

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

5. LEASE DESIGNATION AND SERIAL NO.

UTU-65341

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

NA

1a TYPE OF WORK

DRILL DEEPEN PLUG BACK

7. UNIT AGREEMENT NAME

NA

B TYPE OF WELL

OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

8. FARM OR LEASE NAME

NA

2. NAME OF OPERATOR

Texakoma Oil and Gas Corporation 972-701-9106

9. WELL NO.

Fed. V 21-21

3. ADDRESS OF OPERATORS

One Lincoln Center, 5400 LBJ Freeway, Suite 500 Dallas, TX 75240

10. FIELD OR LEASE NAME

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

at surface **921' FNL, 2,200' FWL NE/NW 622394E 4392661N**

11. Sec., T., R., M. OR BLK

AND SURVEY OR AREA
Sec. 21, T13S, R21E

at proposed prod. Zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

33 miles south of Ouray, Utah

12. COUNTY OR PARISH | 13. STATE

Uintah | Utah

15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest drlg. Unit line, if any)

921'

16. NO. OF ACRES IN LEASE

1,800

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

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

1,802'

19. PROPOSED DEPTH

7,000

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATION (SHOW WHETHER DF, RT, GR, etc.)

6,276' GR

22. APPROX. DATE WORK WILL START

Aug. 15, 1999

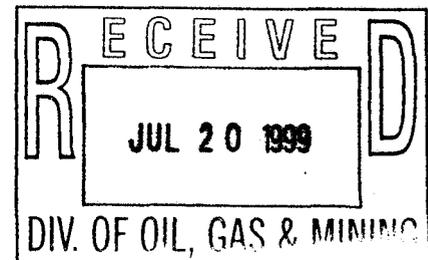
PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	9 5/8	36	300	To Surface
7 7/8	5 1/5	15.5	T.D.	Cement top to cover the oil shale

**Operator requests permission to drill the subject well.
Please see the attached 10 Point and 13 Point Surface Use Plan.**

If you require additional information please contact:

**William Ryan
350 S., 800E.
Vernal, Utah
435-789-0968**



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

24

SIGNATURE

William A Ryan
William A Ryan

TITLE

Agent

DATE

July 18, 1999

PERMIT NO.

43047-33358

APPROVAL DATE

BRADLEY G. HILL

APPROVED BY

Bradley G Hill

TITLE

RECLAMATION SPECIALIST III DATE

7/29/99

CONDITIONS OF APPROVAL, IF ANY:

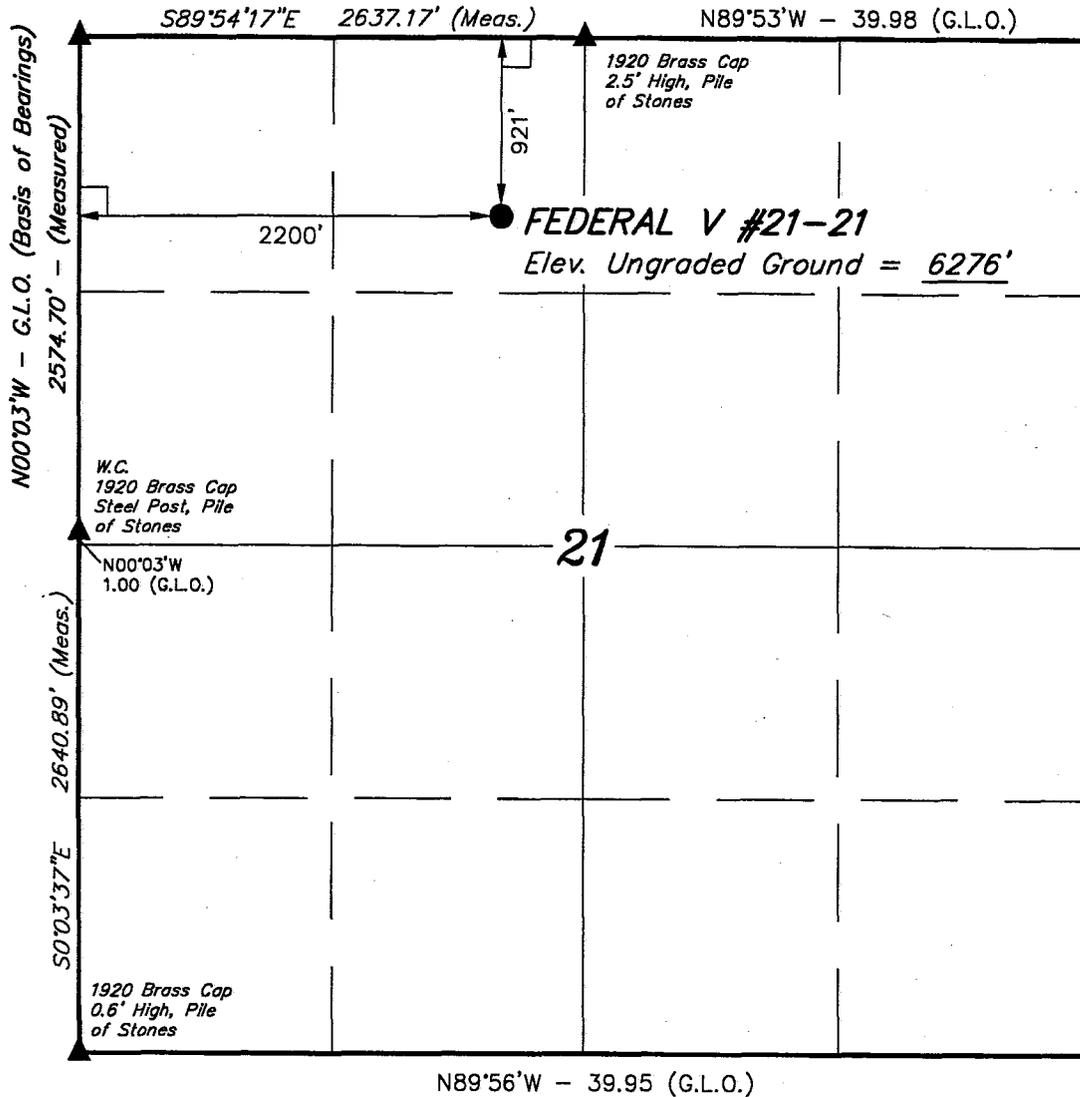
See Instructions on Reverse Side

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.

**Federal Approval of this
Action is Necessary**

T13S, R21E, S.L.B.&M.

1920 Brass Cap
Steel Post, Pile
of Stones



LEGEND:

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

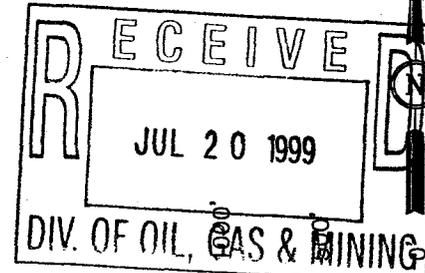
LATITUDE = 39°40'37"
LONGITUDE = 109°34'22"

TEXAKOMA OIL & GAS CORP.

Well location, FEDERAL V #21-21, located as shown in the NE 1/4 NW 1/4 of Section 21, T13S, R21E, S.L.B.&M. Uintah County Utah.

BASIS OF ELEVATION

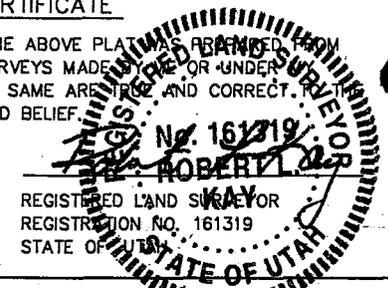
BENCH MARK 63WF LOCATED IN THE SW 1/4 OF SECTION 29, T13S, R21E, S.L.B.&M. TAKEN FROM THE AGENCY DRAW NE. QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6488 FEET.



SCALE

CERTIFICATE

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



UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 6-1-99	DATE DRAWN: 6-2-99
PARTY J.F. J.J. D.COX	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE TEXAKOMA OIL & GAS CORP.	



Office (435) 789-0968
Cellular (435) 828-0968

350 S. 800 E.
Vernal, UT 84078

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

RE: Well Federal V 21-21
NE/NW, Section 21 T13S, R21E
Lease No. U-65341

Dear Sir or Madam:

Texakoma Oil and Gas Corp. Respectfully requests a spacing exception for the subject well. The well is located 921' FNL, 2,200' FWL in Section 21, T13S, R21E on lease U-65341.

The location was moved due to topographic considerations, major drainage and access conditions. Please see the attached map for details.

An onsite was held on June 6, 1999. Byron Tolman was on location for the BLM. Byron and I agreed the location had to be moved.

A 460' radius around the proposed location is within the Lease U-65341. Please see the attached map.

If you have any additional questions please feel free to contact me.

William A. Ryan
Rocky Mountain Consulting
435-789-0968

Sincerely yours,

A handwritten signature in black ink that reads 'William A. Ryan'. The signature is written in a cursive style with a large, sweeping 'W' and 'R'.

William A. Ryan
Agent
cc: TEX

SELF-CERTIFICATION STATEMENT

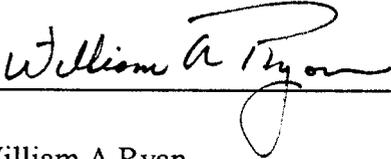
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

Please be advised that Texacoma Oil and Gas Corporation are considered to be operator of the following well.

Fed V 21-21
NE ¼, NW ¼, Section 21, T13S, R21E
Lease UTU-65341
Uintah County, Utah

Texacoma Oil and Gas Corporation is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond UT-0179 provides state wide bond coverage on all Federal lands.



William A Ryan
Agent
Rocky Mountain Consulting
350 S. 800E.
Vernal, UT 84078
435-789-0968
435-828-0968
435-789-0968

Ten Point Plan

Texakoma Oil and Gas Corporation

Fed. V 21-21

Surface Location NE ¼, NW ¼, Section 21, T13S, R21E

1. Surface Formation:

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	6,276'
Oil Shale	500	5,776
Wasatch	2,264	4,022
Mesaverda	4,349	1,927
Castlegate	6,639	-363
T.D.	7,000'	-724

3. Production Formation Depth:

Formation objective includes the Wasatch and its sub-members

Off set well information:

Well Fed. V 12-21 Section 21, T13S, R21E

4. Proposed Casing:

<u>Hole Size</u>	<u>Casing Size</u>	<u>Grade Weight/ft</u>	<u>Setting & Tread</u>	<u>Casing Depth</u>	<u>New/Used</u>
12 ¼	9 5/8	36	J-55/STC	300	New
7 7/8	5 1/2	15.5	J-55/LTC	TD	New

Cement Program;

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amount</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
9 5/8	Class "G" 2% Calcium ¼ # sk cello Flake	150 sks +/-	1.16 cu. ft./sk.	15.82 lbs/gal
5 ½ Lead	Class "G" 3 % salt 16 % gel (Bentonite) 2 % WR15 .4 lbs./sk FL 25	205 sks +/-	3.91 cu. ft./sk.	11.0 lbs/gal

5 1/2 Tail

Class "G" 540 sks +/- 1.44 cu. ft./sk. 15.23 lbs/gal
10 % salt
10 % gel
.1 % R-3
.4 FL-25

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 3000 psi

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) 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.

6. Mud Program:

<u>Interval</u>	<u>Mud Weight Lbs/gal</u>	<u>Viscosity Sec/qt</u>	<u>Fluid Loss ML/30 Min</u>	<u>Mud Type</u>
0-300	Air/Clear Water	---	No Control	Water/Gel
300-2500	Clear Water	---	No Control	Water/Gel
2500-T.D.	8.4-8.6	30	8-10	Water/Gel

7. Auxiliary Equipment:

Upper Kelly cock, full opening stabbing valve, 2 1/2" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

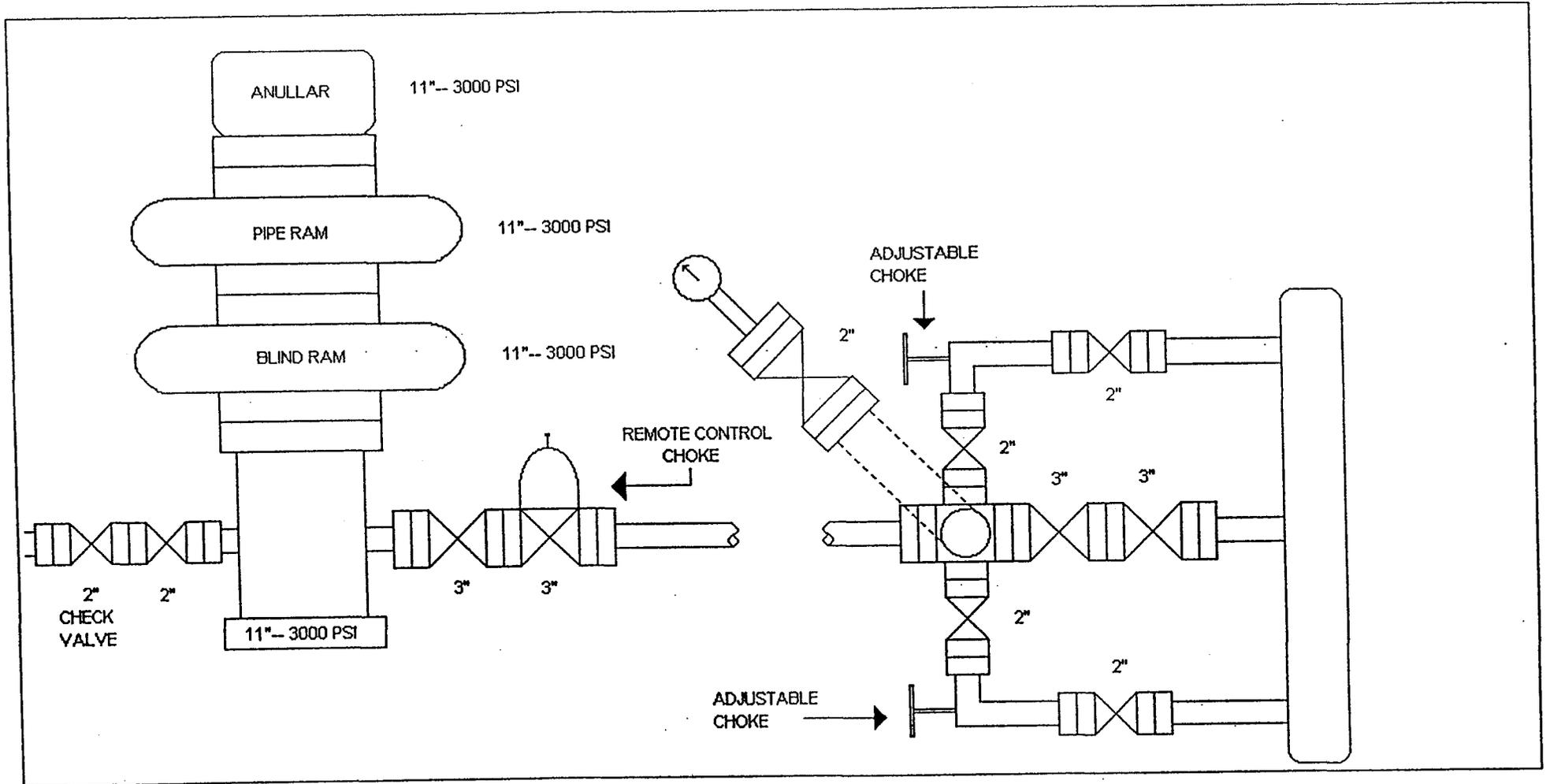
- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 2,000' to T.D.
- d) Logging: Type Interval
DLL/SFL W/GR and SP T.D. to Surf. Csg
FDC/CNL W/GR and CAL T.D. to Surf. Csg

9. Abnormalities (including sour gas):

No abnormal pressure, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch and Mesaverde formations. Other wells drilled in the area have not encountered over pressured zones or H₂S.

10. Drilling Schedule:

The anticipated starting date is August 15, 1999. Duration of operations is expected to be 30 days.



TEXAKOMA OIL AND GAS CORPORATION

13 POINT SURFACE USE PLAN

FOR WELL

FED. V 21-21

LOCATED IN

NE ¼, NW ¼

SECTION 21, T13S, R21E USB&M

UINTAH COUNTY, UTAH

LEASE NUMBER: UTU-65341
SURFACE OWNERSHIP: FEDERAL

1. Existing Roads

To reach the **Texakoma Oil and Gas Corporation well Fed. H 21-21, in Section 21, T13S, R21E, from Ouray, Utah:**

Starting in Ouray, Utah: proceed south on the paved and gravel road 29.3 miles.

Turn west (right) on the Buck Canyon road. Proceed south 2.5 miles to the Willow Creek road.

Turn north (right) on the Willow Creek road. Proceed 2.6 miles to the Agency draw road

Turn west (left). Proceed 7.0 miles. To an existing oil field service road.

Turn north (left). Proceed 2.0 miles.

All existing roads to the proposed location are State or County Class D roads.

Please see the attached map for additional details.

2. Planned Access Road

The proposed location will require approximately **150 feet of new road construction.**

Please see the attached map TOPO B for additional details.

The proposed road will be a permanent road and used as long as the well is capable of production.

Anticipated traffic will be typical of a gas well drilled to 7,000'. Heavy trucks will be used to move in the rig and transport supplies and materials during the drilling and completion stage of operations. The time frame for "heavy industrial" use will be completed in the first 6 months after the well has been spudded. After the well has been placed on line for gas sales, traffic will decline to "light industrial" one or two light trucks per day at the location.

The operator has no information as to the Bureau's transportation plan for the existing or proposed roads.

Uintah County has maintained that the existing roads in the area are county "D" roads. This position has been rejected by the BLM.

The proposed road will be used year round.

The proposed new construction will start and end as indicated on the attached map.

Construction will start some time in the 12 months following the signing of the APD.

The road will be built to the following standards:

a) Approximate length	150 ft.
b) Rights-of-Way width	30 ft.
c) Running surface	18 ft.
d) Surface material	Native soil
e) Maximum grade	5%
f) Fence crossing	one
g) Culvert	None
h) Turnouts	None
i) Major cuts and fills	None
j) Road flagged	Yes
k) Access road surface ownership	Federal
l) All new construction on lease	Yes
m) Pipeline crossing	None
n) Construction time	Less than 10 working days
o) Restoration and seeding time	At completion of construction

Please see the attached location plat for additional details.

The Operator will install a cattle guard at the fence crossing.

The Operator will not require additional area for equipment storage.

The Operator will not be required to obtain additional State or local permits, easements, or dedications at this time. The Operator is not required to obtain local or State maintenance agreements at this time.

Resource values have been reviewed. Archeological survey has been conducted. The drainage design will be typical for roads constructed and maintained by Uintah County and the BLM.

The operator has no plans for major construction projects at this time.

The proposed road will be constructed using native soil from inside the right-of-way. Equipment used will be a motor grader and limited use of a D-8 Cat.

There should be no seasonal restrictions for construction of the proposed access road.

All disturbed areas outside the running surface will be seeded as soon as construction has been completed.

The proposed road will be maintained as required but will be graded at a minimum of once per year. The proposed road will be completely obliterated at the time that the subject well is plugged and abandoned unless directed by the AO to do otherwise.

4. Location of tank batteries, production facilities, and production gathering service lines.

A Tanks and Production Facilities

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a **Juniper Green** color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

The required paint color is **Juniper Green**.

All tanks will be surrounded by dikes of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

The operator will adhere to all site security guidelines and regulations identified in 43 cfr 3126.7.

All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval from the authorized officer.

B Gathering System

If the proposed well is capable of economic production a permanent surface gas gathering pipeline will be required.

The pipeline will transport dry natural gas.

Approximately **150' of 4" gathering line** would be constructed on Federal lands. The line would tie into an existing line as indicated on Map TOPO "C". **All of the proposed line will be on lease.**

A **temporary right-of-way** width of 30 feet will be required when the line is installed. A **permanent**

15 feet right-of-way width will be required for operations. The line will be welded on the well pad and pulled by a small Cat or backhoe to the tie in. The Operator has no plans for additional facilities at this time. Construction should last less than 10 working days. Operations will be 30 years.

The anticipated operating conditions are:

Pipeline material	Steel
Pipeline color	unpainted & un-coated
Operating pressure	600 psi
Operating temperature	Ambient
Product toxicity	NA

Maintenance requirements will be minimal. The pipeline will be walked annually to check for line leaks. All maintenance will be confined to the right-of-way width.

The proposed line will be hydro tested. The water from the hydro test will be blown to the pit.

The proposed pipeline will be removed when the proposed well is plugged and abandoned.

Please see the attached location diagram for pipeline location. There will be no additional ancillary facilities or surface disturbance required for the installation of the gathering line.

The right-of-way will not require additional seeding or restoration due to the line being a surface line and the limited disturbance by the equipment used in installing the line.

The Operator will remove the proposed pipeline at the termination of the right-of-way unless directed by the AO to do otherwise.

Construction of the pipeline will follow the completion of the proposed well. The line will most likely be constructed within 6 months of when the well is spudded.

The proposed location will be used for equipment and pipe storage, no additional area will be required for construction of the line.

The gas meter run will be located within 500' of the well head. The gas line will be buried or anchored down from the well head to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tanks strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on a new meter installation and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter proving schedule. A copy of the meter calibration report will be submitted to the BLM's Vernal District Office. All measurement facilities will conform to API (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing the subject well will be trucked from **Willow Creek at the bottom of Buck Canyon. Water right number 49-1625 held by A-1 tank Rental and Brine.**

Water for completion will come from the same supply or Vernal City.

6. Source of Construction Materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravel or pit lining material will be obtained from private sources.

7. Methods for Handling Waste Disposal

A) Pit construction and liners:

The reserve pit will be approximately 10 ft. deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit **will be lined.**

The reserve pit will be used to store water before the rig is moved on location. A semi-closed system will be used to drill the well. An additional tank will be on location to hold water. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary a storage tank for a period not to exceed 90 days after initial production. During the 90 days an application for approval from

the authorized officer for a permanent disposal method and location will be submitted.

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized land fill location.

A portable chemical toilet will be supplied for human waste.

E) Site clean-up

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follow:

A) Pad length	325 ft
B) Pad width	155 ft
C) Pit depth	10 ft
D) Pit length	180 ft
E) Pit width	50 ft
F) Max cut	6.0 ft
G) Max fill.	6.2 ft
H) Total cut yds	6,020'
I) Pit location	south side
J) Top soil location	north side
K) Access road location	west end
L) Flair pit	Corner B

Please see the attached location diagram for additional details.

The reserve pit will be fenced after the pit has had a pit liner installed or after water has been placed in the pit.

All pits will be fenced according to the following minimum standards:

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

- B) Corner posts shall be cemented and/or braced. The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.
- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

A subsoil stockpiled will be placed between stake 4 and stake 2.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately 1,000 cubic yards of material. **Topsoil will be stockpiled in two distinct piles (location topsoil and pit topsoil). A third pile of material consisting of subsoil will be stock piled. The topsoil pile will not be used for any use other than rehabilitation of the location and pit area.** Placement of the topsoil is noted on the attached location plat. **The topsoil pile from the location will be seeded as the soil is stock piled with the seed mix listed.** The unused portion of the location (the area outside of the dead men) will be re-contoured.

The seeded area will be walked over with a Cat.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be returned to its original line of flow or as near as possible when the pit is back-filled.

All disturbed areas will be re-contoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested.

Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall seeded. Prior to seeding all disturbed area will be scarified and left with a tough surface.

A) Seeding dates:

Seed will be spread when the topsoil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Seed mix

Shad Scale	3#/acre
Four Wing Salt Brush	4#/acre
Needle and Thread Grass	2#/acre
Indian Rice Grass	3#/acre

At such time as the well is plugged and abandoned the operator will submit a surface reclamation plan to the surface management agency for prescribed seed mixture and seeding requirements.

11. Surface ownership:

Access road	Federal
Location	Federal
Pipeline	Federal

The access road is on lease and will not require an off lease right-of-way.

The pipeline is on lease and will not required an off lease right-of-way.

12. Other information

A) Vegetation:

The vegetation coverage is slight. The majority of the existing vegetation consists of sagebrush. Rabbit brush, Bitter Brush and Indian Rice Grass is also found on the location.

B) Dwellings:

There are no dwellings or other facilities within a one mile radius of the location.

C) Archeology:

The location has been surveyed. A copy of that survey will be forwarded to your office.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations which would effect such sites will be suspended and the discovery reported promptly to the surface management agency.

D) Water:

The nearest water is the **Willow Creek 1 mile to the east.**

E) Chemicals and Hazardous Material:

No chemical (s) from the EPS's Consolidated list of Chemicals subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986. Will be used, produced, transported, stored, disposed, or associated with the proposed action. No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

No pesticides, herbicides or other possible hazardous chemicals will be used without prior application.

F) Notification:

A) Location construction

Contact the authorized officer at least forty eight hours (48) prior to construction of location and access roads.

B) Location completion

Contact the authorized officer prior to moving a drilling rig on location.

C) Spud notice

Contact the authorized office at least twenty-four (24) hours prior to spudding the well.

D) Casing string and cementing

Contact the authorized officer at least twenty-four (24) hours prior to running casing and cementing all casing strings.

E) BOP and related equipment tests

Contact the authorized officer at least twenty four hours (24) prior to initial pressure tests.

F) First production notice

Contact the authorized officer within five (5) business days after the new well begins, or production resumes after the well has been off production for more than ninety (90) days.

A) Flare pit:

The flare pit will be located in corner B of the reserve pit out side the pit fence and 100 feet from the bore hole on the east side of the location. All fluids will be removed from the pit within 48 hours of occurrence.

13. Lessees or Operator's representative and certification

A) Representative

William A Ryan

Rocky Mountain Consulting
350 South 800 East
Vernal, Utah 84078

Office 435-789-0968
Fax 435-789-0970
Cellular 435-828-0968

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, the applicable laws, regulations, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. Copy of these conditions will be furnished to the field representative to ensure compliance.

This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

Date July 18 1999

William A. Ryan

William A. Ryan
Rocky Mountain Consulting

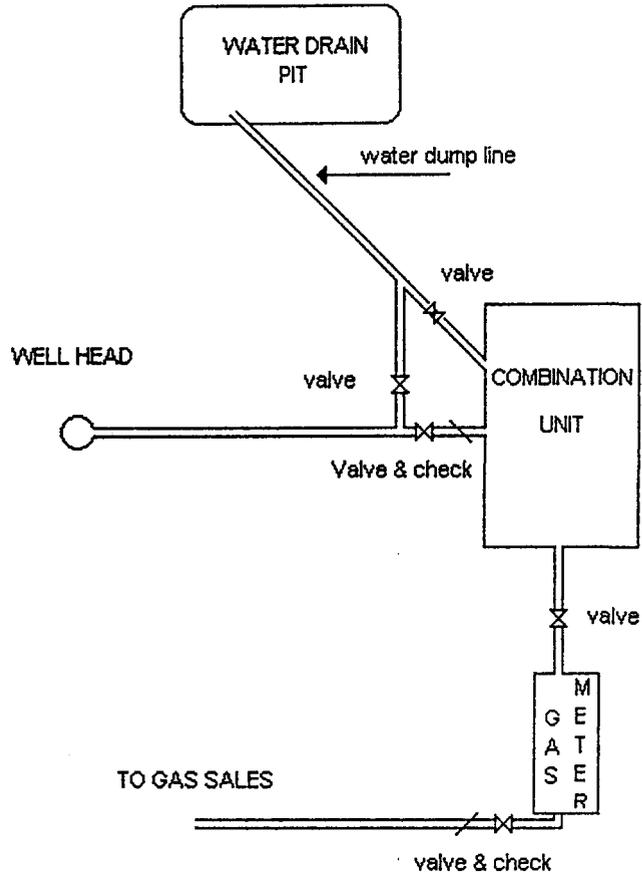
B) Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be performed by **Texakoma Oil and Gas Corporation**

Onsite Date: June 6, 1999

Bill Ryan
Byran Tolman

TYPICAL
GAS WELL



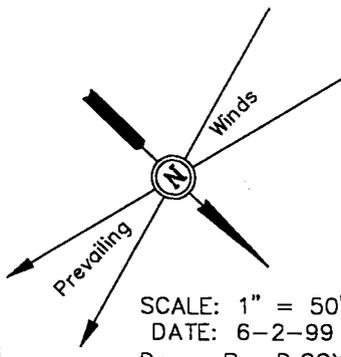
TEXAKOMA OIL & GAS CORP.

LOCATION LAYOUT FOR

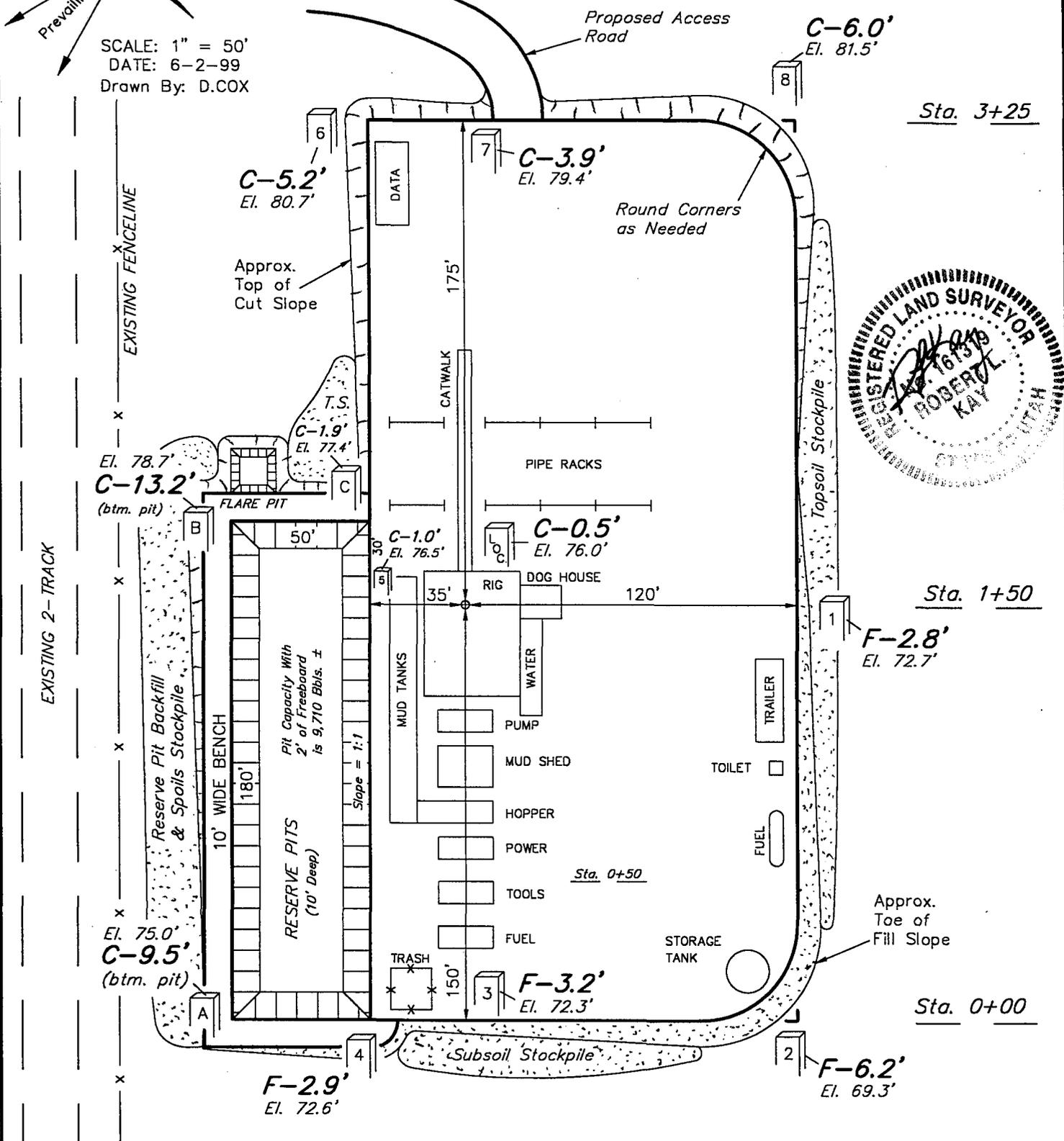
FEDERAL V #21-21

SECTION 21, T13S, R21E, S.L.B.&M.

921' FNL 2200' FWL



SCALE: 1" = 50'
DATE: 6-2-99
Drawn By: D.COX



Elev. Ungraded Ground at Location Stake = 6276.0'
Elev. Graded Ground at Location Stake = 6275.5'

UTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

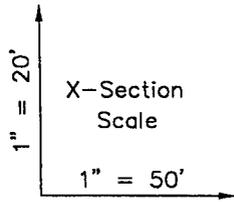
TEXAKOMA OIL & GAS CORP.

TYPICAL CROSS SECTIONS FOR

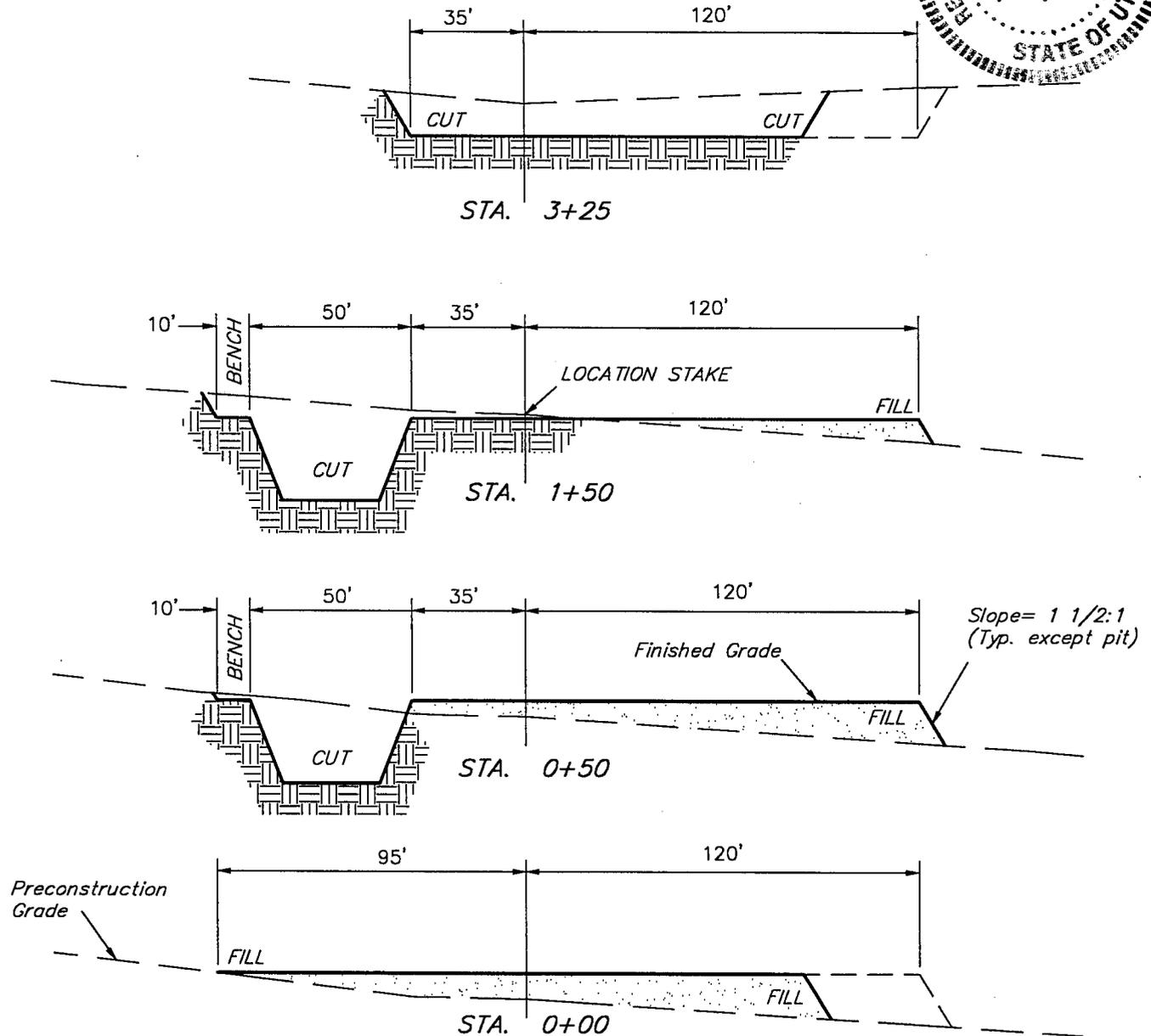
FEDERAL V #21-21

SECTION 21, T13S, R21E, S.L.B.&M.

921' FNL 2200' FWL



DATE: 6-2-99
Drawn By: D.COX

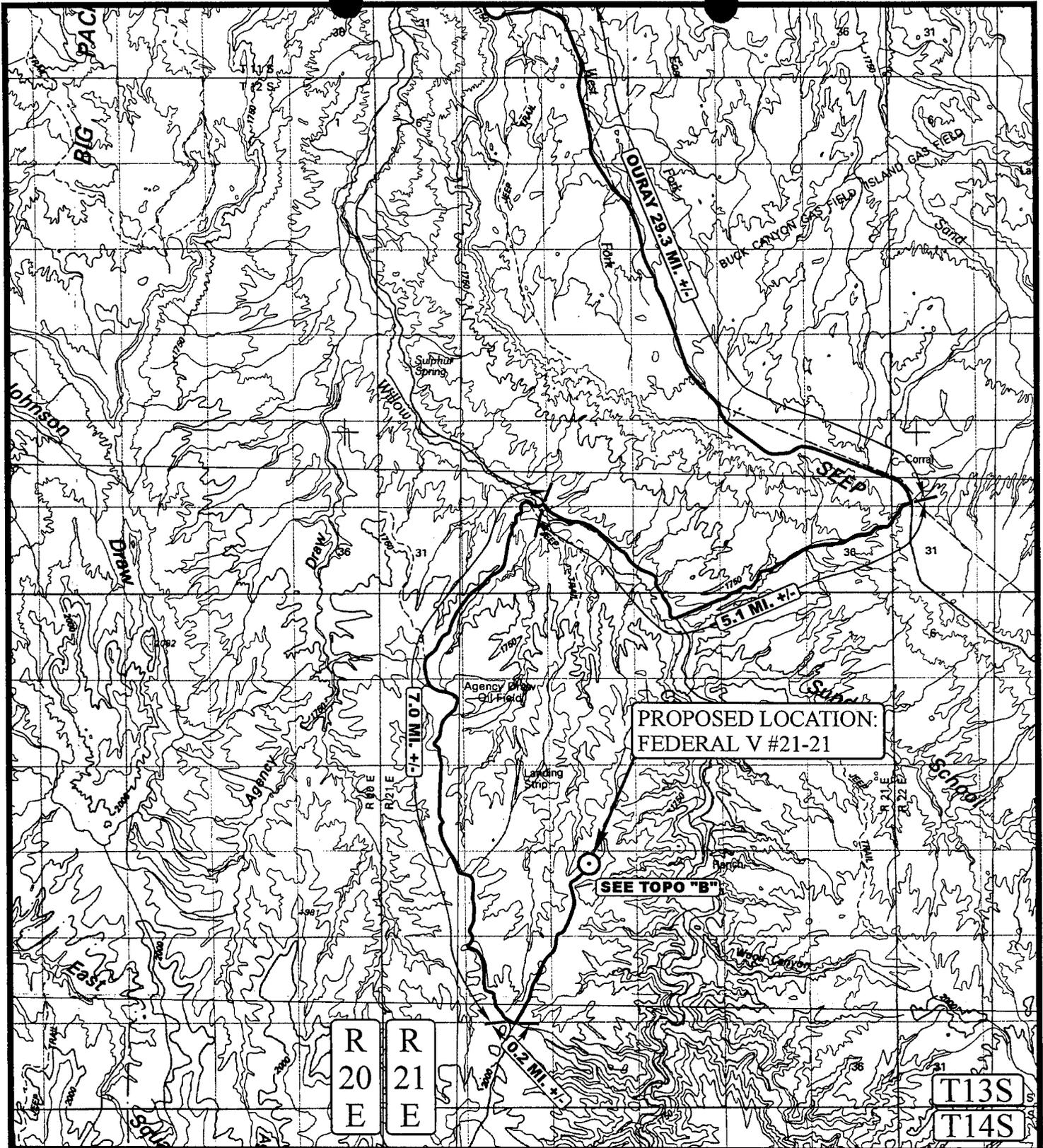


APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,100 Cu. Yds.
Remaining Location	= 4,920 Cu. Yds.
TOTAL CUT	= 6,020 CU.YDS.
FILL	= 2,950 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 2,910 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,360 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 550 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

○ PROPOSED LOCATION

TEXAKOMA OIL & GAS CORP.

FEDERAL V #21-21
 SECTION 21, T13S, R21E, S.L.B.&M.
 921' FNL 2200' FWL

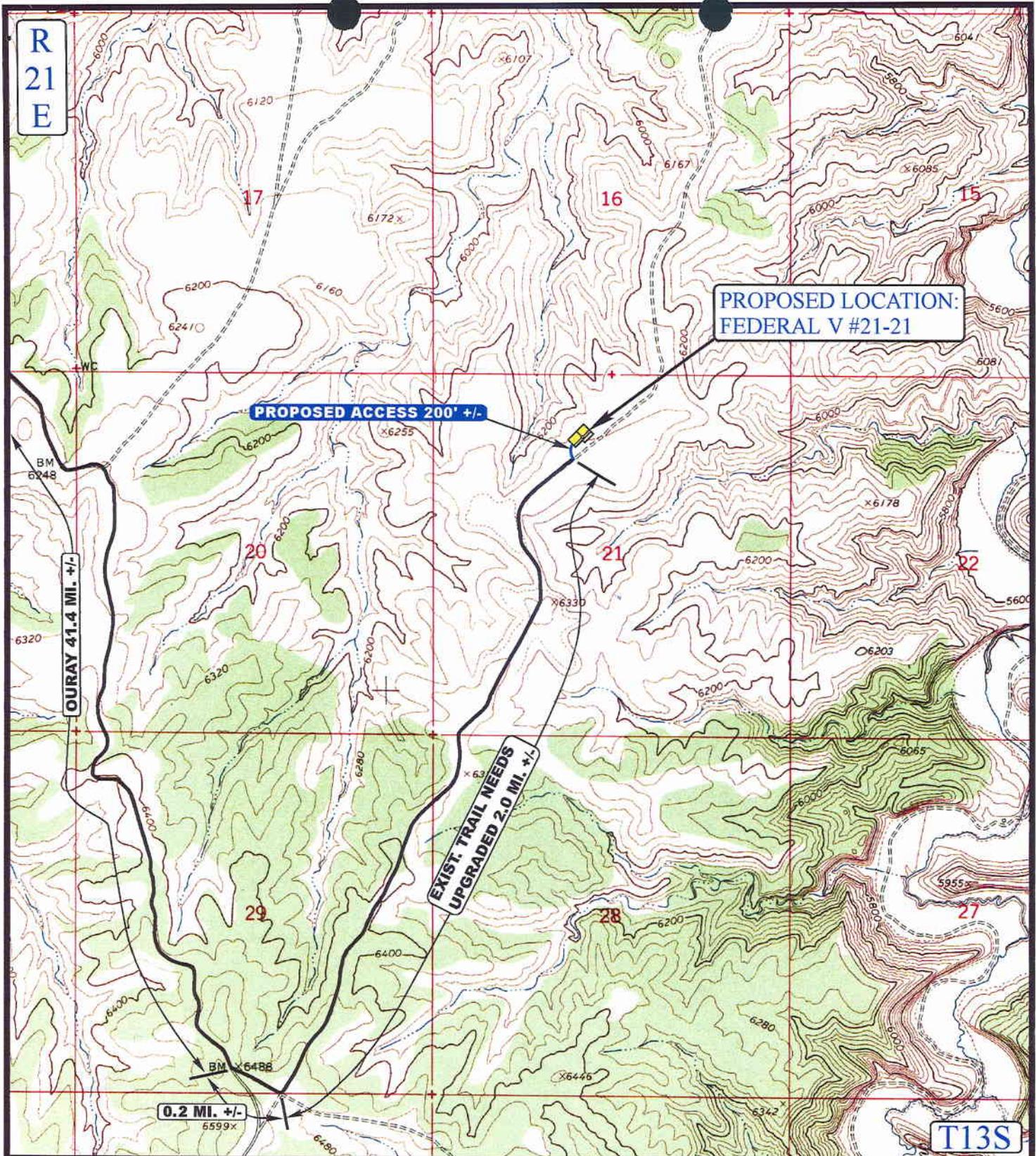
U E I S
 Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC MAP
 SCALE: 1 : 100,000 DRAWN BY: C.G. REVISED: 00-00-00

6	3	99
MONTH	DAY	YEAR

A
TOPO



LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



TEXAKOMA OIL & GAS CORP.

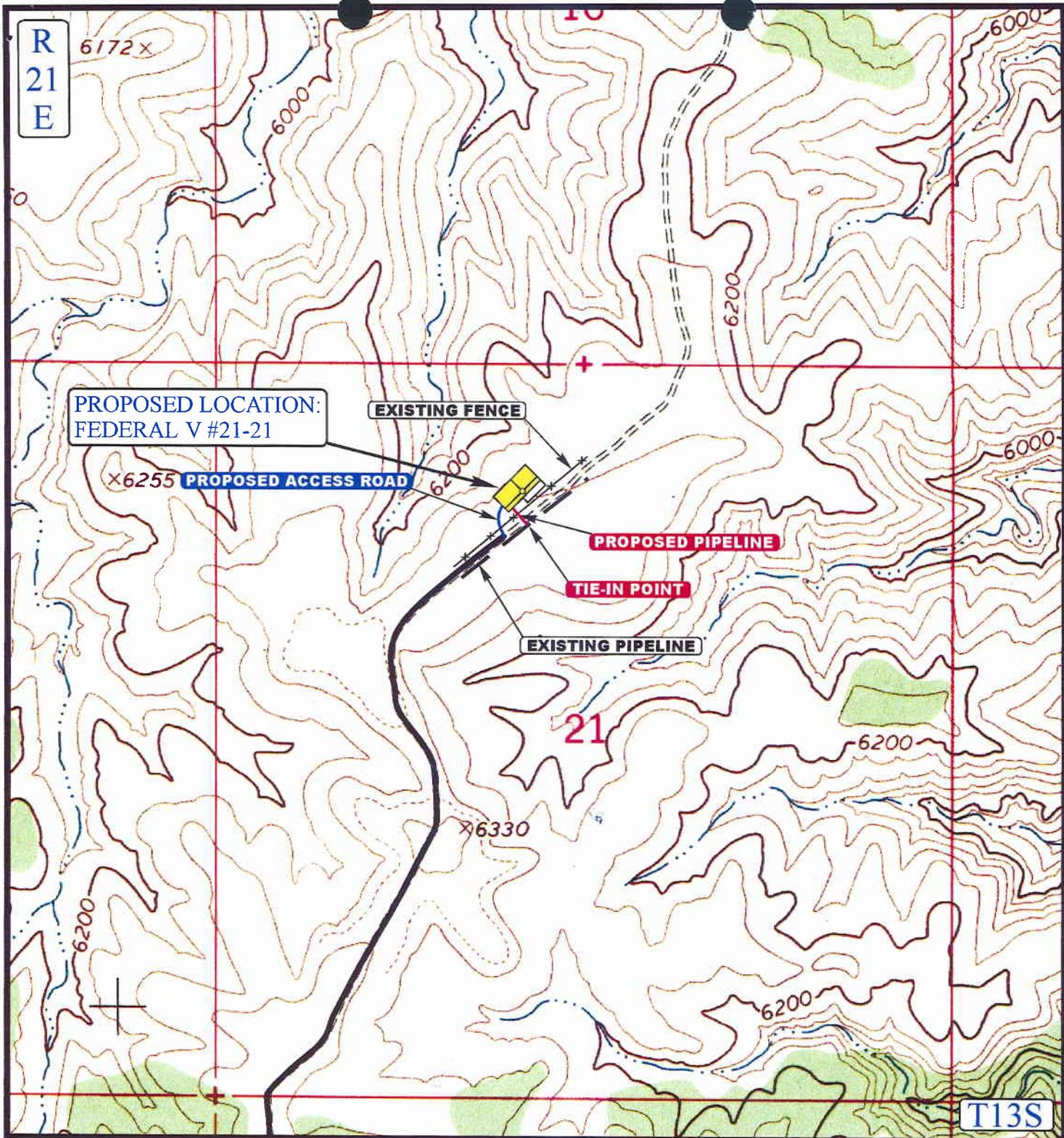
FEDERAL V #21-21
 SECTION 21, T13S, R21E, S.L.B.&M.
 921' FNL 2000' FWL

**TOPOGRAPHIC
 MAP**

6 3 99
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.G. REVISED: 00-00-00





**PROPOSED LOCATION:
FEDERAL V #21-21**

EXISTING FENCE

X6255 PROPOSED ACCESS ROAD

PROPOSED PIPELINE

TIE-IN POINT

EXISTING PIPELINE

21

X6330

T13S

APPROXIMATE TOTAL PIPELINE DISTANCE = 150' +/-

LEGEND:

-  EXISTING PIPELINE
-  PROPOSED PIPELINE
-  PROPOSED ACCESS

TEXAKOMA OIL & GAS CORP.

**FEDERAL V #21-21
SECTION 21, T13S, R21E, S.L.B.&M.
921' FNL 2000' FWL**



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

6 3 99
MONTH DAY YEAR

SCALE: 1" = 1000' | DRAWN BY: C.G. | REVISED: 00-00-00



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 07/20/1999

API NO. ASSIGNED: 43-047-33357

WELL NAME: FED V 21-21
 OPERATOR: TEXAKOMA OIL AND GAS CORP (N2035)
 CONTACT: Bill Ryan (435) 789-0968

PROPOSED LOCATION:
 NENW 21 - T13S - R21E
 SURFACE: 0921-FNL-2200-FWL
 BOTTOM: 0921-FNL-2200-FWL
 UINTAH COUNTY
 UNDESIGNATED FIELD (002)

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

LEASE TYPE: FED
 LEASE NUMBER: UTU-65341
 SURFACE OWNER: Federal

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

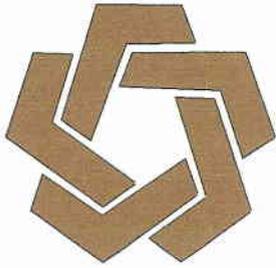
Plat
 Bond: Fed Ind[] Sta[] Fee[]
 (No. KT-0179)
 Potash (Y/N)
 Oil Shale (Y/N) *190-5(B)
 Water Permit
 (No. 49-1625)
 RDCC Review (Y/N)
 (Date: _____)
 Fee Surf Agreement (Y/N)

LOCATION AND SITING:

___ R649-2-3. Unit _____
 ___ R649-3-2. General
 R649-3-3. Exception
 ___ Drilling Unit
 Board Cause No: _____
 Date: _____
 ___ R649-3-11. Directional Drill

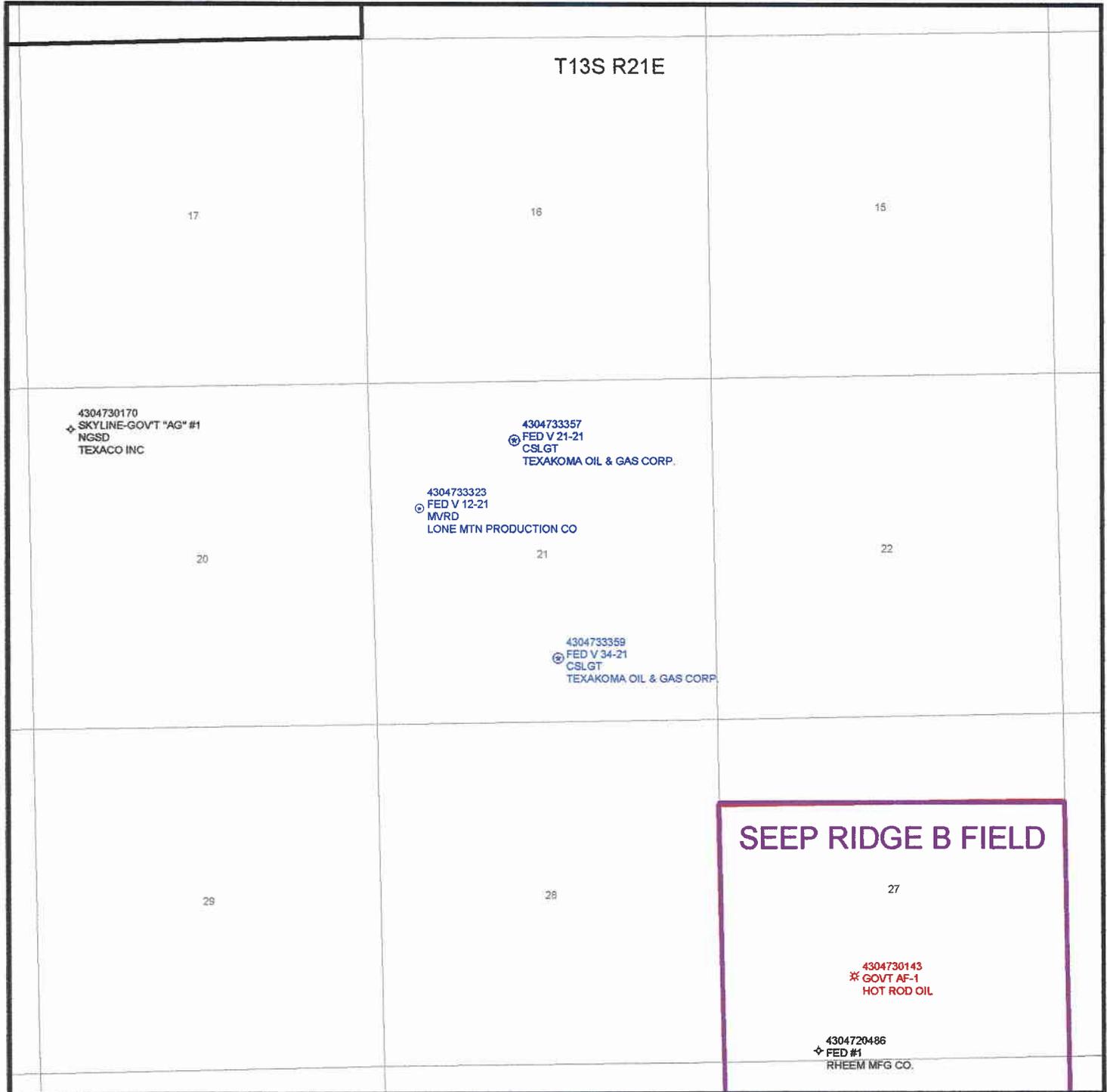
COMMENTS: _____

STIPULATIONS: ① FEDERAL APPROVAL



Division of Oil, Gas & Mining

OPERATOR: TEXAKOMA OIL & GAS CORP (N2035)
FIELD: UNDESIGNATED (002)
SEC. 21, TWP 13 S, RNG 21 E,
COUNTY: UINTAH UNIT: NONE CAUSE No: NONE



PREPARED
DATE: 22-JULY-1999



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)

July 29, 1999

Texakoma Oil & Gas Corporation
One Lincoln Center
5400 LBJ Freeway, Suite 500
Dallas, Texas 75240

Re: Fed. V 21-21 Well, 921' FNL, 2200' FWL, NE NW, Sec. 21, T. 13 S., R. 21 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.

Appropriate information has been submitted to DOGM by the operator and administrative approval of the requested exception location is hereby 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 43-047-33357.

Sincerely,

A handwritten signature in black ink that reads "John R. Baza".

John R. Baza
Associate Director

lwp

Enclosures

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

Operator: Texakoma Oil & Gas Corporation

Well Name & Number: Fed. V 21-21

API Number: 43-047-33357

Lease: Federal **Surface Owner:** Federal

Location: NE NW **Sec.** 21 **T.** 13 S. **R.** 21 E.

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours 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.



EXPLORATION & PRODUCTION

DATE: February 15, 2001
TO: UTAH DIVISION OF OGM, SALT LAKE CITY, UTAH
ATTN: Ms. Lisha Cordova
FAX NO: 801-359-3940; (T) 801-538-5340

FROM: TEXAKOMA OIL AND GAS CORPORATION
 ONE LINCOLN CENTRE
 5400 LBJ FREEWAY, SUITE 500
 DALLAS, TEXAS 75240
 972/701-9106 (OFFICE)
 972/701-9056 (FAX#1) or 972-702-8418 (FAX#2)
 972/716-9116 (HOME) / Message

**TOM SPRINKLE
 DRILLING MANAGER**

NO. OF PAGES INCLUDING THIS ONE: 1

Re: Uintah County, Utah Drilling Permits Pending

Texakoma requests that the APD's listed below that have been approved by the State of Utah, but still awaiting approval from the Bureau of Land Management, Vernal District Office be granted an extension of at least one year from the pending expiration date, where applicable:

1. API NO. 43-047-33422, Fed H 12-19, 2009' FNL, 397' FWL, SW NW, SEC. 19, T.10 SOUTH, R.24 EAST
2. API NO. 43-047-33359, Fed V 34-21, 991' FSL, 2394' FEL, SW SE, SEC. 21, T.13 SOUTH, R.21 EAST
3. API NO. 43-047-33357, Fed V 21-21, 921' FNL, 2200' FWL, NE NW, SEC. 21, T.13 SOUTH, R.21 EAST

Thanks for your notification. Call me as needed to discuss.

Tom Sprinkle

ONE LINCOLN CENTRE
 5400 LBJ FREEWAY • SUITE 500 • DALLAS, TEXAS • 75240
 972-701-9106

Approved by the
 Utah Division of
 Oil, Gas and Mining

Date: 2-15-01
 By:

COPY SENT TO OPERATOR
 Date: 2-15-01
 Initials: CHD

APD Not Approved yet
by BLM
As of 8/30/2000

Notes from Margie Herman - BLM Vernal
email to Don Staley dated 8/30/2000.
Margie's comments highlighted.

Well File

Company Name	API	Well Name	Approval Date	Extension Date	Twp	Rng	Sec	County	Lease Type
COASTAL OIL & GAS CORP	4304733278	OURAY 3-74 NO BIA CONCURRENCE	08-Feb-99		090S	210E	03	UINTAH	INDIAN
DOMINION EXPL & PROD INC	4304733361	RBU 5-3F DRILLING	03-Aug-99		100S	200E	03	UINTAH	FEDERAL
EOG RESOURCES INC	4304733135	NBU 490-30E SPUD 9/21/98	09-Jul-98		090S	210E	30	UINTAH	FEDERAL
EOG RESOURCES INC	4304733214	CWU 569-28 NOT APPROVED YET	22-Oct-98		090S	220E	28	UINTAH	FEDERAL
FALCON CREEK RESOURCES	4301331997	TWIN KNOLLS 11-9 J EXPIRED 1/00	26-Jan-98	26-Jan-00	110S	170E	09	DUCHESNE	FEDERAL
INLAND PRODUCTION COMPANY	4301332123	UTE TRIBAL 8-30-4-2 NOT APPROVED YET	25-Nov-98		040S	020W	30	DUCHESNE	INDIAN
INLAND PRODUCTION COMPANY	4301331951	WELLS DRAW 9-30 EXTENDED TO 6/01	09-Jul-98		080S	160E	30	DUCHESNE	FEDERAL
INLAND PRODUCTION COMPANY	4301332114	WEST POINT 5-31-8-16 EXPIRES 12/11/00	09-Sep-98		080S	160E	31	DUCHESNE	FEDERAL
INLAND PRODUCTION COMPANY	4301332115	WEST POINT 6-31-8-16 EXPIRES 12/14/00	09-Sep-98		080S	160E	31	DUCHESNE	FEDERAL
INLAND PRODUCTION COMPANY	4301332116	WEST POINT 7-31-8-16 EXPIRES 12/14/00	09-Sep-98		080S	160E	31	DUCHESNE	FEDERAL
INLAND PRODUCTION COMPANY	4301332119	WEST POINT 9-31-8-16 EXPIRES 11/10/00	09-Sep-98		080S	160E	31	DUCHESNE	FEDERAL
INLAND PRODUCTION COMPANY	4301332120	WEST POINT 11-31-8-16 EXPIRES 11/10/00	09-Sep-98		080S	160E	31	DUCHESNE	FEDERAL
INLAND PRODUCTION COMPANY	4301332032	MONUMENT BUTTE 7N-35-8-16 NOT APPROVED YET	09-Jul-98		080S	160E	35	DUCHESNE	FEDERAL
INLAND PRODUCTION COMPANY	4301332106	SOUTH WELLS DRAW 13-3-9-16 EXPIRES 10/8/00	10-Aug-98		090S	160E	03	DUCHESNE	FEDERAL
LONE MTN PRODUCTION CO	4304733184	A FED H 41-28 EXPIRES 12/3/00	09-Sep-98		100S	240E	28	UINTAH	FEDERAL
LONE MTN PRODUCTION CO	4304733165	FED H 14-30 PRODUCING GAS WELL	19-Aug-98		100S	240E	30	UINTAH	FEDERAL
LONE MTN PRODUCTION CO	4304733183	FED T 31-11 HOLDING FOR NOW	14-Sep-98		120S	240E	11	UINTAH	FEDERAL
LONE MTN PRODUCTION CO	4304733323	FED V 12-21 DRILLING 4/27/99	24-Mar-99		130S	210E	21	UINTAH	FEDERAL
PACIFIC TRANS SUPPLY	4301330435	PTS 32-29 FEDERAL EXPIRED 5/00	20-May-98		080S	170E	29	DUCHESNE	FEDERAL
PETROGLYPH OPERATING CO	4301331930	UTE TRIBAL 30-13 NOT APPROVED YET	01-Jun-98		050S	030W	30	DUCHESNE	INDIAN
RETAMCO OPERATING INC	4304733311	RIVER BEND 13-27 EXPIRES 3/7/01	18-Mar-99		090S	190E	27	UINTAH	FEDERAL
RETAMCO OPERATING INC	4304733312	ROCK HOUSE 11-31 APPROVED 8/25/00	18-Mar-99		100S	230E	31	UINTAH	FEDERAL
RETAMCO OPERATING INC	4304733369	ATCHEE RIDGE 11-27-13-25 EXPIRES 8/31/00	20-Aug-99		130S	250E	27	UINTAH	FEDERAL
ROSEWOOD RESOURCES INC	4304733263	FEDERAL H 34-30 EXPIRES 4/22/01	18-Feb-99		100S	240E	30	UINTAH	FEDERAL
ROSEWOOD RESOURCES INC	4304733242	FEDERAL K 23-22 EXPIRES 4/22/01	10-Dec-98		110S	210E	22	UINTAH	FEDERAL
ROSEWOOD RESOURCES INC	4304733264	FEDERAL N 42-22 HOLDING FOR NOW	15-Dec-98		110S	240E	22	UINTAH	FEDERAL
ROSEWOOD RESOURCES INC	4304733217	HANGING ROCK I 4-14 HOLDING FOR NOW	20-Oct-98		120S	230E	04	UINTAH	FEDERAL
ROSEWOOD RESOURCES INC	4304733218	HANGING ROCK I 5-16 HOLDING FOR NOW	19-Oct-98		120S	230E	05	UINTAH	FEDERAL
ROSEWOOD RESOURCES INC	4304733234	HANGING ROCK I 6-2 HOLDING FOR NOW	10-Nov-98		120S	230E	06	UINTAH	FEDERAL
ROSEWOOD RESOURCES INC	4304733219	HANGING ROCK I 9-11 HOLDING FOR NOW	20-Oct-98		120S	230E	09	UINTAH	FEDERAL
SHENANDOAH ENERGY INC	4304733269	WVFU 18 WG NOT APPROVED YET	06-Jan-99		080S	210E	14	UINTAH	INDIAN

STONE, D J	4304711157	OIL SPRINGS UNIT 1 <i>According to our records, this well was P&Ad 11/63</i>	15-Sep-98	120S	250E	18	UINTAH	STATE
TEXAKOMA OIL & GAS CORPORA	4304733356	FED H 12-30 <i>POW</i>	29-Jul-99	100S	240E	30	UINTAH	FEDERAL
TEXAKOMA OIL & GAS CORPORA	4304733358	FED H 21-31 <i>EXPIRES 9/15/00</i>	29-Jul-99	100S	240E	31	UINTAH	FEDERAL
TEXAKOMA OIL & GAS CORPORA	4304733357	FED V 21-21 <i>NOT APPROVED YET</i>	29-Jul-99	130S	210E	21	UINTAH	FEDERAL
TEXAKOMA OIL & GAS CORPORA	4304733359	FED V 34-21 <i>NOT APPROVED YET</i>	29-Jul-99	130S	210E	21	UINTAH	FEDERAL

RECEIVED

MAR 14 2002

DIVISION OF
OIL, GAS AND MINING



EXPLORATION & PRODUCTION

DATE: March 11, 2002
TO: UTAH DIVISION OF OGM, SALT LAKE CITY, UTAH
ATTN: Ms. Lisha Cordova
FAX NO: 801-359-3940; (T) 801-538-5340

FROM: TEXAKOMA OIL AND GAS CORPORATION
ONE LINCOLN CENTRE
5400 LBJ FREEWAY, SUITE 500
DALLAS, TEXAS 75240
972/701-9106 (OFFICE)
972/701-9056 (FAX#1) or 972-702-8418 (FAX#2)
972/716-9116 (HOME) / Message

TOM SPRINKLE DRILLING MANAGER

NO. OF PAGES INCLUDING THIS ONE: 1

Re: Uintah County, Utah Drilling Permits Pending

Texakoma requests that the APD's listed below that have been approved by the State of Utah, but still awaiting approval from the Bureau of Land Management, Vernal District Office be granted an extension of at least one year from the pending expiration date, where applicable:

1. API NO. 43-047-33359, Fed V 34-21, 991' FSL, 2394' FEL, SW SE, SEC. 21, T.13 SOUTH, R.21 EAST
2. API NO. 43-047-33357, Fed V 21-21, 921' FNL, 2200' FWL, NE NW, SEC. 21, T.13 SOUTH, R.21 EAST

Thanks for your notification. Call me as needed to discuss.

Sincerely,

A handwritten signature in black ink that reads "Tom Sprinkle". The signature is written in a cursive, slightly slanted style.

Tom Sprinkle

Enclosures - Form 9 (4)

ONE LINCOLN CENTRE
5400 LBJ FREEWAY • SUITE 500 • DALLAS, TEXAS • 75240
972-701-9106

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU - 65341
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: TEXAKOMA OIL & GAS CORPORATION		8. WELL NAME and NUMBER: FEDERAL "V" 21-21
3. ADDRESS OF OPERATOR: 5400 LBJ FRWY CITY DALLAS STATE TX ZIP 75240		9. API NUMBER: 43-047-33357
PHONE NUMBER: (972) 701-9106		10. FIELD AND POOL, OR WILDCAT: WILDCAT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2200' FWL & 921' FNL		COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 21 13S 21E		STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input checked="" type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

THE APD FILED FOR THIS WELL TO THE BLM HAS NOT BEEN PROCESSED TO DATE BECAUSE OF AN ENVIRONMENTAL ASSESSMENT THAT NEEDED TO BE PREPARED AS THE AREA IS IN THE "CRITICAL DEER WINTER RANGE". THE BLM ADVISED THAT THEY WOULD PROCEED WITH PROCESSING IF WE REQUESTED, BUT ADVISED THAT IF THE EA HAD TO BE PREPARED THE APD MIGHT BE DELAYED INDEFINITELY. THEREFORE, WE AGREED TO VOLUNTARILY SUSPEND OPERATIONS DURING THE DEER MIGRATION PERIOD (NOVEMBER 15 TO APRIL 15) TO EXPEDITE THE APD. THEREFORE, TEXAKOMA REQUESTS THAT THE STATE OF UTAH EXTEND THEIR APPROVAL FOR ONE YEAR TO ALLOW TIME FOR THE BLM TO APPROVE THE APD. DEPENDING ON THE APD APPROVAL DATE BY THE BLM, ADDITIONAL EXTENSIONS MAY BE REQUIRED. ALTHOUGH THE PRIMARY TERM OF THE LEASE HAS EXPIRED, THE LEASE IS STILL IN FORCE BECAUSE OF THE APD PROCESSING. ONCE THE APD IS APPROVED BY THE BLM, A WELL WILL HAVE TO START DRILLING WITHIN NINETY DAYS (90) OR THE LEASE WOULD EXPIRE PERMANENTLY.

NAME (PLEASE PRINT) TOM SPRINKLE TITLE DRILLING MANAGER

SIGNATURE *Tom Sprinkle* DATE 3/11/2002

(This space for State use only)

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: 03-14-02
By: *[Signature]*

COPY SENT TO OPERATOR
Date: 03-15-02
Initials: CHD
(See Instructions on Reverse Side)

RECEIVED

MAR 14 2002

DIVISION OF
OIL, GAS AND MINING



State of Utah

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Robert Morgan
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)

March 14, 2002

Tom Sprinkle
Texakoma Oil & Gas Corporation
One Lincoln Centre
5400 LBJ Freeway, Suite 500
Dallas, Texas 75240

Re: Fed V 21-21 Well – NENW Sec. 21, T. 13 South, R. 21 East,
Uintah County, Utah, API No. 43-047-33357

Dear Mr. Sprinkle:

Please be advised that your request for a one-year Application for Permit to Drill (“APD”) extension for the above referenced well is hereby granted. All conditions outlined in the original approval remain in effect.

This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the “Board”). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated there from, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for an extension is made prior to the expiration date.

Sincerely,

Brad Hill
Reclamation Specialist, Oil & Gas

cc: Well File
Bureau of Land Management, Vernal

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO. UTU-65341

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. IF INDIAN, ALLOTTEE OR TRIBE NAME NA

1a TYPE OF WORK

DRILL [X] DEEPEEN [] PLUG BACK []

7. UNIT AGREEMENT NAME NA

B TYPE OF WELL

OIL WELL [] GAS WELL [X] SINGLE ZONE [] MULTIPLE ZONE [X]

8. FARM OR LEASE NAME NA

2. NAME OF OPERATOR

Texakoma Oil and Gas Corporation 972-701-9106

9. WELL NO. Fed. V 21-21

3. ADDRESS OF OPERATORS

One Lincoln Center, 5400 LBJ Freeway, Suite 500 Dallas, TX 75240

10. FIELD OR LEASE NAME

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

at surface 921' FNL, 2,200' FWL NE/NW At proposed prod. Zone

11. Sec., T., R., M., OR BLK AND SURVEY OR AREA Sec. 21, T13S, R21E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

33 miles south of Ouray, Utah

12. COUNTY OR PARISH 13. STATE Uintah Utah

15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest drlg. Unit line, if any)

921'

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

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

1,802'

19. PROPOSED DEPTH

7,000

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATION (SHOW WHETHER DF, RT, GR, etc.)

6,276' GR

22. APPROX. DATE WORK WILL START

Aug. 15, 1999

PROPOSED CASING AND CEMENT PROGRAM

Table with 5 columns: SIZE OF HOLE, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Rows include 12 1/4 inch hole with 9 5/8 inch casing, and 7 7/8 inch hole with 5 1/5 inch casing.

Operator requests permission to drill the subject well.

Please see the attached 10 Point and 13 Point Surface Use Plan.

RECEIVED

JUL 20 1999

If you require additional information please contact:

William Ryan 350 S., 800E. Vernal, Utah 435-789-0968

File not there

5/28/03

43 047 33357

LA

RECEIVED

FEB 03 2003

DIV. OF OIL, GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposed productive zone. If proposal is to drill or deepen directional, give pt blowout preventer program, if any.

24

William A. Ryan

SIGNATURE

William A Ryan

(This space for Federal or State Office use)

PERMIT NO.

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

id new

TE July 18, 1999

CE OF APPROVAL

TE 01/28/2003

*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.

CONDITIONS OF APPROVAL ATTACHED

(formerly 9-331c)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO. UTU-65341

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. IF INDIAN, ALLOTTEE OR TRIBE NAME NA

1a TYPE OF WORK

DRILL [X] DEEPEN [] PLUG BACK []

7. UNIT AGREEMENT NAME NA

B TYPE OF WELL

OIL WELL [] GAS WELL [X] SINGLE ZONE [] MULTIPLE ZONE [X]

8. FARM OR LEASE NAME NA

2. NAME OF OPERATOR

Texakoma Oil and Gas Corporation 972-701-9106

9. WELL NO. Fed. V 21-21

3. ADDRESS OF OPERATORS

One Lincoln Center, 5400 LBJ Freeway, Suite 500 Dallas, TX 75240

10. FIELD OR LEASE NAME

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

at surface 921' FNL, 2,200' FWL NE/NW At proposed prod. Zone

11. Sec., T., R., M., OR BLK AND SURVEY OR AREA Sec. 21, T13S, R21E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

33 miles south of Ouray, Utah

12. COUNTY OR PARISH 13. STATE Uintah Utah

15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest drlg. Unit line, if any)

921' 1,800

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

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

1,802' 7,000

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATION (SHOW WHETHER DF. RT, GR, etc.)

6,276' GR

22. APPROX. DATE WORK WILL START

Aug. 15, 1999

PROPOSED CASING AND CEMENT PROGRAM

Table with 5 columns: SIZE OF HOLE, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Rows include 12 1/4 inch hole with 9 5/8 casing, 7 7/8 inch hole with 5 1/5 casing, and cement quantities 'To Surface' and 'Cement top to cover the oil shale'.

Operator requests permission to drill the subject well.

Please see the attached 10 Point and 13 Point Surface Use Plan.

RECEIVED

JUL 20 1999

If you require additional information please contact:

William Ryan 350 S., 800E. Vernal, Utah 435-789-0968

RECEIVED

FEB 03 2003

DIV. OF OIL, GAS & MINING

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

24

SIGNATURE

William A Ryan

TITLE

Agent

DATE

July 18, 1999

(This space for Federal or State Office use)

PERMIT NO.

APPROVAL DATE

NOTICE OF APPROVAL

APPROVED BY

Assistant Field Manager

CONDITIONS OF APPROVAL, IF ANY:

TITLE

Mineral Resources

DATE

01/28/2003

*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.

CONDITIONS OF APPROVAL ATTACHED

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Texakoma Oil & Gas Corporation
Well Name & Number: Federal V 21-21
API Number: 43-047-33357
Lease Number: UTU – 65341
Location: NENW Sec. 21 TWN: 13S RNG: 21E
Agreement: N/A

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 | - | within five (5) business days after new well begins, or Notice production resumes after well has been off production for more than ninety (90) days. |

Note: The lease that this well is on is under a Suspension of Operations and Production (SOP). The suspension will terminate (1) the first day of the month in which actual drilling operations are commenced or (2) within ninety (90) days following the receipt of this approved APD if actual drilling operations are not commenced. The SOP will terminate on the first of the month in which said ninety (90) days period expires.

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

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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

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

A. DRILLING PROGRAM

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

Report ALL water shows and water-bearing sands to this office prior to setting the next casing 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 3M system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

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

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

3. Casing Program and Auxiliary Equipment

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

As a minimum, the usable water 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 Wasatch Formation, identified at $\pm 1,740$ 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 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.

Submit an electronic copy of all logs run on this well in LAS format. This submission will replace the requirement for submittal of paper logs to the BLM

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

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

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations. 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(d) shall be submitted to the appropriate Field Office within 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 (1).

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

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

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

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

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

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

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

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

Ed Forsman (435) 828-7874
Petroleum Engineer

Kirk Fleetwood (435) 828-7875
Petroleum Engineer

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.

CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL

-As agreed by Texakoma in their letter dated 2-12-02, no construction or drilling operations shall be allowed during the critical deer winter period of November 15 to April 15.

-The location topsoil pile will not be used for the construction of tank dikes or any other location needs. It shall be left in place for use in the final reclamation process.

-Due to the rocky nature of the reserve pit, the pit shall be lined first with a felt liner, and then lined with at least a 12 mil nylon re-enforced plastic liner.

-The operator will control noxious weeds along the access road, pipeline, and on the well location. A list of noxious weeds may be obtained from the BLM, or the County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.

-Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities.



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 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

March 21, 2003

Bill Ryan
Texakoma O&G Corporation
One Lincoln Center
5400 LBJ Freeway STE 500
Dallas TX 75240

Re: APD Rescinded – Fed V 21-21 Sec. 21, T.13S, R. 21E Uintah County, Utah
API No. 43-047-33357

Dear Mr. Ryan:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining on July 29, 1999. On February 15, 2001 and on March 14, 2002 the Division granted a one-year APD extension. On March 21, 2003, you requested that the division rescind the approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 21, 2003.

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,

Diana Mason
Engineering Technician

cc: Well File
Gil Hunt, Technical Services Manager
Bureau of Land Management, Vernal

43,047.33357



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

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



IN REPLY REFER TO:

3160

UT08300

March 8, 2004

Tom Sprinkle
Texakoma O & G Corp.
One Lincoln Center
5400 LBJ Freeway, Suite 500
Dallas, Texas 75240

Re: Notification of Expiration
Wells: Federal V 21-21,
Federal V 34-21
Section 21, T13S, R21E
Uintah County, Utah
Lease No. UTU-65341

Dear Mr. Sprinkle:

The Applications for Permit to Drill the above-referenced wells were approved on January 28, 2003. Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is notifying you that the approval of the referenced applications has expired. If you intend to drill at these locations 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 these drill sites. Any surface disturbance associated with the approved location of these wells is to be rehabilitated. A schedule for the rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Leslie Walker

Legal Instruments Examiner

cc: UDOGM

