

**RETAMCO OPERATING INC.**

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

November 16, 2000

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

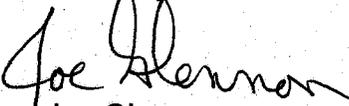
Re: Walker Hallow 13-31, APD  
Atchee Ridge 13-25 APD extension

Dear Mrs. Cordova,

As discussed I have enclosed a complete APD as submitted for renewal to the BLM for the Walker Hallow 13-31 APD and a copy of the Sundry Notice requesting an extension of the Atchee Ridge 13-25 APD, both in Uintah County, Utah.

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

Sincerely,

  
Joe Glennon

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DIVISION OF  
OIL, GAS AND MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

004

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>		<b>RECEIVED</b> <b>OCT 19 1998</b>	5. LEASE DESIGNATION AND SERIAL NO. UTU 76280
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <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. HCR Box 1010 Roberts, MT 59070			8. FARM OR LEASE NAME, WELL NO. Walker Hallow 13-31
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1297.4' FWL, 522.9' FSL of Sec. 31 T6S, R23E At proposed prod. zone Same			9. API WELL NO.
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 7.4 miles West of Red Wash			10. FIELD AND POOL, OR WILDCAT
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 522.9'	16. NO. OF ACRES IN LEASE 1,383.41	17. NO. OF ACRES ASSIGNED TO THIS WELL 537.37	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SESW 31 T6S, R23E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH 3,000'	20. ROTARY OR CABLE TOOLS Rotary	12. COUNTY OR PARISH   13. STATE Uintah   Utah
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5072.8' GR		22. APPROX. DATE WORK WILL START* 4/1/99	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/2"	8 5/8" K55	24#	200'	Cement to surface
7 7/8"	4 1/2" N80	11.6#	3000'	See page 1

Operator requests permission to drill the subject well and to change the name of well from the Gusher 13-31 to the Walker Hallow 13-31. Please see the attached 10 Point Drilling Program and 13 Point Surface Use Plan.

If you require additional information please contact:

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

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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 9/15/98

(This space for Federal or State office use)

**NOTICE OF APPROVAL**

**CONDITIONS OF APPROVAL ATTACHED**

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

APPROVED BY Howard R. Claughey TITLE Assistant Field Manager Mineral Resources DATE 6/4/99

\*See Instructions On Reverse Side



4. Proposed Casing Program: (Continued)

- 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 3000 psi.

BOP system as described has a 3000 psi working pressure. BOP will be installed and maintained from the 8 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:

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>
0-200'	Water/Gel	Clean Water	----	N/C
200-3000'	Water/Gel	N/A	----	N/C
At TD	LSDN	8.4 - 8.8	34-38	10-15cc

- 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

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7. Auxiliary equipment to be used is as follows:

- a. Kelly cock.
- b. No bit float is deemed necessary.
- c. A sub with a full opening valve.

8. Testing Logging and Coring Program:

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 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 H2S has been encountered in the formations to be penetrated from previous wells drilled to similar depths in the general area.

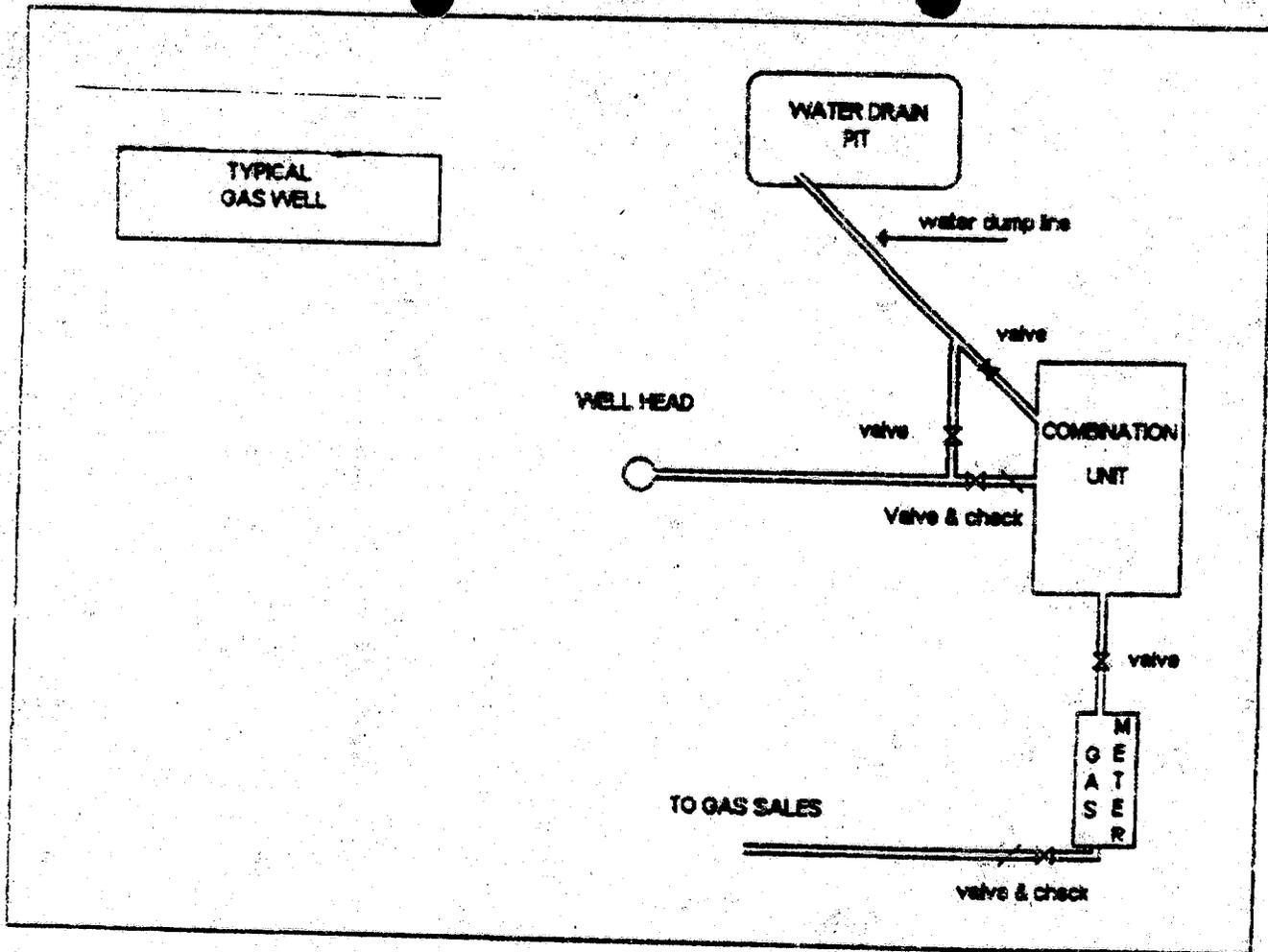
10. Anticipated Starting Date and Duration Of The Operation:

Starting date: April 1, 1999  
Duration: 10 days

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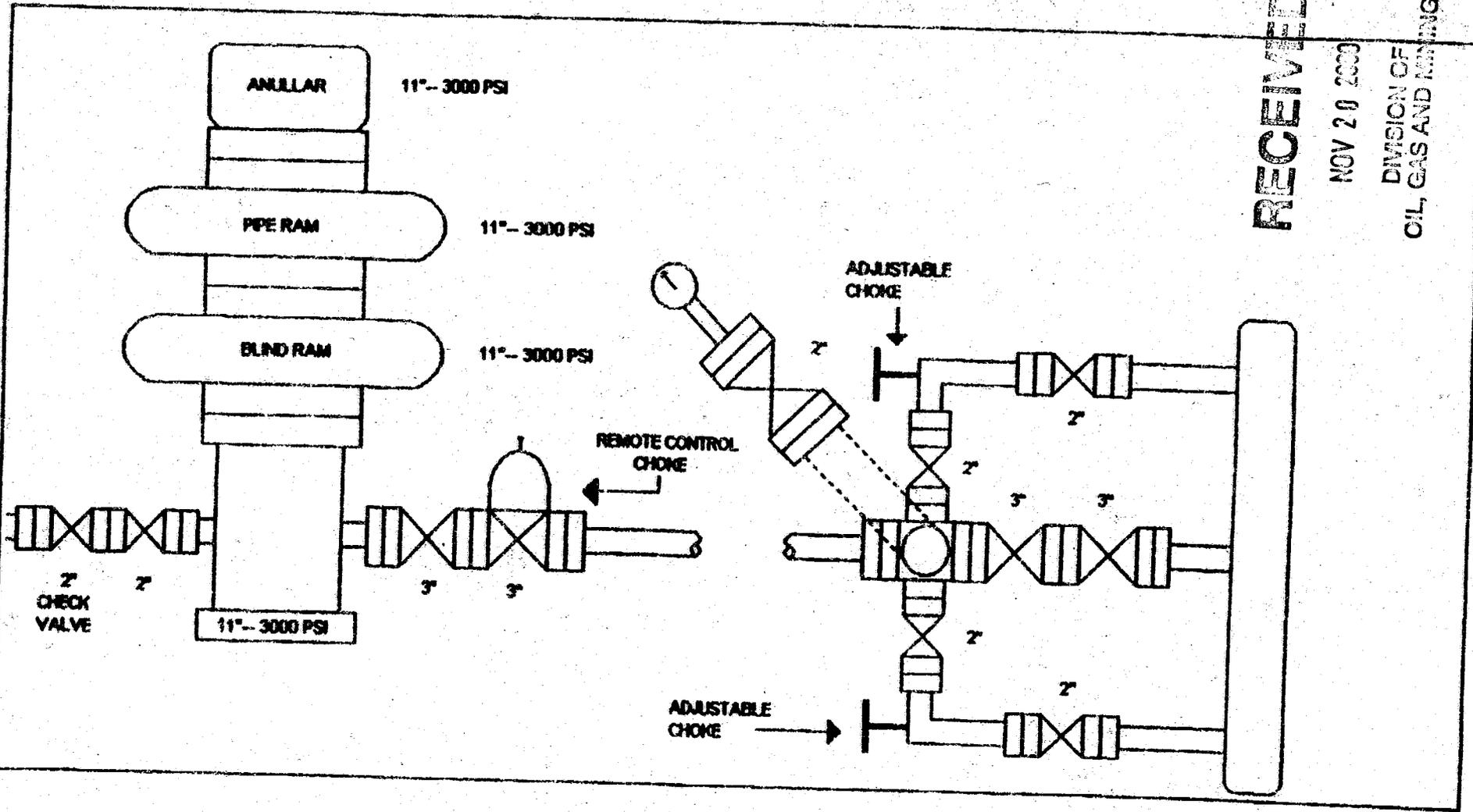
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**SELF-CERTIFICATION STATEMENT**

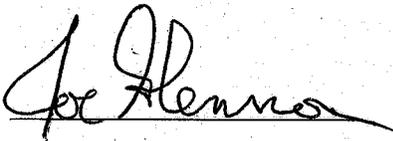
The following self-certification is provided per Federal requirements dated June 15, 1988.

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

Walker Hallow #13-31  
SESW Section 31, T6S,R23E  
Lease UTU 76280  
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.



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

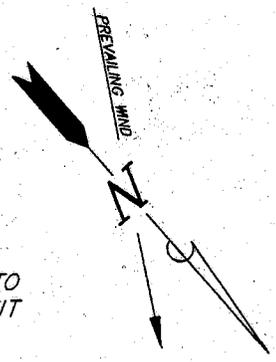
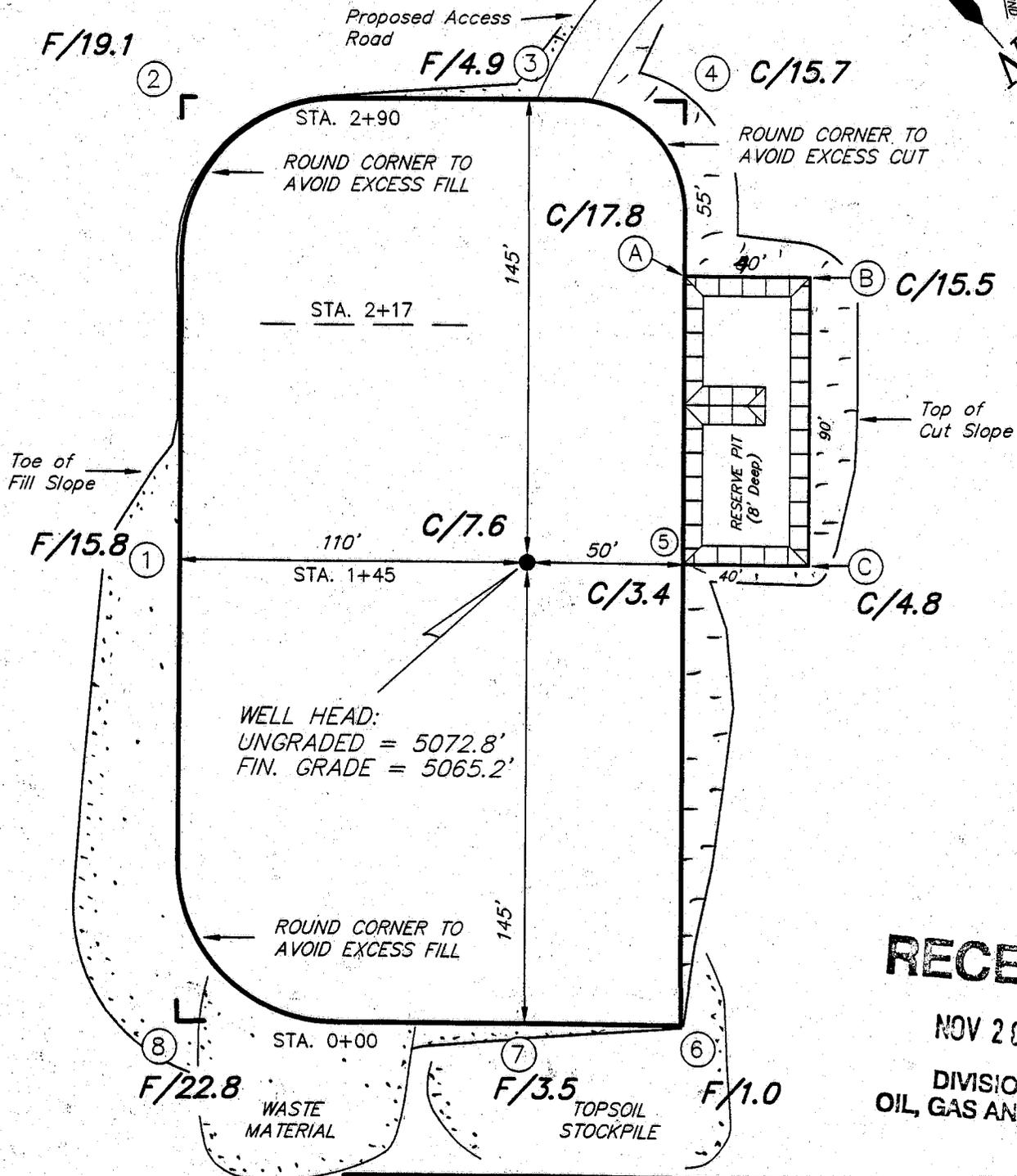
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# RETAMCO OPERATING COMPANY

**GUSHER #13-31**  
**SEC. 31, T6S, R23E, S.L.B.&M.**



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**REFERENCE POINTS**

195' NORTHEAST = 5064.0'  
 246' NORTHEAST = 5063.8'

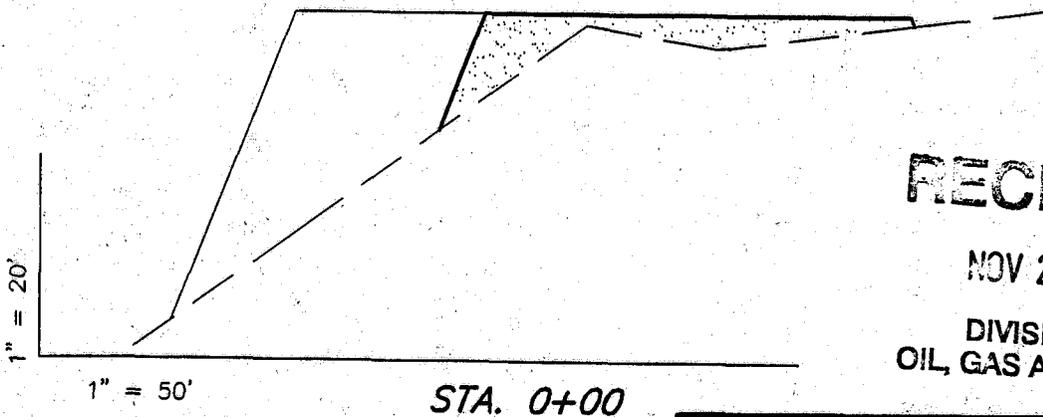
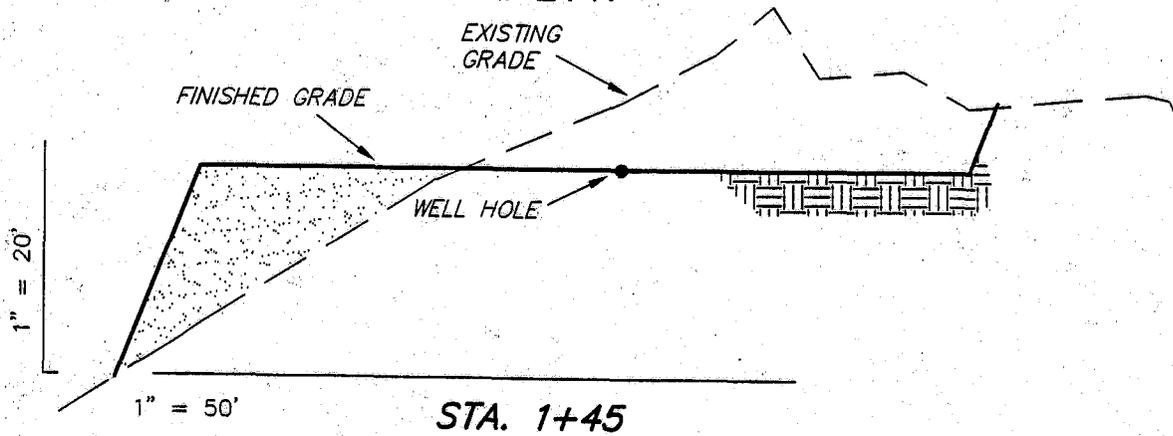
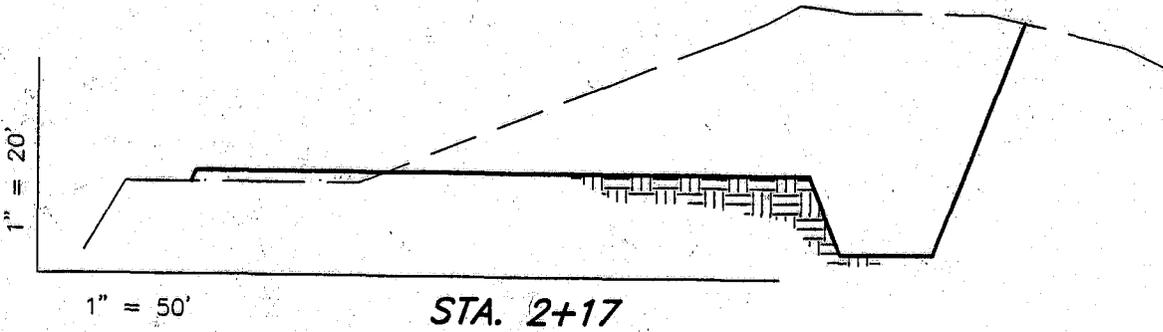
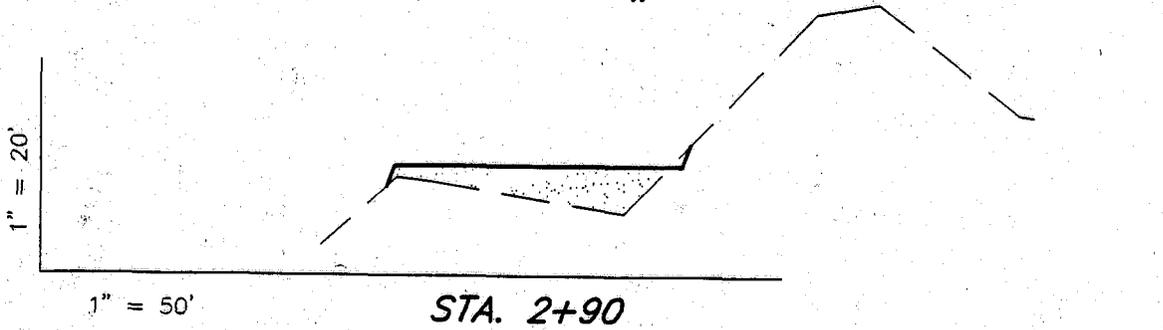
SURVEYED BY:	G.S.
DRAWN BY:	J.R.S.
DATE:	8-13-98
SCALE:	1" = 50'
FILE:	

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

38 WEST 100 NORTH VERNAL, UTAH 84078

# CROSS SECTIONS

## GUSHER #13-31



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### APPROXIMATE YARDAGES

CUT = 9,490 Cu. Yds.

FILL = 9,480 Cu. Yds.

PIT = 720 Cu. Yds.

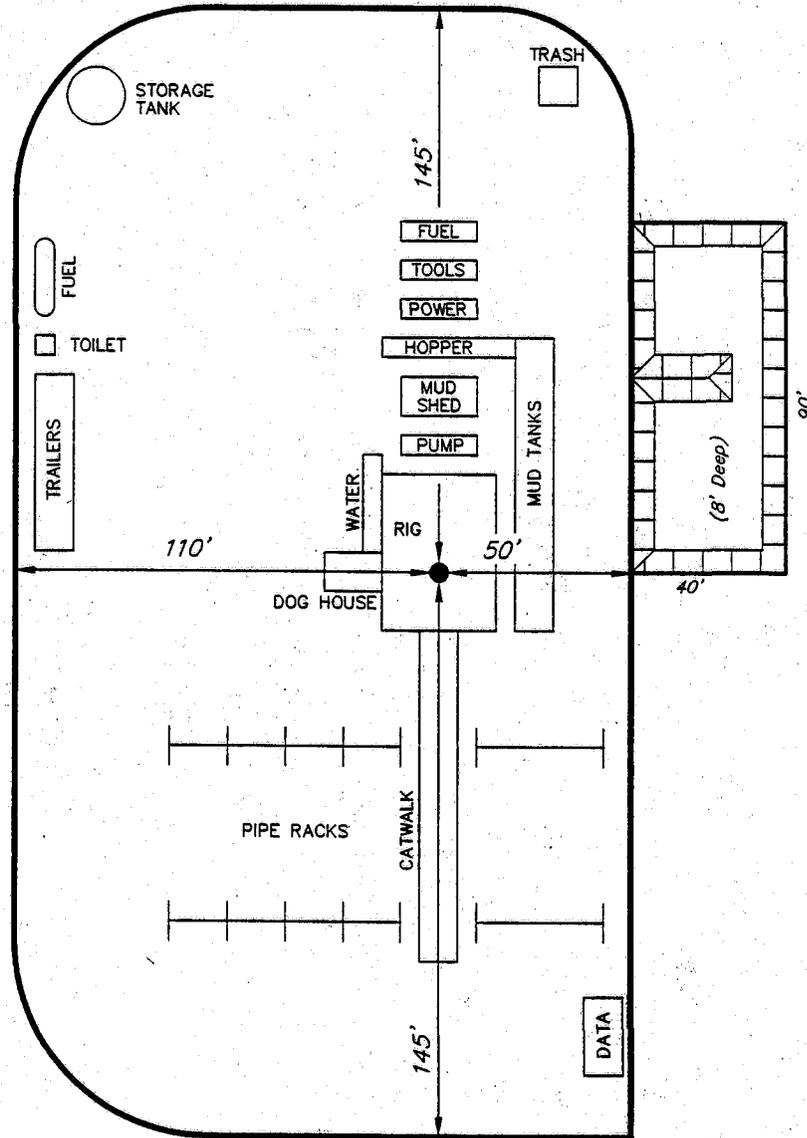
6" TOPSOIL = 1,010 Cu. Yds.

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# TYPICAL RIG LAYOUT

## GUSHER #13-31

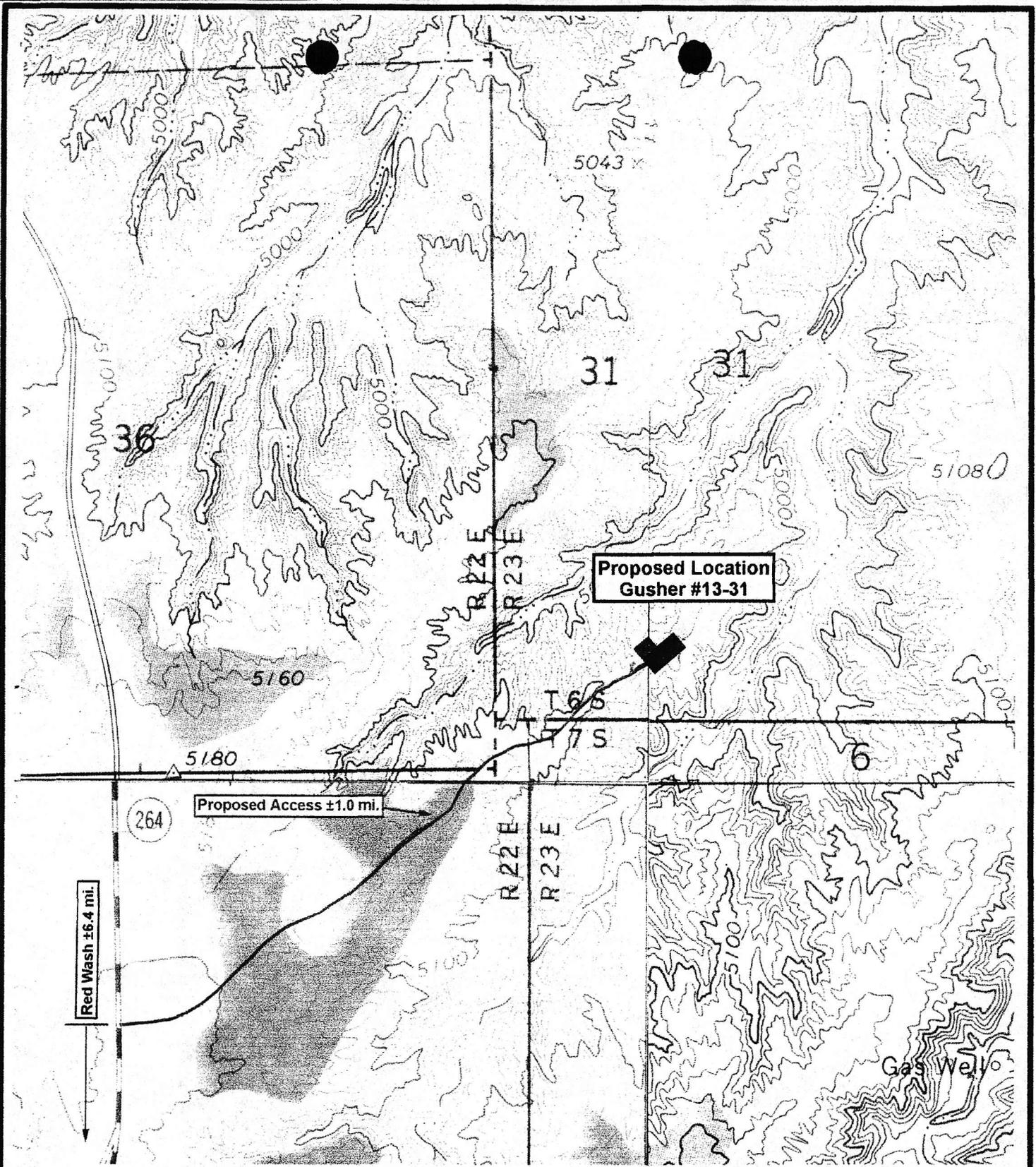


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**RETAMCO OPERATING COMPANY**

**GUSHER #13-31**

**SEC. 31, T6S, R23E, S.L.B.&M.**

**TOPOGRAPHIC MAP "B"**

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Drawn By: SS

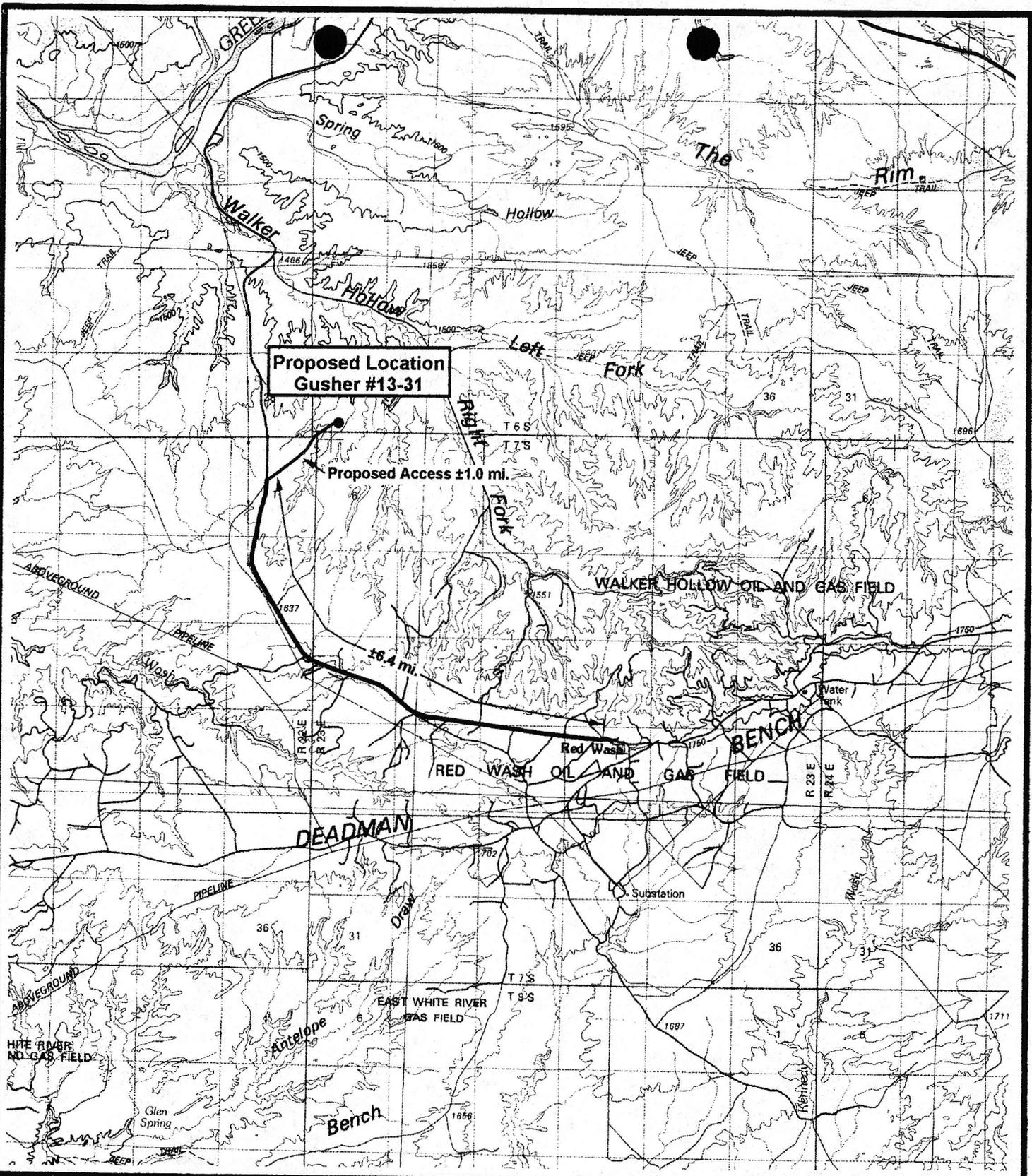
Revision:

Scale: 1" = 2000'

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**

**GUSHER #13-31**

**SEC. 31, T6S, R23E, S.L.B.&M.**

**TOPOGRAPHIC MAP "A"**

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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

**Multi-Point Surface Use and Operations Plan**

RETAMCO OPERATING COMPANY  
GUSHER #13-31  
SE SW SEC. 31, T6S, R23E, 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 Gusher #13-31 Location is located 5 miles Northwest of Red Wash Utah in the SE1/4 SW1/4 Section 31, T6S, R23E, SLB&M, Uintah County, Utah. To reach the Gusher #13-31, proceed West from Red Wash, Utah for 6.4 miles to the proposed access road sign. Follow flags 1.0 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 1.0 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.

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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:**

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- 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 - none known.
- 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

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(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.
- 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

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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. The trees on this location and along the access road will be disposed of in whatever manner the B.L.M. recommends .

**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

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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.

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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.

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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

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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

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**12. Other Information:**

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

The proposed drill site is located in the Walker Hollow area, 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 4.0 miles South of the Green River, which is the major drainage for this area, and approximately 5 miles Northwest of Red Wash 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 5.0 miles North 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.

**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.

9/15/98

Date

Joe Glennon

Joe Glennon

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**CONDITIONS OF APPROVAL**  
**APPLICATION FOR PERMIT TO DRILL**

Company/Operator: Retamco Operating Inc.  
Well Name & Number: Walker Hallow 13-31  
API Number: 43-047-33310  
Lease Number: U - 76280  
Location: SESW Sec. 31 T. 06S R. 23E

**NOTIFICATION REQUIREMENTS**

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

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

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## 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.

The operator is fully responsible for the actions of his 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. subcontracts. A copy of these conditions will be furnished the field representative to insure compliance.

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

### A. DRILLING PROGRAM

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

Report ALL water shows and water-bearing sands to Tim Ingwell of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected.

#### 2. Pressure Control Equipment

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

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

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.

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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.

A cement bond log (CBL) will be run from the production casing shoe to the top of 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. 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.

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

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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.

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7. Other Information

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

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

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

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

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

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

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

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

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

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

Ed Forsman (435) 789-7077  
Petroleum Engineer

Wayne P. Bankert (435) 789-4170  
Petroleum Engineer

Jerry Kenczka (435) 781-1190  
Petroleum Engineer

BLM FAX Machine (435) 781-4410

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**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.

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**SURFACE USE PROGRAM  
Conditions of Approval (COA's)**

-Due to the presence of an occupied ferruginous hawk nest within 0.25 mile of proposed construction activity, no construction or drilling will be allowed from March 1 to July 15.

-All permanent (onsite for six months or longer) above the ground structures constructed or installed including pumping units, will be painted Carlsbad Canyon rather than the Desert Brown mentioned in the APD.

-The fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. A cattle guard with an adjacent 16 foot gate shall be installed. If the well is a producer, the cattle guard shall be permanently mounted on concrete bases.

-The topsoil shall be windrowed on the northeast end of the location and the reserve pit spoils shall be piled around the pit instead of as shown on the cut sheet. Seed the windrowed topsoil with the seed mixture listed below, immediately after windrowing, and work seed into the soil by track walking with a caterpillar type tractor.

Stockpile enough topsoil near the reserve pit so that when the reserve pit is reclaimed, it can be respread over the reserve pit location. When reclaiming the pit it shall be returned to natural contours, respread the topsoil over the pit, reseed with the seed mix listed below, then work the seed into the soil the in the same way mentioned above.

**Recommended Seed Mixture:**

Needle and Threadgrass	Stipa comata	2 lbs/acre
Fourwing Saltbush	Atriplex canescens	4 lbs/acre
Indian ricegrass	Oryzopsis hymenoides	3 lbs/acre
Shadscale	Atriplex confertifolia	3 lbs/acre

All poundages are in Pure Live Seed

This seed mixture shall also be used for final abandonment.

-Subsoil shall be used for the construction of tank dikes. **Topsoil is not to be used for dike construction.**

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OIL, GAS AND MINING

Well No.: Retamco Walker Hallow 13-31

-The operator will control noxious weeds along rights-of-way for roads pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land it is require 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.

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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 Ave. Billings, MT 59105

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
 At surface 1297.4' FWL, 522.9' FSL of Sec. 31 T6S,R23E 4456867N  
 At proposed prod. zone 523 638230 E  
 Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 7.4 Miles west of Red Wash

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 522.9'

16. NO. OF ACRES IN LEASE 1,383.41

17. NO. OF ACRES ASSIGNED TO THIS WELL 537.37

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

19. PROPOSED DEPTH 3,000'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5072.8' GR

22. APPROX. DATE WORK WILL START\* 11/30/00

5. LEASE DESIGNATION AND SERIAL NO.  
 UTU 76280

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.  
 Walker Hallow 13-31

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 SESW 31 T6S,R23E

12. COUNTY OR PARISH Utah

13. STATE Utah

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8" K55	24#	200'	Cement to Surface
7 7/8"	4 1/2" N80	11.6#	3000'	See page 1

Operator requests permission to drill the subject well per the terms of Approval granted by the BLM on a previous APD on June 4, 1999.

If you require additional information please contact:

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

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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 Joe Glennon, A-I-F DATE 9/3/00

(This space for Federal or State office use)

PERMIT NO. 43-047-33763 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.

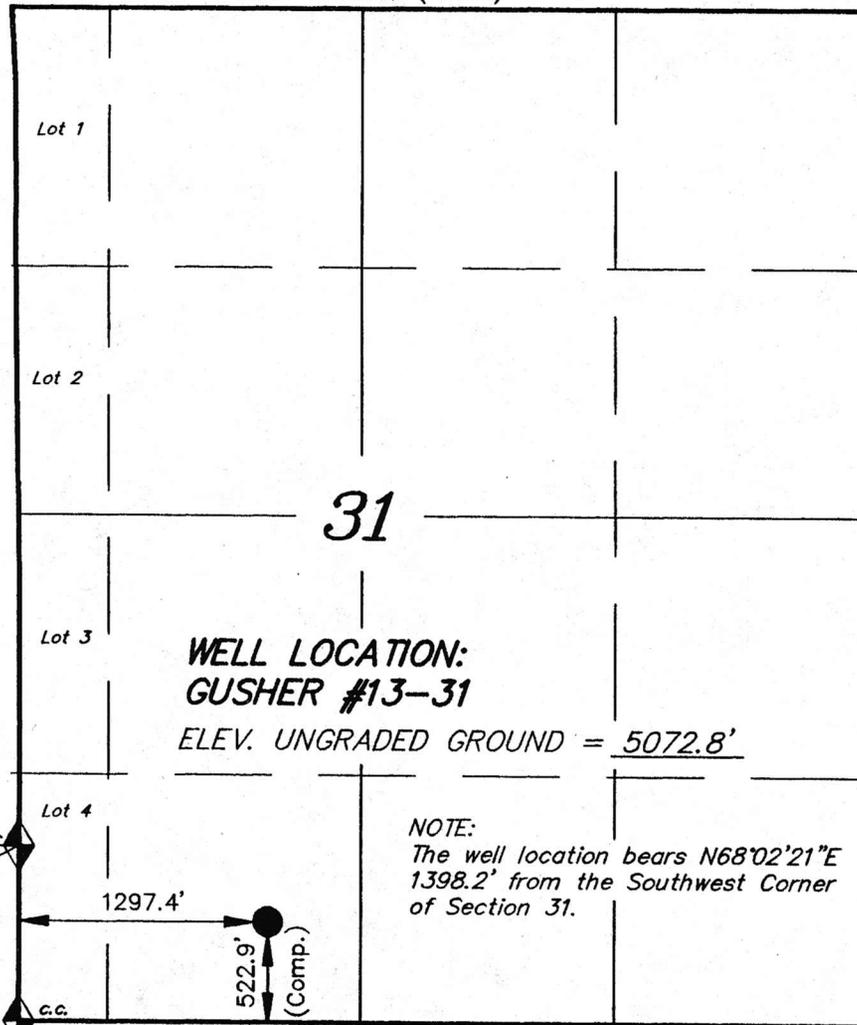
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Bradley G. Hill TITLE RECLAMATION SPECIALIST III DATE 11/30/00

\*See Instructions On Reverse Side

T6S, R23E, S.L.B.&M.

WEST - 68.66 (G.L.O.)



**WELL LOCATION:  
GUSHER #13-31**  
ELEV. UNGRADED GROUND = 5072.8'

NOTE:  
The well location bears N68°02'21"E  
1398.2' from the Southwest Corner  
of Section 31.

1/16 Corner  
Sec. 36

N0°04'W G.L.O.  
(Basis of Bearings)  
1275.66' (Meas.)

Lot 4

1297.4'

522.9'  
(Comp.)

G.C.

360.62' (Meas.)

WEST - 66.98 (G.L.O.)

Southeast Cor.  
Sec. 36

◆ = SECTION CORNERS LOCATED

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

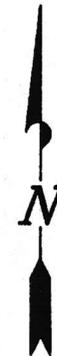
**RETAMCO OPERATING COMPANY**

WELL LOCATION, GUSHER #13-31, LOCATED  
AS SHOWN IN THE SE 1/4 SW 1/4 OF  
SECTION 31, T6S, R23E, S.L.B.&M. UINTAH  
COUNTY, UTAH.

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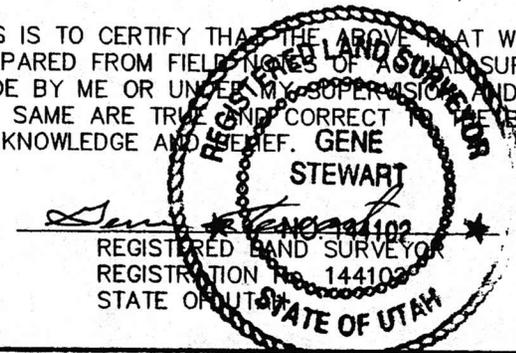
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N0°04'W (G.L.O.)

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



REGISTERED LAND SURVEYOR  
REGISTRATION NO. 14410  
STATE OF UTAH

**TRI STATE LAND SURVEYING & CONSULTING**  
38 WEST 100 NORTH - VERNAL, UTAH 84078  
(435) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: G.S.
DATE: 8-12-98	WEATHER: WARM
DRAWN BY: J.R.S.	REVISIONS:

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/20/2000

API NO. ASSIGNED: 43-047-33763

WELL NAME: WALKER HALLOW 13-31  
OPERATOR: RETAMCO OPERATING INC ( N6020 )  
CONTACT: JOE GLENNON

PHONE NUMBER: 406-248-5594

PROPOSED LOCATION:

SESW 31 060S 230E  
SURFACE: 0523 FSL 1297 FWL  
BOTTOM: 0523 FSL 1297 FWL  
UINTAH  
WALKER HOLLOW ( 700 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1- Federal  
LEASE NUMBER: UTU-76280  
SURFACE OWNER: 1- Federal

PROPOSED FORMATION: GRRV

RECEIVED AND/OR REVIEWED:

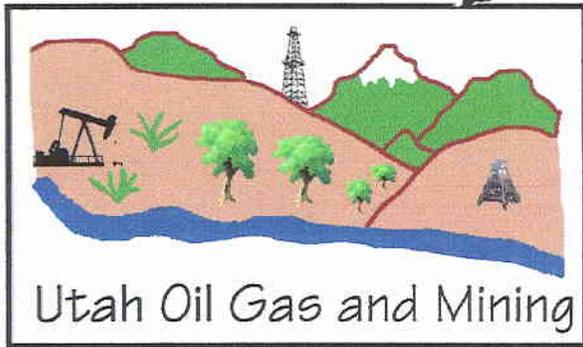
- Plat
- Bond: Fed[] Ind[ ] Sta[ ] Fee[ ]  
(No. UT-1088 )
- Potash (Y/N)
- Oil Shale (Y/N) \*190 - 5 (B) or 190-3
- Water Permit  
(No. Johnson Wtr District )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

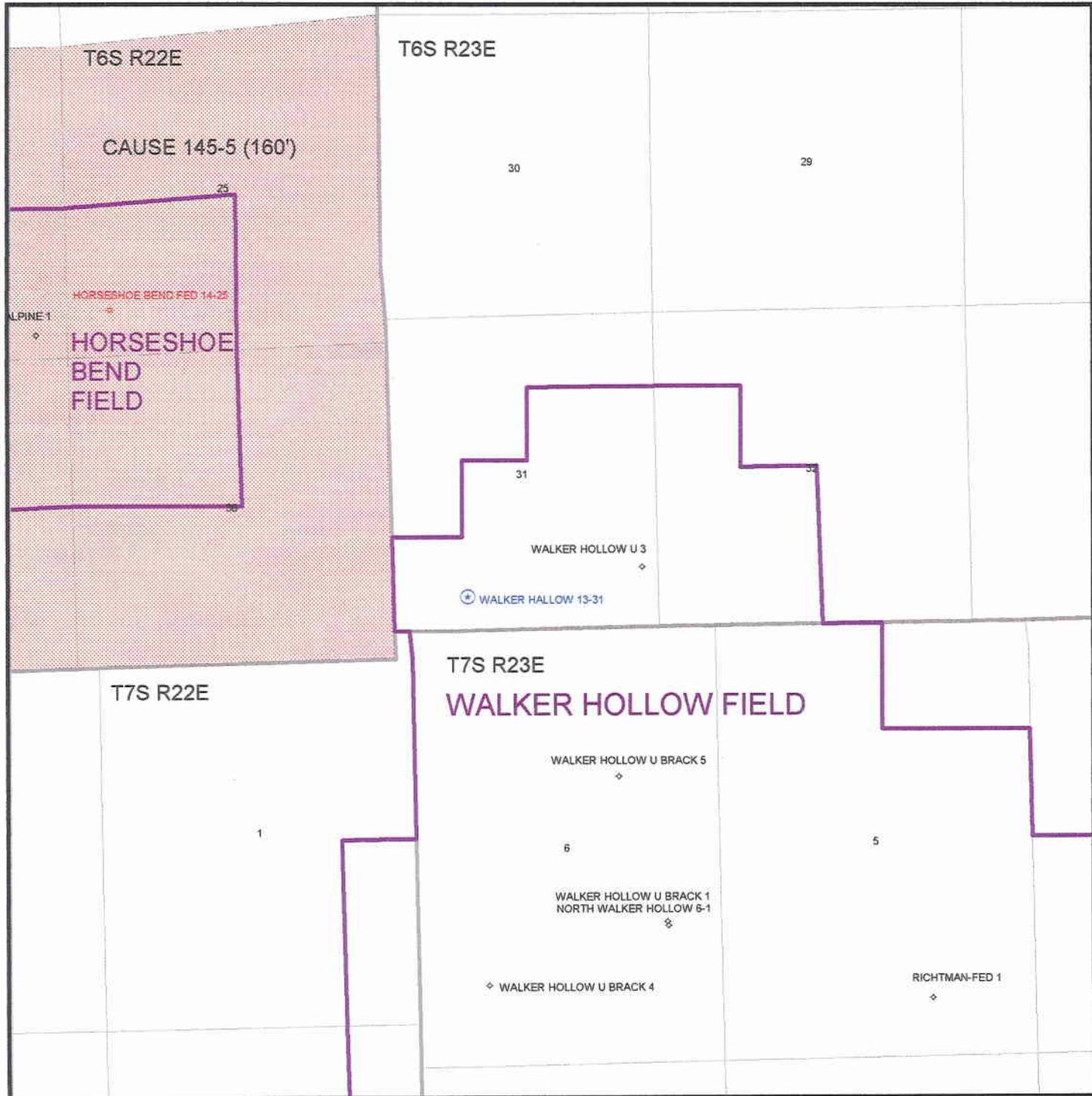
- R649-2-3. Unit \_\_\_\_\_
- R649-3-2. General
- Siting: \_\_\_\_\_
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: \_\_\_\_\_
- Eff Date: \_\_\_\_\_
- Siting: \_\_\_\_\_
- R649-3-11. Directional Drill

COMMENTS: Blm appv. 6-4-99 (Rec'd 11-20-2000)

STIPULATIONS: ① FEDERAL APPROVAL



OPERATOR: RETAMCO OPERATING (N6020)  
 FIELD: WALKER HOLLOW (700)  
 SEC. 31, T6S, R23E,  
 COUNTY: UINTAH SPACING: R649-3-3/EX LOC



**RETAMCO OPERATING INC.**

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

November 22, 2000

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

Re: Walker Hallow 13-31, APD

Dear Mrs. Cordova,

Per your request the water to be used for the drilling of this well will be from the Jensen Water Improvement District at 5950 South 8500 East in Jensen, Utah 84035. As agreed with the BLM, any water encountered during drilling will be hauled as well as production water.

Also, Retamco requests an exception to the 460' set back as the well is being drilled on Federal Lease UTU 76280 covering all of Section 31, which is owned by Retamco. 522.9' FSL is the best surface location for this well offering the least surface disturbance.

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

Sincerely,



Joe Glennon

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NOV 28 2000

DIVISION OF  
OIL, GAS AND MINING



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)

November 30, 2000

Retamco Operating Inc  
671 Garnet Ave  
Billings, MT 59105

Re: Walker Hallow 13-31 Well, 523' FSL, 1297' FWL, SE SW, Sec. 31, T. 6 South,  
R. 23 East, 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 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 43-047-33763.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Baza". The signature is fluid and cursive, with a large initial "J" and "B".

John R. Baza  
Associate Director

er

Enclosures

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

**Operator:** Retamco Operating Inc  
**Well Name & Number** Walker Hallow 13-31  
**API Number:** 43-047-33763  
**Lease:** UTU 76280

**Location:** SE SW      **Sec.** 31      **T.** 6 South      **R.** 23 East

### 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

3. Reporting Requirements

All required reports, forms and submittals will 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.

007

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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 76280
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <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 Ave. Billings, MT 59105			8. FARM OR LEASE NAME WELL NO. Walker Hallow 13-31
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1297.4' FWL, 522.9' FSL of Sec. 31 T6S, R23E At proposed prod. zone Same			9. API WELL NO.
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 7.4 Miles west of Red Wash			10. FIELD AND POOL, OR WILDCAT
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 522.9'	16. NO. OF ACRES IN LEASE 1,383.41	17. NO. OF ACRES ASSIGNED TO THIS WELL 537.37	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 3,000'	20. ROTARY OR CABLE TOOLS Rotary		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5072.8' GR			22. APPROX. DATE WORK WILL START* 11/30/00

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/2"	8 5/8" K55	24#	200'	Cement to Surface
7 7/8"	4 1/2" N80	11.6#	3000'	See page 1

Operator requests permission to drill the subject well per the terms of Approval granted by the BLM on a previous APD on June 4, 1999.

If you require additional information please contact:

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

RECEIVED  
OCT 12 2000

DEC 26 2000

DIVISION OF  
OIL, GAS AND MINING

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 9/3/00

(This space for Federal or State office use)

**CONDITIONS OF APPROVAL ATTACHED**

NOTICE OF APPROVAL

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 Theresa R. Covington TITLE Assistant Field Manager Mineral Resources DATE 12/7/00

\*See Instructions On Reverse Side

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Retamco Operating, Inc.

Well Name & Number: Walker Hallow 13-31

API Number: 43-047-33763

Lease Number: UTU- 76280

Location: SESW Sec. 31 T 06 S R .23 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 **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.

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 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. **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.

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), 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 (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 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:

Ed Forsman (435) 789-7077  
Petroleum Engineer

Jerry Kenczka (435) 781-1190  
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.

**SURFACE USE PROGRAM**  
**Conditions of Approval (COAs)**

Date APD Received: 9-3-00

-Due to the presence of an occupied ferruginous hawk nest within 0.25 mile of proposed construction activity, no construction or drilling will be allowed from March 1 to July 15.

-All permanent (onsite for six months or longer) above the ground structures constructed or installed including pumping units, will be painted Carlsbad Canyon rather than the Desert Brown mentioned in the APD.

-The fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. A cattle guard with an adjacent 16 foot gate shall be installed. If the well is a producer, the cattle guard shall be permanently mounted on concrete bases.

-The topsoil shall be windrowed on the northeast end of the location and the reserve pit spoils shall be piled around the pit instead of as shown on the cut sheet. Seed the windrowed topsoil with the seed mixture listed below, immediately after windrowing, and work seed into the soil by track walking with a caterpillar type tractor.

Stockpile enough topsoil near the reserve pit so that when the reserve pit is reclaimed, it can be respread over the reserve pit location. When reclaiming the pit it should be returned to natural contours, respread the topsoil over the pit, reseed with the seed mix listed below, then work the seed into the soil the in the same way mentioned above.

Recommended Seed Mixture:

Needle and Threadgrass	Stipa comata	2 lbs/acre
Fourwing Saltbush	Atriplex canescens	4 lbs/acre
Indian ricegrass	Oryzopsis hymenoides	3 lbs/acre
Shadscale	Atriplex confertifolia	3 lbs/acre

All poundages are in Pure Live Seed

This seed mixture should also be used for final abandonment.

-Subsoil shall be used for the construction of tank dikes. **Topsoil is not to be used for dike construction.**

-The operator will control noxious weeds along rights-of-way for roads pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land it is require 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.

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No.
2. Name of Operator Retamco Operating Inc.		6. If Indian, Allottee or Tribe Name
3a. Address 671 Garnet Ave. Billings, MT 59105		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) (406) 248-5594		8. Well Name and No. See Exhibit "A"
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) See Exhibit "A"		9. API Well No. See Exhibit "A"
		10. Field and Pool, or Exploratory Area
		11. County or Parish, State See Exhibit "A"

**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>Change of Operator</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 recomplate 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.)

Retamco is selling its interest in the wells described in the attached Exhibit "A" list of wells to CDX Rockies LLC, of 5845 Beltline Road, Suite 280 Dallas, Texas 75240-7656

**RECEIVED**

MAY 10 2001

DIVISION OF  
OIL, GAS AND MINING

CDX Rockies LLC Bond # RLBO003065

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

Name (Printed/Typed) * Perry E. Robertson	Title * VP CDX Rockies LLC
Signature *	Date * 5-03-01

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by	Title	Date
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.

Exhibit "A"  
Utah Well List

Operator	Well Name:	Location:	County:	State:	Lease #	API Number:
ROI	Atchee Ridge 15-13-25 #1	SE Sec 15 - T13S,R25E	Uintah	Utah	U-70248	43-047-32659
ROI	Atchee Ridge 24-13-25	SW Sec 24 - T13S,R25E	Uintah	Utah	U-72075	43-047-32602
ROI	Davis Canyon 12-13-25	NE Sec 12 - T13S,R25E	Uintah	Utah	U-70247	43-047-32618
ROI	Rat Hole Canon 23-14-25	SW Sec 23 - T14S,R25E	Uintah	Utah	U-73714	43-047-32705
ROI	Black Horse 9-15-24 #1	NE Sec 9 - T15S,R24E	Uintah	Utah	U-72068	43-047-32592
ROI	Federal 1-33 (Gusher)	SENW Sec 33 - T5S,R19E	Uintah	Utah	NRM1319 U-3575 +	43-047-30300
ROI	TPC State 36-14-24	NESW Sec 36 - T14S,R24E	Uintah	Utah	ML 46436	43-047-32593
7 Wells						
ROI	Atchee Ridge 35-13-25 location	NE Sec 35 - T13S,R25E	Uintah	Utah	U-72039	43-047-32657
ROI	Atchee Ridge 11-27-13-25 location	NW Sec 27 - T13S,R25E	Uintah	Utah	U-73189	
ROI	Walker Hallow 13-31 location	SW Sec 31 - T6S,R23E	Uintah	Utah	U-76280	



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Vernal District Office

170 South 500 East

Vernal, Utah 84078-2799

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

Phone: (801) 781-4400

Fax: (801) 781-4410

IN REPLY REFER TO:

3162.3

UT08300

July 12, 2001

CDX Rockies, LLC  
5845 Beltline Road, Suite 280  
Dallas, Texas 75240

*43-047-33763*

Re: Well No. Walker Hallow 13-31  
SESW, Sec. 31, T6S, R23E  
Lease No. U-76280  
Uintah County, Utah

Gentlemen:

This correspondence is in regard to the self-certification statement submitted requesting a change in operator for the referenced well. After a review by this office, the change in operator request is approved. Effective immediately, CDX Rockies, LLC is responsible for all operations performed on the referenced well. All liability will now fall under your bond, BLM Bond No. UT1225, for all operations conducted on the referenced well on the leased land.

If you have any other questions concerning this matter, please contact Leslie Crinklaw or Pat Sutton of this office at (801) 781-4400.

Sincerely,

Edwin I. Forsman  
Petroleum Engineer

cc: DOGM - Jim Thompson  
Retamco Operating Inc.

**RECEIVED**

JUL 16 2001

DIVISION OF  
OIL, GAS AND MINING

**OPERATOR CHANGE WORKSHEET**

008

Enter date after each listed item is completed

**ROUTING**

1. GLH		4-KAS
2. CDW	✓	5-LP
3. JLT		6-FILE

**X Change of Operator (Well Sold)**

Designation of Agent

Operator Name Change (Only)

Merger

The operator of the well(s) listed below has changed, effective: **5-03-2001**

<b>FROM: (Old Operator):</b>
RETAMCO OPERATING INC
Address: 671 GARNET AVE
BILLINGS, MT 59105
Phone: 1-(406)-248-5594
Account N6020

<b>TO: (New Operator):</b>
CDX ROCKIES LLC
Address: 679 EAST 2ND STE 3
DURANGO, CO 81301
Phone: 1-(970)-247-4126
Account N1860

CA No.

Unit:

**WELL(S)**

NAME	API NO.	ENTITY NO.	SEC. TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
FEDERAL 1-33	43-047-30300	575	33-05S-19E	FEDERAL	OW	S
WALKER HOLLOW 13-31	43-047-33763	99999	31-06S-23E	FEDERAL	GW	APD
DAVIS CANYON 12-13-25 1	43-047-32618	11970	12-13S-25E	FEDERAL	GW	S
ATCHEE RIDGE 15-13-25 1	43-047-32659	11962	15-13S-25E	FEDERAL	GW	S
ATCHEE RIDGE 24-13-25 1	43-047-32602	11963	24-13S-25E	FEDERAL	GW	S
ATCHEE RIDGE 11-27-13-25	43-047-33369	99999	27-13S-25E	FEDERAL	GW	APD
ATCHEE RIDGE 35-13-25 1	43-047-32657	11966	35-13S-25E	FEDERAL	GW	S
RAT HOLE CANYON 23-14-25 1	43-047-32705	11971	23-14S-25E	FEDERAL	GW	S
BLACK HORSE 9-15-24 1	43-047-32592	11973	09-15S-24E	FEDERAL	GW	S

**OPERATOR CHANGES DOCUMENTATION**

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 05/10/2001
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 05/10/2001
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 07/11/2001
- Is the new operator registered in the State of Utah: YES Business Number: 4880191-0161
- If **NO**, the operator was contacted on: N/A
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 07/12/2001
- Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: N/A

8. **Federal and Indian Communication Agreements ("CA"):** The BLM and the BIA has approved the operator change for all wells listed involved in a CA on: N/A

9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

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**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 07/17/2001
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 07/17/2001
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

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**STATE BOND VERIFICATION:**

1. State well(s) covered by Bond No.: N/A

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**FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed has furnished a bond: N/A

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**FEDERAL BOND VERIFICATION:**

1. Federal well(s) covered by Bond No.: RLB 0003065
2. The **FORMER** operator has requested a release of liability from their bond on: N/A  
The Division sent response by letter on: N/A
3. (R649-2-10) The **FORMER** operator of the Fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

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**FILMING:**

1. All attachments to this form have been **MICROFILMED** on:

---

**FILING:**

1. **ORIGINALS/COPIES** of all attachments pertaining to each individual well have been filed in each well file on: \_\_\_\_\_

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**COMMENTS:**

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

009

Michael O. Leavitt  
Governor  
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)

November 14, 2001

Trudy Pingree  
CDX Rockies, LLC  
679 East 2<sup>nd</sup> Avenue, Suite 3  
Durango, Colorado 81301

Re: Walker Hallow 13-31 Well – SESW Sec. 31, T. 6 South, R. 23 East, Uintah  
County, Utah, API No. 43-047-33763

Dear Ms. Pingree:

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 therefrom, 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

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**UTU 76280**

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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.

1. TYPE OF WELL  OIL WELL  GAS WELL  OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:  
**Walker Hallow 13-31**

2. NAME OF OPERATOR:  
**CDX Rockies, LLC**

9. API NUMBER:  
**4304733763**

3. ADDRESS OF OPERATOR:  
**679 East 2nd Ave Ste C** CITY **Durango** STATE **CO** ZIP **81301**

PHONE NUMBER:  
**(970) 247-4126**

10. FIELD AND POOL, OR WILDCAT:  
**Wildcat**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: \_\_\_\_\_ COUNTY: **Uintah**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SESW 31 T6S 23E** 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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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 type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input 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.

CDX Rockies, LLC is requesting a one year extension to drill the above referenced well.

COPY SENT TO OPERATOR  
Date: 11/19/01  
Initials: CHD

Approved by the  
Utah Division of  
Oil, Gas and Mining  
Date: 11-14-01  
By: [Signature]

NAME (PLEASE PRINT) Trudy Pingree

TITLE Land Technician

SIGNATURE [Signature]

DATE 11/5/2001

(This space for State use only)

**CDX Rockies, LLC**

679 East 2<sup>nd</sup> Avenue, #3  
Ph: 970-247-4126

Durango, CO 81301  
Fax: 970-247-1047

**RECEIVED**

NOV 08 2001

**DIVISION OF  
OIL, GAS AND MINING**

November 5, 2001

State of Utah  
Division of Oil, Gas & Mining  
1594 W North Temple, Suite 1210  
Salt Lake City, UT 84114

Attn: Leash Cordova

RE: Walker Hallow 13-31 API#4304733763  
Atchee Ridge 11-27-13-25 API#4304733369

Dear Mrs. Cordova:

Enclosed please find Sundry Notices regarding the above two captioned wells.

If you should have any questions please feel free to call.

Very truly yours,



Trudy Pingree

enclosures

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

NOV 15 2001

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

010

**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.*

5. Lease Serial No.  
**UTU 76280**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**Walker Hallow 13-31**

9. API Well No.  
**4304733763**

10. Field and Pool, or Exploratory Area  
**Wildcat**

11. County or Parish, State  
**Uintah, UT**

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

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
**CDX Rockies, LLC**

3a. Address  
**679 East 2nd Ave Ste 3**

3b. Phone No. (include area code)  
**970-247-4126**

4. Location of Well (Posting, Sec., T., R., M., or Survey Description)  
**Chicago CO 81301**  
**SE/4SW/4 Sec 31 T6S R23E**

**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 type="checkbox"/> Other _____
	<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 recompleat 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 recompleat 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.)

CDX Rockies, LLC is requesting a one year extension to drill the above referenced well.

RECEIVED

DEC 10 2001

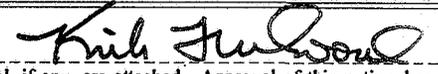
**CONDITIONS OF APPROVAL ATTACHED** DIVISION OF OIL, GAS AND MINING

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

Name (Printed/Typed) **Trudy Pingree** Title **Land Technician**

Signature  Date **November 5, 2001**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by  Title **Petroleum Engineer** Date **11/29/01**

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 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.

DOG M

CDX Rockies, LLC  
APD Extension

Well: Walker Hollow 13-31

Location: SESW Sec. 31, T6S, R23E

Lease: UTU 76280

**Conditions of Approval**

An extension for the referenced APD is granted with the following condition(s):

1. The extension will expire 12/07/02
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 at (435) 781-4486.



# 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

February 25, 2003

CDX Rockies, LLC  
5485 Beltline Road, Suite 190  
Dallas, Texas 75254

Re: Notification of Expiration  
Well No. Walker Hollow 13-31  
SESW, Sec. 31, T6S, R23E  
Uintah County, Utah  
Lease No. UTU-76280

Dear Gentlemen:

The Application for Permit to Drill the above-referenced well was approved on December 7, 2000. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until December 7, 2002. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that 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

Legal Instruments Examiner

cc: UDOGM – Diana Mason  
Retamco

RECEIVED  
MAR 03 2003  
DIV. OF OIL, GAS & MINING



# 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

February 25, 2003

*3/12/03  
no disturbance  
sted survey stake  
removed  
S. Christal*

CDX Rockies, LLC  
5485 Beltline Road, Suite 190  
Dallas, Texas 75254

Re: Notification of Expiration  
Well No. Walker Hollow 13-31  
SESW, Sec. 31, T6S, R23E  
Uintah County, Utah  
Lease No. UTU-76280

Dear Gentlemen:

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Sincerely,

*Leslie Walker*

Leslie Walker

Legal Instruments Examiner

cc: UDOGM – Diana Mason  
Retamco

bcc: Well File U-922  
Reading file U-924  
ES Realty

*Please check for surface  
disturbance & Return to  
Me. Thanks.*

RECEIVED

APR 02 2003

DIV. OF OIL, GAS & MINING



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

April 1, 2003

Joe Glennon  
 Retamco Operating Inc.  
 3301 Stone Wall Lane  
 Billings, Montana 59102

Re: APD Rescinded – Walker Hollow 13-31, Sec. 31, T. 6S, R. 23E – Uintah County, Utah, API No. 43-047-33763

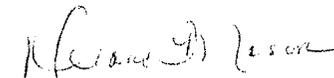
Dear Mr. Glennon:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on November 30, 2000. On November 14, 2001, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective April 1, 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  
 Bureau of Land Management, Vernal