

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

**002 APPLICATION FOR PERMIT TO DRILL OR REENTER**

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No.  66312
1b. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator  Citation Oil & Gas Corp.		7. If Unit or CA Agreement, Name and No. Walker Hollow Unit
3a. Address  P O Box 690688 Houston, Texas 77269-0688		8. Lease Name and Well No. Walker Hollow Unit #87
3b. Phone No. (include area code)  281-517-7800		9. API Well No.
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface SE NE 3087 FSL & 750' FEL Latitude: 40 14' 23.08" Longitude: 109 17' 15.27" At proposed prod. zone SE NE 3087 FSL & 750' FEL		10. Field and Pool, or Exploratory Walker Hollow Green River
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*  +/- 27.5 miles East of Vernal Utah		11. Sec., T., R., M., or Blk. And Survey or Area Sec. 2, T7S, R23E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any)  4210 +/-	16. No. of Acres in lease  3277.2	12. County or Parish Uintah County
17. Spacing Unit dedicated to this well  40	13. State Utah	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.  1200 +/-	19. Proposed Depth  5384 +/-	20. BLM/ BIA Bond No. on file MT 0630
21. Elevations (Show whether DF, RT, GR, etc.)  5213	22. Aproximate date work will start*  2004	23. Estimated Duration 8 Days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

- |   |  |
|---|--|
| <ol style="list-style-type: none"> <li>1. Well plat certified by a registered surveyor.</li> <li>2. A Drilling Plan.</li> <li>3. A Surface Use Plan ( if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).</li> </ol> | <ol style="list-style-type: none"> <li>4. Bond to cover the operations unless covered by existing bond on file(see item 20 above).</li> <li>5. Operator certification.</li> <li>6. Such other site specific information and/ or plans as may be required by the a authorized officer.</li> </ol> |
|---|--|

25. Signature 	Name (Printed/ Typed) Sharon Ward	Date 24-Mar-03
Title		

Regulatory Administrator Approved By (Signature)	Name (Printed/ Typed)	Date
Title		
Office		

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, are attached.

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.

\* (Instructions on reverse)

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

FORM 3

001

AMENDED REPORT   
 (highlight changes)

**APPLICATION FOR PERMIT TO DRILL**

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. MINERAL LEASE NO: 066312	8. SURFACE: State
B. TYPE OF WELL: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
2. NAME OF OPERATOR: Citation Oil & Gas Corp.		8. UNIT or CA AGREEMENT NAME: Walker Hollow Unit	
3. ADDRESS OF OPERATOR: P O Box 690688 CITY Houston STATE TX ZIP 77269		9. WELL NAME and NUMBER: Walker Hollow Unit #87	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 3087' FSL & 750' FEL Latitude: 40 14'23.08" Longitude: 109 17' 15.27" AT PROPOSED PRODUCING ZONE: 4455571 Y 40.23980 645744 X -109 28467		10. FIELD AND POOL, OR WILDCAT: Walker Hollow Green River	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 27.5 miles East of Vernal Utah		12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 4210 ±	16. NUMBER OF ACRES IN LEASE: 3277.20	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1200 ±	19. PROPOSED DEPTH: ± 5,384	20. BOND DESCRIPTION: MT O630	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5213	22. APPROXIMATE DATE WORK WILL START: 2004	23. ESTIMATED DURATION: 8 Days	

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT	
12 1/4	8 5/8	J-55	24 ppf	400	Class A + additives	225 sx
7 7/8	5 1/2	J-55	15.5 ppf	5,384	Class G + additives	370 sx

**RECEIVED**  
**APR 01 2004**  
 DIV. OF OIL, GAS & MINING

**ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER     | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN                                   |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Sharon Ward TITLE Regulatory Administrator  
 SIGNATURE Sharon Ward DATE 3/24/2004

(This space for State use only)

API NUMBER ASSIGNED: 43-047-35611

APPROVAL:

**Approved by the  
 Utah Division of  
 Oil, Gas and Mining**  
 Date: 05-11-04  
 By: [Signature]

**WALKER HOLLOW UNIT NO. 87**  
**APD INFORMATION**  
**SE NE, Sec. 2, T-7-S, R-23-E**  
**Uintah County, Utah**

1. The geologic name of the surface formation: Quaternary Alluvium.
2. The estimated tops of important geological markers:

Green River (G.R.)	2954'
G.R. Du 5	4639'
G.R. Du 6	4884'
G.R. Du 7	4969'
G.R. Du 8	5184'
G.R. Du 8c	5264'
G.R. Du 8d	5344'
G.R. DL1A	5364'
G.R. K	5419'
<b>Total Depth</b>	<b>± 5384'</b>

3. The estimated depths at which anticipated water, oil, gas, or other mineral bearing formations are expected to be encountered:

Fresh Water	Surface - 4639'.
Oil and Gas	4639' - TD.

4. Proposed casing program:

<u>String</u>	<u>Depth Interval</u>	<u>Size</u>	<u>Weight/Grade</u>	<u>Condition</u>
Surface	0 - +/-400'	8 5/8"	24#/ft, J-55	New
Production	0 - ±5384'	5 1/2"	15.5#/ft, J-55	New

5. Minimum specifications for pressure control equipment:
  - a. Blowout preventers – Refer to Exhibit “A” for description of BOP stack and choke manifold.
  - b. Wellhead Equipment – Slip-on weld type with a 5000 psi rated working pressure. See Exhibit “B”
  - c. BOP Control Unit – Unit will be hydraulically operated and have at least 3 control stations.
  - d. Testing – When installed on the 8 5/8” surface casing, the BOP stack will be tested to a low pressure (200-300 psi) and a high pressure to 2100 psi. Casing rams will be tested in like manner when installed prior to running production casing. An operational test of the blow-out preventers will be performed on each round trip (but not more than once each day); the annular and pipe ram preventers will be closed on drill pipe, and the blind rams will be closed while pipe is out of the hole.

6. Type and anticipated characteristics of drilling fluid:

<u>Depth Interval</u>	<u>Mud Type</u>
0' - Surface Casing Seat	Fresh Water Spud Mud-Air drill if possible
Surface Casing Seat - 2850'	GYP/Water. No Fluid loss control. 8.4 - 8.7 ppg.
2850'-TD	GEL/CHEM. Fluid loss 8-12CC's. 8.7 - 9.5 ppg

7. Auxiliary Control Equipment:

- a. Kelly Cocks: Upper and lower installed on kelly.
- b. Safety Valve: Full opening ball type to fit each type and size of drill pipe in use will be available on rig floor at all times, in open position for stabbing into drill pipe when kelly is not in the string.
- c. If available, a trip tank will be used during the drilling of the production hole to insure the hole is full.

8. Testing, Logging, and Completion Programs:

- a. Logging: Caliper – SFL – DIL – GR from base of surface casing (BSC) – TD.  
CNL – LDT – GR from BSC – TD.  
Microlog from BSC – TD.
- b. Maximum bottom hole formation pressure is anticipated at 2,200 psi based off formation pressure data acquired within the area through running Repeat Formation Testing Logs.

Completion – Formation: Green River – Zones: Du 8c, Du 8d, and DL1A.

Anticipated Completion Procedure: Selectively perforate from log analysis, acidize perforations with a 7 1/2% - 15% HCl acid, evaluate inflow performance, then sand fracture as deemed necessary for optimal commercial production.

- c. Production method: Rod pump through 2 7/8" tubing.
9. Hydrogen sulfide (H<sub>2</sub>S) should not be encountered, and no H<sub>2</sub>S hazards are anticipated. The well may be subject to offset waterflood pressure maintenance and therefore may require higher mud weights to control higher formation pressures from injection.
10. Starting date of drilling operations will depend on rig availability. It is anticipated that drilling and completion operations will occur between June through October in 2004.

# EXHIBIT "A"

## TYPICAL 3,000 PSI MINIMUM REQUIREMENTS BLOWOUT PREVENTER AND CHOKE MANIFOLD SCHEMATIC

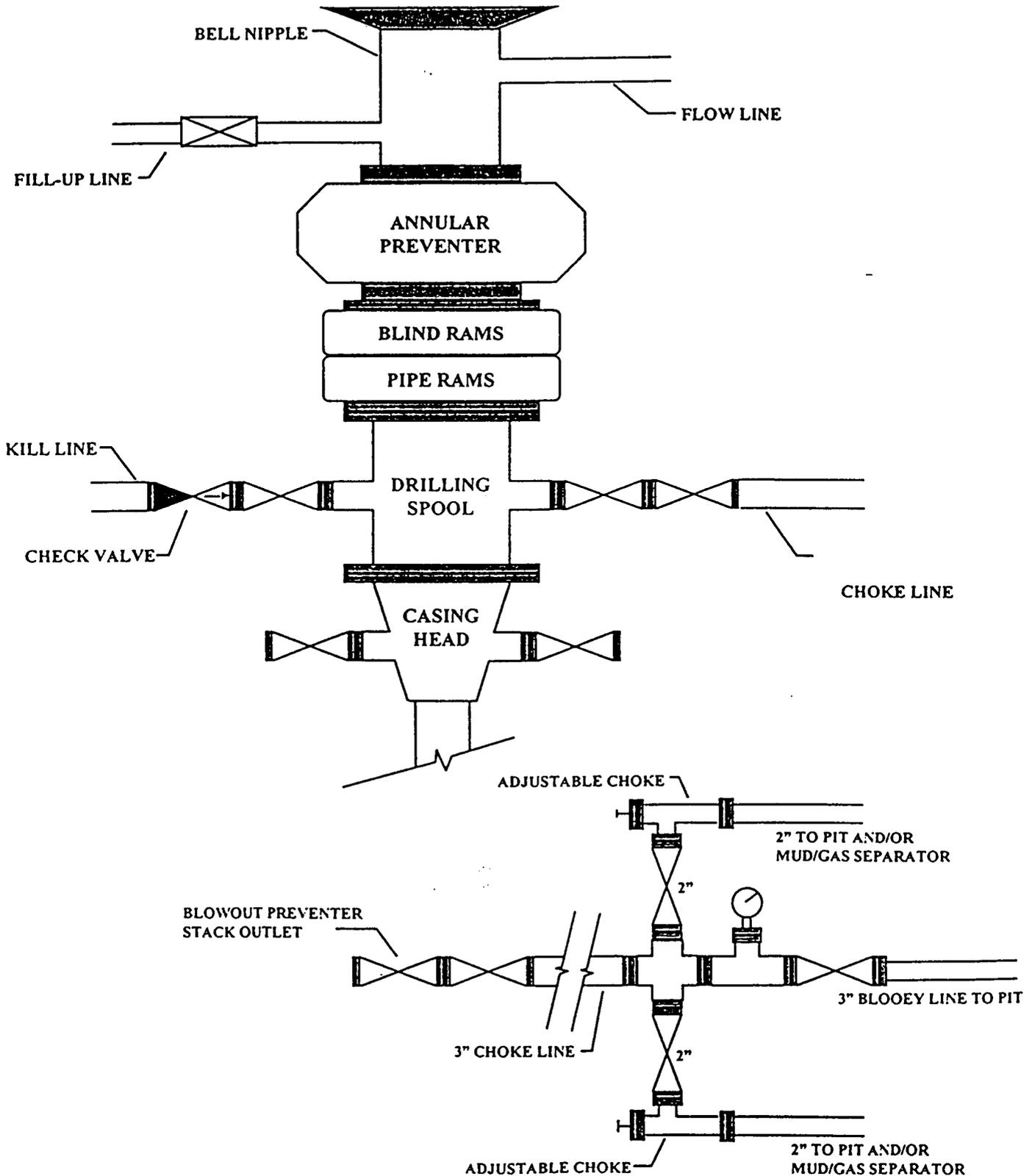
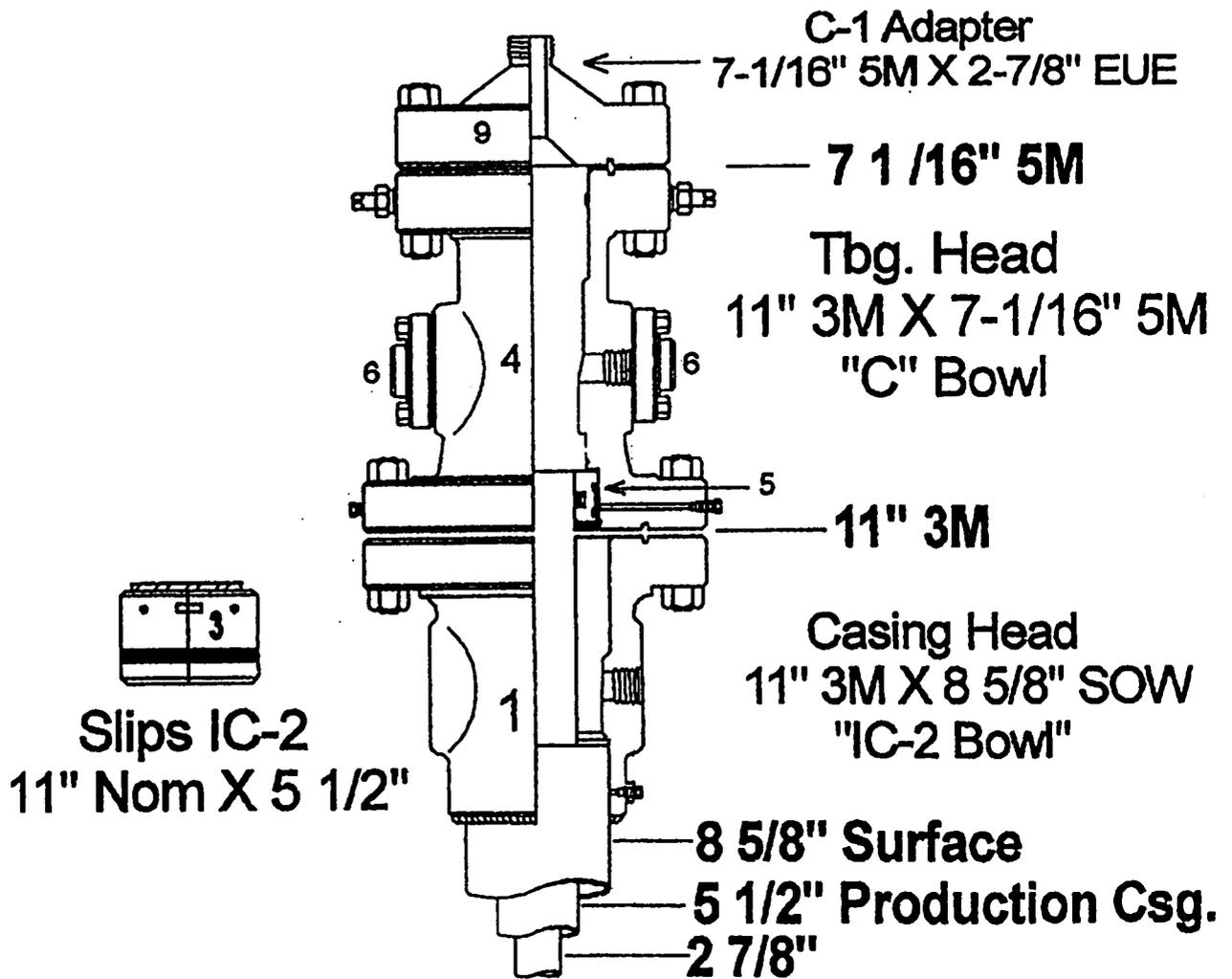


EXHIBIT "B"

**Citation Oil & Gas Corp.**

**Walker Hollow Field  
2003 Drilling Program  
8 5/8" X 5 1/2" X 2 7/8"**



## I. GENERAL INFORMATION

WELL NAME: WALKER HOLLOW UNIT #87

AREA: WALKER HOLLOW UNIT

SURFACE LOCATION: 3087' FSL & 750' FEL  
SE NE, SEC. 2, T-7-S, R-23-E  
UINTAH CO., UT

BOTTOM HOLE LOCATION: 3087' FSL & 750' FEL  
SE NE, SEC. 2, T-7-S, R-23-E  
UINTAH CO., UT

OPERATOR: CITATION OIL & GAS CORPORATION

ENGINEER: JOHN LONG  
OFFICE: (307) 682-4853  
CELL: (307) 689-3406  
HOME: (307) 682-5482

CLASSIFICATION: DEVELOPMENTAL VERTICAL

ELEVATION (GR): 5,213' - ungraded, 5,211' - graded

ESTIMATED DEPTH: 5,384' MD

ESTIMATED DRILLING TIME: 8 DAYS

OBJECTIVE: PRIMARY: GREEN RIVER (OIL)

### WELL OBJECTIVE

The Walker Hollow Unit #87 is planned as a vertical test well drilled to the Green River Formation at an estimated total depth of 5,384'. It is classified as a development well.

A 12 1/4" surface hole will be drilled to  $\pm 400'$ , then 8 5/8", 24# surface casing will be set and cemented to surface in accordance with State of Utah/BLM requirements. The production casing will be 5 1/2", 15.5#, J-55 to be set at  $\pm 5,384'$ . Lost circulation problems may be encountered from the top of the Green River formation at  $\pm 2,954'$  to TD.

The surface hole to  $\pm 400'$  is intended to be air-drilled using fresh water as needed. The production hole from  $\pm 400'$  to  $\pm 2,850'$  will be drilled with fresh water using viscous sweeps to clean the hole. From  $\pm 2,850'$  to  $\pm 5,384'$  (TD), the hole will be drilled with a gel-polymer fluid of 8.7 - 9.5 ppg to control fluid loss and provide adequate cleaning.

## II. OPERATIONAL DRILLING PROGRAM

Construct the location and reserve pit per pad layout plat in the APD. Set 14" conductor pipe at ± 15' with a 6' diameter culvert to accommodate the drilling of the surface hole.

### A. 12 1/4" Hole: 8 5/8" Casing (surface to +/-400')

**Drill solids: 1 - 2%**

**Solids control: Reserve/blooiie pit**

**Fluid system: Air drill/fresh water.**

- Notify the BLM and other proper authorities 24 hours prior to spud.
- Air drill a 12 1/4" hole to +/-400'. Foam up if necessary.
- At TD, pump a high viscosity pill & circulate the hole clean. TOH.
- Run 8 5/8", 24 #/ft J-55 ST&C casing to TD and cement according to the attached program. (See D. below)
- Notify proper authorities (at least 24 hours prior to testing) about testing the BOPE.
- WOC a minimum of 4 hrs. Cut off 8 5/8" casing and install casing head. Cut casing off so that the top of the 8 5/8" casing head is at or slightly below ground level.
- Install BOPE, manifold, and control lines. Pressure test the casing head, blind rams, pipe rams, manifold, and 8 5/8" casing to 2100 psi. Pressure test annular preventer to 1500 psi.
- WOC a minimum of 12 hours prior to drilling the float equipment.

\*Note: Lost circulation is problematic in this area, especially if mud-up of the system is required for any reason. Keep a good supply of fibrous lost circulation materials on location for any mud losses.

### B. 7 7/8" Hole: 400' - ± 2,850'.

**Mud weight: 8.3 - 8.7 ppg**

**Drill solids: 1 - 2%**

**Solids control: Reserve pit**

**Fluid system: Fresh water W/appropriate viscosity and flocculent additives.**

- Drill out of the 8 5/8" casing with fresh water.
- Use viscous sweeps whenever necessary to ensure adequate hole cleaning while drilling with water.
- Keep the drilled solids to a minimum by using a selective flocculent.
- Use sweep treatments of drilling detergent to provide lubricity and minimize bit balling.
- Lost circulation is problematic in this area, especially if mud-up of the system is required for any reason. Keep a good supply of fibrous lost circulation materials on location for any mud losses.

**C. 7 7/8" Hole: ± 2,850' - ± 5,384'.**

**Mud weight: 8.7 - 9.5 ppg**

**Drill solids: 4 - 6%**

**Solids control: Adjustable linear shaker, Centrifuge, Mud Cleaner.**

**Fluid system: Mud up with a polymer-gel system.**

- Mud up with a polymer-gel system. Use caustic soda to achieve a 9.0 - 9.5 pH.
- Additional fluid loss control will be required in this interval. Use fluid loss additives as necessary to maintain the API fluid loss at 8 - 10 cc's/30 min or less.
- Sloughing may become problematic in this interval. If this occurs, reduce the API fluid loss further.
- Run all available solids control equipment to maintain the mud weight and keep solids as low as possible.
- Lost circulation will be problematic when mudded up. Pre-treating with 15 - 25% fibrous LCM is recommended prior to drilling below 3000'.
- The anticipated mud weight of this well is 8.7 - 9.5 ppg, but allow the hole to dictate the mud weight required. Penetrated intervals may be affected by the local waterflood and a higher mud weight may be required.
- For lost circulation, use pill treatments of 25 - 35% fibrous LCM. To fight lost circulation, pull up four stands and while moving pipe, spot a 15 - 20 ppb pill of varied size LCM. Allow the pill to sit and heal the zone prior to drilling ahead.

**\*NOTE: At +/-4000', notify COGC geology to come to location to choose TD based from mud log sample analysis. The "K" sequence of the Green River formation must not be penetrated!**

**D. Proposed Casing Design and Cement:**

- Surface Casing: Surface - +/-400', 8 5/8", 24 #/ft, J-55, ST&C.  
Cement: 20 BBLs pre-flush containing 4 sx Gel followed by 225 sx Class "A" cmt containing 2% CaCl<sub>2</sub> + .25 #/sk Flocele mixed at 15.6 ppg.
- 1. Make sure all connections & csg jts are clean, drifted, & compatible prior to RIH.**
  - 2. Float shoe & insert float collar connections need to be thread locked prior to RIH.**
  - 3. Run centralizers: 1 on float shoe jt, 1 on jt above FC, 1 @ +/-200', then 1 on second to last jt from surface while RIH.**
  - 4. Install cmt head. RU cement service. Test lines to 500 psi.**
  - 5. Pump 1 BBL lse wtr spacer. Mix & pump cmt according to service company's recommendations.**
  - 6. Pump plug. Displace cmt to FC W/lse wtr. Bump plug & hold final pressure for 5 minutes. RD cmt service.**

- **Production Casing: Surface – +/-5,384', 5 1/2", 15.5 #/ft, J-55, LT&C.**  
**Cement: CSG WILL BE ROTATED BUT NOT RECIPROCATED DURING JOB!** Lead system: 155 sx of lightweight grade (11 ppg or less) cmt with recommended additives. Tail system: 215 sx of 50:50 Pozmix class "G" + 10% salt + 2% Bentonite Gel + 0.2% Anti-foamer. Cement volumes may vary based upon hole caliper logs.

- 1. Make sure all connections & csg jts are clean, drifted, & compatible prior to RIH.**
- 2. Run two jts of csg between float shoe & FC.**
- 3. All connections from float collar (FC) down need to be thread locked & tack welded prior to RIH.**
- 4. Run positive standoff Turbolizer type centrizers: 2 on float shoe jt & 2 on jt below FC utilizing stop collars to evenly space the centrizers on each jt, then 1 per jt in unproductive intervals or 2 per jt in productive intervals for the next 20 jts, then 1 every 5th jt to +/-30 jts from surface. RIH.**
- 5. Install cmt head & swivel. RU cement service. Test lines to 5000 psi. Circ 1 1/2 times csg - hole annular volume to break back mud system.**
- 6. Pump 5 BBLs lse wtr spacer. Mix & pump cmt according to service company's recommendations. Rotate pipe throughout cementing. Do not reciprocate pipe.**
- 7. Drop plug. Displace cmt to FC W/lse wtr. Bump plug & hold final pressure for 5 minutes. RD cmt service.**

**E. Anticipated Bit Program:**

- 1. 12 1/4" IADC Bit #111 – Surface hole to +/-400'.**
- 2. 7 7/8" IADC Bit #517Y, 400 - 3,200'.**
- 3. 7 7/8" IADC Bit #527Y, 3,200 - 4,800'.**
- 4. 7 7/8" IADC Bit #527Y, 4,800 - 5,384'.**

## SURFACE USE PLAN: WHU #87

### **Citation Oil & Gas Corporation-Walker Hollow Unit**

Well WHU #87: 3087' FSL & 750' FEL, SE NE, Sec. 2, T-7-S, R-23-E, Uintah County, Utah

1. EXISTING ROADS – See enclosed survey package.
  - A. See enclosed survey package for the proposed well site as staked.
  - B. From Vernal, go south-easterly on Highway 45 approximately 21 miles, then easterly approximately 2.6 miles to Red Wash, then approximately 2.2 miles north-easterly to the Walker Hollow field, then on oil field roads approximately 5 miles to the proposed location.
  - C. See enclosed survey package for the new access road to be built:  
Approximately 530' of new road will be needed to access Well #87
  - D. See enclosed survey package for the existing roads within a one-mile radius.
  - E. No improvements of existing roads will be required as the roads are being maintained in the oil field.
  
2. PLANNED ACCESS ROADS – See the enclosed survey package for the new access road.
  - A. The road will be a minimum of 16' wide.
  - B. The maximum grade will be 12 percent or less.
  - C. No turnouts are anticipated.
  - D. Drainage structure will be installed where necessary.
  - E. One culvert will be required.
  - F. The road will be graveled where necessary.
  - G. There will be no gates, cattle-guards, or fence cuts.
  - H. The proposed access road has been staked.
  
3. LOCATION OF EXISTING WELLS WITHIN A ONE-MILE RADIUS – See enclosed survey package for well numbers and locations.
  - A. Water wells – none.
  - B. Abandoned wells – WHU #'s: 78 & 79.
  - C. Temporarily Abandoned Wells – none.
  - D. Disposal Wells – none.
  - E. Drilling Wells – WHU #'s: 83, 84, 85, & 86.
  - F. Producing Wells – WHU #'s: 15, 23, 25, 43, 46, 47, 52, 54, 55, 56, 63, 69, 72, 75, 76, & 81.
  - G. Shut-in Wells – WHU #'s: 30, 35, 37, 44, 57, & 58.
  - H. Injection Wells – WHU #'s: 17 & 18.
  - I. Monitoring or Observation Wells for Other Resources – none.
  
4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES –
  - A. Existing facilities are greater than a one-half (1/2) mile radius from the proposed location.
    1. Satellite Tank Battery – SE SW, Sec. 1, T-7-S, R-23-E.  
Tank Battery #2 – SW SE, Sec. 12, T-7-S, R-23-E.
    2. Production facilities are located at the tank battery sites.
    3. Oil and Gas gathering lines, injection lines, and disposal lines where needed are laid along the existing or proposed roads to existing lines or tank battery sites.

4. The oil and gas gathering and fuel supply lines will be laid as shown in the enclosed survey package. These routes may serve for future use for injection or disposal lines.

Flowline: The flowline route will extend from the wellhead along the proposed access road and tie into an existing flowline system servicing WHU #63. The total anticipated pipeline length is estimated at +/-400' as shown in the enclosed survey package. The line will be a surface line constructed from 2", schedule 40 steel line pipe and laid in conjunction with 2 - 1 1/4", schedule 40, steel heat tracing lines. All three lines will be wrapped with insulation that will subsequently be wrapped in colored tin in accordance with BLM guidelines.

Fuel Line: The fuel line route will mirror the flowline route and will also be approximately +/-400' in length. The line will be a surface line constructed from 2", SDR 7, polyethylene pipe.

- B. Citation Oil & Gas Corporation will make adjustments to enlarge existing tank batteries servicing the proposed location to accommodate the additional production if necessary.
- C. Rehabilitation will be done on any disturbed areas no longer needed for operations after completion of the production facilities. This will consist of reshaping the existing surface and seeding as specified.

#### 5. LOCATION AND TYPE OF WATER SUPPLY -

- A. Water will be hauled over existing roads or piped alongside existing and proposed roads from the water flood plant or water flood distribution system. The water flood plant is located about 2.0 miles south-southeast of the proposed location.

1. Fresh water will be hauled in through contract trucking (DALBO, Inc. - water permit number 53617, telephone number 435-789-0743)

- B. No new roads will be needed for the water supply.

#### 6. SOURCE OF CONSTRUCTION MATERIALS - Contractor will furnish gravel and haul from a source outside the area.

#### 7. WASTE DISPOSAL -

- A. Drill cuttings will be disposed of in the reserve pit.
- B. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for backfilling. (In the event of a dry hole, pumpable liquid on the surface of the pit will be injected into the well to shorten the pit drying time.)
- C. Water produced during tests will be disposed of in the reserve pit. Oil produced during tests will be stored in test tanks until sold, at which time it will be hauled from site.
- D. Sewage from trailer houses will be collected in a sewage tank. The tank will be cleaned and the contents disposed of at an approved location as determined by the sewage service provider. Portable toilet facilities will also be provided for the rig crews. Waste removal and disposal will be handled by a professional sewage service and disposal provider.
- E. Trash, waste paper, and garbage will be contained in trash baskets covered with small mesh wire to prevent wind scattering. Trash will be hauled from location and disposed of in approved landfill facilities.

- F. When the rig moves out, all trash and debris left on location will be removed and disposed of appropriately.
8. ANCILLARY FACILITIES – No camps, airstrips, etcetera, will be constructed.
9. WELLSITE LAYOUT –
- A. See enclosed survey package for the proposed well-site layout.
  - B. Included in the proposed well-site layout are: the proposed location of mud tanks, reserve pit, trash baskets, pipe racks, other major rig components, living facilities, stockpile, and turn-in from access road.
  - C. Mud pits in the active circulating system will be steel pits, and the reserve pit is proposed to be lined.
10. RESTORATION OF SURFACE –
- A. Upon completion of the operation and removal of any trash or debris as discussed earlier, pits will be backfilled and leveled or contoured as soon as practical after drying time. The drill-site surface will be re-shaped to combat erosion and stockpiled topsoil will be distributed to the extent available. Prior to leaving the drill-site upon rig move-out, any pit that is to remain open for drying will be fenced and so maintained until backfilled and reshaped.
  - B. Citation Oil & Gas Corp. will rehabilitate the road as per BLM requirements.
  - C. Re-vegetation of the drill pad will comply with the State of Utah Division of Oil, Gas, & Mining and/or BLM specifications.
  - D. Any oil on pits will be removed and taken to the well battery for recovery.
  - E. Rehabilitation operations will start the Spring after completion and finished by the following Fall to the State of Utah Division of Oil, Gas, & Mining and/or BLM specifications.
11. OTHER INFORMATION –
- A. The proposed well pad is located on clay soil. Other than sparse cedar trees, there is little vegetation.
  - B. There is no surface use other than grazing and hunting.
  - C. There are no major dwellings, archaeological, historical, or cultural sites apparent in the area.
  - D. There are no ponds, streams, or water wells in the area.
  - E. There are no buildings of any kind in the area.
12. OPERATOR'S REPRESENTATIVE – Citation Oil & Gas Corporation's contact personnel regarding compliance with the Surface Use Plan are:

Citation Oil & Gas Corporation  
 Attn: John Long – Petroleum Engineer  
 1016 E. Lincoln  
 Gillette, WY 82716

Citation Oil & Gas Corporation  
 Attn: Robert Eye – Field Foreman  
 P.O. Box 1026  
 Vernal, UT 84078

OR

Office Phone: 307-682-4853  
 Cell Phone: 307-689-3406  
 Home Phone: 307-682-5482

Office Phone: 435-790-4406  
 Cell Phone: 435-790-4406  
 Home Phone: 435-781-4147

13. CERTIFICATION – I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site(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 Citation Oil & Gas Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. A copy of this plan will be posted at the wellsite during the drilling of the well for reference by all contractors and subcontractors.

Date: 3-23-04

Signed: John R. Long  
John Long – Petroleum Engineer  
Citation Oil & Gas Corporation



## Geological Prognosis

(REVISED-March 18, 2004)

<b>Field:</b> Walker Hollow Unit	<b>Classification:</b> Development-Oil
<b>Operator:</b> Citation Oil & Gas	<b>Total Depth:</b> 5384'
<b>Well Name:</b> Walker Hollow Unit #87	<b>Elevation:</b> GL 5211' KB 5224'
<b>Objective(s):</b> Green River	
<b>Geologist:</b> Terry McCance 281-517-7384 (W) 936-321-1967 (H) 281-851-4053 (C)	<b>Backup:</b> Jerry Greer 281-517-7394(W) 281-353-3704 (H)
<b>Location:</b> Uintah County, Utah Surface: 3087' FSL & 750' FEL of Section 2, T-7-S, R-23-E.	

<u>Estimated Geological Tops:</u>	<u>This Well</u>	<u>Type Well</u>
<u>Correlation Tops:</u>	<u>WHU #87</u>	<u>WHU #63</u>
	<u>MD/SS</u>	<u>MD/SS</u>
Green River	2954'(2270)	3049'(+2316)
G.R. Du 5	4639'(+585)	4758'(+607)
G.R. Du 6	4884'(+340)	4991'(+374)
G.R. Du 7	4969'(+255)	5081'(+284)
G.R. Du 8	5184'(+40)	5288'(+77)
G.R. Du 8c	5264'(-40)	5386'(-21)
G.R. Du 8d	5344'(-125)	5456'(-91)
G.R. DL1a	5364'(-145)	5488'(-123)
G.R. K	5419'(-195)	5518'(-153)
Total Depth	5384'	

*Note: TD for the WHU #87 is picked 20' into the DL 1a. High porosity K sandstone is expected at the top of the K sequence, which may prevent a good cement job if communicated due to high water potential in the K sandstone. TD will be picked on location.*

**Objective Zone:**

Du 8c 5264'(-40)  
Du 8d 5344'(-125)  
DL 1a 5364'(-145)

**Expected Production:** 50 BOPD 40 MCFGPD 50 BWPD

**Expected Formation Pressure (objective zones):** Anticipate 0.433psi/ft gradient, some zones may be higher pressure due to injection.

**Wellsite Geologist Depth:** BSC to TD (Two Man Unit).

**DST's:** None.

**Logging Program:**

1. Cali - SFL-DIL - GR from BSC - TD.
2. CNL-LDT - GR from BSC - TD.
3. Microlog - BSC - TD.

**Approval:** Steve K. Amur **Date:** 3/19/04

006

DALBO INC. / A-1 TANK RENTAL  
 P. O. BOX 1168  
 VERNAL, UT 84078  
 (435) 789-0743  
 FAX (435) 789-9208

TO: John - Citation

FROM: Bugger

DATE: 10/29/02

TOTAL PAGES SENT: 4

PLEASE NOTIFY US IF YOU DO NOT RECEIVE ALL THE ABOVE PAGES. OUR FAX NUMBER IS (435) 789-9208.

- 17. If application is for domestic purposes, number of persons \_\_\_\_\_, or families \_\_\_\_\_
- 18. If application is for municipal purposes, name of municipality \_\_\_\_\_
- 19. If application is for other uses, include general description of proposed uses Making Brine Drilling fluid for drilling oil and gas wells
- 20. Give place of use by legal subdivision of the United States Land Survey for all uses described in paragraphs 14 to 19, incl. SW $\frac{1}{4}$ SE $\frac{1}{4}$  Sec. 32, T4S, R3E, USB&M
- 21. The use of water as set forth in this application will consume .015 second-feet and/or acre-feet of water and None second feet and/ or acre feet will be returned to the natural stream or source at a point described as follows: \_\_\_\_\_

EXPLANATORY

The following additional facts are set forth in order to define more clearly the full purpose of the proposed application:

[Lined area for explanatory text]

(Use page 4 if additional explanatory is needed.)

The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purpose herein described

[Signature]
Signature of Applicant

\*If applicant is a corporation or other organization, signature must be the name of such corporation or organization by its proper officer, or in the name of the partnership by one of the partners, and the names of the other partners shall be listed. If a corporation or partnership, the affidavit below need not be filled in. If there is more than one applicant, a power of attorney, authorizing one to act for all, should accompany the Application.

DECLARATION OF CITIZENSHIP

STATE OF UTAH, Uintah } ss
County of.....

On the 17th day of August 1979, personally appeared before me, a notary public for the State of Utah, the above applicant who, on oath, declared that he is a citizen of the United States, or has declared his intention to become a citizen.

My commission expires:



[Signature]
Notary Public

RECEIVED

FEEES FOR APPLICATIONS TO APPROPRIATE WATER IN UTAH AUG 22 1979

Flow rate — c.f.s.	Cost	
0.0 to 0.1 .....	\$ 15.00	
over 0.1 to 0.5 .....	30.00	
over 0.5 to 1.0 .....	45.00	
over 1.0 to 15.0 .....	45.00	plus \$7.50 for each cfs above the first cubic foot per second.
over 15.0 .....	150.00	

Storage — acre-feet	Cost	
0 to 20 .....	22.50	
over 20 to 500 .....	46.00	
over 500 to 7500 .....	43.00	plus \$7.50 for each 500 a.f. above the first 300 acre feet.
over 7500 .....	150.00	

(This section is not to be filled in by applicant)

11:55 a.m

STATE ENGINEER'S ENDORSEMENTS

1. 17 August 1979 Application received ~~over counter~~ <sup>by mail</sup> in State Engineer's office by 7/1/3
2. Priority of Application brought down to, on account of .....
3. 8/23/79 Application fee, \$15.00, received by *WLO* Rec. No. 04730
4. 9/24/79 Application microfilmed by ..... Roll No. 874-4
5. 9/12/79 Indexed by *dph* Platted by *10-34-79*  
(D-4-3) 32 s.l.s.
6. 17 August 1979 Application examined by *7/1/3*
7. Application returned, ..... or corrected by office .....
8. Corrected Application resubmitted <sup>by mail</sup> <sub>over counter</sub> to State Engineer's office.
9. 17 August 1979 Application approved for advertisement by .....
10. OCT 11 1979 Notice to water users prepared by *WLO*
11. OCT 14 1979 Publication began; was completed NOV 1 1979  
Notice published in *MINERAL RECORD*
12. 10/19/79 Proof slips checked by *WLO & dph*
13. Application protested by .....
14. 11/5/79 Publisher paid by M.E.V. No. 631210
15. Hearing held by .....
16. Field examination by .....
17. 12/14/79 Application designated for <sup>approval</sup> <sub>rejection</sub> *RFE S.G.*
18. 2/1/80 Application copied or photostated by *s.l.f.* proofread by .....
19. 2/1/80 Application <sup>approved</sup> <sub>rejected</sub>
20. Conditions:  
This Application is approved, subject to prior rights, as follows:  
a. Actual construction work shall be diligently prosecuted to completion.  
b. Proof of Appropriation shall be submitted to the State Engineer's office by 6/30/82.  
c. ....
21. Time for making Proof of Appropriation extended to .....
22. Proof of Appropriation submitted.
23. Certificate of Appropriation, No. ...., issued

*Carl M. Staker*  
FOR Dee C. Hansen, State Engineer

Application No. 53617

007



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Land Office  
Post Office Box No. 777  
Salt Lake City 10, Utah

IN REPLY REFER		
J M	RECEIVED	W L
J M	<i>P.B.L.</i>	F E
W A F	MAR 26 1959	F L E
	LEASE RECORDS	
	F. B. JORDAN, JR.	

March 19, 1959  
*H. Uihli*

Certified Mail

DECISION

The Carter Oil Company

*L-132300*  
*(cc. record noted)*  
*Sheet flagged*  
*P.B.L. reg. 7*  
Serial Number  
Salt Lake 066312

Subject Oil and Gas Lease Segregated as to  
School Lands Affected by Public Law 340, as Amended  
Jurisdiction of State Portion of Lease Transferred to State of Utah

Title to a portion of the land in this lease vested in the State of Utah under the Dawson Act, Public Law 340 (68 Stat. 57) as amended. The State has succeeded to the position of lessor as to the State land.

The lessee and the State of Utah are hereby notified that this lease is herewith segregated into two separate leases. The State now has the exclusive right of administration, as lessor, over the lease to the extent it covers land vested in the State. The United States retains exclusive jurisdiction over the lease as to the Federal lands. The Appendix includes a description of the land in each lease as segregated.

The lessee is hereby notified that all future payments or correspondence concerning the segregated State lease shall be made to the Utah State Land Board, 105 State Capitol Building, Salt Lake City. All future payments or correspondence concerning the segregated Federal lease shall continue to be made to the Bureau of Land Management, P. O. Box 777, Salt Lake City 10, Utah.

The State of Utah is notified by an enclosed accounting advice of the allocation of rents or royalties accrued since title vested in the State. Payments already made are not listed. Payment will be made to the State in due course for the balance due.

The right of appeal to the Director, Bureau of Land Management, is allowed in accordance with information in enclosed Form 4-1366 made a part hereof. An appeal filed in accordance with the regulations in attached form 4-1364 will be properly filed.

Ernest E. House  
Manager

Enclosure  
Copy to: Utah State Land Board

*J. Link*  
Acting

1. Original Federal Lease

Serial Number: Salt Lake 066312  
Date Issued: November 1, 1948  
Extended by production

2. Segregated State portion

Title to Land vested under Act of June 6, 1955  
Date transferred to State: November 1, 1956  
Description of lands:

T. 7 S., R. 23 E., S. L. Mer., Utah  
Sec. 2: Lots 1 thru 8, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$  (all)

883.36 acres

Uintah County

3. Segregated Federal portion

Description of lands:

T. 7 S., R. 23 E., S. L. Mer., Utah  
Sec. 1: Lots 9, 10, 11, 12, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$   
Sec. 3: Lots 1 thru 12, S $\frac{1}{2}$ N $\frac{1}{2}$ , SE $\frac{1}{4}$   
Sec. 4: Lots 1, 2, 7, 8, 9, 10, S $\frac{1}{2}$ NE $\frac{1}{4}$

1644.97 acres

Uintah County

# The United States of America,

To all to whom these presents shall come, Greeting:

WHEREAS, There are now deposited in the Bureau of Land Management of the United States an application by the State of Utah and a decision of the Land Office at Salt Lake City, Utah, directing that a patent issue to the State of Utah under the provisions of the Act of Congress approved June 21, 1934 (48 Stat. 1185), entitled "An Act Authorizing the Secretary of the Interior to issue patents to the numbered school sections in place, granted to the States by the Act approved February 22, 1889, by the Act approved January 25, 1927 (44 Stat. 1086), and by any other Act of Congress," for the following numbered school section lands in place, granted for the support of common schools and the title to which vested in the State of Utah under the Act of July 11, 1956 (70 Stat. 529), upon the date of the act:

Salt Lake Meridian, Utah.

T. 7 S., R. 23 E.,

Sec. 2, All.

The area described contains 883.56 acres, according to the Official Plat of the Survey of the said Land, on file in the Bureau of Land Management:

NOW, THEREFORE, KNOW YE, that the UNITED STATES OF AMERICA, in consideration of the premises, and in conformity with the said Act of Congress of June 21, 1934 and as evidence of the title which was granted to and vested in the State of Utah to the above described land on July 11, 1956, for the support of common schools, as aforesaid, and in confirmation of such title for such purpose, HAS GIVEN AND GRANTED, and by these presents DOES GIVE AND GRANT, unto the said State of Utah, and to its assigns, the lands above described; TO HAVE AND TO HOLD the same, together with all the rights, privileges, immunities, and appurtenances, of whatsoever nature, therunto belonging, unto the said State of Utah, and to its assigns forever.

In accordance with subsection (d) of section 1 of the Act of January 25, 1927 (44 Stat. 1086), as amended by the Act of July 11, 1956 (70 Stat. 529; 43 U.S.C. 870 (d) (2)), the State of Utah succeeded to the position of the United States as lessor of oil and gas lease Salt Lake City 066312 at the time the title to the lands described herein vested in the State.

IN TESTIMONY WHEREOF, the undersigned authorized officer of the Bureau of Land Management, in accordance with the provisions of the Act of June 17, 1948 (62 Stat. 476), has, in the name of the United States, caused these letters to be made Patent, and the Seal of the Bureau to be hereunto affixed.

GIVEN under my hand, in the District of Columbia, the ~~XXXXXXXXXX~~ day of **MAY** in the year of our Lord one thousand nine hundred and **SIXTY** and of the Independence of the United States the one hundred and **XXXIV-FOURTH**.

[SEAL]

For the Director, Bureau of Land Management.

By *Ruth W. Talley*  
Chief, Patents Section.

Patent Number 1208696

Form 4-218  
(August 1947)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Office Salt Lake City  
Serial 066312  
NONCOMPETITIVE

*Patton  
Meloy  
Northrup*

LEASE OF OIL AND GAS LANDS UNDER THE ACT OF  
FEBRUARY 25, 1920, AS AMENDED

THIS INDENTURE OF LEASE, entered into, in triplicate, as of the *Nov. 1, 1948*  
day of \_\_\_\_\_ by and between the UNITED STATES OF AMERICA, through the  
Bureau of Land Management, party of the first part, and **Fenneken S. Smith,**  
**1442 Leadville Avenue, Salt Lake City, Utah;**

party of the second part, hereinafter called the lessee, under, pursuant, and  
subject to the terms and provisions of the act of February 25, 1920 (41 Stat. 457),  
as amended, hereinafter referred to as the act, and to all reasonable regulations  
of the Secretary of the Interior now or hereafter in force when not inconsistent  
with any express and specific provisions herein, which are made a part hereof,  
WITNESSETH:

SECTION 1. Rights of Lessee.—That the lessor, in consideration of rents and  
royalties to be paid, and the conditions and covenants to be observed as herein set  
forth, does hereby grant and lease to the lessee the exclusive right and privilege  
to drill for, mine, extract, remove, and dispose of all the oil and gas deposits,  
except helium gas in or under the following-described tracts of land situated in the

- T. 7 S., R. 23 E., S.L.M., Utah;
- sec. 1, lots 9, 10, 11, 12, S $\frac{1}{2}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ ;
- sec. 2, all;
- sec. 3, lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, S $\frac{1}{2}$ W $\frac{1}{4}$ , SE $\frac{1}{4}$ ;
- sec. 4, lots 1, 2, 7, 8, 9, 10, S $\frac{1}{2}$ NE $\frac{1}{4}$ .

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ENTRY 95003409  
BOOK 597 PAGE 663-669 449.00  
12-JUN-95 02157  
RANDY SIMMONS  
RECORDER, UTAH COUNTY, UTAH  
CITATION OIL AND GAS CORP.  
8223 WILLOW PLACE SOUTH #250 HOUSTON TX  
RED BY: SYLENE ACCUTTORROOP, DEPUTY

containing *2,528.33* acres, more or less, together with the right to construct and  
maintain thereupon all works, buildings, plants, waterways, roads, telegraph or  
telephone lines, pipe lines, reservoirs, tanks, pumping stations, or other struc-  
tures necessary to the full enjoyment thereof, for a period of 5 years, and so long  
thereafter as oil or gas is produced in paying quantities; subject to any unit  
agreement heretofore or hereafter approved by the Secretary of the Interior, the  
provisions of said agreement to govern the lands subject thereto where inconsisten-  
cies with the terms of this lease occur.

SEC. 2. In consideration of the foregoing, the lessee hereby agrees:

(a) Bonds.—(1) To maintain any bond furnished by the lessee as a condition  
for the issuance of this lease. (2) If the lease is issued noncompetitively, to  
furnish a bond in a sum double the amount of the \$1 per acre annual rental, but not  
less than \$1,000 nor more than \$5,000, upon the inclusion of any part of the leased  
land within the geologic structure of a producing oil or gas field. (3) To furnish  
prior to beginning of drilling operations and maintain at all times thereafter as  
required by the lessor a bond in the amount of \$5,000 with approved corporate  
surety, or with deposit of United States currency as surety therefor, conditioned upon  
compliance with the terms of the unit agreement. (4) To furnish a bond in that amount is already  
being maintained or unless Secretary of the Interior certifies that the lessee is an approved operator of the  
lease is accepted hereby certify that this is a copy of the official  
record on file in this office.

*Randy Simmons*  
Nov 10, 1948

SEV-9924 (11590)

Form 4-218  
(August 1947)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
NONCOMPETITIVE

Office Salt Lake City

Serial 066312 - State

57

LEASE OF OIL AND GAS LANDS UNDER THE ACT OF  
FEBRUARY 25, 1920, AS AMENDED

WALK - 30807

THIS INDENTURE OF LEASE, entered into, in triplicate, as of the day of **NOV 1 1948** by and between the UNITED STATES OF AMERICA, through the Bureau of Land Management, party of the first part, and Fenneken S. Smith, 1442 Leadville Avenue, Salt Lake City, Utah;

party of the second part, hereinafter called the lessee, under, pursuant, and subject to the terms and provisions of the act of February 25, 1920 (41 Stat. 437), as amended, hereinafter referred to as the act, and to all reasonable regulations of the Secretary of the Interior now or hereafter in force when not inconsistent with any express and specific provisions herein, which are made a part hereof, WITNESSETH:

SECTION 1. Rights of Lessee.—That the lessor, in consideration of rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, does hereby grant and lease to the lessee the exclusive right and privilege to drill for, mine, extract, remove, and dispose of all the oil and gas deposits except helium gas in or under the following-described tracts of land situated in ~~the~~

~~tracts:~~

- T. 7 S., R. 23 E., S.L.M., Utah;
- sec. 1, lots 9,10,11,12, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$ ;
- sec. 2, all;
- sec. 3, lots 1,2,3,4,5,6,7,8,9,10,11,12, S $\frac{1}{2}$ N $\frac{1}{2}$ , SE $\frac{1}{4}$ ;
- sec. 4, lots 1,2,7,8,9,10, S $\frac{1}{2}$ NE $\frac{1}{4}$ .

x  
x  
x  
x  
x  
x  
x  
x  
x  
x

containing 2,528.33 acres, more or less, together with the right to construct and maintain thereupon all works, buildings, plants, waterways, roads, telegraph or telephone lines, pipe lines, reservoirs, tanks, pumping stations, or other structures necessary to the full enjoyment thereof, for a period of 5 years, and so long thereafter as oil or gas is produced in paying quantities; subject to any unit agreement heretofore or hereafter approved by the Secretary of the Interior, the provisions of said agreement to govern the lands subject thereto where inconsistencies with the terms of this lease occur.

SEC. 2. In consideration of the foregoing, the lessee hereby agrees:

(a) Bonds.—(1) To maintain any bond furnished by the lessee as a condition for the issuance of this lease. (2) If the lease is issued noncompetitively, to furnish a bond in a sum double the amount of the \$1 per acre annual rental, but not less than \$1,000 nor more than \$5,000, upon the inclusion of any part of the leased land within the geologic structure of a producing oil or gas field. (3) To furnish prior to beginning of drilling operations and maintain at all times thereafter as required by the lessor a bond in the penal sum of \$5,000 with approved corporate surety, or with deposit of United States bonds as surety therefor, conditioned upon compliance with the terms of this lease, unless a bond in that amount is already being maintained or unless such a bond furnished by an approved operator of the lease is accepted.

Until a general lease bond is filed a noncompetitive lessee will be required to furnish and maintain a bond in the penal sum of not less than \$1,000 in those cases in which a bond is required by law for the protection of the owners of surface rights. In all other cases where a bond is not otherwise required, a \$1,000 bond must be filed for compliance with the lease obligations not less than 90 days before the due date of the next unpaid annual rental, but this requirement may be successively dispensed with by payment of each successive annual rental not less than 90 days prior to its due date.

(b) Cooperative or unit plan.—Within 30 days of demand, or if the land is within an approved unit plan, in the event such a plan is terminated prior to the expiration of this lease, within 30 days of demand made thereafter, to subscribe to and to operate under such reasonable cooperative or unit plan for the development and operation of the area, field, or pool, or part thereof, embracing the lands included herein as the Secretary of the Interior may determine to be practicable and necessary or advisable, which plan shall adequately protect the rights of all parties in interest, including the United States.

(c) Wells.—(1) To drill and produce all wells necessary to protect the leased land from drainage by wells on lands not the property of the lessor or lands of the United States leased at a lower royalty rate, or in lieu of any part of such drilling and production, with the consent of the Director of the Geological Survey, to compensate the lessor in full each month for the estimated loss of royalty through drainage in the amount determined under instructions of said Secretary; (2) at the election of the lessee, to drill and produce other wells in conformity with any system of well spacing or production allotments affecting the field or area in which the leased lands are situated, which is authorized and sanctioned by applicable law or by the Secretary of the Interior; and (3) promptly after due notice in writing to drill and produce such other wells as the Secretary of the Interior may require to insure diligence in the development and operation of the property.

(d) Rentals and royalties.—(1) To pay the rentals and royalties set out in the rental and royalty schedule attached hereto and made a part hereof.

(2) It is expressly agreed that the Secretary of the Interior may establish reasonable minimum values for purposes of computing royalty on any or all oil, gas, natural gasoline, and other products obtained from gas; due consideration being given to the highest price paid for a part or for a majority of production of like quality in the same field, to the price received by the lessee, to posted prices and to other relevant matters and, whenever appropriate, after notice and opportunity to be heard.

(3) When paid in value, such royalties on production shall be due and payable monthly on the last day of the calendar month next following the calendar month in which produced. When paid in amount of production, such royalty products shall be delivered in merchantable condition on the premises where produced without cost to lessor, unless otherwise agreed to by the parties hereto, at such times and in such tanks provided by the lessee as reasonably may be required by the lessor, but in no case shall the lessee be required to hold such royalty oil or other products in storage beyond the last day of the calendar month next following the calendar month in which produced. The lessee shall not be responsible or held liable for the loss or destruction of royalty oil or other products in storage from causes over which he has no control.

(4) Royalties shall be subject to reduction on the entire leasehold or on any portion thereof segregated for royalty purposes if the Secretary of the Interior finds that the lease cannot be successfully operated upon the royalties fixed herein, or that such action will encourage the greatest ultimate recovery of oil or gas or promote conservation.

(e) Contracts for disposal of products.—Not to sell or otherwise dispose of oil, gas, natural gasoline, and other products of the lease except in accordance with a contract or other arrangement first approved by the Director of the Geological Survey or his representative, such approval to be subject to review by the Secretary of the Interior but to be effective unless and until revoked by the Secretary or the approving officer, and to file with such officer all contracts or full information as to other arrangements for such sales.

(f) Statements, plats, and reports.—At such times and in such form as the lessor may prescribe, to furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amounts used for production purposes or unavoidably lost; a plat showing development work and improvements on the leased lands and a report with respect to stockholders, investment, depreciation, and costs.

(g) Well records.—To keep a daily drilling record, a log, and complete information on all well surveys and tests in form acceptable to or prescribed by the lessor of all wells drilled on the leased lands, and an acceptable record of all subsurface investigations affecting said lands, and to furnish them, or copies thereof to the lessor when required.

(h) Inspection.—To keep open at all reasonable times for the inspection of any duly authorized officer of the Department, the leased premises and all wells, improvements, machinery, and fixtures thereon and all books, accounts, maps, and records relative to operations and surveys or investigations on the leased lands or under the lease.

(i) Payments.—Unless otherwise directed by the Secretary of the Interior, to make rental, royalty, or other payments to the lessor, to the order of the Treasurer of the United States, such payments to be tendered to the manager of the district land office in the district in which the lands are located or to the Director of the Bureau of Land Management if there is no district land office in the State in which the lands are located.

(j) Diligence—Prevention of waste—Health and safety of workmen.—To exercise reasonable diligence in drilling and producing the wells herein provided for unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations in accordance with approved methods and practice as provided in the operating regulations, having due regard for the prevention of waste of oil or gas or damage to deposits or formations containing oil, gas, or water or to coal measures or other mineral deposits, for conservation of gas energy, for the preservation and conservation of the property for future productive operations, and for the health and safety of workmen and employees; to plug properly and effectively all wells before abandoning the same; to carry out at expense of the lessee all reasonable orders of the lessor relative to the matters in this paragraph, and that on failure of the lessee so to do the lessor shall have the right to enter on the property and to accomplish the purpose of such orders at the lessee's cost: Provided, that the lessee shall not be held responsible for delays or casualties occasioned by causes beyond lessee's control.

(k) Taxes and wages—Freedom of purchase.—To pay when due, all taxes lawfully assessed and levied under the laws of the State or the United States upon improvements, oil, and gas produced from the lands hereunder, or other rights, property, or assets of the lessee; to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees at least twice each month in the lawful money of the United States.

(l) Nondiscrimination.—Not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and to require an identical provision to be included in all subcontracts.

(m) Assignment of oil and gas lease or interest therein.—To file within 30 days from the date of final execution any instrument of transfer made of this lease, or any interest therein, including assignments of record title, working or royalty interests, operating agreements and subleases for approval, such instrument to take effect upon its final approval by the Director, Bureau of Land Management, as of the first day of the lease month following the date of filing in the proper land office.

(n) Pipe lines to purchase or convey at reasonable rates and without discrimination.—If owner, or operator, or owner of a controlling interest in any pipe line or of any company operating the same which may be operated accessible to the oil or gas derived from lands under this lease, to accept and convey and, if a purchaser of such products, to purchase at reasonable rates and without discrimination the oil or gas of the Government or of any citizen or company not the owner of any pipe line,

16—50706-1

operating a lease or purchasing or selling oil, gas, natural gasoline, or other products under the provisions of the act.

(o) Reserved deposits.—To comply with all statutory requirements and regulations thereunder, if the lands embraced herein have been or shall hereafter be disposed of under the laws reserving to the United States the deposits of oil and gas therein, subject to such conditions as are or may hereafter be provided by the laws reserving such oil or gas.

(p) Reserved or segregated lands.—If any of the land included in this lease is embraced in a reservation or segregated for any particular purpose, to conduct operations thereunder in conformity with such requirements as may be made by the Director, Bureau of Land Management, for the protection and use of the land for the purpose for which it was reserved or segregated, so far as may be consistent with the use of the land for the purpose of this lease, which latter shall be regarded as the dominant use unless otherwise provided herein or separately stipulated.

(q) Overriding royalties.—To limit the obligation to pay overriding royalties or payments out of production in excess of 5 percent to periods during which the average production per well per day is more than 15 barrels on an entire leasehold or any part of the area thereof or any zone segregated for the computation of royalties.

(r) Deliver premises in cases of forfeiture.—To deliver up the premises leased, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease; but this shall not be construed to prevent the removal, alteration, or renewal of equipment and improvements in the ordinary course of operations.

SEC. 3. The lessor expressly reserves:

(a) Rights reserved—Easements and rights-of-way.—The right to permit for joint or several use easements or rights-of-way, including easements in tunnels upon, through, or in the lands leased, occupied, or used as may be necessary or appropriate to the working of the same or of other lands containing the deposits described in the act, and the treatment and shipment of products thereof by or under authority of the Government, its lessees or permittees, and for other public purposes.

(b) Disposition of surface.—The right to lease, sell, or otherwise dispose of the surface of any of the lands embraced within this lease which are owned by the United States under existing law or laws hereafter enacted, insofar as said surface is not necessary for the use of the lessee in the extraction and removal of the oil and gas therein.

(c) Monopoly and fair prices.—Full power and authority to promulgate and enforce all orders necessary to insure the sale of the production of the leased lands to the United States and to the public at reasonable prices, to protect the interests of the United States, to prevent monopoly, and to safeguard the public welfare.

(d) Helium.—Pursuant to section 1 of the act, and section 1 of the act of March 3, 1927 (44 Stat. 1387), as amended, the ownership and the right to extract helium from all gas produced under this lease, subject to such rules and regulations as shall be prescribed by the Secretary of the Interior. In case the lessor elects to take the helium the lessee shall deliver all gas containing same, or portion thereof desired, to the lessor at any point on the leased premises in the manner required by the lessor, for the extraction of the helium in such plant or reduction works for that purpose as the lessor may provide, whereupon the residue shall be returned to the lessee with no substantial delay in the delivery of gas produced from the well to the purchaser thereof. The lessee shall not suffer a diminution of value of the gas from which the helium has been extracted, or loss otherwise, for which he is not reasonably compensated, save for the value of the helium extracted. The lessor further reserves the right to erect, maintain, and operate any and all reduction works and other equipment necessary for the extraction of helium on the premises leased.

(e) Taking of royalties.—All rights pursuant to section 36 of the act, to take royalties in amount or in value of production.

16-50705-1

(f) Casing.—All rights pursuant to section 40 of the act to purchase casing and lease or operate valuable water wells.

(g) Fissionable materials.—Pursuant to the provisions of the act of August 1, 1946 (Public Law 585, 79th Congress) all uranium, thorium, or other material which has been or may hereafter be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, together with the right of the United States through its authorized agents or representatives at any time to enter upon the land and prospect for, mine and remove the same, making just compensation for any damage or injury occasioned thereby.

SEC. 4. Drilling and producing restrictions.—It is covenanted and agreed that the rate of prospecting and developing and the quantity and rate of production from the lands covered by this lease shall be subject to control in the public interest by the Secretary of the Interior, and in the exercise of his judgment the Secretary may take into consideration, among other things, Federal laws, State laws, and regulations issued thereunder, or lawful agreements among operators regulating either drilling or production, or both. After unitization, the Secretary of the Interior, or any person, committee, or State or Federal officer or agency so authorized in the unit plan, may alter or modify from time to time, the rate of prospecting and development and the quantity and rate of production from the lands covered by this lease.

SEC. 5. Surrender and termination of lease.—The lessee may surrender this lease or any legal subdivision thereof by filing in the proper land office a written relinquishment, in triplicate, which shall be effective as of the date of filing subject to the continued obligation of the lessee and his surety to make payment of all accrued rentals and royalties and to place all wells on the land to be relinquished in condition for suspension or abandonment in accordance with the regulations and the terms of the lease, to be accompanied by a statement that all wages and moneys due and payable to the workmen employed on the land relinquished have been paid.

SEC. 6. Purchase of materials, etc., on termination of lease.—Upon the expiration of this lease, or the earlier termination thereof pursuant to the last preceding section, the lessor or another lessee may, if the lessor shall so elect, within 3 months from the termination of the lease, purchase all materials, tools, machinery, appliances, structures, and equipment placed in or upon the land by the lessee, and in use thereon as a necessary or useful part of an operating or producing plant, on the payment to the lessee of such sum as may be fixed as a reasonable price therefor by a board of three appraisers, one of whom shall be chosen by the lessor, one by the lessee, and the other by the two so chosen; pending such election all equipment shall remain in normal position. If the lessor, or another lessee, shall not within 3 months elect to purchase all or any part of such materials, tools, machinery, appliances, structures, and equipment, the lessee shall have the right at any time, within a period of 90 days thereafter to remove from the premises all the material, tools, machinery, appliances, structures, and equipment which the lessor shall not have elected to purchase, save and except casing in wells and other equipment or apparatus necessary for the preservation of the well or wells. Any materials, tools, machinery, appliances, structures, and equipment, including casing in or out of wells on the leased lands, shall become the property of the lessor, on expiration of the period of 90 days above referred to or such extension thereof as may be granted on account of adverse climatic conditions throughout said period.

SEC. 7. Proceedings in case of default.—If the lessee shall not comply with any of the provisions of the act or the regulations thereunder or make default in the performance or observance of any of the terms, covenants, and stipulations hereof and such default shall continue for a period of 30 days after service of written notice thereof by the lessor, the lease may be canceled by the Secretary of the Interior in accordance with section 31 of the act, as amended, and all materials, tools, machinery, appliances, structures, equipment, and wells shall thereupon become the property of the lessor, except that if said lease covers lands known to contain valuable deposits of oil or gas, the lease may be canceled only by judicial proceedings in the manner provided in section 31 of the act; but this provision shall not be construed to prevent the exercise by the lessor of any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular

16-60708-1

cause of forfeiture shall not prevent the cancellation and forfeiture of this lease for any other cause of forfeiture, or for the same cause occurring at any other time.

SEC. 8. Heirs and successors in interest.—It is further covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

SEC. 9. Unlawful interest.—It is also further agreed that no Member of, or Delegate to, Congress, or Resident Commissioner, after his election or appointment, or either before or after he has qualified, and during his continuance in office, and that no officer, agent, or employee of the Department of the Interior, shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom; and the provisions of section 3741 of the Revised Statutes of the United States, and sections 114, 115, and 116 of the Codification of the Penal Laws of the United States approved March 4, 1909 (35 Stat. 1109), relating to contracts, entered into and form a part of this lease so far as the same may be applicable.

IN WITNESS WHEREOF:

THE UNITED STATES OF AMERICA.

By Wm. L. E. Hume  
Director of the Bureau of Land Management.

James S. Smith  
Lessee

Witnesses to signature of lessee.

Schedule "A"

RENTALS AND ROYALTIES

Rentals.—To pay the lessor in advance on the first day of the month in which the lease issues a rental at the following rates:

(a) If the lands are wholly outside the known geologic structure of a producing oil or gas field:

- (1) For the first lease year, a rental of 50 cents per acre.
- (2) For the second and third lease years, no rental.
- (3) For the fourth and fifth years, 25 cents per acre.
- (4) For the sixth and each succeeding year, 50 cents per acre.

(b) On leases wholly or partly within the geologic structure of a producing oil or gas field:

- (1) Beginning with the first lease year after 30 days' notice that all or part of the land is included in such a structure and for each year thereafter, prior to a discovery of oil or gas on the lands herein, \$1 per acre.
- (2) On the lands committed to an approved cooperative or unit plan which includes a well capable of producing oil or gas and contains a general provision for allocation of production, for the lands not within the participating area an annual rental of 50 cents per acre for the first and each succeeding lease year following discovery.

Minimum royalty.—To pay the lessor in lieu of rental at the expiration of each lease year after discovery a minimum royalty of \$1 per acre or, if there is production, the difference between the actual royalty paid during the year and the prescribed minimum royalty of \$1 per acre, provided that on unitized leases, the minimum royalty shall be payable only on the participating acreage.

Royalty on production.—To pay the lessor 12½ percent royalty on the production removed or sold from the leased lands.

The average production per well per day for oil and for gas shall be determined pursuant to 30 CFR, Part 221, "Oil and Gas Operating Regulations."

In determining the amount or value of gas and liquid products produced, the amount or value shall be net after an allowance for the cost of manufacture. The allowance for cost of manufacture may exceed two-thirds of the amount or value of any product only on approval by the Secretary of the Interior.

CULTURAL RESOURCE INVENTORY OF CITATION OIL AND  
GAS CORPORATION'S 5 WELL LOCATIONS IN  
WALKER HOLLOW OIL FIELD, UINTAH COUNTY, UTAH

Keith R. Montgomery

**CULTURAL RESOURCE INVENTORY OF CITATION OIL AND GAS  
CORPORATION'S 5 WELL LOCATIONS IN WALKER HOLLOW  
OIL FIELD, UINTAH COUNTY, UTAH**

**By:**

**Keith R. Montgomery**

**Prepared For:**

**Bureau of Land Management  
Vernal Field Office  
and  
State Institutional Trust Lands Administration (SITLA)  
Salt Lake City, Utah**

**Prepared Under Contract With:**

**Citation Oil and Gas Corporation  
1016 East Lincoln St.  
Gillette, Wyoming 82716**

**Prepared By:**

**Montgomery Archaeological Consultants  
P.O. Box 147  
Moab, Utah 84532**

**March 25, 2004**

**MOAC Report No. 04-55**

**United States Department of Interior (FLPMA)  
Permit No. 03-UT-60122**

**State of Utah Antiquities Project (Survey)  
Permit No. U-04-MQ-0258b,s**

## INTRODUCTION

A cultural resource inventory was conducted by Montgomery Archaeological Consultants (MOAC) for Citation Oil and Gas proposed well locations WHU #83, WHU #84, WHU #85, WHU # 86, and WHU #87 in the Walker Hollow Oil Field. The project area is located in and around Walker Hollow, to the north of Red Wash, east of Vernal, Uintah County, Utah. The survey was implemented at the request of Mr. John Long, Citation Oil and Gas Corporation, Vernal, Utah. The project includes a total of 57.2 acres, 23.6 of which are situated on public land administered by the Bureau of Land Management (BLM), Vernal Field Office, and 33.6 acres which are administered by the State of Utah, School and Institutional Trust Land Administration (SITLA).

The objective of the inventory was to locate, document, and evaluate any cultural resources within the project area in order to comply with Section 106 of 36 CFR 800, the National Historic Preservation Act of 1966 (as amended). Also, the inventories were implemented to attain compliance with a number of federal and state mandates, including the National Environmental and Policy Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, the American Indian Religious Freedom Act of 1978, and the Utah State Antiquities Act of 1973 (amended 1990).

The fieldwork was performed on March 18 and 19, 2004 by Keith Montgomery, under the auspices of U.S.D.I. (FLPMA) Permit No. 03-UT-60122, State of Utah Antiquities Permit (Survey) No. U-04-MQ-0258b,s issued to Montgomery Archaeological Consultants, Moab, Utah.

A file search for previous cultural resource inventories and archaeological sites was conducted by Marty Thomas at Utah Division of State History on March 19, 2004. This consultation indicated that several archaeological inventories have been conducted in the vicinity of the project area; no archaeological sites are documented within the project area. Archeological-Environmental Research Corporation (AERC) conducted an archaeological inventory of proposed oil and gas well locations for Exxon Corporation in the Walker Hollow area in 1978, finding no cultural resources (Hauck 1978). In 1979, Nickens and Associates conducted a 10 percent stratified random sampling of the 128,000-acre Red Wash Cultural Resources Study Tract in Uintah County, Utah (Larralde and Nickens 1980). For this study, 320 40-acre parcels were surveyed, resulting in the documentation of 26 archaeological sites. One historic site, the Kennedy Stage Stop (42Un799), of the Uintah Railway System, was recorded. The remaining 25 sites are prehistoric, and include temporary camps, lithic scatters, a lithic and ceramic scatter, and a quarry (42Un795-820). AERC conducted an inventory of a proposed drill pad, access road, tank battery and borrow area in 1980 for Exxon (Hauck 1980a). The proposed tank battery occurs at the location for the current proposed well WHU #84. No cultural resources were found. Also in 1980, AERC evaluated seven proposed well locations in the Walker Hollow Field, finding

no cultural resources (Hauck 1980b). In 1981, AERC conducted archaeological evaluations of five flowline corridors and well location #54 for Exxon Corporation, finding no cultural resources (Hauck 1981a). That same year, AERC conducted an additional five projects pertaining to oil and gas development in the Walker Hollow are (Hauck 1981b, 1981c, 1981d, 1981e, 1981f). These investigations yielded a finding of no cultural resources, with the exception of an isolated find (obsidian secondary flake) documented during the inventory of the Kienitz Federal No. 3 and 4 well locations. AERC in 1984 surveyed a proposed well location in the Walker Hollow Locality (Milsen Federal No. 1) finding no cultural resources (Hauck 1984). In 1986, AERC inventoried a proposed access route between well locations #79 and #80 for Exxon Corporation, finding no cultural resources (Hauck 1986).

## PROJECT AREA

Citation Oil and Gas Corporation's proposed well locations WHU #83, WHU #84, WHU #85, WHU #86, and WHU #87 with associated access roads are located in the Walker Hollow Oil Field, Uintah County, Utah (Figure 1). Well location WHU #83 is located in T 7S, R 23E, Section 2, 421 ft FSL and 1849 ft FWL. Well location WHU #84 is located in T 7S, R 23E, Section 1, 1985 ft FSL and 673 ft FWL. Well location WHU #85 is located in T 7S R 23E, Section 2, 1908 ft FSL and 1996 ft FEL. Well location WHU #86 is located in T7S, R23E, Section 1, 3541 ft FSL and 2085 ft FWL. Well location WHU #87 is located in T7S, R23E, Section 2, 3087 ft FSL and 750 ft FEL.

The project area lies within the Uinta Basin physiographic unit, a distinctly bowl-shaped geologic structure (Stokes 1986:231). The entire Uinta Basin ecosystem is within the Green River drainage, considered to be the northernmost extension of the Colorado Plateau. Red Wash occurs within the Central Badlands District of the Uintah Basin, which is an area of broad erosional benches with extensive badland rims along the drainages. The heavily eroded benches and mesas are capped with sand and silt which erode downslope forming areas of sand dunes, sand sheets, and colluvial clays. The elevation of the project area is 5180 to 5380 feet a.s.l.

Specifically, the inventory area is situated in and around Walker Hollow, to the north of Red Wash and Deadman Bench. Geologically, the area includes recent alluvial deposits, older alluvial terrace deposits, and rock outcrops of the Upper Eocene Uinta Formation. The Uinta Formation occurs as eroded outcrops formed by fluvial deposited stream laid interbedded sandstone and mudstone. This formation is known for its fossil vertebrate turtles, crocodilians, fish, and mammals. Vegetation in the project area includes juniper, greasewood, shadscale, rabbitbrush, Mormon tea, snakeweed, and prickly pear cactus. Modern disturbances include livestock grazing, roads, and oil/gas development.

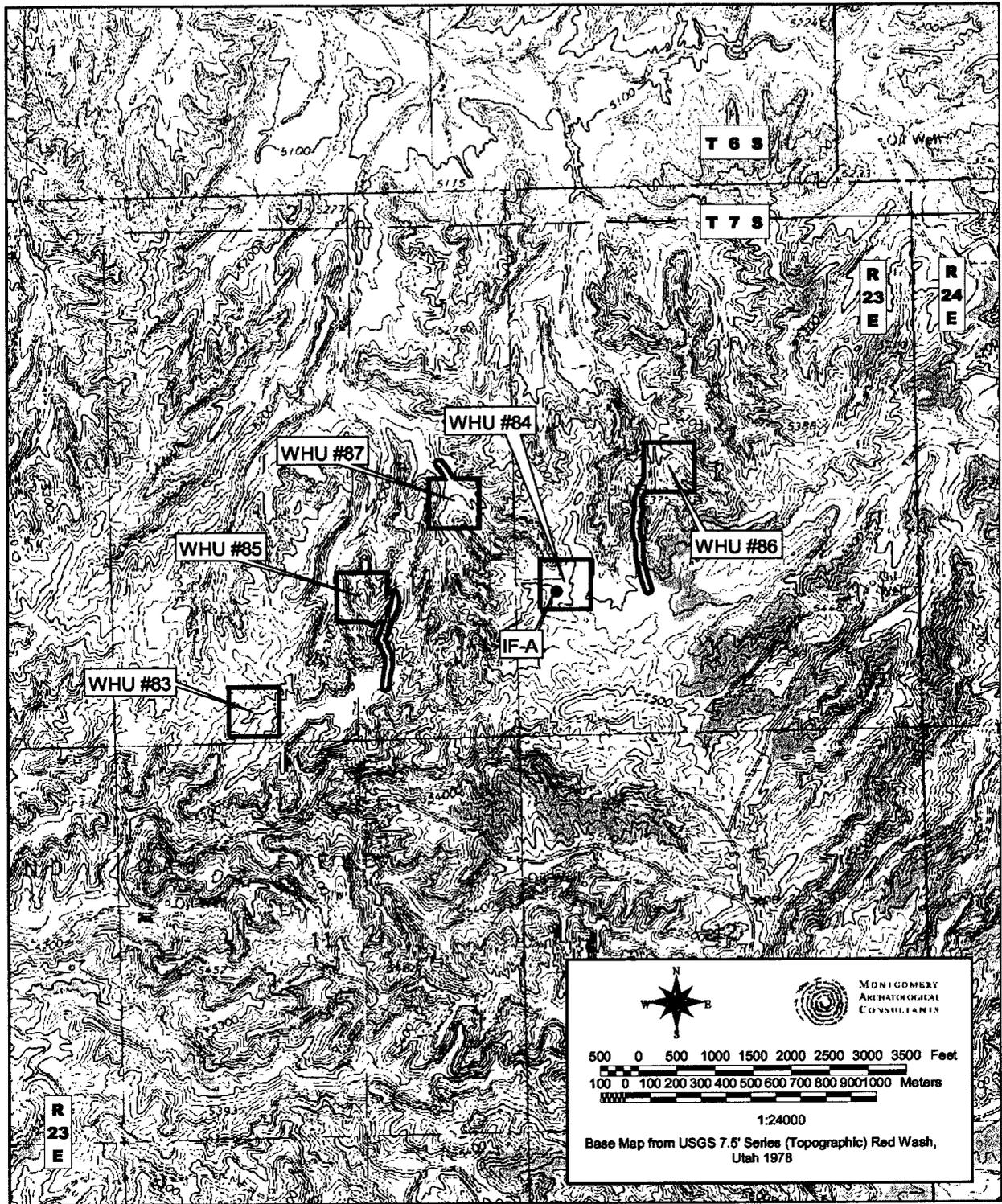


Figure 1. Citation Oil and Gas Corporation's Five Well Locations in Walker Hollow, Uintah County, UT. USGS Red Wash, UT 7.5', 1968.

## SURVEY METHODOLOGY

An intensive pedestrian survey was completed for this project which is considered 100% coverage. The survey was performed by Keith Montgomery, Principal Investigator of MOAC. At the proposed well locations, a 10 acre square was defined, centered on the well pad center stake. The interior of the well location was examined for cultural resources by the archaeologist walking parallel transects. The access road corridors were surveyed to a width of 30 m (100 ft). Ground visibility was considered good. A total of 57.2 acres was inventoried, 23.6 of which are situated on public land administered by the Bureau of Land Management (BLM), Vernal Field Office, and 33.6 acres which are administered by the State of Utah, School and Institutional Trust Land Administration (SITLA).

## RESULTS AND RECOMMENDATIONS

The inventory of Citation Oil and Gas Corporation's proposed five well locations in Walker Hollow resulted in a finding of one isolated find of artifact within the 10-acre parcel at proposed well location #84. Isolated Find A (IF-A) is a white semitranslucent chert secondary flake exhibiting unifacial use on the slightly convex ventral margin. It measures 4.9x3.6x0.7 cm. The UTM coordinates of IF-A are 646128E/4455212N. Isolated finds are not considered to be eligible cultural resources for inclusion to the NRHP. On the basis of this finding, a determination of "no historic properties affected" is recommended for the project pursuant to Section 106, CFR 800.

## REFERENCES CITED

Hauck, F. Richard

- 1978 Exxon Corporation-Proposed Oil and Gas Well Locations in Walker Hollow-Red Wash Locality in Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-78-Af-0329b.
- 1980a Cultural Resource Inventory of Drill Pads, Access Roads, Tank Batteries and Borrow Areas in the Red Wash Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-80-Af-0472b.
- 1980b Archeological Evaluations of Proposed Well Locations in the Walker Hollow Oil and Gas Field of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-80-Af-0474b.
- 1981a Archeological Evaluations of Five Flowline Corridors and Well Location No. 54 in the Walker Hollow Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0632b.
- 1981b Archeological Reconnaissance of Drill Locations and Access Roads in the Fort Duchesne and Walker Hollow Localities of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0578b.
- 1981c Archeological Reconnaissance of Drill Locations and Access Roads in the Red Wash Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0631b.
- 1981d Cultural Resource Evaluations in the Red Wash Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0634b.
- 1981e Cultural Resource Inventory of a Proposed Flowline in the Walker Hollow Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0636b.
- 1981f Archeological Evaluations in the Walker Hollow Oil and Gas Field of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-81-Af-0640b

Hauck, F. Richard

1984 Cultural Resource Evaluation of Proposed Well Location in the Walker Hollow Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-84-Af-0894b

1986 Cultural Resource Evaluations of a Proposed Access Route Between Walker Hollow Units No. 79 and 80 in the Red Wash Locality of Uintah County, Utah. Archeological-Environmental Research Corporation, Bountiful, Utah. Project No. U-86-Af-0133b,s.

Larralde, Signa L. and Nickens, Paul R.

1980 Sample Inventories of Oil & Gas Fields in Eastern Utah 1978-1979. Utah Bureau of Land Management, Cultural Resource Series No. 5. Bureau of Land Management Utah State Office, Salt Lake City, Utah.

Stokes, W.L.

1986 *Geology of Utah*. Utah Museum of Natural History and Utah Geological and Mineral Survey, Salt Lake City.

# CITATION OIL & GAS CORP.

## WHU #87

LOCATED IN UINTAH COUNTY, UTAH  
SECTION 2, T7S, R23E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



- Since 1964 -

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

LOCATION PHOTOS

01 30 04  
MONTH DAY YEAR

PHOTO

TAKEN BY: B.B.

DRAWN BY: T.H.

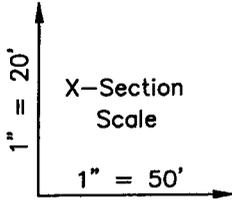
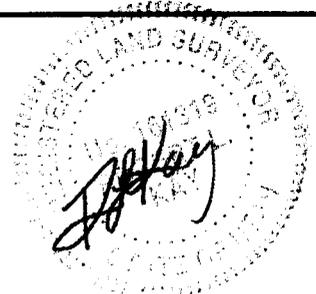
REVISED: 00-00-00



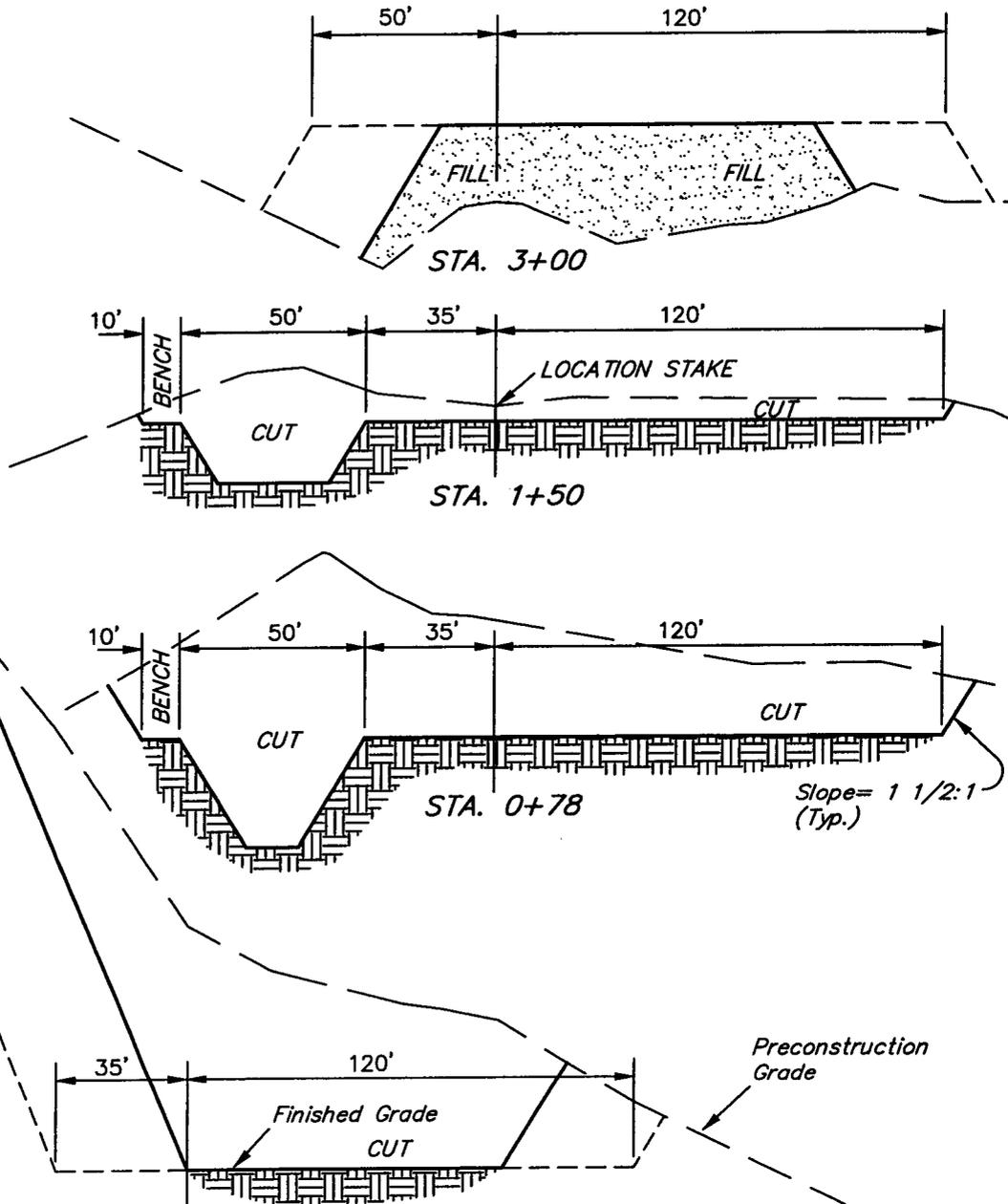
**CITATION OIL & GAS CORP.**

**TYPICAL CROSS SECTIONS FOR**

**WHU #87**  
**SECTION 2, T7S, R23E, S.L.B.&M.**  
**3087' FSL 750' FEL**



DATE: 01-28-04  
 Drawn By: D.R.B.



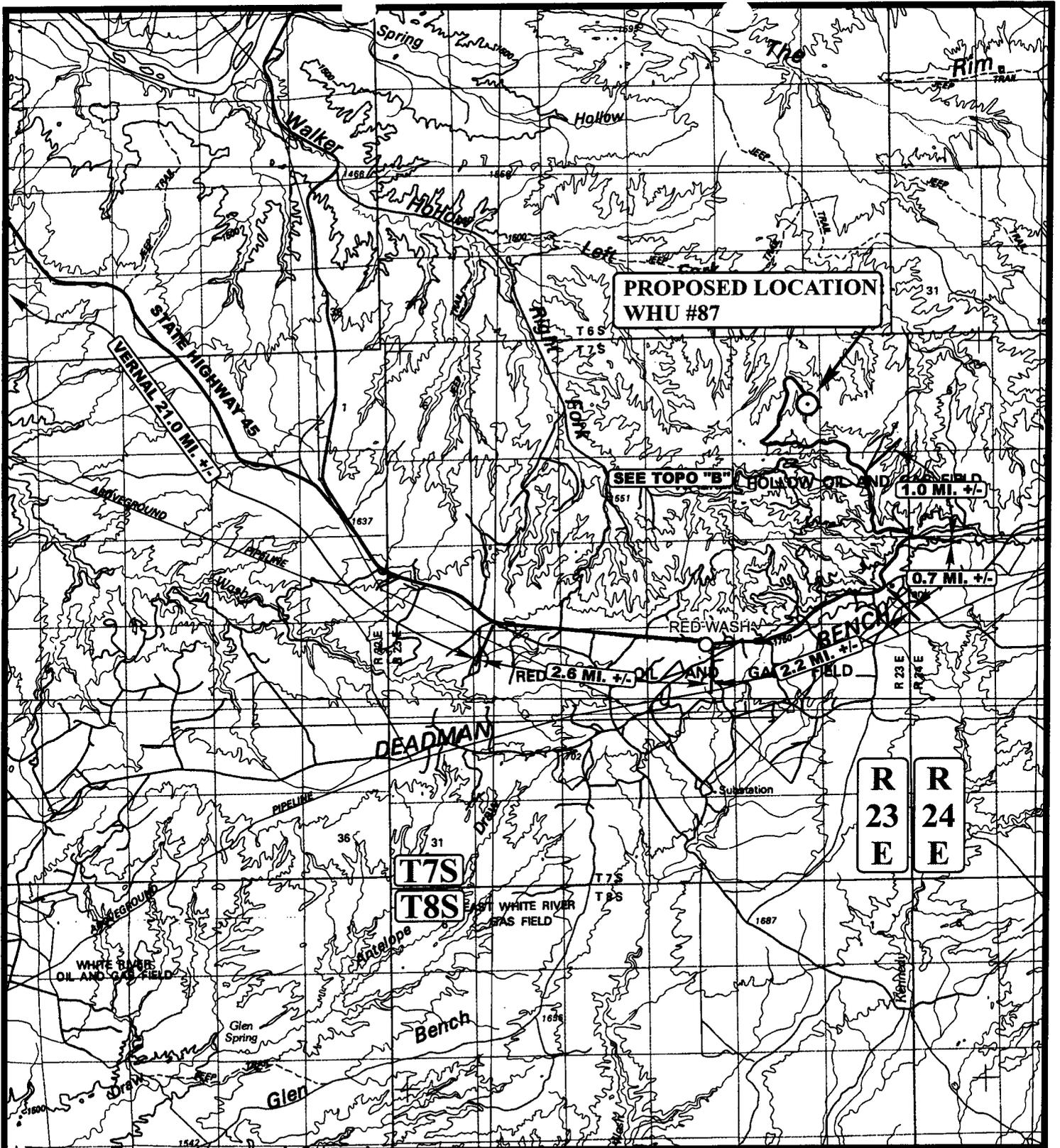
**NOTE:**  
 Topsoil should not be Stripped Below Finished Grade on Substructure Area.

**FIGURE #2**

**APPROXIMATE YARDAGES**

<b>CUT</b>	
(6") Topsoil Stripping	= 1,030 Cu. Yds.
Remaining Location	= 18,260 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 19,290 CU.YDS.</b>
<b>FILL</b>	<b>= 6,130 CU.YDS.</b>

**EXCESS MATERIAL AFTER 5% COMPACTION = 12,840 Cu. Yds.**  
**Topsoil & Pit Backfill = 1,640 Cu. Yds. (1/2 Pit Vol.)**  
**EXCESS MATERIAL After = 11,200 Cu. Yds.**  
 Reserve Pit is Backfilled & Topsoil is Re-distributed



**PROPOSED LOCATION  
WHU #87**

SEE TOPO "B" HOLLOW OIL AND GAS FIELD 1.0 MI. +/-

0.7 MI. +/-

RED 2.6 MI. +/- OIL AND GAS FIELD

GA 2.2 MI. +/- FIELD

**R  
23  
E**

**R  
24  
E**

**T7S**

**T8S**

T7S

T8S

**LEGEND:**

○ PROPOSED LOCATION



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



**CITATION OIL & GAS CORP.**

WHU #87  
SECTION 2, T7S, R23E, S.L.B.&M.  
3087' FSL 750' FEL

**TOPOGRAPHIC** 01 30 04  
**MAP** MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: T.H. REVISED: 00-00-00



R 23 E  
R 24 E



T7S

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING ROAD



**CITATION OIL & GAS CORP.**

**WHU #87**  
**SECTION 2, T7S, R23E, S.L.B.&M.**  
**3087' FSL 750' FEL**



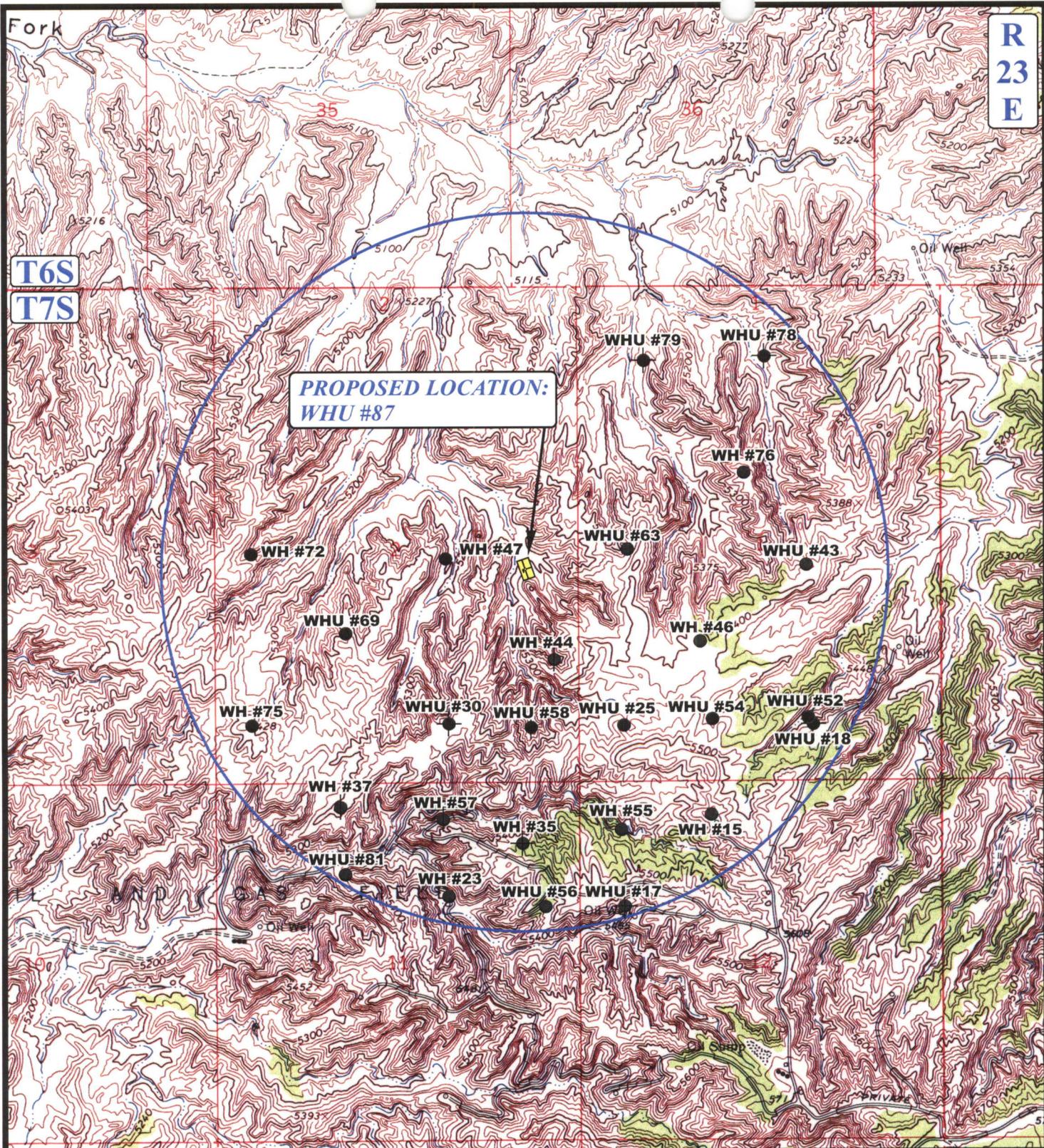
**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC**  
**MAP**

**01** MONTH  
**30** DAY  
**04** YEAR

SCALE: 1" = 2000' DRAWN BY: T.H. REVISED: 00-00-00





R  
23  
E

T6S  
T7S

PROPOSED LOCATION:  
WHU #87

**LEGEND:**

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



**CITATION OIL & GAS CORP.**

**WHU #87**  
SECTION 2, T7S, R23E, S.L.B.&M.  
3087' FSL 750' FEL



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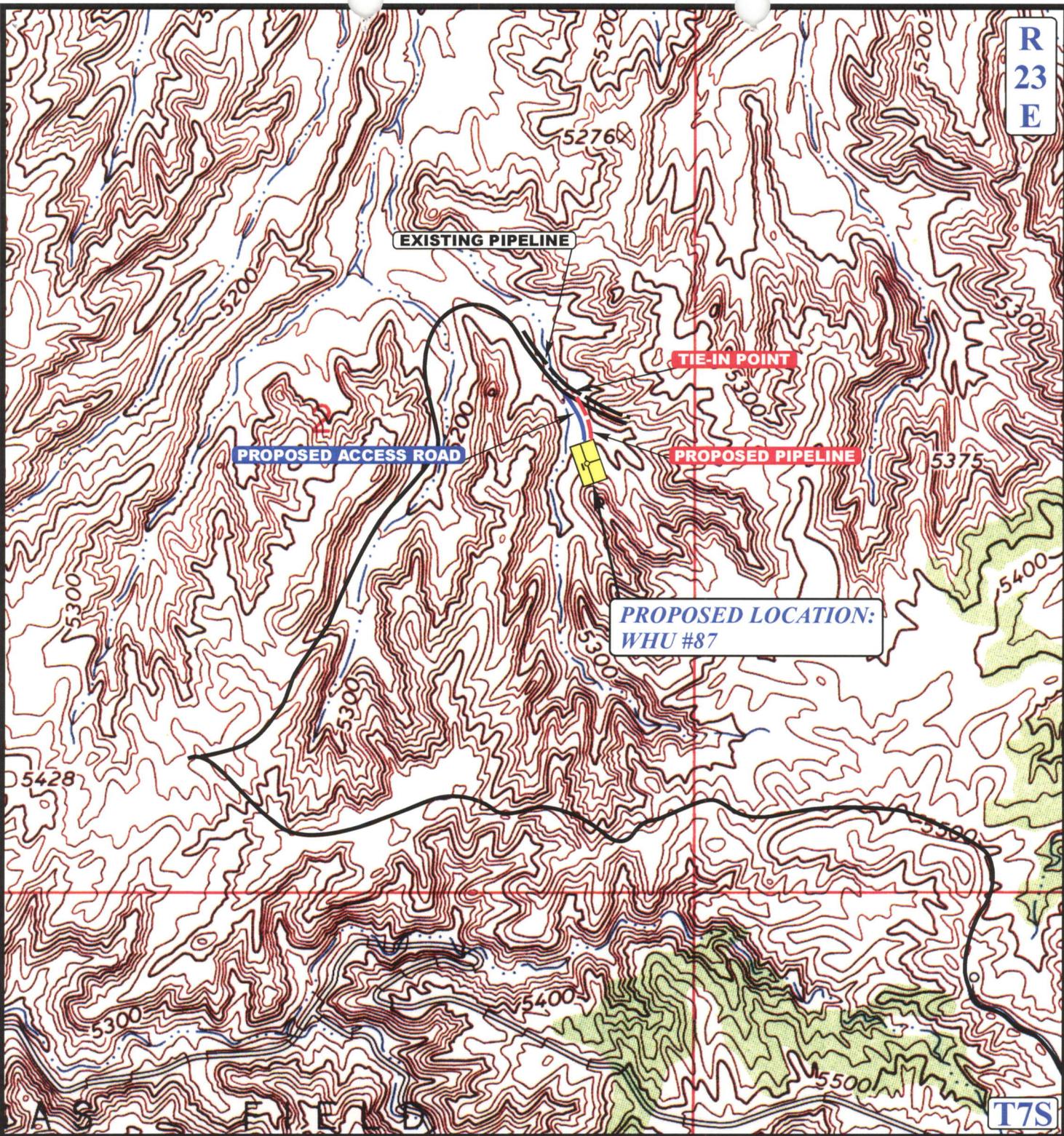
**TOPOGRAPHIC**  
**MAP**

01	30	04
MONTH	DAY	YEAR

SCALE: 1" = 2000'    DRAWN BY: T.H.    REVISED: 00-00-00



R  
23  
E



APPROXIMATE TOTAL PIPELINE DISTANCE = 400' +/-

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - - PROPOSED PIPELINE

**CITATION OIL & GAS CORP.**

WHU #87  
 SECTION 2, T7S, R23E, S.L.B.&M.  
 3087' FSL 750' FEL

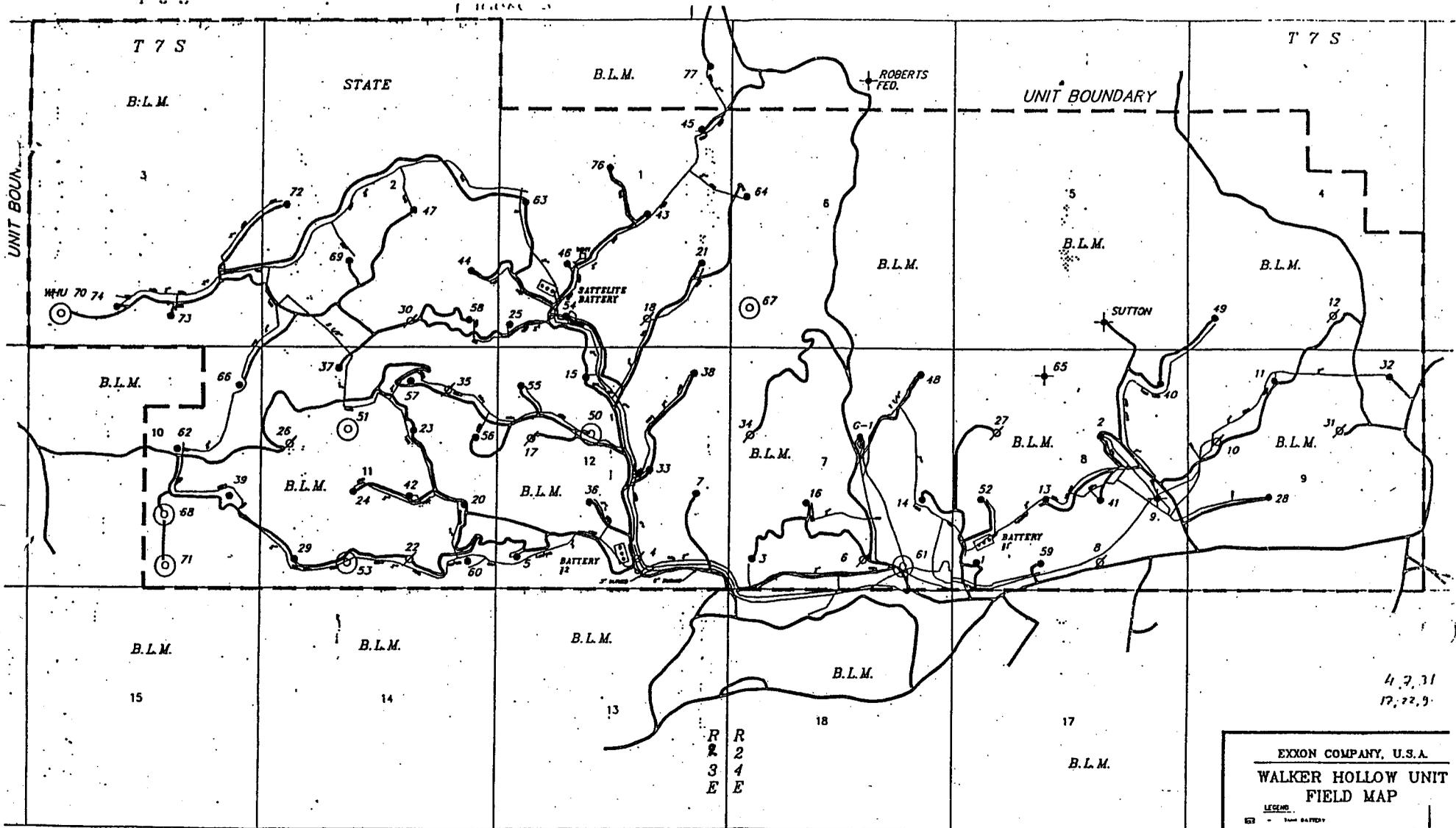


**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC** 01 30 04  
**MAP** MONTH DAY YEAR  
 SCALE: 1" = 1000' DRAWN BY: T.H. REVISED: 00-00-00







4, 7, 31  
17, 22, 9

EXXON COMPANY, U.S.A.  
WALKER HOLLOW UNIT  
FIELD MAP

LEGEND

- - EXISTING BATTERY
- - PROPOSED WELLS
- ⊕ - EXISTING WELLS
- ⊕ - TEMPORARILY ABANDONED WELLS
- ⊕ - ABANDONED WELLS
- ⊕ - PROPOSED WELLS
- ⊕ - EXISTING WELLS
- ⊕ - PROPOSED WELLS
- ⊕ - EXISTING WELLS
- ⊕ - PROPOSED WELLS

1000' 500'

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

004

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

1. Type of Well  
 Oil Well    Gas Well    Other

2. Name of Operator  
**CITATION OIL & GAS CORP.**

3a. Address  
**P.O. Box 690688, Houston, Texas 77269-0688**

3b. Phone No. (include area code)  
**(281) 517-7800**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**3087' FSL & 750' FEL SE NE Section 2-7S-23E**

5. Lease Serial No.  
**UTSL 066312**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**Walker Hollow Unit #87**

9. API Well No.

10. Field and Pool, or Exploratory Area  
**Walker Hollow Green River**

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

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> 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>Surface</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Commingle</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

**Citation Oil & Gas Corp. currently has approval to surface commingle the production from the Walker Hollow Unit and U S A Pearl Broadhurst at the production battery 3 via pipeline.**

**Citation requests permission to commingle the production from the Walker Hollow Unit 87 with the existing production from the Walker Hollow Unit and U S A Pearl Broadhurst leases. The wells will be tested at each lease and the production from the 82 well will be sold in common with the Walker Hollow Unit production. The oil will continue to be gauged at the USA Pearl Broadhurst lease then transferred to the Walker Hollow Unit production battery (3) via pipeline. All production will be sold at the Lact Unit. The U S A Pearl Broadhurst tickets are split out from the total sales giving both leases their share of production. Then each well is allocated back by well tests.**

*OR. See Email 4/26/04 from Sharon Ward for additional information DKV*

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

Name (Printed/Typed)

**Sharon Ward**

Signature

*Sharon Ward*

Title

**Regulatory Administrator**

Date

**March 26, 2004**

**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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

**003**

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

1. Type of Well  
 Oil Well    Gas Well    Other

2. Name of Operator  
**CITATION OIL & GAS CORP.**

3a. Address  
**P.O. Box 690688, Houston, Texas 77269-0688**

3b. Phone No. (include area code)  
**(281) 517-7800**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**3087' FSL & 750' FEL SE NE Section 2-7S-23E**

5. Lease Serial No.  
**UTSL 066312**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**Walker Hollow Unit #87**

9. API Well No.

10. Field and Pool, or Exploratory Area  
**Walker Hollow Green River**

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

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

TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> 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	<b>Dispose of</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon		<b>produced water into</b>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal		<b>injection system</b>

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

**Citation Oil & Gas Corp. requests permission to dispose of produced water from our Walker Hollow Unit 83 well into a common commingled injection system in the Walker Hollow Unit.**

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

Name (Printed/Typed)

**Sharon Ward**

Signature

*Sharon Ward*

Title

**Regulatory Administrator**

Date

**March 26, 2004**

**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

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/01/2004

API NO. ASSIGNED: 43-047-35611

WELL NAME: WHU 87  
OPERATOR: CITATION OIL & GAS CORP ( N0265 )  
CONTACT: SHARON WARD

PHONE NUMBER: 281-517-7309

PROPOSED LOCATION:

SENE 02 070S 230E  
SURFACE: 3087 FSL 0750 FEL  
BOTTOM: 3087 FSL 0750 FEL  
UINTAH  
WALKER HOLLOW ( 700 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	Dkd	5/10/04
Geology		
Surface		

LEASE TYPE: 3 - State  
LEASE NUMBER: UTSL 066312 *al*  
SURFACE OWNER: 3 - State  
PROPOSED FORMATION: GRRV  
COALBED METHANE WELL? NO

LATITUDE: 40.23980  
LONGITUDE: 109.28667

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[3] Fee[]  
(No. MT 0630 )
- N* Potash (Y/N)
- N* Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 53617 )
- N* RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- NR* Fee Surf Agreement (Y/N)

LOCATION AND SITING:

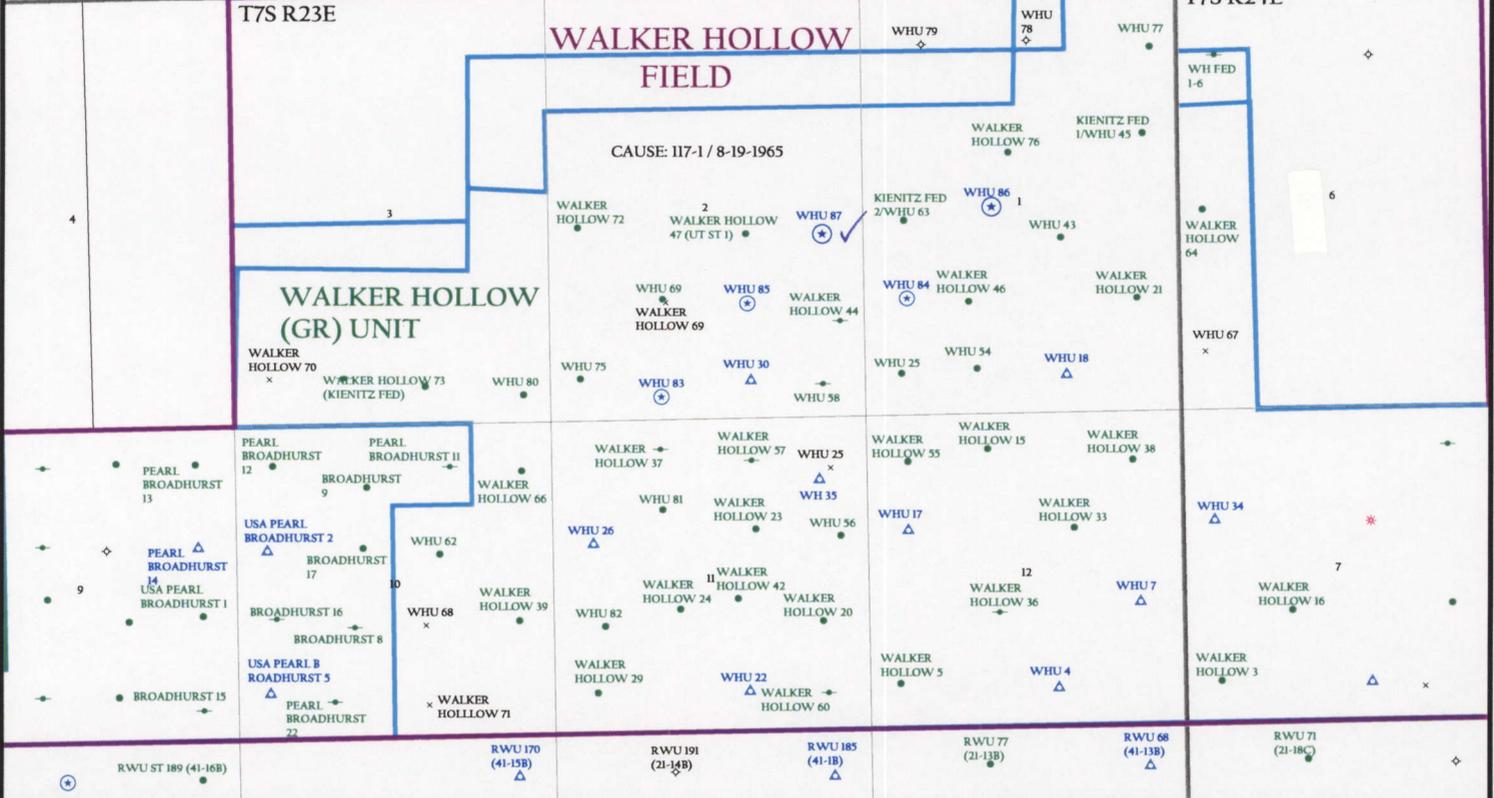
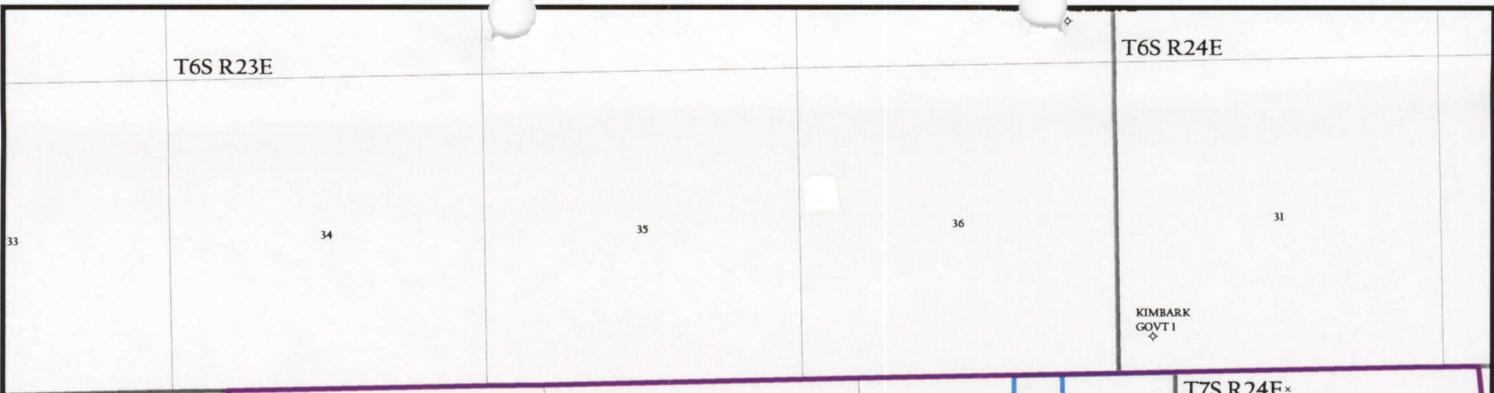
- \_\_\_ R649-2-3.
- Unit WALKER HOLLOW
- \_\_\_ R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- \_\_\_ R649-3-3. Exception
- Drilling Unit  
Board Cause No: 117-1  
Eff Date: 8-19-1965  
Siting: 460' fr boundary 920' from well
- \_\_\_ R649-3-11. Directional Drill

COMMENTS:

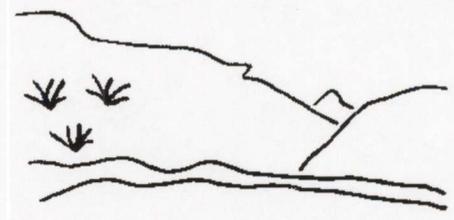
Needs Presite (4-13-04)

STIPULATIONS:

① STATEMENT OF BASIS



OPERATOR: CITATION O&G CORP (N0265)  
 SEC. 2 T.7S, R.23E  
 FIELD: WALKER HOLLOW (700)  
 COUNTY: UINTAH  
 CAUSE: 117-1 / 8-19-1965



Utah Oil Gas and Mining

Well Status

- ⚡ GAS INJECTION
- ⊛ GAS STORAGE
- × LOCATION ABANDONED
- ⊕ NEW LOCATION
- ◇ PLUGGED & ABANDONED
- ⊛ PRODUCING GAS
- PRODUCING OIL
- ⊛ SHUT-IN GAS
- ➔ SHUT-IN OIL
- ⊗ TEMP. ABANDONED
- TEST WELL
- △ WATER INJECTION
- ⊕ WATER SUPPLY
- ⚡ WATER DISPOSAL

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY  
 DATE: 2-APRIL-2004

Sec. 35  
EAST - 5280.00' (G.L.O.)

T6S  
T7S

**CITATION OIL & GAS CORP.**

Well location, WHU #87, located as shown in the SE 1/4 NE 1/4 of Section 2, T7S, R23E, S.L.B.&M. Uintah County, Utah

**BASIS OF ELEVATION**

SPOT ELEVATION AT AN INTERSECTION LOCATED IN THE NE 1/4 OF SECTION 12, T7S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5608 FEET.

**BASIS OF BEARINGS**

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)

LATITUDE = 40°14'23.08" (40.239744)

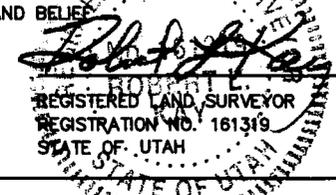
LONGITUDE = 109°17'15.27" (109.287575)



SCALE

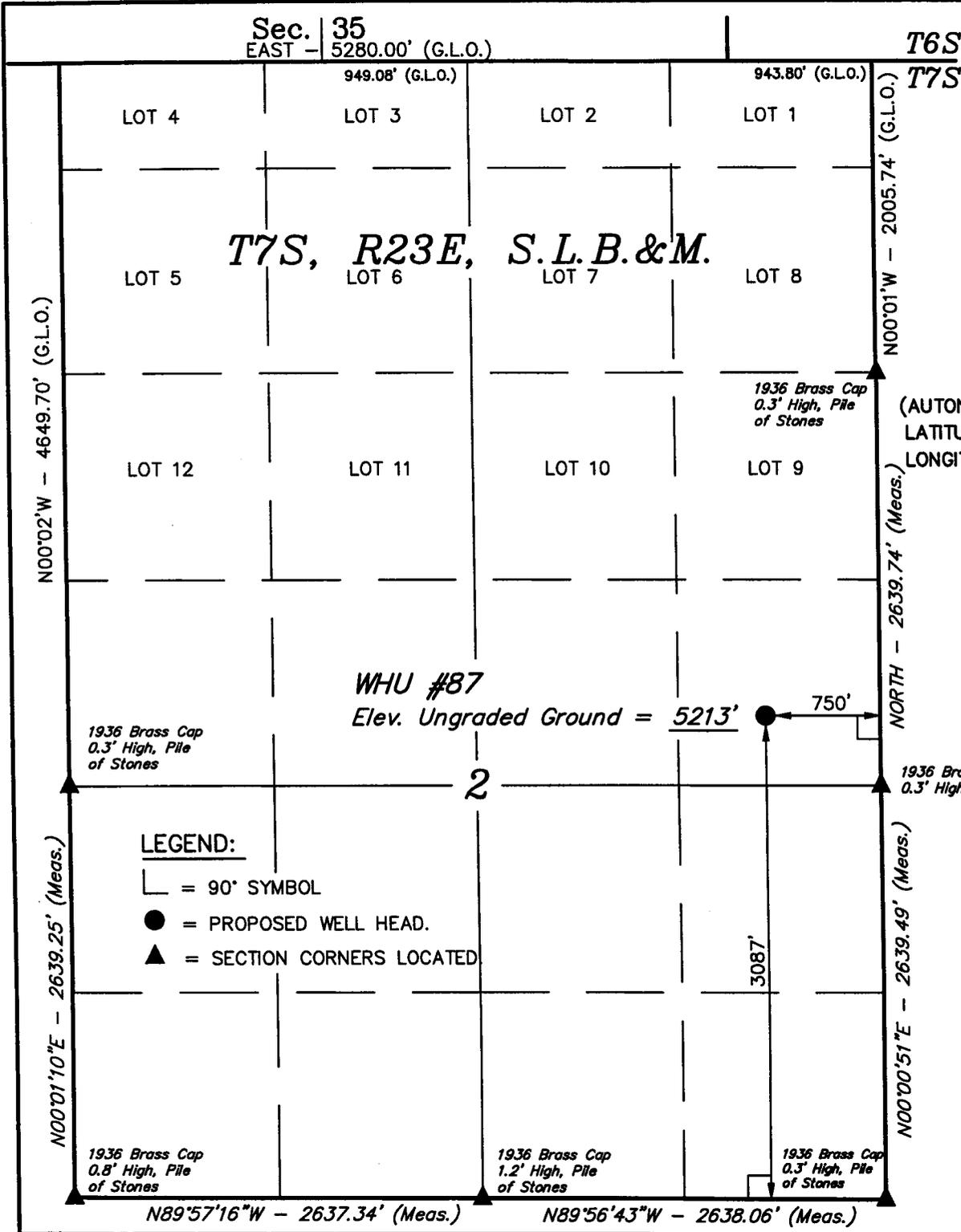
**CERTIFICATE**

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



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

SCALE 1" = 1000'	DATE SURVEYED: 01-29-04	DATE DRAWN: 01-30-04
PARTY B.B. T.H. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE CITATION OIL & GAS CORP.	



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

**OPERATOR:** CITATION OIL & GAS CORP.  
**WELL NAME & NUMBER:** WHU #87  
**API NUMBER:** 43-047-35611  
**LOCATION:** 1/4,1/4 SE/NE Sec: 2 TWP: 7S RNG: 23E 750' FEL 3087' FSL

**Geology/Ground Water:**

Citation proposes to set 400 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 5,400 feet. A search of Division of Water Rights records shows 1 water well within a 10,000 foot radius of the proposed location. This well is owned by Chevron USA and is used as a water supply well for the Red Wash secondary recovery project. This well is almost to the edge of the 10,000' radius. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The proposed surface casing should adequately protect any near surface aquifers.

**Reviewer:** Brad Hill **Date:** 04-22-04

**Surface:**

The predrill investigation of the surface was performed on 4/13/2004. Floyd Bartlett with DWR and Ed Bonner with SITLA were invited to this investigation on 4/06/2004. Both were present. Neither had any concerns regarding the construction of this location or the drilling of this well. There is a power line crossing this site. This line must be re-routed to the west. Mr. Long told me that he thought the line belonged to Citation, and that it most certainly would be moved. This area has extremely steep slopes with very loose soil requiring a liner and felt sub-liner in the reserve pit.

**Reviewer:** David W. Hackford **Date:** 04/13/2004

**Conditions of Approval/Application for Permit to Drill:**

1. A 12 mil liner and felt sub-liner shall be properly installed and maintained in the reserve pit.

**ON-SITE PREDRILL EVALUATION**  
**Division of Oil, Gas and Mining**

**OPERATOR:** CITATION OIL & GAS CORP.  
**WELL NAME & NUMBER:** WHU# 87  
**API NUMBER:** 43-047-35611  
**LEASE:** 066312 **FIELD/UNIT:** WALKER HOLLOW  
**LOCATION:** 1/4, 1/4 SE/NE sec: 2 TWP: 7S RNG: 23E 750' FEL 3087' FSL  
**LEGAL WELL SITING:** 460' from unit boundary and 920' from another well.  
**GPS COORD (UTM):** 445555N 645718E **SURFACE OWNER:** STATE OF UTAH

**PARTICIPANTS**

DAVID W. HACKFORD (DOGM), JOHN LONG, ROBERT EYE (CITATION), FLOYD BARTLETT (DWR), ED BONNER (SITLA).

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

SITE IS ON THE POINT OF A RIDGE IN THE BOTTOM OF A CANYON WITH SHARP DRAWS TO THE EAST AND WEST. THESE DRAWS ARE 300' FROM THE SITE AND JOIN TOGETHER 500' TO THE NORTH. THIS DRAINAGE CONTINUES TO THE NORTH AND ENTERS LEFT FORK OF WALKER HOLLOW 1.25 MILES AWAY. WALKER HOLLOW RUNS TO THE NORTHWEST AND ENTERS THE GREEN RIVER SEVEN MILES AWAY.

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING, HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 300' BY 205'. ACCESS ROAD WILL BE 0.1 MILES.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE ATTACHED MAP FROM GIS DATABASE.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: EMULSION FROM THIS WELL WILL BE PIPELINED TO AN EXISTING CO-MINGLE BATTERY. THE ONLY EQUIPMENT ON LOCATION WILL BE A PUMPJACK AND LINE HEATER. PIPELINE WILL FOLLOW ACCESS ROAD.

SOURCE OF CONSTRUCTION MATERIAL: ALL MATERIAL WILL BE BORROWED FROM SITE DURING CONSTRUCTION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

**WASTE MANAGEMENT PLAN:**

DRILLED CUTTINGS WILL BE SETTLED INTO THE RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE OR TRUCKED FROM LOCATION. FORMATION WATER WILL BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

**ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: SALTBRUSH, JUNIPER, SAGE, SHADSCALE, GREASEWOOD, PRICKLY PEAR: PRONGHORN, COYOTES, SONGBIRDS, RAPTORS, RODENTS, RABBITS, DEER.

SOIL TYPE AND CHARACTERISTICS: LIGHT RED CLAY.

EROSION/SEDIMENTATION/STABILITY: EROSION AND STABILITY COULD BOTH BE A PROBLEM AT THIS SITE BECAUSE OF THE STEEP SIDEHILLS AND LOOSE SOIL. A DIVERSION DITCH WHICH WILL BE CREATED AROUND THE WEST SIDE OF THE LOCATION SHOULD BE MAINTAINED WHILE WELL IS BEING DRILLED AND UNTILL WELL IS PA'D AND LOCATION RECLAIMED.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

**RESERVE PIT**

CHARACTERISTICS: RESERVE PIT WILL BE 100' BY 50' AND 12' DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A 12 MIL LINER AND FELT SUB-LINER WILL BE REQUIRED FOR RESERVE PIT.

**SURFACE RESTORATION/RECLAMATION PLAN**

AS PER SITLA.

SURFACE AGREEMENT: AS PER SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE WAS INSPECTED BY MOAC ARCHAEOLOGY. A REPORT OF THIS INVESTIGATION WILL BE PLACED ON FILE.

**OTHER OBSERVATIONS/COMMENTS**

THIS PREDRILL INVESTIGATION WAS CONDUCTED ON A WARM, SUNNY DAY WITH NO SNOW COVER.

**ATTACHMENTS**

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

DAVID W. HACKFORD  
DOGM REPRESENTATIVE

4/13/04. 10:15 AM  
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score  
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>10</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>20</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>15</u>

**Final Score**      50      (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.







State Online Services

Agency List

Business.utah.gov

Search Utah.gov

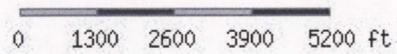
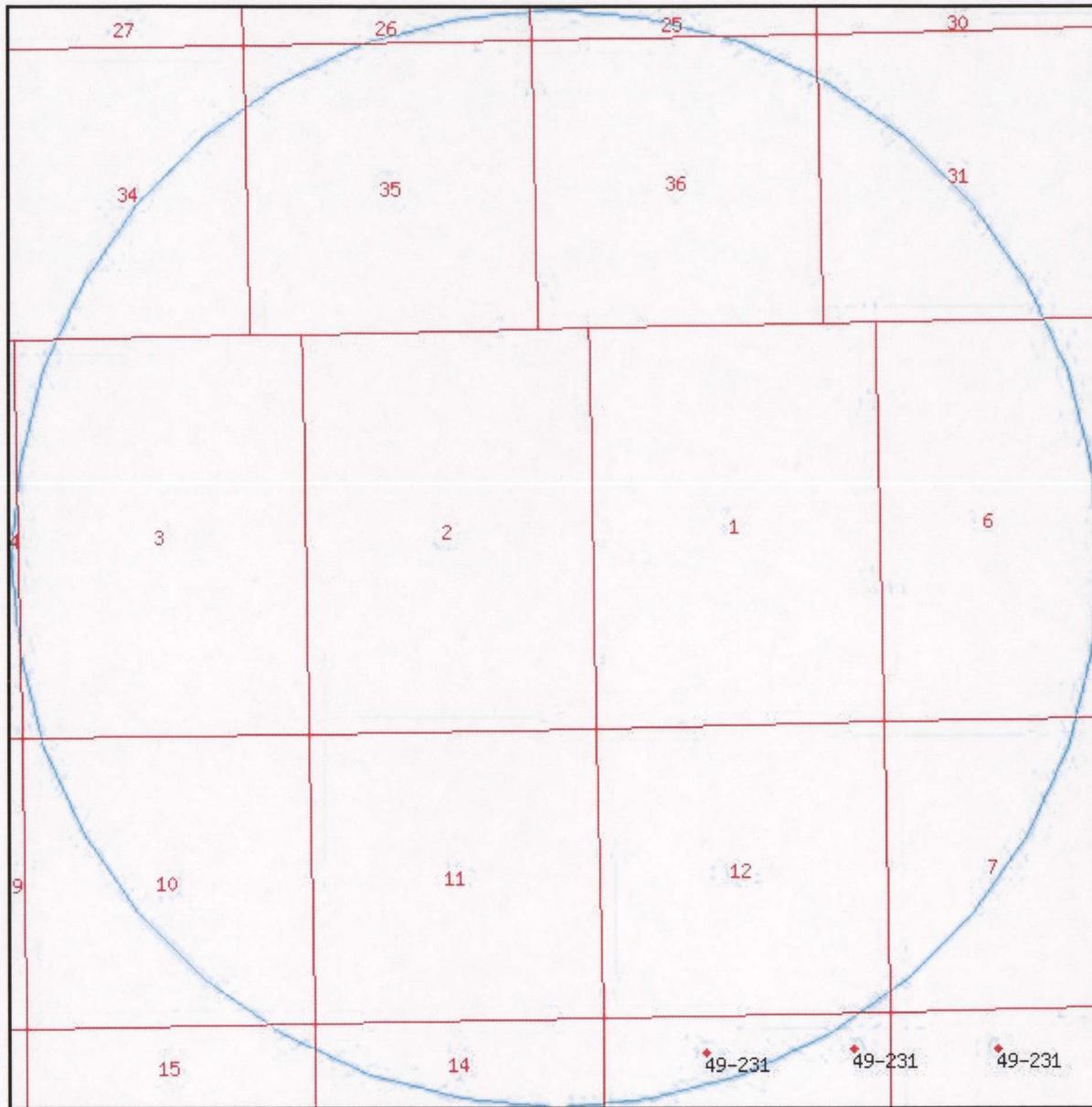
GO

# UTAH DIVISION OF WATER RIGHTS

## WRPLAT Program Output Listing

Version: 2004.03.26.00      Rundate: 04/22/2004 10:19 AM

Radius search of 10000 feet from a point N3087 W750 from the SE corner, section 02, Township 7S, Range 23E, SL b&m  
Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all



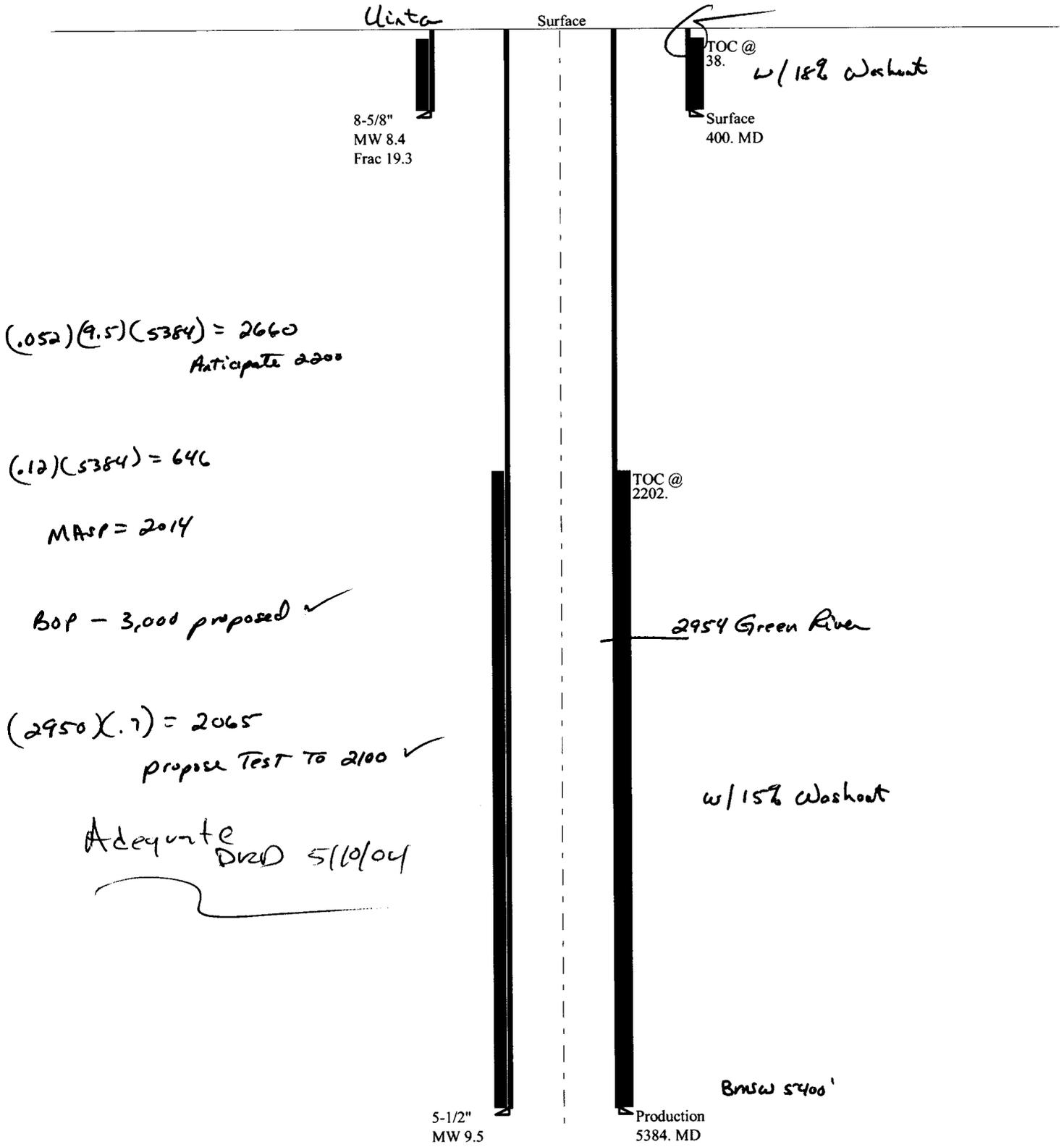
**Water Rights**

<b>WR Number</b>	<b>Diversion Type/Location</b>	<b>Well Log</b>	<b>Status</b>	<b>Priority</b>	<b>Uses</b>	<b>CFS</b>	<b>ACFT</b>	<b>Owner Name</b>
<u>49-231</u>	Underground S660 W660 NE 13 7S 23E SL		A	19600418	O	1.000	0.000	Chevron U.S.A. Inc. 11002 East 17500 South
<u>49-231</u>	Underground S655 E1923 NW 13 7S 23E SL		A	19600418	O	1.000	0.000	Chevron U.S.A. Inc. 11002 East 17500 South
<u>49-231</u>	Underground S660 E1980 NW 18 7S 24E SL		A	19600418	O	1.000	0.000	Chevron U.S.A. Inc. 11002 East 17500 South

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

# 04-04 Citation WHU 87

## Casing Schematic



Well name:	<b>04-04 Citation WHU 87</b>		
Operator:	<b>Citation O&amp;G Corp</b>	Project ID:	43-047-35611
String type:	Surface		
Location:	Uintah County		

**Design parameters:**

**Collapse**

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

**Burst**

Max anticipated surface pressure: 140 psi  
 Internal gradient: 0.468 psi/ft  
 Calculated BHP: 327 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: 349 ft

**Environment:**

H2S considered? No  
 Surface temperature: 65 °F  
 Bottom hole temperature: 71 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 200 ft

Cement top: 38 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 5,384 ft  
 Next mud weight: 9.500 ppg  
 Next setting BHP: 2,657 psi  
 Fracture mud wt: 19,250 ppg  
 Fracture depth: 400 ft  
 Injection pressure: 400 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	400	8.625	24.00	J-55	ST&C	400	400	7.972	19.3
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	174	1370	7.853	327	2950	9.03	10	244	25.43 J

Prepared by: Clinton Dworshak  
 Utah Div. of Oil & Mining

Phone: 801-538-5281  
 FAX: 801-359-3940

Date: April 28, 2004  
 Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 400 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

Well name:	<b>04-04 Citation WHU 87</b>		
Operator:	<b>Citation O&amp;G Corp</b>		
String type:	Production	Project ID:	43-047-35611
Location:	Uintah County		

**Design parameters:**

**Collapse**  
Mud weight: 9,500 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**  
Design factor 1.125

**Burst:**  
Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 140 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 368 ft  
Cement top: 2,202 ft

**Burst**

Max anticipated surface pressure: 140 psi  
Internal gradient: 0.468 psi/ft  
Calculated BHP 2,657 psi

No backup mud specified.

**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)

Non-directional string.

Tension is based on air weight.  
Neutral point: 4,610 ft

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	5384	5.5	15.50	J-55	LT&C	5384	5384	4.825	168.8
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	2657	4040	1.520	2657	4810	1.81	83	217	2.60 J

Prepared by: Clinton Dworshak  
Utah Div. of Oil & Mining

Phone: 801-538-5281  
FAX: 801-359-3940

Date: April 28, 2004  
Salt Lake City, Utah

Remarks:  
Collapse is based on a vertical depth of 5384 ft, a mud weight of 9.5 ppg. The casing is considered to be evacuated for collapse purposes.  
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

**IN REPLY REFER TO:**  
3160  
(UT-922)

April 5, 2004

Memorandum

To: Assistant District Manager Minerals, Vernal District  
From: Michael Coulthard, Petroleum Engineer  
Subject: 2004 Plan of Development Walker Hollow Unit  
Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2003 within the Walker Hollow Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
-------	-----------	----------

(Proposed PZ Green River)

43-047-35607	WHU 86 Sec 1	T07S R23E 3541 FSL 2085 FWL
43-047-35608	WHU 84 Sec 1	T07S R23E 1985 FSL 0673 FWL
43-047-35609	WHU 85 Sec 2	T07S R23E 1908 FSL 1996 FEL
43-047-35610	WHU 83 Sec 2	T07S R23E 0421 FSL 1849 FWL
43-047-35611	WHU 87 Sec 2	T07S R23E 3087 FSL 0750 FEL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Walker Hollow Unit  
Division of Oil Gas and Mining  
Agr. Sec. Chron  
Fluid Chron

MCoulthard:mc:4-5-04

**From:** "Sharon Ward" <SWard@cogc.com>  
**To:** <clintondworshak@utah.gov>  
**Date:** 4/26/2004 12:04:18 PM  
**Subject:** Walker Hollow Unit APD's

Per your request for the yield for the surface casing and the tail of the production casing:

Surface casing: 1.18 cubic feet/sack yield and a 15.6 ppg cement density

Production casing: Lead Cement - 3.91 cubic feet/sack yield and a 11.0 ppg cement density

Tail Cement - 1.36 cubic feet/sack yield  
and a 14.1 ppg cement density

Per your request for the testing of production and water:

As far as the produced water is concerned, we will be transferring all oil, gas, and water to centralized production facilities where we will have the capability of producing into gross separators and heater treaters or testing the wells on an individual basis for oil, gas, and water volumes. The wells are planned to be tested for 24 hour periods, through test separator facilities, on a monthly basis and reported as such.

If you require additional information, please advise.

Thank you,

Sharon Ward  
Regulatory Administrator  
Citation Oil & Gas Corp.  
281-517-7309  
Fax 281-469-9667

011

43.047.35611  
T. 7S, R. 23E, S. 2

**From:** Ed Bonner  
**To:** Whitney, Diana  
**Date:** 5/3/2004 9:34:38 AM  
**Subject:** Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

The Houston Exploration Company  
Bonanza 4D-16

Citation Oil & Gas Corporation  
Walker Hollow Unit 83  
Walker Hollow Unit 85  
Walker Hollow Unit 87

QEP Uinta Basin Inc  
WH 13G-2-7-24

EOG Resources Inc  
Chapita Wells Unit 862-32

ConocoPhillips Company  
Utah 5-224

If you have any questions regarding this matter please give me a call.

**CC:** Garrison, LaVonne; Hill, Brad; Hunt, Gil



State of Utah

Department of  
Natural Resources

Division of  
Oil, Gas & Mining

ROBERT L. MORGAN  
*Executive Director*

LOWELL P. BRAXTON  
*Division Director*

May 11, 2004

Citation Oil & Gas Corporation  
P O Box 690688  
Houston, TX 77269

Re: Walker Hollow Unit 87 Well, 3087' FSL, 750' FEL, SE NE, Sec. 2, T. 7 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.

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 43-047-35611.

Sincerely,

John R. Baza  
Associate Director

pab  
Enclosures

cc: Uintah County Assessor  
SITLA  
Bureau of Land Management – Vernal Field Office

Operator: Citation Oil & Gas Corporation

Well Name & Number Walker Hollow Unit 87

API Number: 43-047-35611

Lease: UTSL 066312

Location: SE NE                      Sec. 2                      T. 7 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**

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)

**DIVISION OF OIL, GAS AND MINING****SPUDDING INFORMATION**Name of Company: CITATION OIL & GAS CORPWell Name: WHU 87Api No: 43-47-35611 Lease Type: STATESection 02 Township 07S Range 23E County UINTAHDrilling Contractor UNION DRILLING RIG # 17**SPUDDED:**Date 08/12/04

Time \_\_\_\_\_

How DRY**Drilling will commence:** \_\_\_\_\_Reported by JACK HOUGHTTelephone # 1-254-460-9735Date 08/23/2004 Signed CHD

012

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

FORM 6

ENTITY ACTION FORM

Operator: Citation Oil & Gas Corp. Operator Account Number: N 0265  
Address: P.O. Box 690688  
city Houston  
state TX zip 77269-0688 Phone Number: (281) 517-7194

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-356//	Walker Hollow Unit 87		SENE	2	7S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	610	8/12/2004		8/18/04		
Comments: <u>New well being drilled in the Walker Hollow Green River Unit</u> <i>GRV</i>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Debra Harris

Name (Please Print)

*Debra Harris*

Signature

Prod/Reg Coordinator

8/18/2004

Title

Date

(9/2000)

RECEIVED

AUG 18 2004

DIV. OF OIL, GAS & MINING

# Citation Oil & Gas Corp.

014

**RMA**  
**WALKER HOLLOW UNIT 87**  
 WALKER HOLLOW FIELD  
 UINTAH COUNTY, UT  
 Drill & Complete A Green River Infill Development Well

**CONFIDENTIAL**  
*T 095 R23E S-02*  
*43-049-35611*

CapBudget#: 322  
 AFE#: 040249  
 AFE Cost: \$758,000  
 COG WI: 100 %  
 STATUS: D

<b>Prior Production:</b>	BOPD	MCFPD	BWPD
<b>Proj. Production:</b>	50 BOPD	40 MCFPD	BWPD
<b>Prior Lease:</b>	BOPD	MCFPD	BWPD

- 8/6/2004 Day: 1 / **Present Operation:** Wait on Drilling Rig  
 Drill surface, rat & mouse holes. Drill 12 1/4" hole to 415 KB. Ran 8 5/8" 24 lb J-55 ST&C to 415 KB. Cmt w/ 225 sx type 5 class A @ 15.6 ppg. Good returns, 8 bbls slurry to pit.  
 DROP UNTIL MIRU ROTARY TOOLS.  
 Corrected Costs  
 DC: \$61,783 CC: \$61,783 TD: 415 PBDT:
- 8/12/2004 Day: 2 / **Present Operation:** Rig Repair  
 14 hrs-MIRU. 3 1/2 hrs-test BOPE. 6 1/2 hrs-rig repair.  
 Corrected Costs  
 DC: \$14,941 CC: \$76,724 TD: 415 PBDT:
- 8/13/2004 Day: 3 / **Present Operation:** Drilling  
 Mud: Wt: 8.3, Vis: 30. Type: wtr. Depth: 909. Angle: 0.5. 5 3/4 hrs-string new drlg line, repair rotary table. 2 hrs-PU BHA. Tag FC @ 369'. 2 3/4 hrs-drill cmt & shoe. 10 1/2 hrs-drlg. 1 hr-survey & rig service.  
 DC: \$20,463 CC: \$97,187 TD: 1,150 PBDT:
- 8/14/2004 Day: 4 / **Present Operation:** TOOH f/ Bit  
 Mud: Wt: 8.4, Vis: 29. Type: wtr. Depth: 1412. Angle: 0.5. Depth: 1957. Angle: 1.25. 20 1/2 hrs-drlg. 1 hr-survey & rig service. 2 1/2 hrs-TOOH f/ bit 2.  
 DC: \$24,430 CC: \$121,617 TD: 2,110 PBDT:
- 8/15/2004 Day: 5 / **Present Operation:** Drilling  
 Mud: Wt: 9.2, Vis: 35. Type: LSND. LCM %: 10. Depth: 2495. Angle: 1. 1/2 hr-replace bit. 2 1/2 hrs-TIH, W&R 50 ft to btm. 20 1/2 hrs-drlg. 1/2 hr-survey. Began daywork 2 AM, Aug 15 @ 2892 ft.  
 DC: \$21,149 CC: \$142,766 TD: 2,985 PBDT:
- 8/16/2004 Day: 6 / **Present Operation:** Drilling  
 Mud: Wt: 9, Vis: 36. WI: 10. Type: LSND. LCM %: 6. Depth: 3054. Angle: 1.25. Depth: 3545. Angle: 0.5. 23 hrs-drlg. 1 hr-survey & rig service.  
 DC: \$18,382 CC: \$161,148 TD: 3,647 PBDT:
- 8/17/2004 Day: 7 / **Present Operation:** Reaming to Bottom  
 Mud: Wt: 9.1, Vis: 37. WI: 8. Type: LSND. LCM %: 15. 9 hrs-drlg. 1/2 hr-rig service. 4 hrs-TOOH f/ bit 3. 2 1/2 hrs-TIH. 8 hrs-W & R from 3175.  
 DC: \$28,548 CC: \$189,696 TD: 3,895 PBDT:
- 8/18/2004 Day: 8 / **Present Operation:** Drilling  
 Formation: Green River. Mud: Wt: 9.3, Vis: 38. WI: 8. Type: LSND. LCM %: 10. 23 1/2 hrs-drlg. 1/2 hr-rig service.  
 DC: \$21,130 CC: \$210,826 TD: 4,482 PBDT:
- 8/19/2004 Day: 9 / **Present Operation:** Drilling  
 Formation: Green River. Mud: Wt: 9.4, Vis: 37. WI: 8. Type: LSND. LCM %: 9. Depth: 4410. Angle 1. 23 hrs-drlg. 1 hr-survey & rig service.  
 DC: \$21,849 CC: \$232,675 TD: 4,847 PBDT:
- 8/20/2004 Day: 10 / **Present Operation:** Drilling  
 Formation: Green River. Mud: Wt: 9.4, Vis: 37. WI: 8. Type: LSND. LCM %: 9. 10-hrs drlg. 1 hr-mix & pump pill, drop survey. 4.5 hrs-trip for bit. 3.5 hrs-TIH. 2 hrs-ream f/ 4950' - 5038'. 3 hrs-drill f/ 5038' - 5121'.  
 DC: \$26,264 CC: \$258,939 TD: 5,121 PBDT:

**RECEIVED**  
 NOV 15 2004  
 DIV. OF OIL & GAS & MINING

**RMA****WALKER HOLLOW UNIT 87**

WALKER HOLLOW FIELD

UINTAH COUNTY, UT

Drill &amp; Complete A Green River Infill Development Well

**CONFIDENTIAL**
 CapBudget#: 322  
 AFE#: 040249  
 AFE Cost: \$758,000  
 COG WI: 100 %  
 STATUS: D

8/21/2004 Day: 11 / **Present Operation: Logging**  
 Formation: Green River. Mud: Wt: 9.4, Vis: 35. WI: 7.8. Type: LSND. LCM %: 10.  
 Depth: 5330. Angle: 5. 12 hrs-drlg. 1 1/2 hrs-circ & cond. 2.5 hrs-short trip 30 stds. 1  
 1/2 hrs-circ for logs. 4 hrs-TOOH for logs; SLM 5402'. 2 1/2 hrs-log.  
 DC: \$17,831 CC: \$276,770 TD: 5,402 PBTB:

8/22/2004 Day: 12 / **Present Operation: Circulating**  
 Formation: Green River. Mud: Wt: 9.5, Vis: 46. WI: 7.4. Type: LSND. LCM %: 5. 3  
 1/2 hrs-logging. 4 hrs-TIH. 15 hrs-circ & condition, wait on cemeters. 1 1/2 hrs-short  
 trip 25 stds.  
 DC: \$30,588 CC: \$307,358 TD: 5,402 PBTB:

8/23/2004 Day: 13 / **Present Operation: Nipple Dn & Set Csg Slips**  
 Formation: Green River. 4 1/2 hrs-circ & condition. 1 1/2 hrs-short trip 25 stds. 5 hrs-  
 LDDP. 5 1/2 hrs-run 5 1/2" csg. 4 hrs-cmt csg; lead 150 sx litell @ 11 ppg; tail 215 sx  
 50:50 poz @ 14.3 ppg. Bump plug to 1515 psi. Floats held. 1 hr-ND BOP.  
 DC: \$90,538 CC: \$397,896 TD: 5,402 PBTB:

8/24/2004 Day: 14 / **Present Operation: WO Completion**  
 Drop from Report until Completion commences.  
 DC: \$0 CC: \$397,896 TD: 5,402 PBTB:

9/16/2004 Day: 15 / **Present Operation: Drill Through Collar**  
 Completion Day: 1  
  
 MIRU. TIH w/ 4-3/4" bit & 6 3-1/2" DC's. Tag float collar @ 5309'. PU hole 2 jts. SDFN.  
  
 DDC: \$-0- CDC: \$397,896  
 Cum Completion Cost: \$50,379  
 DC: \$50,379 CC: \$448,275 TD: PBTB:

9/17/2004 Day: 16 / **Present Operation: Shut Down**  
 Completion Day: 2  
  
 RD swivel & TOOH. TIH w/ tbg open ended. ND BOP. RDMO to #84.  
  
 DDC: \$-0- CDC: \$397,896  
 Cum Completion Cost: \$54,646  
  
 DROP FROM REPORT UNTIL FURTHER ACTIVITY.  
 DC: \$4,267 CC: \$452,542 TD: PBTB:



January 6, 2005

State of Utah  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Sale Lake City, Utah 84114-5801

RECEIVED  
JAN 10 2005  
DIV. OF OIL, GAS & MINING

**CONFIDENTIAL**

Re: "CONFIDENTIALITY"  
Walker Hollow Green River Unit  
Well #87 – API 43-047-35611  
SE NE Sec. 2, T7S, R23E  
Uintah County, Utah

Gentlemen:

Citation Oil & Gas Corp. requests "CONFIDENTIALITY" under State of Utah DOGM R649-2-11., for the recently drilled and completed well which is referenced above. All items have been stamped "CONFIDENTIAL" in red as required by the rule.

I have enclosed Form 8 – Well Completion Report and Log. The logs were submitted previously by the logging company, so they were not stamped "CONFIDENTIAL". Please advise if these previously submitted logs can also be kept confidential as well as the completion forms.

If you need additional information, please contact me at (281) 517-7194.

Sincerely,

Debra Harris  
Production/Regulatory Coordinator

/dkh

Enclosures

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

015

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom hole depth, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

**CONFIDENTIAL**

5. LEASE DESIGNATION AND SERIAL NUMBER:  
UTSL 066312

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:  
UTU66837A Walker Hollow

8. WELL NAME and NUMBER:  
Walker Hollow Unit 87

9. API NUMBER:  
4304735611

10. FIELD AND POOL, OR WILDCAT:  
Walker Hollow Green River

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

2. NAME OF OPERATOR:  
Citation Oil & Gas Corp.

3. ADDRESS OF OPERATOR:  
P.O. Box 690688 CITY Houston STATE TX ZIP 77269 PHONE NUMBER: (281) 517-7194

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 3087' FSL & 750' FEL COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 7S 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 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 checked="" 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.  
Spud well 8/5/2004 and it was completed 12/18/2004. First production from this well occurred on 12/19/2004.

RECEIVED  
JAN 10 2005

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Debra Harris TITLE Production/Regulatory Coordinator

SIGNATURE *Debra Harris* DATE 1/6/2005

(This space for State use only)

## INSTRUCTIONS

**This form shall be submitted by the operator to show the intention and/or completion of the following:**

- miscellaneous work projects and actions for which other specific report forms do not exist;
- all other work and events as identified in section 1, Type of Action, or as required by the Utah Oil and Gas Conservation General Rules, including:
  - minor deepening of an existing well bore,
  - plugging back a well,
  - recompleting to a different producing formation within an existing well bore (intent only),
  - re-perforating the current producing formation,
  - drilling a sidetrack to repair a well,
  - reporting monthly the status of each drilling well.

**This form is not to be used for proposals to**

- drill new wells,
- reenter previously plugged and abandoned wells,
- significantly deepen existing wells below their current bottom-hole depth,
- drill horizontal laterals from an existing well bore,
- drill hydrocarbon exploratory holes such as core samples and stratigraphic tests.

**Use Form 3, Application for Permit to Drill (APD) for such proposals.**

**NOTICE OF INTENT** - A notice of intention to do work on a well or to change plans previously approved shall be submitted in duplicate and must be received and approved by the division before the work is commenced. The operator is responsible for receipt of the notice by the division in ample time for proper consideration and action. In cases of emergency, the operator may obtain verbal approval to commence work. Within five days after receiving verbal approval, the operator shall submit a Sundry Notice describing the work and acknowledging the verbal approval.

**SUBSEQUENT REPORT** - A subsequent report shall be submitted to the division within 30 days of the completion of the outlined work. Specific details of the work performed should be provided, including dates, well depths, placement of plugs, etc.

**WELL ABANDONMENT** - Proposals to abandon a well and subsequent reports of abandonment should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, and method of parting of any casing, liner, or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

In addition to any Sundry Notice forms submitted, **Form 8, Well Completion or Recompletion Report and Log** must be submitted to the division to report the results of the following operations:

- completing or plugging a new well,
- reentering a previously plugged and abandoned well,
- significantly deepening an existing well bore below the current bottom-hole depth,
- drilling horizontal laterals from an existing well bore,
- drilling hydrocarbon exploratory holes such as core samples and stratigraphic tests,
- recompleting to a different producing formation.

Send to:

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

Phone: 801-538-5340

Fax: 801-359-3940

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

AMENDED REPORT  FORM 8  
(highlight changes)

**016**

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**UTSL 066312**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME  
**UTU66837A Walker Hollow**

8. WELL NAME and NUMBER:  
**Walker Hollow Unit 87**

9. API NUMBER:  
**4304735611**

10. FIELD AND POOL, OR WILDCAT  
**Walker Hollow Green River**

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:  
**SENE 2 7S 23E**

12. COUNTY  
**Uintah**

13. STATE  
**UTAH**

1a. TYPE OF WELL: OIL WELL  GAS WELL  DRY  **CONFIDENTIAL**

b. TYPE OF WORK: NEW WELL  HORIZ. LATS.  DEEP-EN  RE-ENTRY  DIFF. RESVR.  OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
**Citation Oil & Gas Corp.**

3. ADDRESS OF OPERATOR: P.O. Box 690688 CITY **Houston** STATE **TX** ZIP **77269-0688** PHONE NUMBER: **(281) 517-7194**

4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE: **3087' FSL & 750' FEL**  
AT TOP PRODUCING INTERVAL REPORTED BELOW: **Same**  
AT TOTAL DEPTH: **Same**

14. DATE SPURRED: **8/5/2004** 15. DATE T.D. REACHED: **8/20/2004** 16. DATE COMPLETED: **12/18/2004** ABANDONED  READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):  
**5211' GR; 5226' KB**

18. TOTAL DEPTH: MD **5,402** TVD **5,402** 19. PLUG BACK T.D.: MD **5,401** TVD **5,401** 20. IF MULTIPLE COMPLETIONS, HOW MANY? \* 21. DEPTH BRIDGE PLUG SET: MD \_\_\_\_\_ TVD \_\_\_\_\_

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)

**HD Ind/Comp/Z-Densilog/CNL/GR; CBL; CNL/GR/Caliper (previously submitted by log company)**

23. WAS WELL CORED? NO  YES  (Submit analysis)  
WAS DST RUN? NO  YES  (Submit report)  
DIRECTIONAL SURVEY? NO  YES  (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12-1/4"	8-5/8 J-55	24#	0	415		A 225	48	0	0
7-7/8"	5 1/2 J-55	15.5#	0	5,402		Lite II 365 & Poz	365	2080	0

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-7/8"	5,347							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Green River	5,314	5,388	5,314	5,388	5,314 5,388	4"		Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

27. PERFORATION RECORD

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
5378' - 5388'	23.8 bbls 7.5% HCl
5330' - 5359'	5 bbls 2% KCl; 18261# 20-40 sand
5314' - 5316'	23583# 20-40 sand

29. ENCLOSED ATTACHMENTS:

- ELECTRICAL/MECHANICAL LOGS  GEOLOGIC REPORT  DST REPORT  DIRECTIONAL SURVEY  
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION  CORE ANALYSIS  OTHER: **BLM forms; Fm 9**

30. WELL STATUS:  
**Producing**

**JAN 10 2005**

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 12/19/2004		TEST DATE: 12/25/2004		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL: 44	GAS - MCF: 29	WATER - BBL: 98	PROD. METHOD: Pumping
CHOKE SIZE: N/A	TBG. PRESS. 115	CSG. PRESS. 0	API GRAVITY 26.00	BTU - GAS	GAS/OIL RATIO 659	24 HR PRODUCTION RATES: →	OIL - BBL: 44	GAS - MCF: 29	WATER - BBL: 98	INTERVAL STATUS: Producing

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Green River	5,314	5,388	Oil/Gas/Water	Green River	5,314

34. FORMATION (Log) MARKERS:

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Debra Harris TITLE Production/Regulatory Coordinator  
 SIGNATURE *Debra Harris* DATE 1/6/2005

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

\*\* ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

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

Phone: 801-538-5340  
 Fax: 801-359-3940

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:

UTSL 006312

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Walker Hollow Unit

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 Conversion to injection

8. WELL NAME and NUMBER:

Walker Hollow Unit 87

2. NAME OF OPERATOR:

Citation Oil & Gas Corp.

9. API NUMBER:

4304735611

3. ADDRESS OF OPERATOR:

P O Box 690688

CITY Houston

STATE TX

ZIP 77269

PHONE NUMBER:

(281) 517-7800

10. FIELD AND POOL, OR WILDCAT:

Walker Hollow Green River

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 3087' FSL & 750' FEL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 7S 23E

STATE:

UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" 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"/> 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 checked="" 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 checked="" 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.

Citation Oil & Gas Corp. plans to convert the Walker Hollow Unit 87 to injection upon EPA approval with attached procedure. Application was submitted to state and EPA in January of 2006. EPA approval is anticipated this year.

Accepted by the  
Utah Division of  
Oil, Gas and Mining  
**FOR RECORD ONLY**

NAME (PLEASE PRINT) Sharon Ward

TITLE Permitting Manager

SIGNATURE *Sharon Ward*

DATE 2/19/2008

**RECEIVED**

FEB 25 2008

DIV. OF OIL, GAS & MINING

(This space for State use only)

Walker Hollow Unit #87

Work-over Procedure:

Objective: Convert well to injection service.

Comments: 1. Hot oil as necessary to continue work.

1. MIRUSU. Unseat pump and POOH with pump and rods.
2. ND Tree. NU 3M BOP's. Release TAC and POOH with 2 7/8" tubing.
3. PU work-string and round trip bit and scraper to 5400'. PBTB
4. PU and RIH with 2 7/8" IPC tubing and Pkr to 5200'.
5. Circulate hole with 9 ppg clean fluid.
6. Set packer at 5200'.
7. ND BOP's and NU Tree.
8. Perform MIT to 1200 psi.
9. Hook up flow line and wait on EPA approval to begin water injection.
10. After injection has stabilized, approximately two months, contact engineer to set up Injection Profile.

**List of Citation Contacts**

Foreman	Robert Eye	Cell: 435.790.4406 Home: 435.781.4147
Engineer	Chad Stallard	Cell: 713.249.4671 Office: 281-517-7527

# Citation Oil & Gas Corporation - Walker Hollow Unit #87

## Wellbore Diagram – Proposed Injection

Date: 12/11/06 CS

Ground Elevation = 5211'

RKB = 5226'

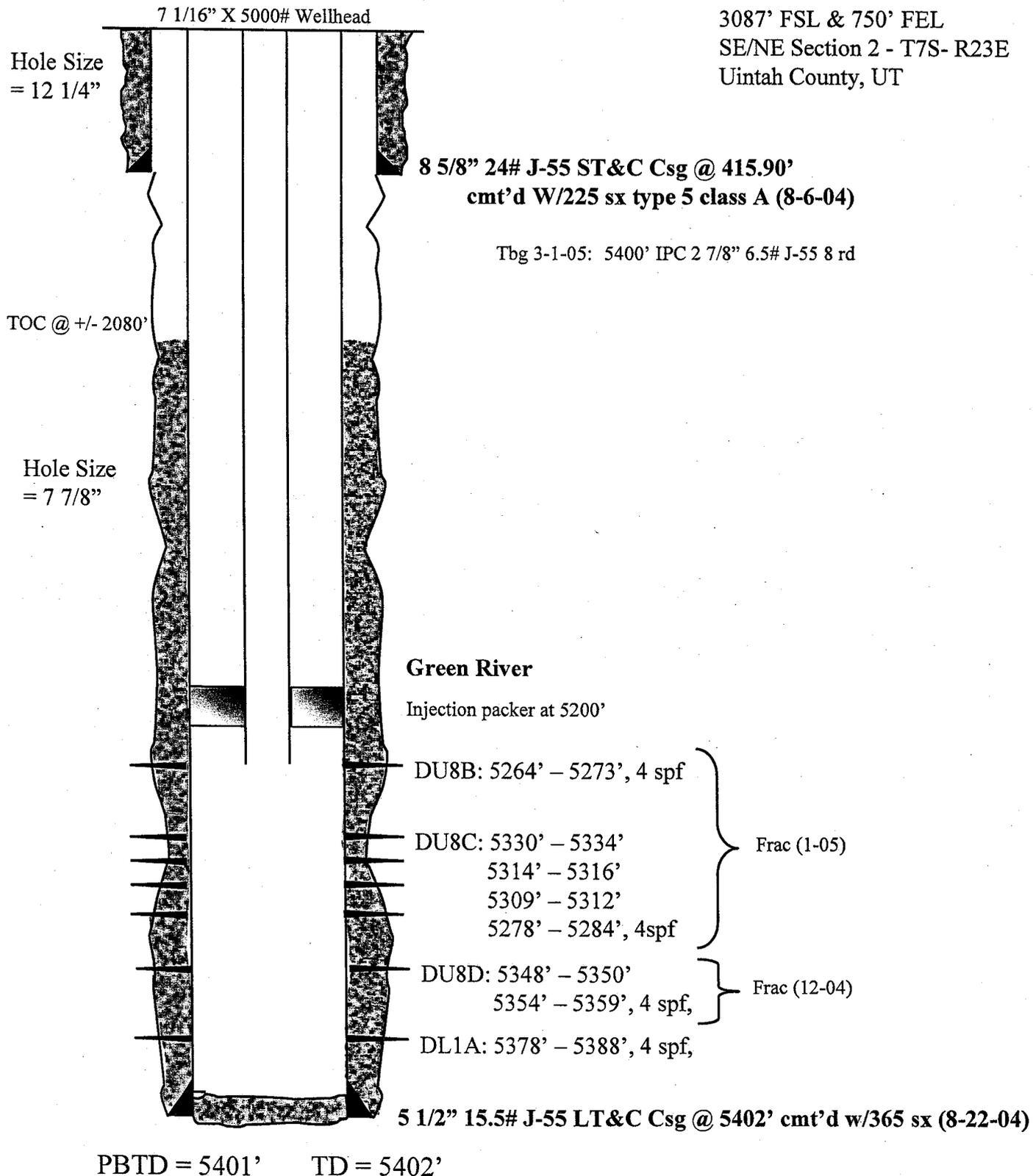
KB = 15'

### Surface Location

3087' FSL & 750' FEL

SE/NE Section 2 - T7S- R23E

Uintah County, UT



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

UIC FORM 1

APPLICATION FOR INJECTION WELL

Name of Operator Citation Oil & Gas Corp.	Utah Account Number N	Well Name and Number Walker Hollow Unit 87
Address of Operator P O Box 690688 CITY Houston STATE TX ZIP 77269	Phone Number (281) 517-7800	API Number 4304735611
Location of Well Footage: 3087' FSL & 750' FEL County: Uintah		Field or Unit Name Walker Hollow Green River
QQ, Section, Township, Range: SENE 2 7S 23E State: UTAH		Lease Designation and Number UTSL 006312

Is this application for expansion of an existing project? Yes  No

Will the proposed well be used for:	Enhanced Recovery?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
	Disposal?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	Storage?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Is this application for a new well to be drilled? Yes  No

If this application is for an existing well, has a casing test been performed? Yes  No   
Date of test: \_\_\_\_\_

Proposed injection interval: from 5,264 to 5,388

Proposed maximum injection: rate 1,000 bpd pressure 1,976 psig

Proposed injection zone contains oil , gas , and / or fresh water  within 1/2 mile of the well.

List of attachments: EPA application

ATTACH ADDITIONAL INFORMATION AS REQUIRED BY CURRENT  
UTAH OIL AND GAS CONSERVATION GENERAL RULES

I hereby certify that this report is true and complete to the best of my knowledge.

Name (Please Print) Sharon Ward

Title Permitting Manager

Signature Sharon Ward

Date 1/5/2006

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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 <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTSL 006312
2. NAME OF OPERATOR: Citation Oil & Gas Corp.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: P O Box 690688 CITY Houston STATE TX ZIP 77269		7. UNIT or CA AGREEMENT NAME: Walker Hollow Unit
4. LOCATION OF WELL FOOTAGES AT SURFACE: 3087' FSL & 750' FEL		8. WELL NAME and NUMBER: Walker Hollow Unit 87
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 7S 23E		9. API NUMBER: 4304735611
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Walker Hollow Green River
STATE: UTAH		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input checked="" 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
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	<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.

Citation Oil & Gas Corp. requests permission to add additional perms in the permitted injection interval per EPA Permit that was approved 6/26/2008. Please see the attached wellbore schematics and procedure.

**COPY SENT TO OPERATOR**  
Date: 7.28.2009  
Initials: KS

NAME (PLEASE PRINT) <u>Bridget Lisenbe</u>	TITLE <u>Permitting Analyst</u>
SIGNATURE <u>Bridget Lisenbe</u>	DATE <u>7/7/2008</u>

(This space for State use only)

**APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING**  
DATE: 7/20/09  
BY: [Signature]

Federal Approval Of This  
Action Is Necessary

**RECEIVED**  
JUL 13 2009

DIV. OF OIL, GAS & MINING



Formation	Interval	# feet	# Perfs
8C	5286' - 5307'	21	85

4. POOH & LD perf gun. RD WL Sheave. **Note: If necessary, keep WL on location and use to correlate DH tools.**
5. PU & RIH w/ 5 1/2" PPI PKR (8' spacing) w/ FCV & SN on 2 7/8" WS. Set bottom PKR element @ 5308' KB – correlate w/ WL. MO WL Unit.
6. MI RU stimulation company equipment. Acidize 8d perfs w/ 750 gals 15% NEFe HCL w/ additives in three setting depths & equal stages of 250 gals/setting, working uphole. **Note: Communication between old perfs is anticipated.** After the final setting, PUH w/ the PKR to  $\pm 5200'$ , retrieve FCV w/ sand line & pump reverse 30 BPW & set PKR. Flush w/ produced water to bottom perf (5307'). Record rates & pressures at different PKR settings along with ISIP. **Pmx = 3000 psi.**
7. Release PKR. POOH & LD 2 7/8" WS, SN & PPI PKR.
8. PU & RIH w/ 2 7/8" injection assembly as follows (top → bottom) – KB correction of 13':
  - $\pm 168$  jts 2 7/8" 6.5 ppf J-55 8rd EUE IPC tubing ( $\pm 5208'$ )
  - 2 7/8" x 5 1/2" Baker model "R" PKR ( $\pm 7.58'$ ) set @  $\pm 5221'$  KBM - EOT @  $\pm 5229'$  KBM
9. Set Baker model "R" PKR @  $\pm 5229'$ .
10. RU pump truck. Load annulus & PT to 1500 psi. Release PKR & circulate hole w/ PKR FL (**NOTE: Annular capacity to bottom PKR is ~83 Bbls**). Reset PKR. Load annulus w/ PKR FL. PT annulus to 1500 psi.
11. ND BOP. NU WH. Perform MIT as per BLM & Utah regulations.
12. Perform SRIT (Step Rate Injectivity Test) as requested by BLM permit to evaluate injection capacity and frac gradient of well. RD pump truck. RD MO PU.
13. Install injection line. Wait on injection permit approval.
14. After approval is received initiate injection at desired rates.
15. Monitor until rates stabilize. Run injection profile.

**CITATION OIL & GAS CORP  
WALKER HOLLOW UNIT #87  
3087' FSL, 750' FEL, (SE NE) Section 2 – T7S – R23E  
UINTAH CO., UTAH**



Elevation = 5211' GL  
KB = 15' AGL  
7 1/16" X 5000# Wellhead

API No:43-047-35611

Bethlehem 456-304BG-144

12 1/4"  
Hole

**8 5/8" 24# J-55 8rd ST&C Csg @ 416'  
w/ 225 sx Class A – Circ'd 8 Bbls to  
surface**

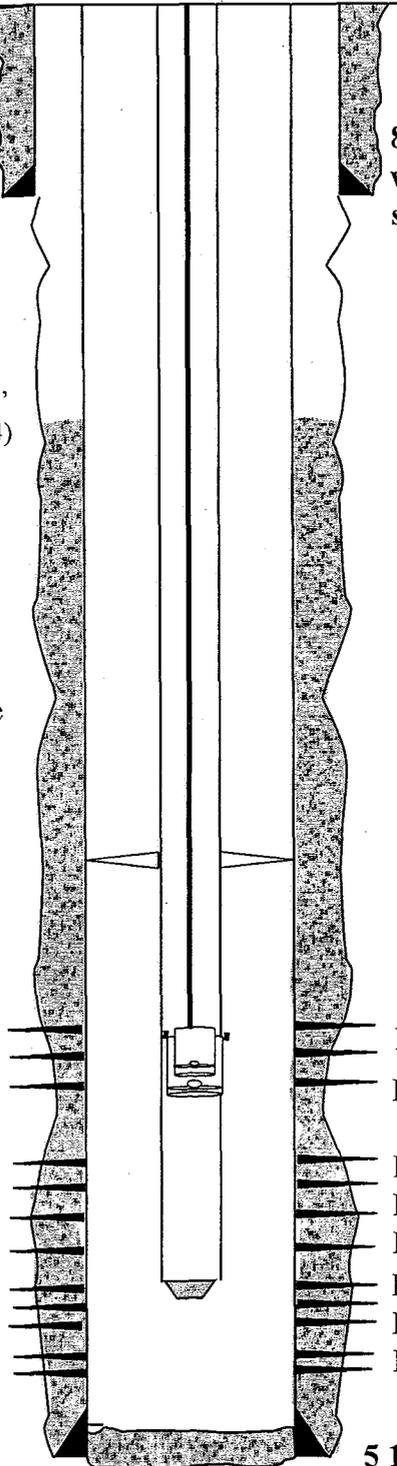
TOC @ ~2080'  
(CBL 11/30/04)

Completion Assembly (10/7/08)			
Qty	Description	Length	Depth
	KB correction	13.00'	13.00'
155 jts	2 7/8" 6.5# J-55 8rd EUE tbg	5059.03'	5072.03'
1	2 7/8" x 5 1/2" TAC @ 5072 KB	2.80'	5074.83'
3 jts	2 7/8" 6.5# J-55 8rd EUE tbg	91.85'	5166.68'
1	2 7/8" SN @ 5167' KB	1.10'	5167.78'
1jt	2 7/8" 6.5# J-55 8rd EUE tbg	31.52'	5199.30'
1	Mother Hubbard' des ander/gas buster	19.88'	5219.18'
2 jts	2 7/8" 6.5# J-55 8rd EUE tbg	65.50'	5284.68'
1jt	2 7/8" 6.5# J-55 OP MA	31.78'	5316.46'

7 7/8" Hole

Rod/Pump Detail (10/8/08)			
Qty	Size	Length	Depth
1	1 1/2" x 30' PR	30.00'	30.00'
4	2', 4', 6', 8' x 1" pony rods	20.00'	50.00'
62	1" Grade D SR	1550.00'	1600.00'
72	7/8" Grade D SR	1800.00'	3400.00'
60	3/4" Grade D SR	1500.00'	4900.00'
10	1" Grade D SR	250.00'	5150.00'
1	2' x 7/8" pony rod	2.00'	5152.00'
2 1/2" x 1 1/2" x 4' x 17' RTBC 'McGyver w/ ball knocker			

**GREEN RIVER**



DU8b: 5264' – 5273' w/ 4 spf

DU8c: 5278' – 5284' w/ 4 spf

DU8c: 5309' – 5312' w/ 4 spf

DU8c: 5314' – 5316' w/ 4 spf

DU8c: 5330' – 5334' w/ 4 spf

DU8d: 5348' – 5350' w/ 4 spf

DU8d: 5354' – 5359' w/ 4 spf

DL1a: 5378' – 5388' w/ 4 spf

**5 1/2" 15.5# J-55 8rd LT&C Csg @ 5402' w/ 365 sx**

PBTD = 5401' KBM

TD = 5402' KBM

Updated: 11/4/08 - JTT

RECEIVED

NOV 16 2009

FORM 9

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

DIV. OF OIL, GAS & MINING

SUNDRY NOTICES AND REPORTS ON WELLS

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. LEASE DESIGNATION AND SERIAL NUMBER:  
UTSL 006312

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:  
Walker Hollow Unit

8. WELL NAME and NUMBER:  
Walker Hollow Unit 87

9. API NUMBER:  
4304735611

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

2. NAME OF OPERATOR:  
Citation Oil & Gas Corp.

3. ADDRESS OF OPERATOR:  
P O Box 690688 CITY Houston STATE TX ZIP 77269 PHONE NUMBER: (281) 891-1565

10. FIELD AND POOL, OR WILDCAT:  
Walker Hollow Green River

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 3087' FSL & 750' FEL COUNTY: Uintah  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 7S 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
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	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 10/12/2009	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input checked="" 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.

Citation MIRU. Circ'd w/ hot H2O. TIH w/ bailer. Bailed from 5370 to PBTD @ 5401. PU and TIH w/ dn hole assembly & tbg. HU well head and pump 20 bbls ngl in tbg. Flushed tbg w/ 60 bbls hot H2O. TIH with pump and rods. Well returned to production 10/12/2009.

NAME (PLEASE PRINT) Bridget Lisenbe TITLE Permitting Analyst

SIGNATURE *Bridget Lisenbe* DATE 11/9/2009

(This space for State use only)