

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

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

5. Lease Designation and Serial No.
ML-44317

6. If Indian, Allottee or Tribe Name
Ute Indian Tribe

7. Unit Agreement Name
N/A

8. Farm or Lease Name
Del-Rio/Orion

9. Well No.
#32-15A

10. Field and Pool, or Wildcat
Flat Rock

11. Sec., T., R., M., or Blk.
and Survey or Area

SWSE Sec 32, T14S, R20E, SLB

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

DRILL DEEPEN PLUG BACK

b. Type of Well

Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator

Del-Rio Resources, Inc. phone (435) 789-8162

3. Address of Operator

P.O. Box 459 Vernal, UT 84078

4. Location of Well (Report location clearly and in accordance with any State requirements.)
At surface

660' FSL 1980' FEL
At proposed prod. zone

**4378456 N
611772 E**

14. Distance in miles and direction from nearest town or post office*

See Topo Map "A" (Attached)

12. County or Parrish 13. State
Uintah, Utah

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. line, if any)

660

16. No. of acres in lease
640

17. No. of acres assigned
to this well
40

18. Distance from proposed location*
to nearest well, drilling, completed,
or applied for, on this lease, ft.

1320

19. Proposed depth
11,663

20. Rotary or cable tools
Rotary

21. Elevations (Show whether DF, RT, GR, etc.)

7467 GR

22. Approx. date work will start*
ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
11"	8- 5/8"	24#	850'	See attached drilling plan
7-7/8"	5-1/2"	17#	11,663	See attached drilling plan

- M.I.R.U.
- Drill to T.D. 11,663'
- Run 5-1/2" casing if commercial production is indicated.
- If dry hole, well will be plugged and abandoned as instructed by the State.
- Well will be drilled with fresh water to 1800', then Chem Gel Mud to T.D.
Mud will be in place to run 5-1/2" casing.

I hereby certify that I am responsible by the terms and conditions of the Lease to conduct Lease Operations. Bond Coverage pursuant to 43 CFR 3104 to Lease Activities is being provided by First Security Bank in the form of a Certificate of Deposit. CD #2431434

SHLA Bond 062999-2985402

RECEIVED
MAY 24 2001

DIVISION OF
OIL, GAS AND MINING

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

24. Signed Lawrence C. Caldwell # Title President Date April 2001

(This space for Federal or State office use)

Permit No. 43-047-31199 Approval Date

Approved by Bradley G. Hill Title BRADLEY G. HILL RECLAMATION SPECIALIST-III Date 07-09-01

**DEL-RIO RESOURCES, INC.
DRILLING PLAN FOR THE
DEL-RIO/ORION #32-15A**

I. DRILLING PLAN:

1. Geological Surface Formation: Green River
2. Estimated Tops:

<u>Name</u>	<u>Top</u>	<u>Prod. Phase Anticipated</u>
Wasatch	2284'	
Mesa Verde	4504'	↓
Nelson	5675'	↓
Lower Sego	6229'	↓
Buck Tongue Mancos	6263'	↓
Castle Gate	6296'	↓
Mancos Shale	6580'	Oil/Gas
Dakota	10424'	↓
Cedar Mountain	10624'	↓
Morrison	10899'	↓
Summerville/Curtis	11435'	↓
Entrada	11563'	Gas

3. CASING PROGRAM:

	<u>Depth</u>	<u>Hole Size</u>	<u>Csg. Size</u>	<u>Type</u>	<u>Weight</u>
Surface	850'	11"	8-5/8"	K-55 (LT&C)	24#/ft (new)
Prod.	11,663'	7-7/8"	5-1/2"	P-110 (LT&C)	17#/ft (new)

4. Operator's Specification for Pressure Control Equipment:

- A. 3,000 psi W.P. Double Gate BOP (Schematic attached).
- B. Functional test daily.

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Del-Rio/Orion #32-15A

- C. All casing strings shall be pressure-tested (0.2 psi/foot or 1500 psi, whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
 - D. All ram-type preventers and related control equipment shall be tested at the rated working pressure of the stack assembly or at 70 percent of the minimum internal yield pressure of the casing, whichever is less. Tests shall be done at the time of installation, prior to drilling out, and weekly. All tests shall be for a period of 15 minutes.
5. Auxiliary Equipment:
- A. Kelly Cock - yes.
 - B. Float at the bit - no.
 - C. Monitoring equipment on the mud system - Mud Logger.
 - D. Full opening safety valve on rig floor - yes.
 - E. Rotating head - yes.
6. Proposed Circulating Medium:
- | <u>Depth</u> | <u>Mud Type</u> | <u>Density (lb./gal)</u> | <u>Viscosity</u> | <u>Water Loss</u> |
|--------------|-----------------|--------------------------|------------------|-------------------|
| 0'-1800' | Fresh Water | 8.4 | 30 | no control |
| 1800'-TD | Chem Gel | 9.0 | 37-38 | 12 cc or less |
7. Testing, Logging, and Coring Program:
- A. Cores - None.
 - B. DST - none anticipated.
 - C. Logging - DIFL/SP/GR (TD to surface).
ZDL/CN/CAL w/DFIL (TD to 2000' from surface).
MRIL (TD to 3000' from Surface)

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 Del-Rio/Orion #32-15A

- D. Formation and Completion Interval: Final determination of completion will be made by analysis of logs.
 Stimulation - Stimulation will be designed for the particular area of interest as encountered.
- E. Frac gradient - approximately .75 psi/ft.

8. Cementing Program:

<u>Casing</u>	<u>Volume</u>	<u>Type & Additives</u>
Surface	383 sx	Class "G" w/2% bwoc, +0.25#/sx cello flake, +44.3% fresh water (based on 100% access)
Production		DV Tool @6600'
	<u>Stage 1</u>	
Lead	344 sx*	Premium Lite 2, +0.7% bwoc FL-52, +3%bwow Potassium Chloride, +0.5%bwoc R-3, +5#/sx Kolseal, +0.25#/sx cello flake, +92.9% fresh water.
Tail	272 sx*	(50/50) poz "flyash" Class "G", +3%bwow Potassium Chloride, +0.25#/sx cello flake, +0.9%bwoc FL-25, +30%bwoc silica flour, +3#/sx Kolseal, +2%bwoc Bentonite, +0.75%bwoc EC-1, +63.5% fresh water
	<u>Stage 2</u>	
	877 sx*	(50/50) poz "flyash" Class "G", +3%bwow Potassium Chloride, +0.25#/sx cello flake, +2%bwoc Bentonite, +0.2%bwoc Sodium Metasilicate, +57.7% fresh water

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Del-Rio/Orion #32-15A

Cement Characteristics:

Lead:

yield = 1.97 cu.ft. per. sack
weight = 13.0 lb./gal
strength = 1700 psi in 24 hrs @240 degrees

Tail:

yield = 1.65 cu.ft. per. sack
weight = 14.4 lb./gal
strength = 2700 psi in 24 hrs @240 degrees

Stage 2:

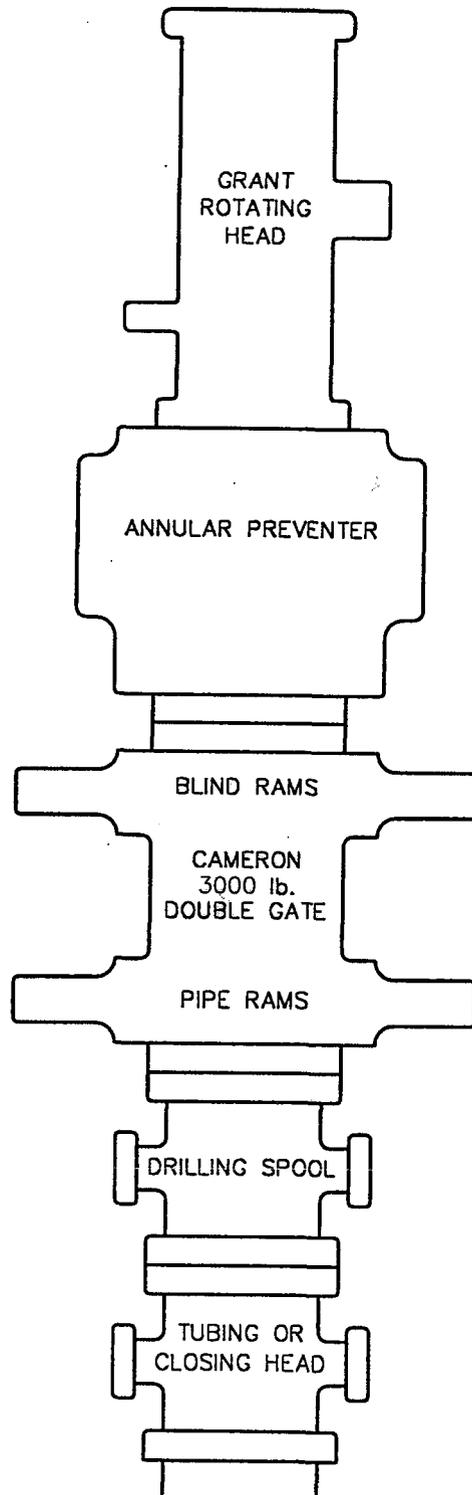
yield = 1.28 cu.ft. per. sack
weight = 14.2 lb./gal
strength = 2300 psi in 24 hrs @240 degrees

* Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to 3000' from the surface. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

9. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards:

No abnormal temperatures or pressures are anticipated. No H₂S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 1,500 psi (calculated at 0.128 psi/ft) and maximum anticipated surface pressure equals approximately 1065 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/ft).

CLASS III BLOWOUT PREVENTER STACK



**II. SURFACE USE PLAN
DEL-RIO RESOURCES, INC.
DEL-RIO/ORION #32-15A**

1. Existing Road:

- A. Topo Map "A" is the vicinity map, showing the access routes from Ouray, Utah.
- B. Topo Map "B" shows the proposed access road to each individual well. It also shows existing roads in the immediate area.
- C. Occasional maintenance blading and storm repairs will keep roads in good condition.
- D. There shall be no mud blading on the access road. Vehicles may be towed through the mud provided they stay on the roadway.

2. Planned Access Roads:

The proposed access road, will be crowned, ditched, and dipped.

- A. Maximum grade will be 2% or less, unless otherwise stated.
- B. No turnouts will be required.
- C. Road surface material will be that native to the area.
- D. No cattle guard will be required.
- E. The proposed access road was flagged at the time the location was staked.
- F. The area authorized officer will be contacted at least 24 hours prior to commencing construction of the access road and well pad.

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- G. The back slopes of the proposed access roads will be no steeper than vertical or 1/4:1 in rock; and 2:1, elsewhere.

The operator or his contractor will notify the State office at least 48 hours prior to commencement of any work on these locations, roadways, or pipelines.

3. Location of Existing Wells:

See existing Drill Holes on Topo Map "C"

4. Location of Existing and/or Proposed Facilities:

- A. All Petroleum Production Facilities are to be contained within the proposed location sites.
- B. In the event that production of these wells is established, the following will be shown:
1. Proposed location and attendant lines, by flagging, if off well pad.
 2. Dimensions of facilities.
 3. Construction methods and materials.

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- C. The area used to contain the proposed production facilities will be built using native materials. If these materials are not acceptable, then other arrangements will be made to acquire them from private sources. These facilities will be constructed using bulldozers, graders, and workman crews to construct and place the proposed facilities.
- D. All permanent facilities placed on the locations shall be painted a non-reflective color which will blend with the natural environment.
- E. A dike shall be constructed around the tank battery, of sufficient capacity to adequately contain at least 110 percent of the storage capacity of the largest tank within the dike.
- F. All buried pipelines if needed shall be covered to a depth of 3 feet except at road crossings where they shall be covered to a depth of 4 feet.
- G. Construction width of the road right-of way/pipeline corridor route if needed shall be restricted to 30 feet of disturbance.
- H. Pipeline location warning signs shall be installed within 90 days upon completion of construction.

5. Location and Type of Water Supply:

Willow Creek at a P.O.D. of the SE 1/4 SE 1/4 of Section 29, T12S, R21E, S.L.B.&M. and transported by truck along the access roads which are shown on the attached topo maps.

Note: Proper Water permits will be obtained from the Ute Indian Tribe before use.

No water wells are to be drilled.

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Del-Rio/Orion #32-15A

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 from the area. No special access other than for drilling operations and pipeline construction is needed.
- B. All disturbance for this well site is located on Ute Tribal Lands and a Right-of-way has been applied for through the B.I.A.

All Construction material for these location sites and access roads shall be borrow material accumulated during the construction of the location sites and access roads. No additional construction material from other sources is anticipated at this time, but if it is required, the appropriate actions will be taken to acquire it from private sources.

- C. All well pad surface disturbance area is on Ute Tribal Lands.

7. Methods for Handling Waste Disposal:

- A. Drill cuttings will be buried in the reserve pit when covered.
- B. Drilling fluids will be contained in the reserve pit.
- C. Any hydrocarbon liquids produced while production testing will be contained in a test tank. Any unavoidable spills of oil or other adverse substances or materials will be removed immediately during drilling progress or during completion operations.
- D. Portable chemical toilets will be provided and serviced by a local commercial sanitary service.

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Del-Rio/Orion #32-15A

- E. Garbage and trash will be collected in a trash cage and its contents hauled to a sanitary landfill.

All wastes caused by the construction activities shall be promptly removed and disposed of in a sanitary landfill or as directed by the authorized officer.

- F. Prior to commencement of drilling, the reserve pit will be lined with a minimum 12 mil. liner with sufficient straw bedding and will be fenced on three sides using 39-inch net wire with at least one (1) strand of barbed wire. All wire is to be stretched before attaching to corner posts. When drilling activities are completed it will be fenced on the fourth side and allowed to dry (if liquids are present). After drying, the fences will be removed and the pit shall be buried. Reclamation will be undertaken no later than the fall of the year after all drilling activity has ceased.

8. Ancillary Facilities:

No air strips, camps, or other living facilities will be built off the location. Housing and office trailers will be on the location as seen on the location layout.

9. Well Site Layout:

- A. See attached cutsheet.
- B. The areas authorized officer will be contacted at least 24 hours prior to commencing construction of the access road and well pad.
- C. The authorized officer has determined that the pit is to be lined, and type of material to be used.
- D. Topsoil shall be stripped to a depth of 12 inches and stockpiled as shown on the location layout plat.
- E. The back slopes of the locations will be no steeper than vertical or 1/4:1 in rock, and 2:1 elsewhere.

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- F. The upper edges of all cut banks on the access roads and well pads will be rounded.

10. Plans for Restoration:

- A. Immediately upon completion, the location and surrounding area will be cleared of all debris, materials, trash and junk not required for production.
- B. Before any dirt work to restore the location takes place, the reserve pit must be completely dry. The reserve pit will be reclaimed within 90 days from the date of well completion.
- C. The area officer shall be notified at least 48 hours prior to commencing reclamation work.
- D. All disturbed areas will be seeded with the a mixture which is found suitable by the B.I.A.
- E. The seed bed will be prepared by disking, following the natural contour. Drill seed on contour at a depth no greater than ½ inch. In areas that cannot be drilled, the seed will be broadcast at double the seeding rate and harrowed into soil. Certified seed is recommended.
- F. Fall seeding will be completed after September, and prior to prolonged ground frost.

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- G. If the well is a producer, access roads will be upgraded and maintained as necessary to prevent soil erosion, and accommodate year round traffic. Areas unnecessary to operations will be reshaped, topsoil distributed, and seed distributed according to the above mixtures. Perennial vegetation must be established. Additional work shall be required in case of seeding failures, etc.
- H. If the well is abandoned or is a dry hole, the access road and location will be restored to approximate the original contours. During reclamation of the site the fill material will be pushed into cuts and up over the backslope. No depressions will be left that would trap water or form ponds. Topsoil will be distributed evenly over the location and seeded according to the above mixture. The access road and the 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.
- I. Annual or noxious weeds shall be controlled on all disturbed areas. Method of control shall be by an approved mechanical method or an Environmental Protection Agency (EPA) registered herbicide. All herbicide application proposals must be approved. Application of herbicides must be under direct field supervision of an EPA certified pesticide applicator.

11. Other Information:

- A. All activity shall cease when soils or road surfaces become saturated to a depth of three inches, unless otherwise approved by the Authorized Officer.

If any fossils are discovered during construction, the operator shall cease construction immediately and notify the Authorized Officer so as to determine the significance of the discovery.
- B. A Class III cultural resource inventory shall be completed prior to disturbance by a qualified professional Archaeologist.

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Del-Rio/Orion #32-15A

- C. The State considers the development of groundwater resources to be necessary and frequently indispensable to effective land management. Therefore, any groundwater intercepted by the party conducting mineral exploration shall be reported to the authorized officer immediately including approximate quantities and a sample in a sealed quart container. The State shall have the first opportunity to file State water rights for the intercepted groundwater. The undersigned may file for water rights only with a written waiver from the State.
- D. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:

whether the materials appear eligible for the National Register of Historic Places;
the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and a time frame for the AO to complete an expedited review under 36 CFR 800-11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

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If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, an operator will then be allowed to resume construction.

- E. Less than 10,000 pounds of any chemical(s) from EPA's Consolidated list of Chemicals Subject to Reporting Under Title III of the Superfund Amendments and Reauthorization Act (SARA) of 1986, and less than threshold planning quantity (TPQ) of any extremely hazardous substances(s), as defined in 40 CFR, would be used, produced, transported, stored, disposed, or associated with the proposed action.

12. Lessee's or Operator's Representative:

Mr. Lawrence C. Caldwell II
President
Del-Rio Resources, Inc.
P.O. Box 459
Vernal, Utah
Telephone #(801)789-8162
Cell #(801)790-8578

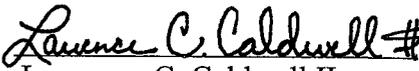
Del-Rio Resources, Inc.
Del-Rio/Orion #32-15A

13. Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite(s) and access route(s); that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by **Del-Rio Resources, Inc.**, and its contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

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

_____ 4-23-01
Date

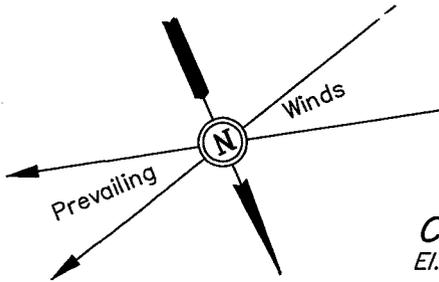

Lawrence C. Caldwell II
President

DEL-RIO RESOURCES, INC.

LOCATION LAYOUT FOR

DEL-RIO / ORION #32-15A
SECTION 32, T14S, R20E, S.L.B.&M.

660' FSL 1980' FEL



SCALE: 1" = 50'
DATE: 01-28-01
DRAWN BY: D.R.B.

NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.

Sta. 3+50

Approx. Toe of Fill Slope

Sta. 1+75

F-3.2'
El. 62.7'

Sta. 0+00

C-14.8'
El. 70.7'
(Btm. Pit)

Flare Pit

C-2.0'
El. 67.9'

C-1.2'
El. 67.1'

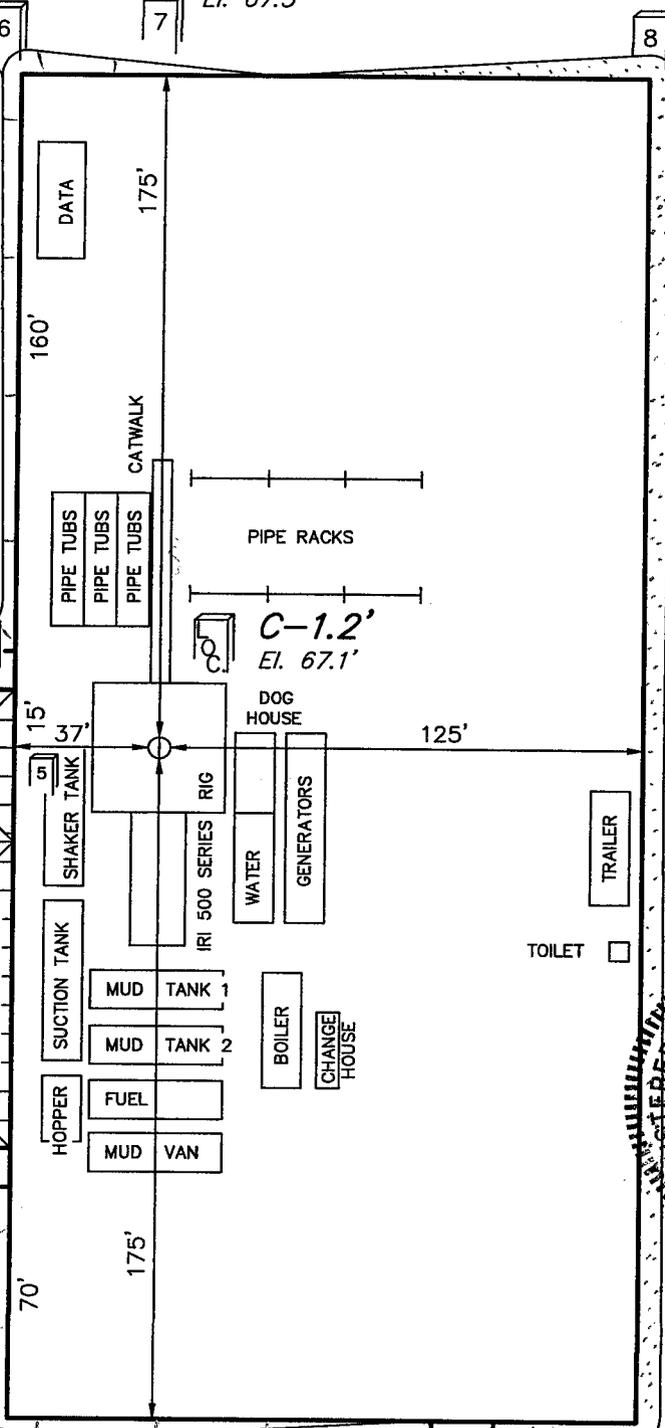
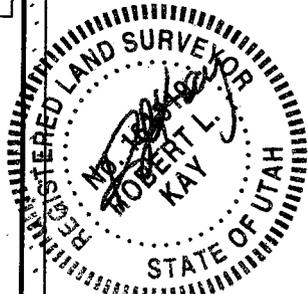
C-15.6'
El. 71.5'
(Btm. Pit)

C-3.6'
El. 69.4'

C-4.2'
El. 70.1'

C-2.9'
El. 68.8'

F-3.7'
El. 62.2'



Elev. Ungraded Ground at Location Stake = 7467.1'
Elev. Graded Ground at Location Stake = 7465.9'

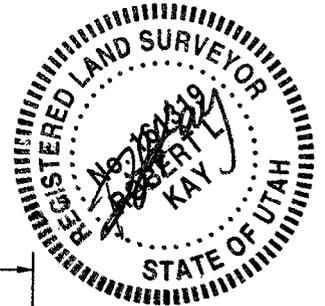
UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

Proposed Access Road

DEL-RIO RESOURCES, INC.

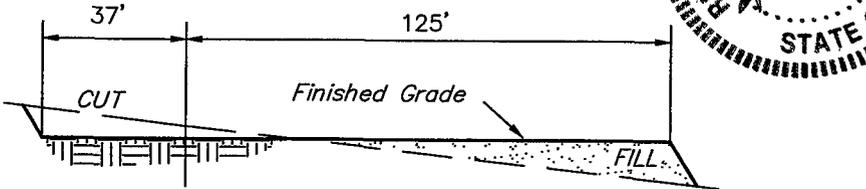
TYPICAL CROSS SECTIONS FOR

DEL-RIO / ORION #32-15A
SECTION 32, T14S, R20E, S.L.B.&M.
660' FSL 1980' FEL

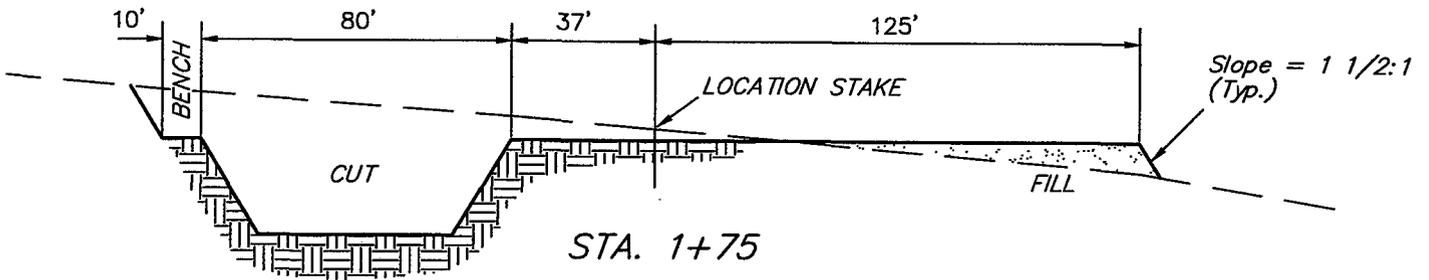


1" = 20'
X-Section Scale
1" = 50'

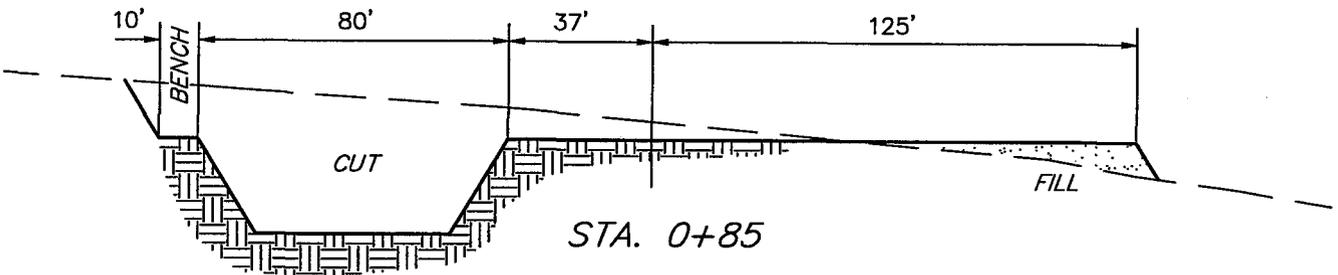
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DRAWN BY: D.R.B.



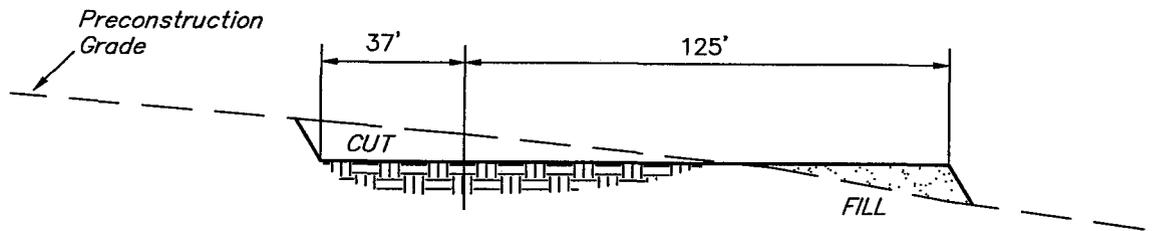
STA. 3+50



STA. 1+75



STA. 0+85



STA. 0+00

APPROXIMATE YARDAGES

CUT	
(12") Topsoil Stripping	= 2,560 Cu. Yds.
Remaining Location	= 4,640 Cu. Yds.
TOTAL CUT	= 7,200 CU.YDS.
FILL	= 3,430 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 3,590 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,590 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

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

DEL-RIO RESOURCES INC.

DEL-RIO / ORION #32-15A

LOCATED IN UINTAH COUNTY, UTAH
SECTION 32, T14S, R20E, S.L.B.&M.

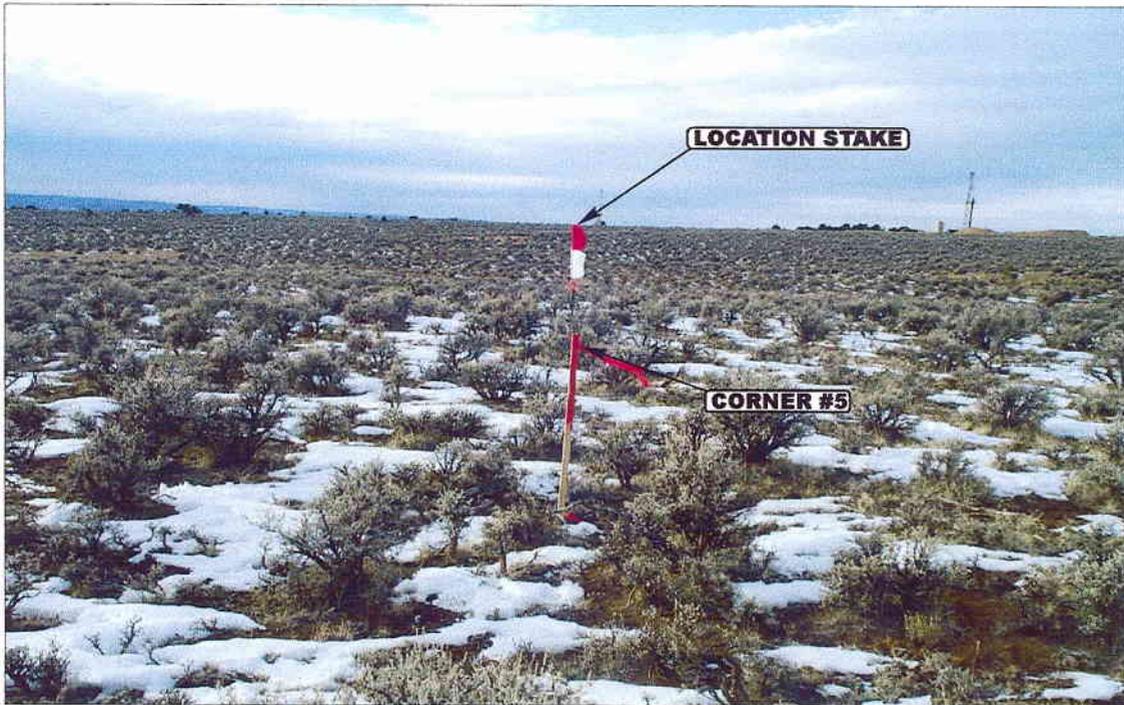


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: WESTERLY



- Since 1964 -

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

1

18

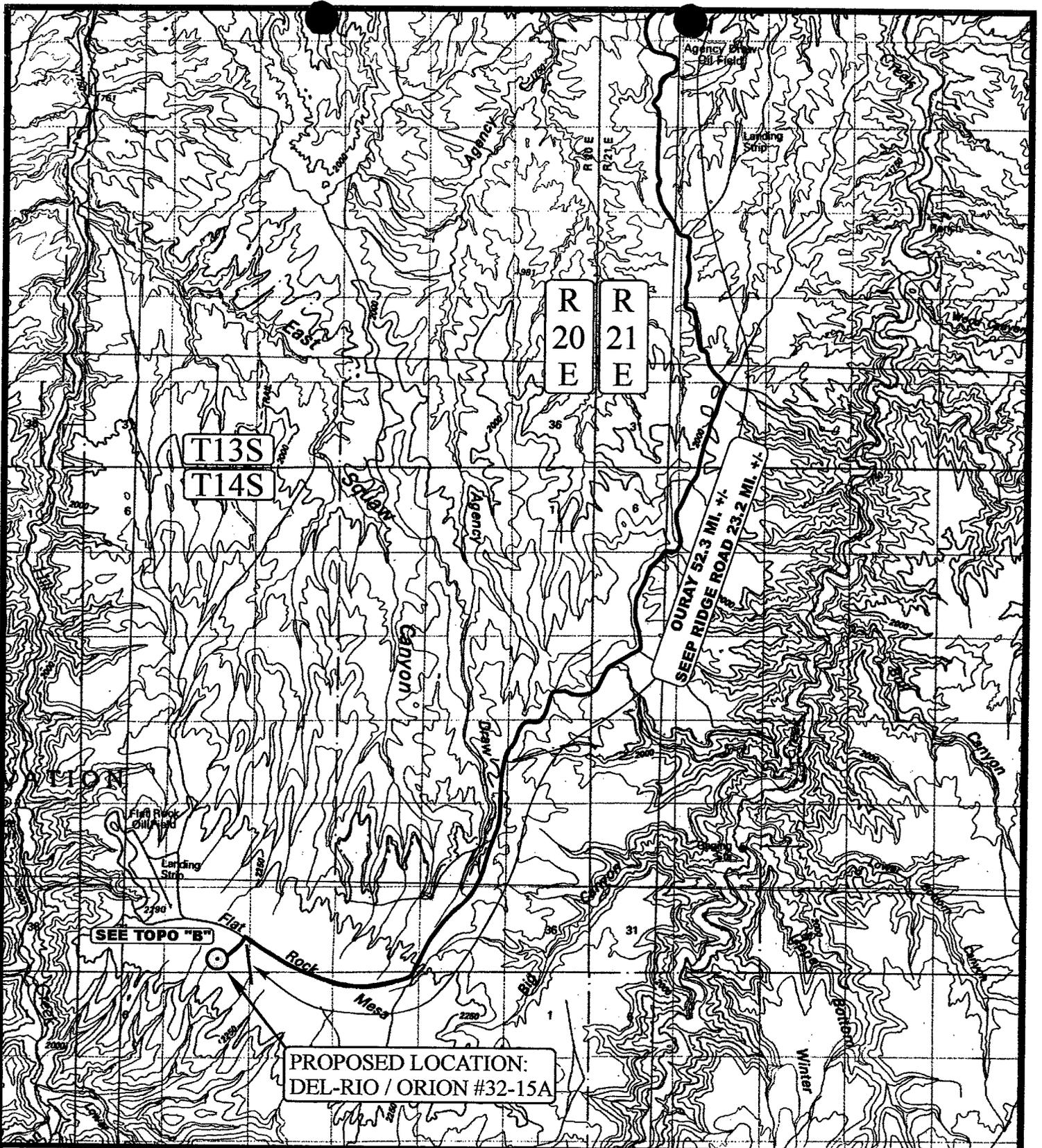
01

PHOTO

TAKEN BY: J.F.

DRAWN BY: J.L.G.

REVISD: 00-00-00



LEGEND:

⊙ PROPOSED LOCATION



DEL-RIO RESOURCES INC.

DEL-RIO / ORION #32-15A
 SECTION 32, T14S, R20E, S.L.B.&M.
 660' FSL 1980' FEL



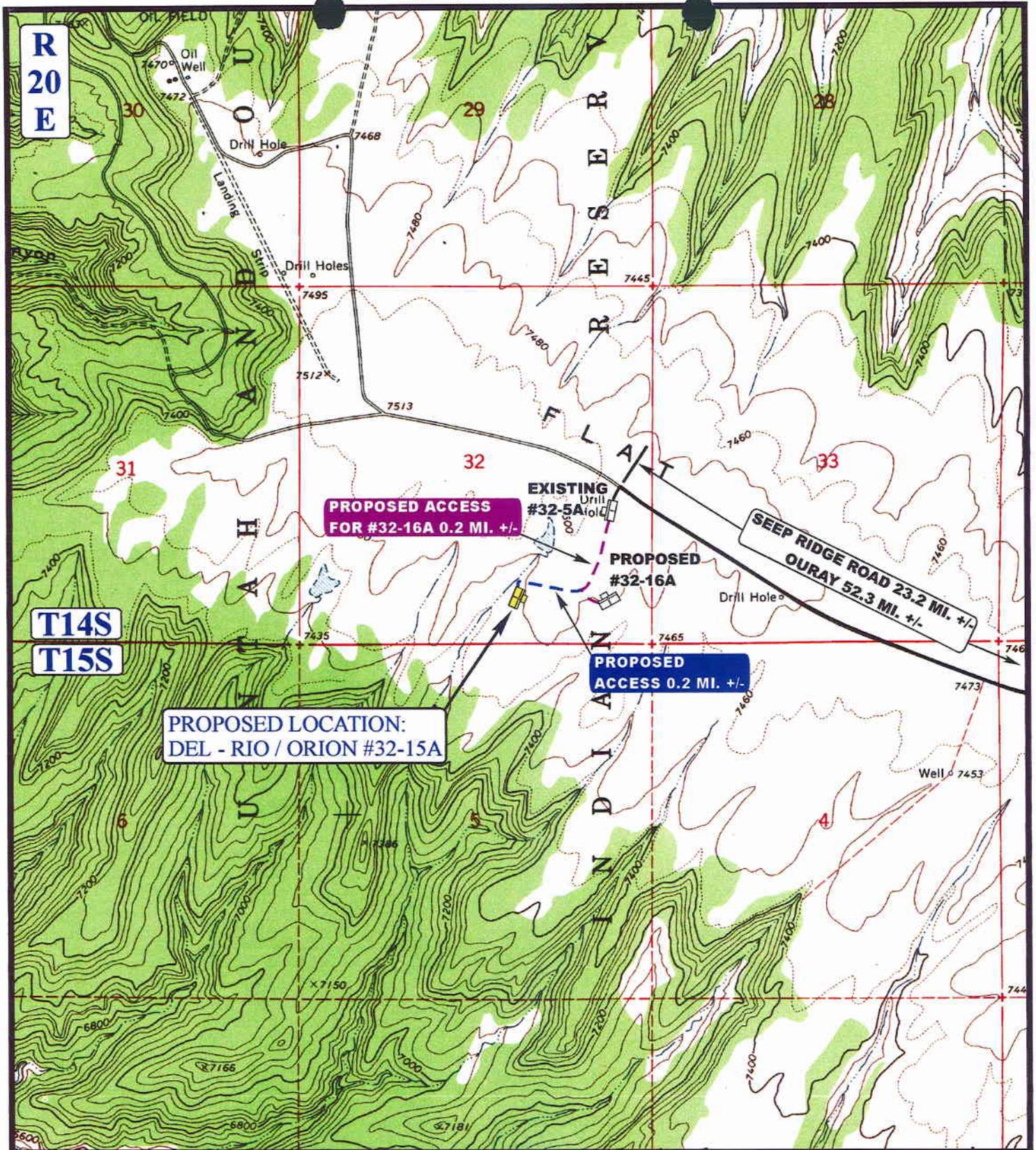
Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
 MAP

1	18	01
MONTH	DAY	YEAR

SCALE: 1:100,000 DRAWN BY: J.L.G. REVISED: 00-00-00





LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD

DEL-RIO RESOURCES INC.

DEL-RIO / ORION #32-15A
SECTION 32, T14S, R20E, S.L.B.&M.
660' FSL 1980' FEL



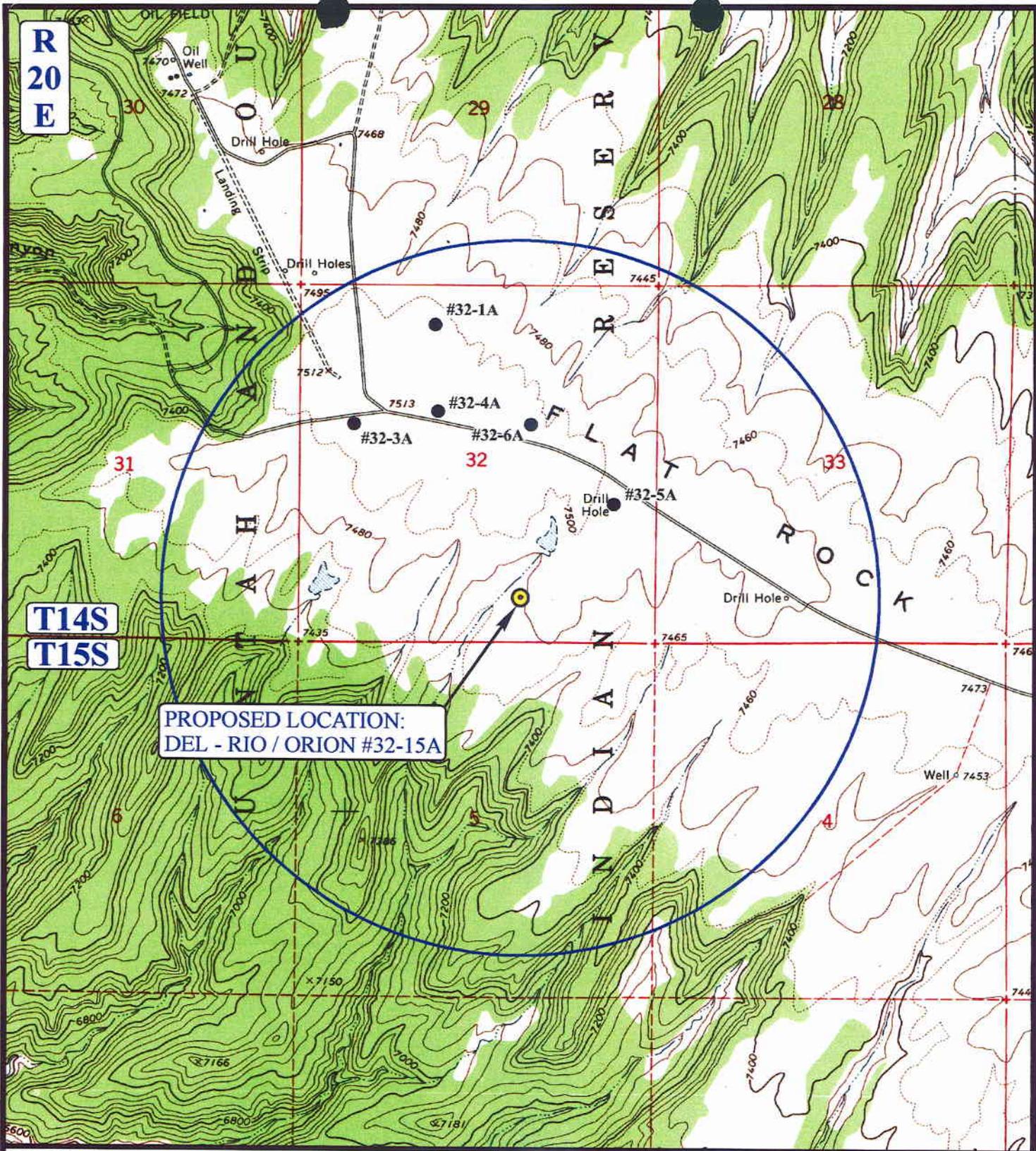
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

1 18 01
 MONTH DAY YEAR

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





**PROPOSED LOCATION:
DEL - RIO / ORION #32-15A**

LEGEND:

- ⊗ DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- ⊗ WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

DEL-RIO RESOURCES INC.

**DEL-RIO / ORION #32-15A
SECTION 32, T14S, R20E, S.L.B.&M.
660' FSL 1980' FEL**



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

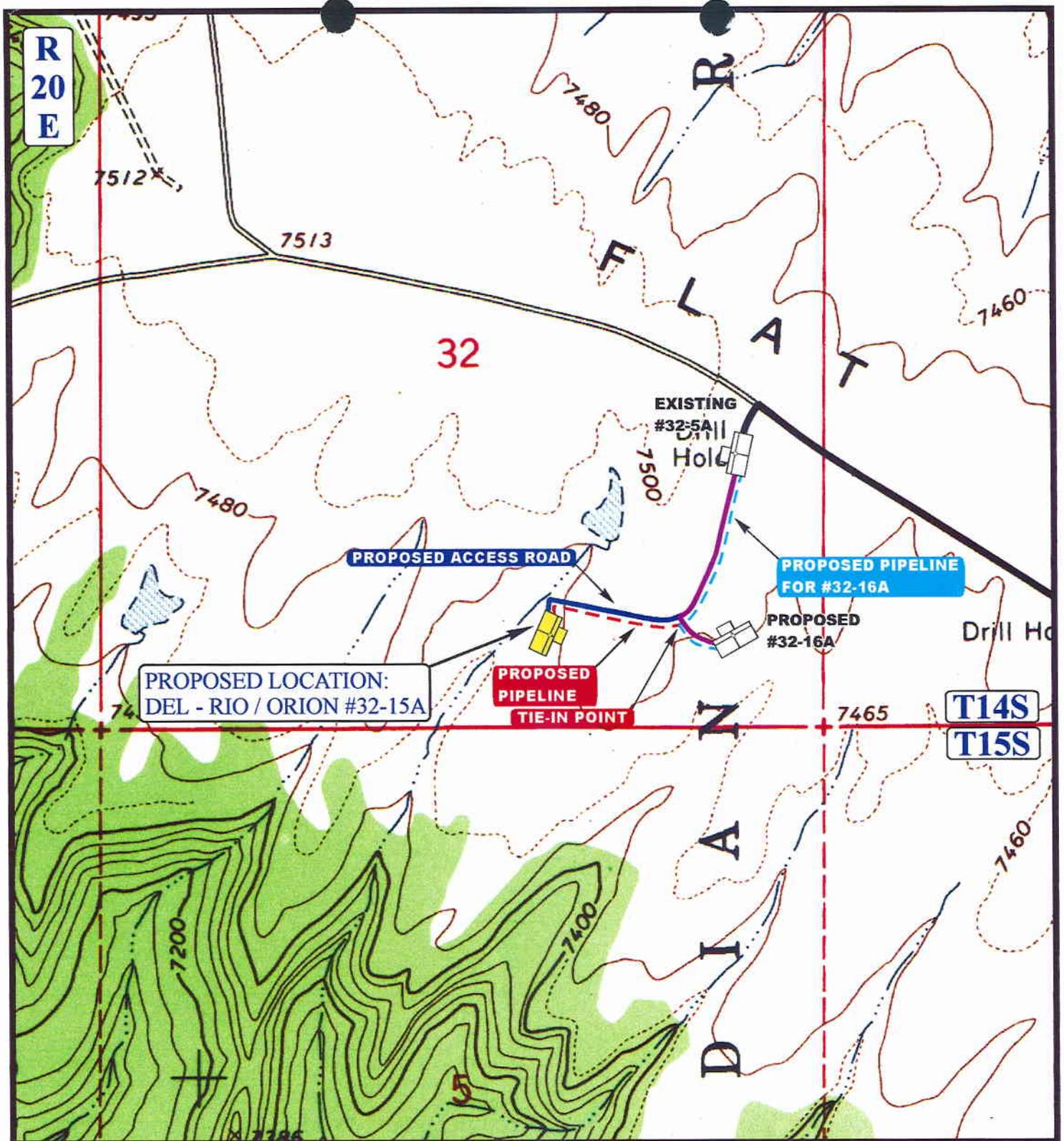


**TOPOGRAPHIC
MAP**

1 18 01
MONTH DAY YEAR

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





APPROXIMATE TOTAL PIPELINE DISTANCE = 930' +/-

LEGEND:

- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED ACCESS



DEL-RIO RESOURCES INC.

DEL-RIO / ORION #32-15A
SECTION 32, T14S, R20E, S.L.B.&M.
660' FSL 1980' FEL



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

TOPOGRAPHIC
MAP

1 18 01
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: J.L.G. REVISED: 00-00-00



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 05/24/2001

API NO. ASSIGNED: 43-047-34097

WELL NAME: DEL-RIO/ORION 32-15A
 OPERATOR: DEL-RIO RESOURCES INC (N0330)
 CONTACT: LARRY CALDWELL

PHONE NUMBER: 435-789-8162

PROPOSED LOCATION:
 SWSE 32 140S 200E
 SURFACE: 0660 FSL 1980 FEL
 BOTTOM: 0660 FSL 1980 FEL
 UINTAH
 UNDESIGNATED (2)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	RAM	6/4/01
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-44317
 SURFACE OWNER: 2 - Indian

PROPOSED FORMATION: ENRD

RECEIVED AND/OR REVIEWED:

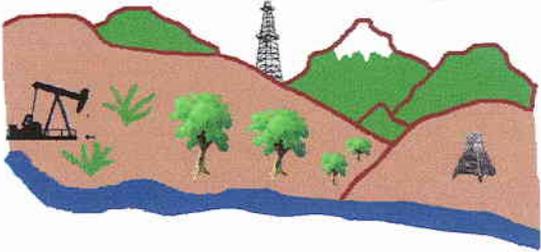
Plat
 Bond: Fed[] Ind[] Sta[3] Fee[]
 (No. 062999-2985402)
 Potash (Y/N)
 Oil Shale (Y/N) *190-5 (B) or 190-3
 Water Permit
 (No. 49-1647)
 RDCC Review (Y/N)
 (Date: _____)
 Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3. Unit _____
 R649-3-2. General
 Siting: 460 From Qtr/Qtr & 920' Between Wells
 R649-3-3. Exception
 Drilling Unit
 Board Cause No: _____
 Eff Date: _____
 Siting: _____
 R649-3-11. Directional Drill

COMMENTS: BIA from H62-200L 419 eff. 6-19-01.

STIPULATIONS: ① R 649-3-22 COMPLETION IN TWO OR MORE POOLS STIP.
 ② Spacing Stipulation
 ③ STATEMENT OF BASIS



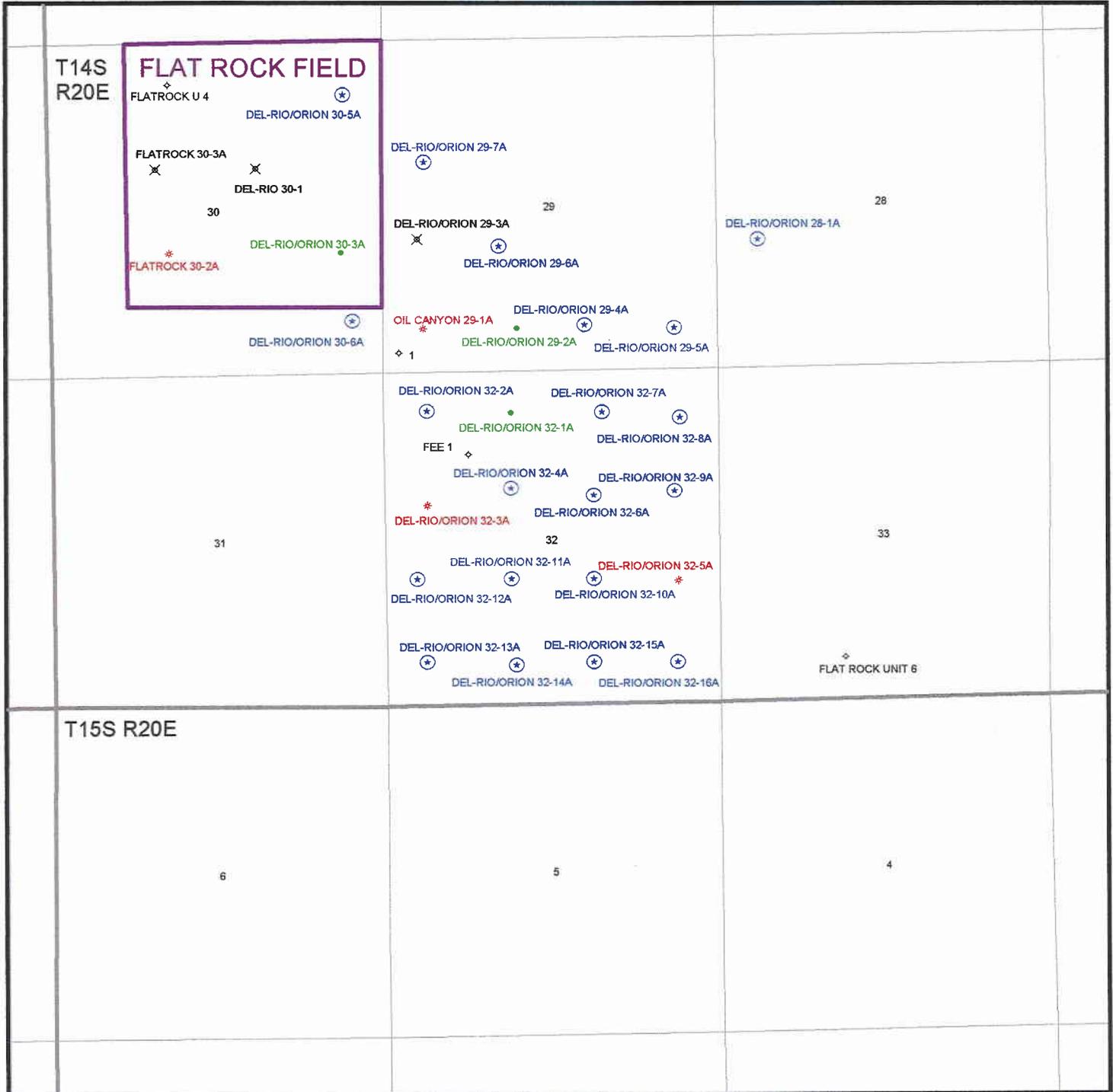
Utah Oil Gas and Mining

OPERATOR: DEL-RIO RESOURCES (N0330)

SEC. 32, T14S, R20E

FIELD: UNDESIGNATED (002)

COUNTY: UINTAH SPACING: R649-3-2/GEN ST



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

Operator Name: DEL-RIO RESOURCES INC.

Well Name & Number: DEL-RIO/ORION 32-15A

API Number: 43-047-34097

Location: 1/4,1/4 SW/SE Sec. 32 T. 14 S R. 20 E

Geology/Ground Water:

Del-Rio has proposed setting 850 feet of surface casing at this location. The depth to the base of the moderately saline ground water is estimated to be at 3500 feet. A search of Division of Water Rights records indicates that no water wells are located within a 10,000 foot radius of the center of Section 32. The surface formation at this location is the Green River Formation. The Green River Formation is made up of interbedded sandstones, limestones and shales. This is probably a recharge area for Green River Formation aquifers but the proposed surface casing should adequately protect any ground water.

Reviewer: Brad Hill

Date: 07/09/2001

Surface:

Surface rights at the proposed location are owned by the Ute Indian Tribe. Del-Rio has obtained Right-of-Way H62-2001-419 (per BIA 6/19/2001).

Reviewer: Brad Hill

Date: 07/09/2001

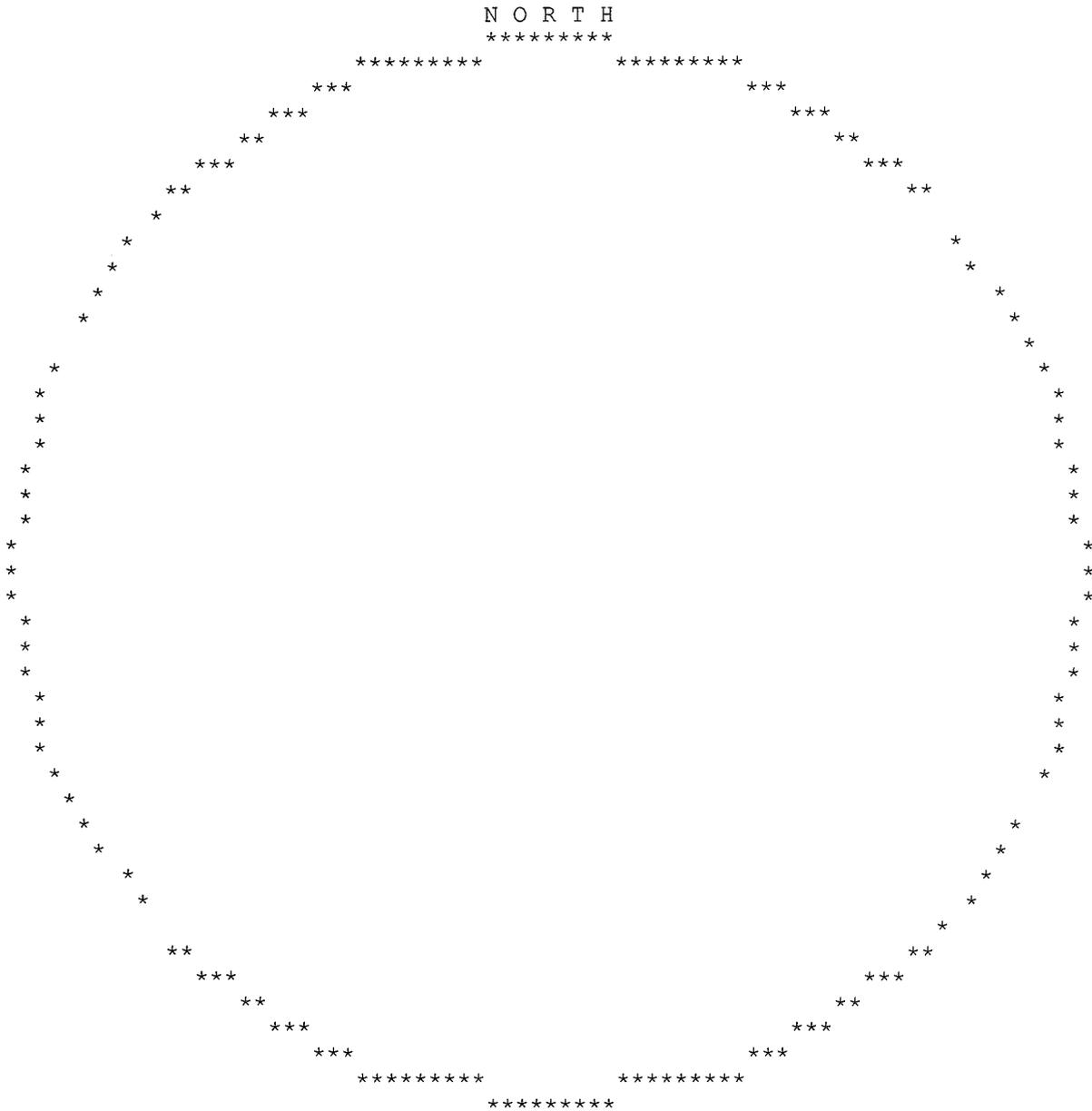
Conditions of Approval/Application for Permit to Drill:

1. None

UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED MON, JUL 9
PLOT SHOWS LOCATION OF 0 POINTS OF DIVE

PLOT OF AN AREA WITH A RADIUS OF 10000 FEET F
FEET, FEET OF THE CT CORNER,
SECTION 32 TOWNSHIP 14S RANGE 20E SL BASE A

PLOT SCALE IS APPROXIMATELY 1 INCH = 4000 FEE



06-01 Del-Rio 32-15A

Casing Schematic

Surface

8-5/8"
MW 8.4
Frac 19.3

TOC @
0.

Surface
850. MD

~ w/ 18% WASH-OUT

CEMT
DESIGN
3000'

STAGE II
CALC TOC
@ 2624'

With 15% WASH OUT

BOP

$$.052(q) 11663 = 5458$$

GAS-CUT
MUD
GRADIENT

$$.22 \cdot 11663 = \langle 2566 \rangle$$
$$\underline{\underline{2892 \text{ psi}}}$$

DV @ 6600'

BASED UPON FIELD SOP.

3M. SRAG BOP

ADEQUATE.

RAM
6/4/01

STAGE I
CALC TOC
@ ± 7670'

5-1/2"
MW 9.

Production
11663. MD

Well name:	06-01 Del-Rio 32-15A		Project ID:
Operator:	EOG		43-047-34097
String type:	Production		
Location:	Uintah Co.		

Design parameters:

Collapse

Mud weight: 9.000 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.468 psi/ft
 Calculated BHP: 5,453 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor: 1.125

Burst:

Design factor: 1.00

Tension:

8 Round STC: 1.80 (J)
 8 Round LTC: 1.80 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Tension is based on air weight.
 Neutral point: 10,071 ft

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 228 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 220 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	11663	5.5	17.00	P-110	LT&C	11663	11663	4.767	401.9
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	5453	7480	1.37	5453	10640	1.95	198	445	2.24 J

Prepared by: R.A.McKEE
 Utah Dept. of Natural Resources

Date: June 4, 2001
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 11663 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	06-01 Del-Rio 32-15A	
Operator:	EOG	
String type:	Surface	Project ID: 43-047-34097
Location:	Uintah Co.	

Design parameters:

Collapse
Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 0 psi
Internal gradient: 0.468 psi/ft
Calculated BHP: 397 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor: 1.125

Burst:
Design factor: 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 743 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 77 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 220 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:

Next setting depth: 11,660 ft
Next mud weight: 9.000 ppg
Next setting BHP: 5,451 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 850 ft
Injection pressure: 850 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	850	8.625	24.00	K-55	ST&C	850	850	7.972	40.9
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	371	1370	3.69	397	2950	7.42	20	263	12.89 J

Prepared by: R.A.McKEE
Utah Dept. of Natural Resources

Date: June 4, 2001
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 850 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

U.E.L.S., Inc.

Uintah Engineering & Land Surveying Facsimile Transmission

Date: 5-31-01To: LEISHA

Company: _____

Fax Number: _____

Number of Pages, including Cover Sheet: 2

From: Uintah Engineering & Land Surveying
85 South 200 East
Vernal, UT 84078
Phone #: 435.789.1017

Comments: _____

Our fax machine number on a dedicated telephone line is:

435.789.1813. If you experience a problem with

this transmission, please call Tracy at 435.789.1017.

Thank you!

RECEIVED
JUN 12 2000
WATER RIGHTS
VERNAL

FILING FOR WATER IN THE STATE OF UTAH

Rec. by Ac
Fee Rec. 75⁰⁰ ck # 095c
Receipt # _____
Microfilmed _____
Roll # _____

APPLICATION TO APPROPRIATE WATER

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements to Title 73, Chapter 3 of the Utah Code Annotated (1953, as amended).

WATER RIGHT NUMBER: 49 - 1647

APPLICATION NUMBER: T72919

1. OWNERSHIP INFORMATION:

LAND OWNED? No

A. NAME: Tu and Frum Inc.
C/O of David Murray
ADDRESS: P.O. Box 146, Lapoint, UT 84039

B. PRIORITY DATE: June 12, 2000 **FILING DATE:** June 12, 2000

2. SOURCE INFORMATION:

A. QUANTITY OF WATER: 10.0 acre-feet

B. SOURCE: Willow Creek **COUNTY:** Uintah

C. POINT OF DIVERSION -- SURFACE:
(1) N 200 feet W 700 feet from SE corner, Section 29, T 12S, R 21E, SLBM
DIVERT WORKS: Pump into trucks to haul to location

D. COMMON DESCRIPTION:

3. WATER USE INFORMATION:

OIL EXPLORATION: from Jan 1 to Dec 31. Drilling and completion of oil/gas wells South of Ouray

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

BASE TOWN	RANG	SEC	NORTH-WEST	NORTH-EAST	SOUTH-WEST	SOUTH-EAST	
			NW NE SW SE	NW NE SW SE	NW NE SW SE	NW NE SW SE	
SL	14S	20E	Entire TOWNSHIP				

5. EXPLANATORY:

Oil/Gas well production
Point of diversion is on County Road Right-of-way.

Appropriate



**United States Department of the Interior
BUREAU OF INDIAN AFFAIRS**

**Utah and Ouray Agency
P. O. Box 130
988 South 7500 East
Fort Duchesne, Utah 84026-0130
(801) 722-4300**

**IN REPLY REFER TO:
Real Estate Services
(435) 722-4310**

June 19, 2001

**Del-Rio Resources, Inc.
PO Box 459
Vernal, Utah 84078**

Dear Sirs:

This is your authority to proceed with construction of the following rights-of-ways.

- H62-2001-417 - Del-Rio/Orion #32-13A S/2SW/4 of Sec. 32 - T14S-R20E**
- H62-2001-418 - Del-Rio/Orion #32-14A SW/4SE/4 & SE/4SW/4 of Sec. 32 - T14S-R20E**
- H62-2001-419 - Del-Rio/Orion #32-15A S/2SE/4 of Sec. 32 - T14S-R20E**
- H62-2001-420 - Del-Rio/Orion #32-16A E/2SE/4 of Sec. 32 - T14S-R20E**
- H62-2001-421 - Del-Rio/Orion #29-6A N/2SW/4 of Sec. 29 - T14S-R20E**
- H62-2001-422 - Del-Rio/Orion #29-7A SW/4NW/4 & NW/4SW/4 of Sec. 29 - T14S-R20E**

Enclosed is your file copy of the Bureau of Indian Affairs, Environmental Analysis Report (EA). The tribal stipulations and concurrence signatures are listed on the back of this report, please adhere to all stipulations for both entities.

Enclosed is a Grant of Easement for your files. Please submit upon completion of construction, Affidavits of completion for each location.

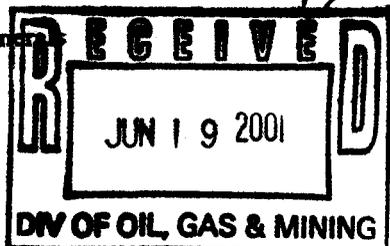
Please contact the Ute Indian Tribe's Energy and Mineral Department prior to construction to obtain an access permit and retain this letter as your permit to construct upon tribal lands. Also, remind your field personnel of the firearm restrictions on the Uintah and Ouray Reservation.

If you have any questions please contact Mr. Charles Cameron, Chief, Branch of Real Estate Services, Supervisory Petroleum Engineer at (435) 722-4311.

Sincerely,

John Pelt
Acting Superintendent

cc: UTT Energy & Minerals
file
chrono





State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

July 9, 2001

Del-Rio Resources, Inc.
PO Box 459
Vernal, UT 84078

Re: Del-Rio/Orion 32-15A Well, 660' FSL, 1980' FEL, SW SE, Sec. 32, T. 14 South,
R. 20 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.

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 43-047-34097.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Baza".

John R. Baza
Associate Director

er

Enclosures

cc: Uintah County Assessor
SITLA

Operator: Del-Rio Resources, Inc.

Well Name & Number Del-Rio/Orion 32-15A

API Number: 43-047-34097

Lease: ML 44317

Location: SW SE **Sec.** 32 **T.** 14 South **R.** 20 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**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

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. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

6. 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. In order to avoid the possibility of waste or injury to correlative rights, the operator is required to analyze available geological and engineering data from nearby wells and to seek appropriate drilling unit establishment by submitting a Request for Agency Action for a hearing and order by the Board.

7. Downhole commingling between formations cannot occur until the provisions of Rule R649-3-22, *Completion Into Two or More Pools*, have been met.

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-44317
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: Flat Rock
2. NAME OF OPERATOR: Del-Rio Resources, Inc.		8. WELL NAME and NUMBER: Del-Rio/Orion 32-15A
3. ADDRESS OF OPERATOR: PO Box 459 Vernal UT 84078		9. API NUMBER: 4304734097
4. LOCATION OF WELL FOOTAGES AT SURFACE: 660' FEL , 1980' FSL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SE 32 32 14S 20E SLM <i>FSL FEL SwSE</i>		10. FIELD AND POOL, OR WILDCAT: Flat Rock
		COUNTY: Uintah 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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input 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 checked="" type="checkbox"/> OTHER: <u>Request Extension</u>
	<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.
Request a one year extension of the APD.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 08-19-02
By: [Signature]

COPY SENT TO OPERATOR
Date: 8-19-02
Initials: LJD

NAME (PLEASE PRINT) <u>Larry Jorgensen</u>	TITLE <u>Production Manager</u>
SIGNATURE <u>[Signature]</u>	DATE <u>8/8/2002</u>

(This space for State use only)

RECEIVED

AUG 22 2002

DIVISION OF
OIL, GAS AND 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

September 18, 2003

Kyle R. Miller
Miller, Dyer & Co. LLC
475 Seventeenth Street Suite 420
Denver, CO 80202

Re: APD Rescinded – Del-Rio/Orion 32-15A, Sec. 32, T.14S, R.20E –
Uintah County, Utah, API No. 43-047-34097

Dear Mr. Miller:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on July 9, 2001. On August 19, 2002, the Division granted a one-year APD extension. On September 12, 2003 you requested that the division rescind the approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective September 12, 2003, as requested.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

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

Sincerely,


Diana Mason
Engineering Technician

cc: Well File
Gil Hunt, Technical Services Manager