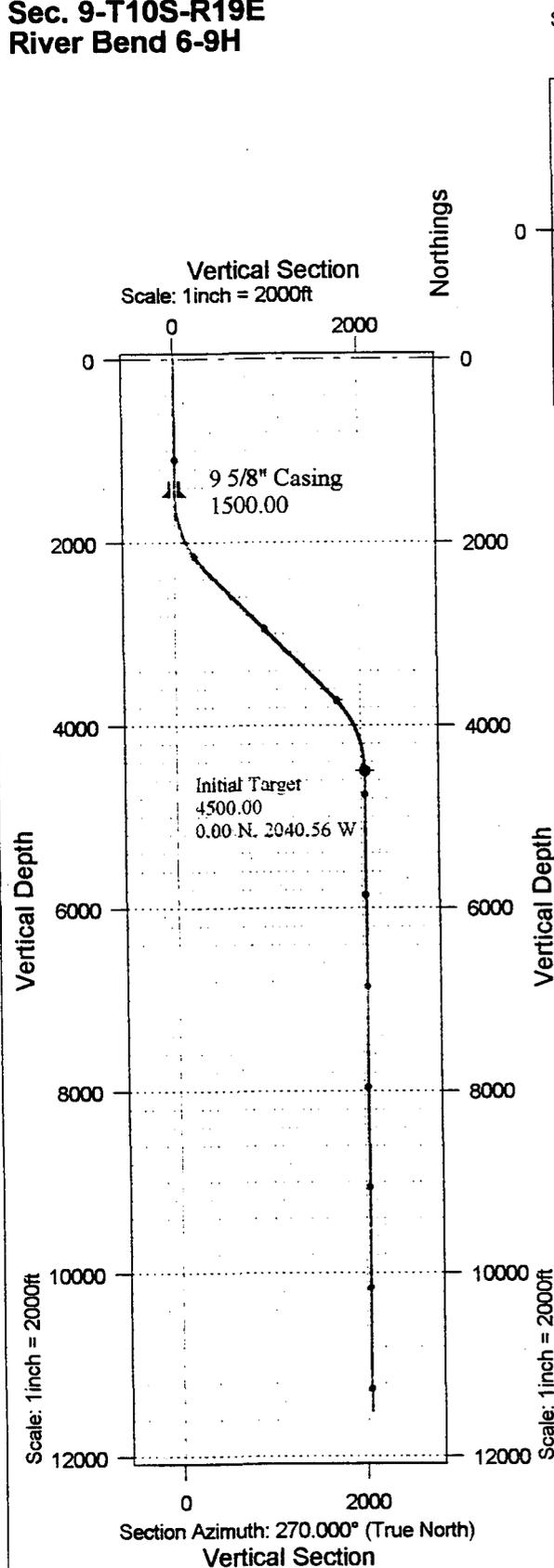
**Casing details**

From		To		Casing Detail
Measured Depth (ft)	Vertical Depth (ft)	Measured Depth (ft)	Vertical Depth (ft)	
<Surface>	<Surface>	1500.00	1500.00	9 5/8" Casing

**Targets associated with this wellpath**

Target Name	Target Entry Coordinates			Target Shape	Target Type
	TVD (ft)	Northings (ft)	Eastings (ft)		
Initial Target	4500.00	0.00 N	2040.56 W	Circle	

Utah  
 Uintah County  
 Sec. 9-T10S-R19E  
 River Bend 6-9H



Prepared: \_\_\_\_\_ Checked: \_\_\_\_\_ Approved: \_\_\_\_\_



C.J. HART AND ASSOCIATES, INC. d.b.a.

**MUSTANG  
DRILLING  
FLUIDS**

2557 East 3760 South • Vernal, Utah 84078  
(801) 789-0533

**RECOMMENDED MUD PROGRAM**

COMPANY: RETAMCO OPERATING INC.

ADDRESS: 671 GARNET  
BILLINGS, MT 59105

WELL NAME: RIVER BEND 6-9H

LEGAL: SEC. 9, T10S, R19E

COUNTY AND STATE: UINTAH COUNTY, UTAH

PREPARED BY:

MUSTANG DRILLING FLUIDS  
CRAIG J. HART



C.J. HART AND ASSOCIATES, INC. d.b.a.

**MUSTANG  
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ESTIMATED FORMATION TOPS

GREEN RIVER	1200'
UTELAND BUTTE	4640'
WASATCH	4790'
MESA VERDE	7530'
CASTLE GATE	10340'
T.D.	11700'

ESTIMATED CASING PROGRAM

DRILL 13 $\frac{1}{2}$ " HOLE TO 2000' SET 9 5/8" CASING  
DRILL 8 3/4" HOLE TO 11700' SET 7" CASING



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# MUSTANG DRILLING FLUIDS

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<u>INTERVAL</u> (FEET)	<u>MUD WEIGHT</u> (LBS./GAL.)	<u>VISCOSITY</u> (SEC./QT.)	<u>FLUID LOSS</u> (NL/30MIN.)	<u>MUD TYPE</u>
0 - 2000'	8.5 - 9.2	32 - 40	12 - 18CC'S	LSND

BEFORE DRILLING OUT FROM UNDER SURFACE PIPE HAVE ALL SOLIDS CONTROL EQUIPMENT OPERATIONAL. PLEASE REFER TO THE PAGE ON EQUIPMENT RECOMMENDATIONS. SOLIDS CONTROL AND GOOD HYDRAULICS IS A MUST.

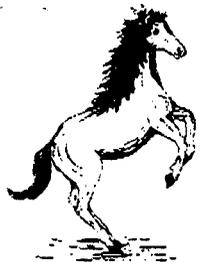
BEFORE DRILLING OUT, MUD UP WITH A LOW SOLIDS NON-DISPERSED/POLYMER DRILLING FLUID. MUD UP IS RECOMMENDED AT THIS TIME PRIMARILY TO PREVENT TURBULENT FLOW IN THE ANNULUS AND INCREASE CARRING CAPICITY.

GEL AND POLYSEC KD (A SELECTIVE FLOCCULANT AND BENTONITE EXTENDER) SHOULD BE MIXED FOR THE NECESSARY VISCOSITY. AND A SACK POLYSAC KD WITH EACH 5-8 SACKS OF GEL. MAINTAIN A PH LEVEL OF 9.0-9.5 WITH CAUSTIC SODA. LET FLUID LOSS COME DOWN ON IT'S OWN TO 12 TO 18CC'S, IF ADDITIONAL CONTROL IS NEEDED, USE DRISPAC FOR FILTRATE CONTROL.

TO OBTAIN THE GREATEST BENEFIT FROM A LOW SOLIDS NON-DISPERSED/POLYMER SYSTEM, MAINTAIN A D/B (DRILLED SOLIDS TO BENTONITE) RATIO OF 2:1 OR LESS. THIS RATIO SHOULD BE CHECKED PERIODICALLY WITH THE METHLENE BLUE TEST. TOURLY ADDITIONS OF PHPA (PARTIALLY HYDROLIZED POLYACRYLAMIDE POLYMER) SHOULD BE ADDED AT A RATE OF .25 TO .5 POUNDS PER BARREL FOR TOTAL FLOCCULATION OF LOW YIELDS SOLIDS, REDUCE TORQUE, AID IN FILTRATION CONTROL AND HOLE STABILIZATION SURFACE VOLUME ADDITIONS TO MUD AND FREQUENCY OF DUMPING AND CLEANING MUD TANKS WILL DICTATE THE AMOUNT OF POLYSEC KD AND PHPA TO BE USED.

EFFECTIVE MECHANICAL SOLIDS CONTROL IS THE KEY TO RUNNING A LOW SOLIDS NON-DISPERSED/POLYMER DRILLING FLUID. PIT DIVIDERS SHOULD REMAIN CLOSED AND RISERS SHOULD BE ELEVATED TO PROVIDE A SKIMMING EFFECT. DUMPING AND CLEANING OF THE MUD TANKS, AS NECESSARY, WILL HELP INSURE ADEQUATE SETTling OF DRILLED SOLIDS. A SMALL STREAM OF WATER SHOULD BE RUN CONTINUOUSLY WHILE DRILLING TO HELP MINIMIZE RECIRCULATION OF DRILLED SOLIDS AND ALLOW THE ADDITIONS OF FRESH GEL INTO THE SYSTEM.

THROUGHOUT THE DRILLING OF THIS WELL, RECLAIMING WATER FROM THE RESERVE PIT IS ENCOURAGED. THIS WILL CONSERVE WATER AND WILL MINIMIZE SOME CHEMICAL ADDITIONS.



C.J. HART AND ASSOCIATES, INC. d.b.a.

## MUSTANG DRILLING FLUIDS

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MANY ADVANTAGES HAVE BEEN RECOGNIZED WITH THE USE OF LOW SOLIDS NON-DISPERSED/POLYMER DRILLING FLUIDS. THE LOWER THE SOLIDS CONCENTRATE IN THE MUD, THE HIGHER THE PENETRATION RATE. CLAY PARTICLES AND CLAY SIZED (COLLOIDAL) DRILLED SOLIDS HAVE PROVEN TO BE DETRIMENTAL TO THE PENETRATION RATES. FLUIDS CONTAINING LARGE AMOUNTS OF SOLIDS IN THE COLLOIDAL SIZE RANGE (1 MICRON OR LESS) HAVE PRODUCED DRILLING RATES LOWER THAN FLUID THAT CONTAIN ONLY A FEW SOLIDS OF LESS THAN ONE MICRON IN SIZE.

MOST FLUIDS REQUIRE THAT COLLOIDAL MATERIAL BE USED TO INCREASE THE VISCOSITY OF THE BASE FLUID OR TO REDUCE THE FLUID LOSS. THEREFORE ONE OF THE KEYS TO FASTER PENETRATION RATES IS THE FORMULATION AND MAINTENANCE OF A MUD WITH AS FEW COLLOIDAL SIZE PARTICLES AS POSSIBLE WHILE STILL MAINTAINING THE FLUID PROPERTIES NECESSARY FOR STABILIZING THE HOLE. POLYMERS ARE AN ALTERNATIVE TO CLAYS AS VISCOSIFIERS IN THIS SITUATION. THESE APPLICATIONS OF A POLYMER TO EXTEND THE YIELD OF BENTONITE WHICH WILL REDUCE THE NUMBER OF COLLOIDAL PARTICLES IN A GIVEN MUD SYSTEM. POLYMERS WILL ALSO PROVIDE SUPPLEMENTAL FLUID LOSS CONTROL AND PROVIDE INHIBITION THROUGH ENCAPSULATION OF DRILLED SOLIDS.

UTILIZING NON-DISPERSED POLYMER MUDS HAS RESULTED IN LOWER FRICTION LOSSES, IMPROVED CUTTING CARRYING CAPACITY, FEWER BITS PER WELL AND FASTER DRILLING RATES DUE TO LOWER TOTAL SOLIDS CONTENT AS COMPARED TO DISPERSED MUDS. DISPERSANTS INCREASE A FLUID TOLERANCE TO SOLIDS, BUT WILL BREAK DOWN CLAYS. POLYMER COATING OF DRILLED SOLIDS WITHOUT DISPERSANTS IN THESE FLUIDS WILL RESULT IN LARGE DRILLED SOLIDS AT THE SURFACE MAKING MECHANICAL SEPERATION EASIER AND LESS DILLUTION IS REQUIRED.

DRILLING FLUIDS THAT BECOME LESS VISCIOUS AS THE SHEAR RATE INCREASES WILL INCREASE THE RATE OF PENETRATION. FASTER PENETRATION RATES CAN BE EXPECTED AS THE VISCOSITY FOR THE FLUID AT THE BIT APPROACHES THE VISCOSITY OF WATER. IT IS THIS SHEAR THINNING AT THE BIT THAT INCREASES BIT CLEANING AND BOTTOM HOLE CLEANING. SHEAR THINNING FLUIDS GIVE INCREASED HORSE POWER AT THE BIT BY DECREASING THE FRICTION LOSS AT POINTS OF THE HIGHEST VISCOSITY SUCH AS IN THE DRILL PIPE AND IN THE DRILL COLLARS. THE REDUCED FRICTION LOSS ENABLES THE UTILIZATION OF HIGHER FLOW RATES AND SMALLER JET NOZZLES WITH HIGHER BIT HORSE POWER AT THE SAME SURFACE PRESSURE. THE VISCOSITY OF THIS FLUID WILL INCREASE AS IT MOVES UP THE ANNULUS, PROVIDING ADEQUATE HOLE CLEANING.

THE EFFICIENT USE OF A DESANDER AND DISTILTER IN CONJUNCTION WITH ONE OR TWO CENTRIFUGES IS RECOMMENDED TO PREVENT THE RECIRCULATION OF DRILLED SOLIDS AND TO AVOID EXCESSIVE MUD WEIGHTS. THIS WILL MAXIMIZE PENETRATION RATES AND REDUCE THE CHANCES OF INDUCING LOST CIRCULATION. SURGE PRESSURES CAN BE MINIMIZED BY RUNNING IN THE HOLE SLOWLY.



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# MUSTANG DRILLING FLUIDS

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## NOTES:

- (1). LOST CIRCULATION IS A DEFINITE POSSIBILITY BETWEEN 1500' AND 2000'. WE WOULD RECOMMEND AT APPROXIMATELY 1400' TO ADD 15 TO 20% LOST CIRCULATION MATERIAL TO THE MUD SYSTEM, AND MAINTAIN THIS TO CASING POINT. PRE-TREATING WITH LCM WILL BE LESS COSTLY AND TIME CONSUMING. WE WOULD RECOMMEND USING 15 SACKS SAWDUST, TO 1 SACK FIBER, 1 SACK MULTI-SEAL, AND 1 SACK COTTON SEED HULLS.
- (2). A TRONA WATER SECTION IS A GOOD POSSIBILITY BETWEEN 2000' AND 2500'. SHOULD THIS HAPPEN, TREAT WITH LIME TO CONTROL ALKALINITIES AS NEEDED.

<u>INTERVAL</u> (FEET)	<u>MUD WEIGHT</u> (LBS./GAL.)	<u>VISCOSITY</u> (SEC./QT.)	<u>FLUID LOSS</u> (ML/30MIN.)	<u>MUD TYPE</u>
2000-7400	8.8 - 9.2	35 - 45	10 - 15CC'S	LSND

TREAT OUT CEMENT CONTAMINATION AND CONTINUE OUT FROM UNDER 9 5/8" CASING WITH PREVIOUS INTERVAL MUD SYSTEM. GRADUALLY LOWER FLUID LOSS TO 10 - 15CC'S WITH DRISPAC. ADJUST HYDRAULICS AS NEEDED TO MAINTAIN LAMINAR FLOW IN THE 8 3/4" HOLE.

LOST CIRCULATION AND WATERFLOWS MAY OCCUR THROUGH THIS INTERVAL. USE PREVIOUS PROCEDURES.

CONTINUED USE AND MAINTENANCE OF ALL SOLIDS CONTROL EQUIPMENT IS EXTREMELY IMPORTANT.

KEEP HOLE FULL AT ALL TIMES.

7400-11500'	9.2 - 11.5	35 - 45	0 - 10CC'S	
-------------	------------	---------	------------	--

DRILL THIS INTERVAL WITH PREVIOUS MUD SYSTEM. MUD WEIGHTS MAY HAVE TO BE RAISED TO AS MUCH AS 11½ TO 12.0LB./GAL. DEPENDING ON PRESSURE IN THE MESA VERDE FORMATION.

WHILE DRILLING THE MESA VERDE FORMATION IT MAY BECOME NECESSARY TO DISPERSE THE MUD SYSTEM. IF SO WE WOULD RECOMMEND USING LIGNITE AND DESCO.

CONTROL FLUID LOSS AT 8 TO 10CC'S WITH DRISPAC.



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# MUSTANG DRILLING FLUIDS

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WE HAVE FOUND WITH HIGHER FLUID LOSSES, PENETRATION IS MUCH GREATER THAN WITH LOWER FLUID LOSSES, PROVIDING THE HOLE WILL WITH STAND HIGHER FLUID LOSSES. THIS FACTOR NEEDS TO BE DETERMINED AT THE TIME OF DRILLING OPERATION.

WE FILL WITH THIS MUD SYSTEM IT WILL ENABLE YOU TO DRILL, CORE, TEST, AND LOG THIS WELL WITH THE LEAST AMOUNT OF TROUBLE.

## NOTES:

- (1.) MAINTAIN LAMINAR FLOW BY ADJUSTING HYDRAULICS.
- (2.) MUD WEIGHT MAY HAVE TO BE RAISED TO  $11\frac{1}{2}$  TO 12.0LBS./GAL., LET GAS AND HOLE CONDITION DETERMINE THIS.
- (3.) USE ALL SOLIDS CONTROL EQUIPMENT.
- (4.) RUN SMALL STREAM OF WATER WHILE DRILLING.
- (5.) LOST CIRCULATION MAY OCCUR THROUGH THIS INTERVAL. USE RECOMMENDED LOST CIRCULATION PRACTICES.



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# MUSTANG DRILLING FLUIDS

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## LOST CIRCULATION PROCEDURE

- (1). SEEPAGE RECOMMEND USING FINE MICA IN THE MUD SYSTEM. FINE MICA SHOULD HEAL MINOR SEEPAGE LOSS AND WILL PASS THROUGH MOST SHAKER SCREENS.
- (2). WHOLE MUD LOSS RECOMMEND ISOLATING SUCTION COMPARTMENT AND MIXING A 50-100 BBL VEN-PLUG LOST CIRCULATION PILL. VEN-PLUG IS A BLEND OF WATER SOLUBLE POLYMER AND FIBROUS CELLULOSE BRIDGING AGENTS.

### (A). SPOTTING PROCEDURE

- (1). ADD 20-40 LBS/BBL VEN-PLUG TO WATER IN SUCTION PIT. VISCOSITY WILL BE OBTAINED FROM THE POLYMER IN THE VEN-PLUG.
- (2). PUMP THE PILL AROUND SLOWLY AND LET IT SIT FOR 15-30 MINUTES ACROSS THE THIEF ZONE.

#### NOTE:

WHILE PUMPING PILL, VEN-PLEX CAN BE ADDED TO SLURRY TO MAKE A TOUGHER AND MORE DURABLE LOST CIRCULATION PILL. VEN-PLEX IS A STRONG ALKALINE COMPLEXING AGENT DESIGNED TO CROSSLINK THE VEN-PLUG.

- (3). REPEAT THE SPOTTING PROCEDURE IF NECESSARY.
- (4). AFTER CIRCULATION IS REGAINED AND DRILLING IS CONTINUED, BYPASS THE LOST CIRCULATION PILL OVER THE SHAKER.



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DRILLING  
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EQUIPMENT RECOMMENDATIONS

(A). CENTRIFUGE

A 100 G.P.M. CENTRIFUGE WITH A HOLDING TANK TO PROCESS THE UNDERFLOW FROM THE DESILTER AND THE DESANDER AS WELL AS PROCESSING A PORTION OF THE ACTIVE SYSTEM.

(B). DESILTER

A 16 CONE DESILTER. THIS WILL ALLOW FOR REMOVAL OF THE DRILLED SOLIDS PRIOR TO THEM BEING RECIRCULATED AND GROUND DOWN FINER. A SECOND DESILTER SHOULD BE CONSIDERED.

(C). DESANDER

TO PROCESS THE LARGE CUTTINGS AND SAND BEING DRILLED.

(D). HIGH SPEED SHAKER

A HIGH SPEED DOUBLE DECK SHAKER WITH FINE MESH SCREENS WILL BE NECESSARY TO PROCESS THE DRILLING FLUID BEING UTILIZED. A SECOND HIGH SPEED SHAKER SHOULD BE CONSIDERED.

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/05/1999

API NO. ASSIGNED: 43-047-33313

WELL NAME: RIVER BEND 6-9H  
 OPERATOR: RETAMCO OPERATING INC (N6020)  
 CONTACT: Joe Glennon (406) 248-5594

PROPOSED LOCATION:  
 SENE 09 - T10S - R19E  
 SURFACE: 0825-FNL-0811-FEL (Irreg. Sec.)  
 BOTTOM: 0825-FNL-1718-FWL SENW  
 UINTAH COUNTY  
 NATURAL BUTTES FIELD (630)

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

LEASE TYPE: FED  
 LEASE NUMBER: UTU-76490  
 SURFACE OWNER: Federal

PROPOSED FORMATION: CSLGT

RECEIVED AND/OR REVIEWED:

Plat  
 Bond: Fed  Ind  Sta  Fee  
 (No. WT-1088)

Potash (Y/N)  
 Oil Shale (Y/N) \*190-5(B)  
 Water Permit  
 (No. 43-10664)

RDCC Review (Y/N)  
 (Date: \_\_\_\_\_)

Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3. Unit Riverbend (Surf. Loc. On 14)

R649-3-2. General  
 Siting: \_\_\_\_\_

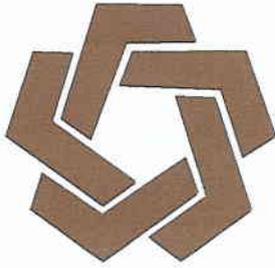
R649-3-3. Exception

Drilling Unit  
 Board Cause No: \_\_\_\_\_  
 Eff Date: \_\_\_\_\_

Siting: \_\_\_\_\_  
 R649-3-11. Directional Drill

COMMENTS: Need add'l info "Direct. Dril." (Rec'd 10-26-99)

STIPULATIONS: ① FEDERAL APPROVAL



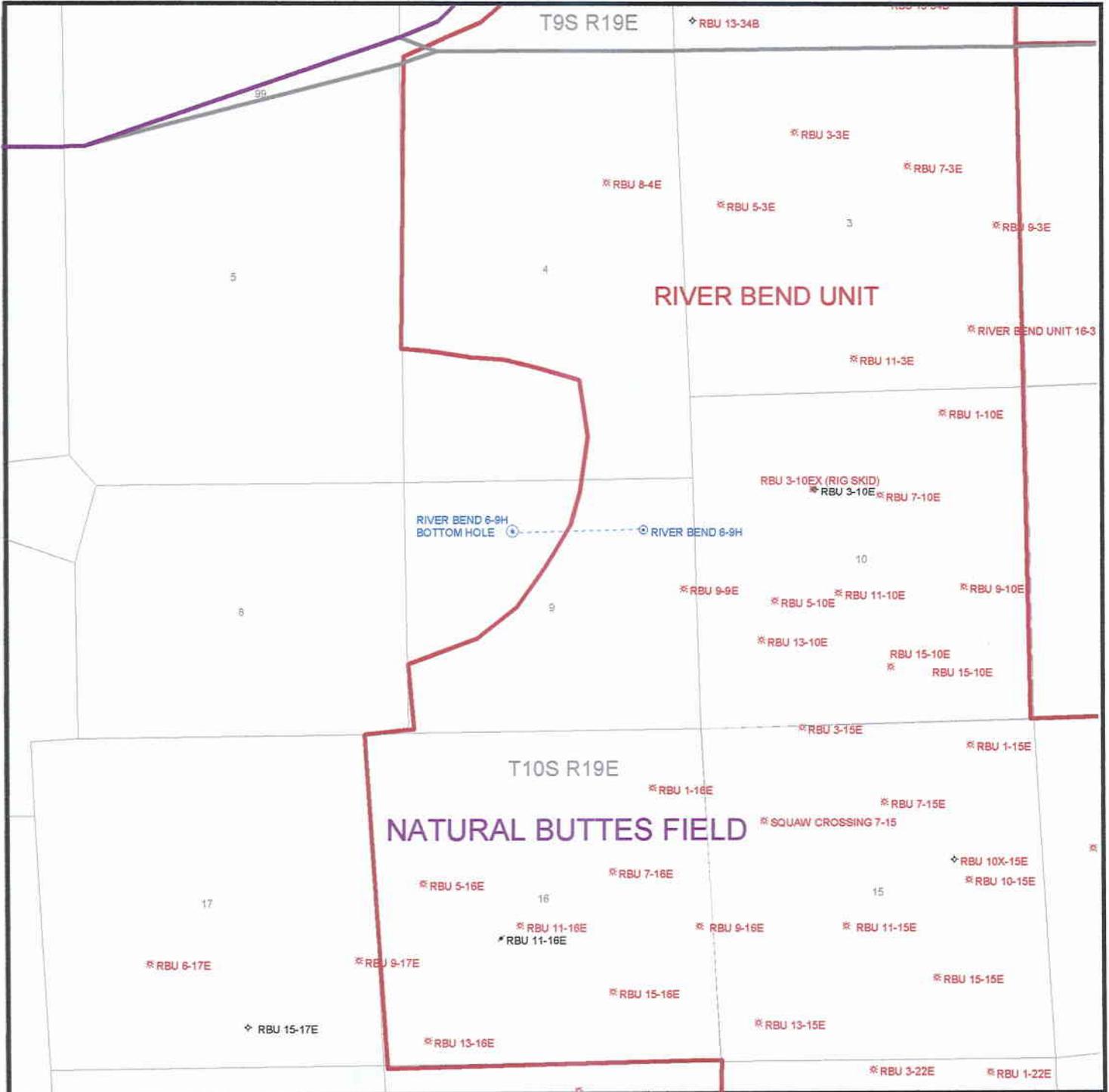
Division of Oil, Gas & Mining

OPERATOR: RETAMCO OPERATING INC. (N6020)

FIELD: NATURAL BUTTES (630)

SEC. 9, TWP 10S, RNG 19E

COUNTY: UINTAH UNIT: NONE



PREPARED  
DATE: 15-MAR-1999

**From:** "Michael Coulthard" <mcoultha@ut.blm.gov>  
**To:** "Lisha Cordova" <nrogm.lcordova@state.ut.us>  
**Date:** Wed, Mar 17, 1999 3:36 PM  
**Subject:** Re: New APD-Retamco Operating Inc-Riverbend Unit (Surf Loc Only)

Lisha,

As the producing interval is not in the Unit. The well is not a unit well and my review is not necessary.

Thanks

Mick

-----Original Message-----

**From:** Lisha Cordova <nrogm.lcordova@state.ut.us>  
**To:** Michael\_Coulthard/UTSO/UT/BLM/DOI <Michael\_Coulthard/UTSO/UT/BLM/DOI>  
**Date:** Wednesday, March 17, 1999 2:54 PM  
**Subject:** New APD-Retamco Operating Inc-Riverbend Unit (Surf Loc Only)

>

>

>Hi Mick,

>

>Please review the attached. Operator plans to drill a directional well  
>with BHL @SENW 826' FNL 1718 FWL/Irregular Sec/west of the Green  
>River/outside of unit. Formation objective includes the Uteland Butte,  
>Wasatch, Mesa Verde and Castle Gate formations and their sub-members  
>(4640-10340'). The surf. loc is in the Riverbend Unit. You may have  
>already reviewed this location, BLM Vernal provided us with a copy of the  
>APD.

>

>Because it is a directional drill well the operator needs to comply with  
>R649-3-11 Directional Drilling which includes providing the Div. with info.  
>regarding "ownership of all the oil and gas within a radius of 460 feet  
>from all points along the intended well bore".

>

>Thanks for your help!

>

>Lisha

>

> - Newapd.dbf

**RETAMCO OPERATING INC.**

671 Garnet Ave.  
Billings, MT 59105  
(406) 248-5594  
(406) 248-6068 fax

June 23, 1999

Mr. Garth Berkland  
Celsius Energy Company  
1331 17<sup>th</sup> Street, Suite 800  
Denver, CO 80202

Re: River Bend 6-9H well Sec 9 T10S,R19E  
Uintah County, Utah

Dear Mr. Berkland,

Per our telephone conversation Retamco Operating is planning to drill the above referenced well from a surface location of 825.5' FNL, 811.6' FSL in Sec 9 T10S,R19E with the proposed producing zone being 825.5' FNL, 1718.4' FWL in the same Section. I have enclosed a copy of the Section survey for your reference.

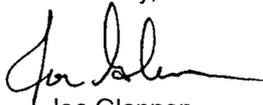
The surface location is on Federal lease number U-03505 owned by Celsius Energy Company with the well being drilled to a bottom hole location under Federal lease number U-76490 owned by Retamco Operating Inc. As discussed I am enclosing an approved surface right-of-way from the BLM granting BLM approval to construct, operate and maintain a well pad for this well on this surface location.

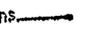
This letter is to request your approval of the surface location, per State of Utah Rule R649-3-11 for Directional Drilling.

If the above meets with your approval please so indicate by signing below and returning a copy of this letter to me in the enclosed envelope.

Thank you for your attention to this matter and if you have any questions please contact me at (406) 248-5594 or I will be in touch by phone.

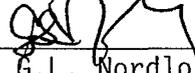
Sincerely,

  
Joe Glennon

Approved:  
Form   
Content   
Trans 

Agreed to this 9<sup>th</sup> day of August, 1999

Questar Exploration and Production Company (formerly Celsius Energy Company)

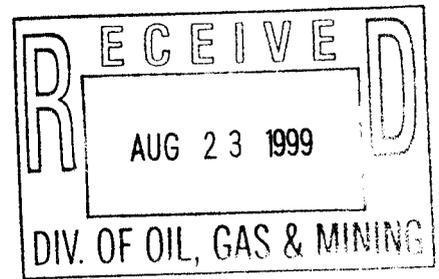
\*\* By:  ELD  
Title: G.L. Nordloh, President & CEO

INITIAL  
HERE  ELD

\*\* Questar's execution is subject to agreement by Retamco Operating Inc. to hold harmless, defend and indemnify Questar against any and all claims, lawsuits or liabilities for injury to or death of persons or injury to property of whatever kind including claims involving environmental damage or pollution, resulting directly or indirectly from Retamco's operations on or in proximity to lease #U03505.

**RETAMCO OPERATING INC.**

HCR Box 1010  
Roberts, MT 59070  
(406) 445-2641  
(406) 248-5594



August 18, 1999

Mrs. Lisha Cordova  
State of Utah  
Division of Oil, Gas & Mining  
1594 W North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801

Re: River Bend 6-9 H APD Sec 9 T 10 S,R 19 E  
Uintah County, Utah

Dear Mrs. Cordova,

As per our telephone conversations I am enclosing a signed letter agreement between Questar/Celsius Energy, the owner of the surface lease for the referenced well, and Retamco Operating Inc.

Questar gives Retamco their permission to construct and a well pad, drill and operate the referenced well from a surface location located on their federal lease UTU 03505 to a bottom hole location on Retamco's federal lease UTU 76490.

If you have any questions or if you require further information please contact me at (406) 248-5594.

Sincerely,

Joe Glennon

**RETAMCO OPERATING INC.**

671 Garnet Ave.  
Billings, MT 59105  
(406) 248-5594  
(406) 248-6068 fax

June 23, 1999

Mr. Garth Berkland  
Celsius Energy Company  
1331 17<sup>th</sup> Street, Suite 800  
Denver, CO 80202

Re: River Bend 6-9H well Sec 9 T10S,R19E  
Uintah County, Utah

Dear Mr. Berkland,

Per our telephone conversation Retamco Operating is planning to drill the above referenced well from a surface location of 825.5' FNL, 811.6' FNL in Sec 9 T10S,R19E with the proposed producing zone being 825.5' FNL, 1718.4' FWL in the same Section. I have enclosed a copy of the Section survey for your reference.

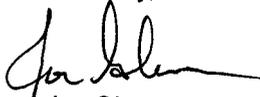
The surface location is on Federal lease number U-03505 owned by Celsius Energy Company with the well being drilled to a bottom hole location under Federal lease number U-76490 owned by Retamco Operating Inc. As discussed I am enclosing an approved surface right-of-way from the BLM granting BLM approval to construct, operate and maintain a well pad for this well on this surface location.

This letter is to request your approval of the surface location, per State of Utah Rule R649-3-11 for Directional Drilling.

If the above meets with your approval please so indicate by signing below and returning a copy of this letter to me in the enclosed envelope.

Thank you for your attention to this matter and if you have any questions please contact me at (406) 248-5594 or I will be in touch by phone.

Sincerely,

  
Joe Glennon

Approved:   
Form   
Content   
Trans 

Agreed to this 9<sup>th</sup> day of August, 1999

Questar Exploration and Production Company (formerly Celsius Energy Company)

\*\* By:  FLD  
Title: G.L. Nordloh, President & CEO

INITIAL  
HERE  


\*\* Questar's execution is subject to agreement by Retamco Operating Inc. to hold harmless, defend and indemnify Questar against any and all claims, lawsuits or liabilities for injury to or death of persons or injury to property of what-ever kind including claims involving environmental damage or pollution, resulting directly or indirectly from Retamco's operations on or in proximity to lease #U03505.

**RECEIVED**  
SUBMIT IN TRIPLICATE  
(Other instructions on reverse side)

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**  
**BLM VERNAL, UTAH**

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. UTU 76490
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Retamco Operating Inc.		7. UNIT AGREEMENT NAME
3. ADDRESS AND TELEPHONE NO. 671 Garnet Billings, MT 59105      Joe Glennon 406/248-5594		8. FARMOR LEASE NAME, WELL NO. River Bend 6-9H
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface: 825.5' FNL, 811.6' FEL of Sec 9 T9S, R19E		9. AP WELL NO. <b>43-047-33313</b>
At proposed prod. zone: 825.5' FNL, 1718.4' FWL of Sec. 9 <sup>T10S</sup> T9S, R19E		10. FIELD AND POOL, OR WILDCAT SENE T10S, R19E (Lot 1)
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 21.4 miles SW of Ouray, UT		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) Bottom Hole 322.88'		12. COUNTY OR PARISH Uintah
16. NO. OF ACRES IN LEASE 1,005.02		13. STATE UT
17. NO. OF ACRES ASSIGNED TO THIS WELL 136.31		18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
19. PROPOSED DEPTH 11,500' TVD 12243MD		20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4,946.7' GR		22. APPROX. DATE WORK WILL START* 5/1/99

**PROPOSED CASING AND CEMENTING PROGRAM**

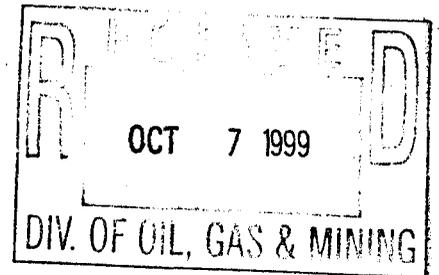
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
13.33	9 5/8	60.7#	2000'	696 SXS
8.75	7	34.7#	TD	1687 SXS

See attached Drilling program, 10 Point and 13 Point plan.

Retamco Operating Inc. requests permission to drill subject well as outlined in the Sperry-Sun Drilling Services Proposal Report attached.

If you require additional information please contact:

Joe Glennon  
671 Garnet  
Billings, MT 59105  
(406) 248-5594



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

24. SIGNED Joe Glennon TITLE Joe Glennon, A-I-F DATE 12/15/98

(This space for Federal or State office use)

**NOTICE OF APPROVAL**

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

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

APPROVED BY [Signature] TITLE Assistant Field Manager Mineral Resources DATE 9/27/99

DOGM

\*See Instructions On Reverse Side

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Retamco Operating, Inc.

Well Name & Number: River Bend 6-9H

API Number: 43-047-38313

Lease Number: UTU- 76490

Location: NENE Sec. 09 T 10 S R . 19 E

**NOTIFICATION REQUIREMENTS**

- Location Construction - at least forty-eight (48) hours prior to construction of location and access roads.
- Location Completion - prior to moving on the drilling rig.
- Spud Notice - at least twenty-four (24) hours prior to spudding the well.
- Casing String and Cementing - at least twenty-four (24) hours prior to running casing and cementing all casing strings.
- BOP and Related Equipment Tests - at least twenty-four (24) hours prior to initiating pressure tests.
- First Production Notice - within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days.

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

## CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative by the operator to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

### A. DRILLING PROGRAM

#### 1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report **ALL** water shows and water-bearing sands to Tim Ingwell of this office **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. All oil and gas shows will be tested to determine commercial potential.

#### 2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **5M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

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

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

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

If conductor pipe is set it will be cemented to surface. If drive pipe is used it will be pulled prior to cementing surface casing.

In addition, to the cementing proposal for the surface casing, a minimum of 200 ft. of Class G neat cement shall be placed from 200 ft. to surface in the 9 5/8 in. X 13 3/8 in. annulus.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the usable water zone identified at  $\pm 3762$  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.

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

5. Coring, Logging and Testing Program

Daily drilling, directional surveys, and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to  $\pm 3562$  ft. and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

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

6. Notifications of Operations

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

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

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

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

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

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

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

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

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

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

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted following initial installation and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

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

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

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

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

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

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

In the event after-hours approval or notification is necessary, please contact one of the following individuals:

Wayne Bankert Petroleum Engineer	(435) 789-4170
Ed Forsman Petroleum Engineer	(435) 789-7077
Jerry Kenczka Petroleum Engineer	(435) 781-1190
BLM FAX Machine	(435) 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.

**RETAMCO OPERATING INC.**

HCR Box 1010  
Roberts, MT 59070  
(406) 445-2641  
(406) 248-5594

October 26, 1999

Mrs. Lisha Cordova  
State of Utah  
Division of Oil, Gas & Mining  
1594 W North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801  
Fax 801/359-3940

Re: River Bend 6-9H Sec 9  
T 10 S, R 19 E Uintah County, Utah

Dear Mrs. Cordova,

Per our telephone conversations the following is intended to supplement the APD you received for the above referenced well. The well is being drilled from a surface location 825.5' FNL, 811.6' FEL in Section 9 to producing zones 825.5' FNL, 1718' FWL of the same Section in T10S,R19E. The well is being directionally drilled due to surface use restrictions on Federal lease UTU 76490.

Per State of Utah order R649-3-11 Retamco operating has contacted Celsius Energy Company, the only lease owner other than Retamco, within 460 feet from all points along the intended well bore.

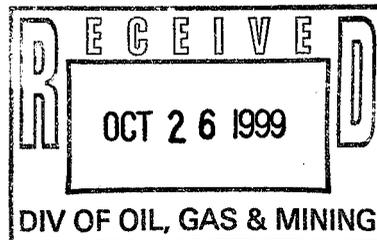
The enclosed letter gives Retamco written consent from Celsius, for the well to be drilled from a surface location being on Celsius Energy's lease, to the bottom hole location on Federal lease UTU 76490 owned by Retamco.

The only mineral owner within 460 feet from all points along the intended well bore is the Federal Government. Their permission to drill the referenced well is granted by the approved APD

If you have any questions or if you require further information please contact me at (406) 248-5594 or I will be in touch by phone.

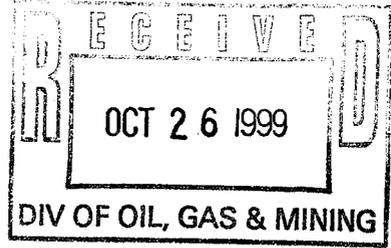
Sincerely,

  
Joe Glennon



**RETAMCO OPERATING INC.**

671 Garnet Ave.  
Billings, MT 59105  
(406) 248-5594  
(406) 248-6068 fax



June 23, 1999

Mr. Garth Berkland  
Celsius Energy Company  
1331 17<sup>th</sup> Street, Suite 800  
Denver, CO 80202

Re: River Bend 6-9H well Sec 9 T10S,R19E  
Uintah County, Utah

Dear Mr. Berkland,

Per our telephone conversation Retamco Operating is planning to drill the above referenced well from a surface location of 825.5' FNL, 811.6' FBL in Sec 9 T10S,R19E with the proposed producing zone being 825.5' FNL, 1718.4' FWL in the same Section. I have enclosed a copy of the Section survey for your reference.

The surface location is on Federal lease number U-03505 owned by Celsius Energy Company with the well being drilled to a bottom hole location under Federal lease number U-76490 owned by Retamco Operating Inc. As discussed I am enclosing an approved surface right-of-way from the BLM granting BLM approval to construct, operate and maintain a well pad for this well on this surface location.

This letter is to request your approval of the surface location, per State of Utah Rule R649-3-11 for Directional Drilling.

If the above meets with your approval please so indicate by signing below and returning a copy of this letter to me in the enclosed envelope.

Thank you for your attention to this matter and if you have any questions please contact me at (406) 248-5594 or I will be in touch by phone.

Sincerely,

Joe Glennon

Approved  
Form  
Signature

Agreed to this 23<sup>rd</sup> day of August, 1999

Questar Exploration and Production Company (formerly Celsius Energy Company)

\*\* By:   
Title: G.L. Nordlon, President & CEO

INITIAL  
HERE

\*\* Questar's execution is subject to agreement by Retamco Operating Inc. to hold harmless, defend and indemnify Questar against any and all claims, lawsuits or liabilities for injury to or death of persons or injury to property of whatever kind including claims involving environmental damage or pollution, resulting directly or indirectly from Retamco's operations on or in proximity to Lease #U03505.



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

Michael O. Leavitt  
Governor  
Kathleen Clarke  
Executive Director  
Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

October 27, 1999

Retamco Operating, Inc.  
671 Garnet  
Billings, Montana 59105

Re: River Bend 6-9H Well, 826' FNL, 812' FEL, SE NE, Sec. 9, T. 10 S., R. 19 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 43-047-33313.

Sincerely,

A handwritten signature in cursive script that reads "John R. Baza".

John R. Baza  
Associate Director

lwp

Enclosures

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

Operator: Retamco Operating, Inc.

Well Name & Number: River Bend 6-9H

API Number: 43-047-33313

Lease: Federal Surface Owner: Federal

Location: SE NE Sec. 9 T. 10 S. R. 19 E.

Permitted Bottom Hole Location: 825' FNL, 1718' FWL, SE NW

### 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 of spudding the well. Contact Carol Daniels at (801)538-5284.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Dan Jarvis at (801) 538-5338 or Robert Krueger at (801) 538-5274.

#### 3. Reporting Requirements

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

4. State approval of this well does not supersede the required federal approval which must be obtained prior to drilling.

5. In accordance with Utah Admin. R649-3-11, Directional Drilling, submittal of a complete angular deviation and directional survey report is required.

**RETAMCO OPERATING INC.**

HCR Box 1010  
Roberts, MT 59070  
(406) 445-2641  
(406) 248-5594

October 26, 1999

Mrs. Lisha Cordova  
State of Utah  
Division of Oil, Gas & Mining  
1594 W North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801  
Fax 801/359-3940

Re: River Bend 6-9H Sec 9  
T 10 S,R 19 E Uintah County, Utah

43-047-33313

Dear Mrs. Cordova,

Per our telephone conversations the following is intended to supplement the APD you received for the above referenced well. The well is being drilled from a surface location 825.5' FNL, 811.6' FEL in Section 9 to producing zones 825.5' FNL, 1718' FWL of the same Section in T10S,R19E. The well is being directionally drilled due to surface use restrictions on Federal lease UTU 76490.

Per State of Utah order R649-3-11 Retamco operating has contacted Celsius Energy Company, the only lease owner other than Retamco, within 460 feet from all points along the intended well bore.

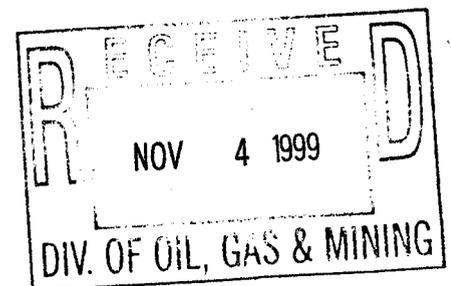
The enclosed letter gives Retamco written consent from Celsius, for the well to be drilled from a surface location being on Celsius Energy's lease, to the bottom hole location on Federal lease UTU 76490 owned by Retamco.

The only mineral owner within 460 feet from all points along the intended well bore is the Federal Government. Their permission to drill the referenced well is granted by the approved APD

If you have any questions or if you require further information please contact me at (406) 248-5594 or I will be in touch by phone.

Sincerely,

  
Joe Glennon



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 1996

**SUNDRY NOTICES AND REPORTS ON WELLS**  
Do not use this form for proposals to drill or to re-enter an  
abandoned well. Use Form 3160-3 (APD) for such proposals.

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
 Retamco Operating Inc.

3a. Address  
 671 Garnet Billings, MT 59105

3b. Phone No. (include area code)  
 (406) 248-5594

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
 825.5' FNL, 811.6' FEL of Sec 9, T10S, R19E  
 At proposed depth: 825.5' FNL, 1718.4' FWL of Sec 9, T10S, R19E

5. Lease Serial No.  
 UTU 76490

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
 River Bend 6-9H

9. API Well No.  
 43 047 33313

10. Field and Pool, or Exploratory Area

11. County or Parish, State  
 Uintah Co., Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Alter Casing
	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other
	Extension of APD

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Retamco Operating Inc. is requesting a one year extension of the referenced Application for Permit to Drill.

If you require additional information please contact Joe Glennon at (406) 248-5594

**CONDITIONS OF APPROVAL**

COPY SENT TO OPERATOR  
Date: 01-25-01  
Initials: JAG

Approved by the  
01-25-01  
Dr. [Signature]

RECEIVED  
SEP 25 2000

RECEIVED

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

Name (Printed/Typed)

Joe Glennon

Signature

[Signature]

Title

A-I-F

Date

9/22/00

JAN 22 2001

THIS SPACE FOR FEDERAL OR STATE OFFICE USE  
Petroleum Engineer

DIVISION OF  
OIL, GAS AND MINING

Approved by

[Signature]

Title

Date

1/10/01

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

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.

(Instructions on reverse)

DOGAM

Retamco Operating Inc.  
APD Extension

Well: River Bend 6-9H

Location: NENE Sec. 9, T10S, R19E

Lease: UTU 76490

**CONDITIONS OF APPROVAL**

An extension for the referenced APD is granted with the following conditions:

---

1. The extension will expire 9/27/01
2. No other extensions beyond that time frame will be granted or allowed.

If you have any other questions concerning this matter, please contact Kirk Fleetwood or Ed Forsman of this office at (435) 781-4400.

RECEIVED

JAN 22 2001

DIVISION OF  
OIL, GAS AND MINING

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 re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
**Retamco Operating Inc.**

3a. Address  
**671 Garnet Billings MT 59105**

3b. Phone No. (include area code)  
**406-248-5594**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**825.5 FNL, 811.6 FEL of Sec9, TIOS-R 19E**  
**At Propose Depth: 825.5 FNL, 1718.4 FWL of Sec. 9, TIOS- R19E**

5. Lease Serial No.  
**UTU 76490**

6. If Indian, Allottee or Tribe Name

7. If Unit or C/A Agreement, Name and/or No.

8. Well Name and No.  
**River Bend 6-9H**

9. API Well No.  
**43-047-33313**

10. Field and Pool, or Exploratory Area

11. County or Parish, State  
**Uintah Co. Utah**

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Extension of APD</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**Panonian Energy Inc. 14 Inverness Drive East Suite H-236, Englewood, CO. 80112**  
**Purchased this Lease and APD from Retamco Operating. Request a one year extension of the APD for this well.**  
**If you require addition information Please contact Howard Sharpe at 303-713-0054**

RECEIVED

SEP 12 2001

RECEIVED

OCT 17 2001

DIVISION OF  
OIL, GAS AND MINING

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

Name (Printed/Typed) **Howard Sharpe** Title **Vice President**

Signature *Howard Sharpe* Date **9-7-01**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

**DENIED**

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date **OCT 03 2001**

Conditions of approval, if any, are attached. Approval of this notice 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. Office \_\_\_\_\_

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

00610

Retamco Operating, Inc  
APD Extension Request

Well: River Bend 6-9H

Location: NENE Sec. 9, T10S, R19E  
Uintah County, Utah

Lease: UTU 76490

**REASON FOR DENIAL**

An extension for the referenced APD is denied for the following reason:

---

1. In the conditions of approval for a Sundry Notice dated September 22, 2000 and approved January 18, 2001 Retamco was informed that the APD for the above referenced well would be extended for one year until September 27, 2001. Retamco were also informed at that time that no additional extension would be granted.

If you have any other questions concerning this matter, please contact Kirk Fleetwood or Ed Forsman of this office at (435) 781-4400.



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

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

Michael O. Leavitt  
Governor

Lowell P. Braxton  
Division Director

November 14, 2001

Howard Sharpe  
Retamco Operating Inc.  
671 Garnet  
Billings, Montana 59105

Re: APD Rescinded – River Bend 6-9H, Sec. 9, T. 10S, R. 19E, Uintah County, Utah,  
API 43-047-33313

Dear Mr. Sharpe:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (the Division) on October 27, 1999. The Division approved a one-year APD extension on January 25, 2001, extending the APD to January 25, 2002.

On October 17, 2001, the Division received notice from the Bureau of Land Management, Vernal office, that your request for an additional one-year extension was denied and that the APD for the referenced well expired on September 27, 2001.

Therefore, please be advised that your permit with the Division is also rescinded effective September 27, 2001. A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

A handwritten signature in cursive script that reads "Lisha Cordova".

Lisha Cordova  
Eng. Technician

cc: Well File  
Bureau of Land Management, Vernal



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, Utah 84078-2799

<http://www.blm.gov/utah/vernal>

Phone: (435) 781-4400

Fax: (435) 781-4410

IN REPLY REFER TO:

3160

UT08300

November 19, 2001

Howard Sharpe  
Retamco Operating Inc.  
671 Garnet  
Billings, MT 59105

Re: Notification of Expiration  
Well No. River Bend 6-9H  
SENE, Sec. 9, T10S, R19E  
Uintah County, Utah  
Lease No. U-76490

43-047-33313

Dear Mr. Sharpe:

The Application for Permit to Drill the above-referenced well was approved on September 27, 1999. Retamco Operating, Inc. requested an extension of the original APD approval for an additional year. The request was reviewed and the extension approved until September 29, 2001. Since that date, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

*Leslie Walker*

Leslie Walker  
Legal Instruments Examiner

cc: State Div. OG&M

43-047-33313

DOGm/BLM

LA'd 9-27-01