

unit 889 - core log in this file

PREMCO WSTON 1-10 FED
NE SE 10-41N-11W (889)

MAR 31 '00 12:48PM BLN

8016735729

P.2

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
ARIZONA STRIP FIELD OFFICE

MEMORANDUM

To: Premco Western 1-10 Casefile
From: Geologist/Resource Advisor
Date: 8/10/99
Subject: Inspection of the Premco Western 1-10 Pad Site

P/N 889

The road through the wash is no longer passable. Runoff has obliterated the access. Revegetation is progressing. There are small fourwing saltbush, globemallow, creosote, several species of grass and, of course, thistle growing on the site. The site looks good and successful revegetation may be reached in two years.

Form 3160-5
(November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDY NOTICES AND REPORTS ON WELLS

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

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

5. Lease Serial No.
AZA-21068

6. If Indian, Allottee or Tribe Name

7. If Unit or C/A Agreement, Name and/or No.
PIN 889

8. Well Name and No.
Mohave Co. 10-1

9. API Well No.

10. Field and Pool, or Exploratory Area
Wildcat

11. County or Parish, State
Mohave Co, AZ

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Premco Western, Inc.

3a. Address

3b. Phone No. (include area code)
(435) 656-1829

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

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

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

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate 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.)

On 3/21/98 the site was finished with a D-7 dozer ripping entire site and road. site and road was then hand broadcasted w/seed mixture (the exact same seed mixture used on the United Gas Search site in the West 1/2 of section 10.). This was exactly how the old UGS site was finished & reclaimed. All 3 wells were plugged with cement, each one with at least 100' of cement, with 3rd well (263' deep) plugged from top to bottom w/cement.

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

Name (Printed/Typed) **Rodney Rathcal** Title **President**

Signature **Rodney Rathcal** Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office _____

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

STATE: ARIZONA
COUNTY: MOHAVE
API: 02-015-20029
FIELD: WILDCAT
WELL CLASS: WF
PREMCO WESTERN INC

10-41N-11W
NE SE
2353 FSL 510 FEL SEC
STATUS: J&A

PN 889

1-10 MOHAVE COUNTY

SPUD: 11/30/1995 COMP: 12/25/1997 ELEV: 3090 GR
TD: 1075 (10/08/1997) FM/TD: TOROWEAP DTD: 1075
CONTR: LAYNE-WESTERN (VERTICAL)
PROJ DEPTH/FM: 8500 CAMBRIAN LEASE TYPE: FEDERAL

1075 DTD COMP: 12/25/1997 J&A; , NO DST RUN

LOCATION DATA: 24 MI S-SW VIRGIN FLD(UTAH/INACHOE) 9 MI SE ST GEORGE, UT; PLAN
SPUD NOV-1-1995;
CASING: 18 IN @ 80, 10 3/4 IN @ 240 W/5 SACK;
DLR TOPS: MOENKOPI 0, KAIBAB /LM/ 105, TOROWEAP 600;
DRLG COMMENTS: ORIGINALLY DRILLED TO 1075 FT AND SHUT-IN 1995-1996, HOLE
CAVED-IN, DRLG RESUMED FROM 80 FT TO 380 FT IN, SEPT 1997;

(OVER)
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PREMCO WESTERN INC

API: 02-015-20029, 10-41N-11W

1-10 MOHAVE COUNTY

(CONTINUED)

OPER ADD: BOX 496568, GARLAND, TX 75049-6568, ;

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STATE: ARIZONA
COUNTY: MOHAVE
API 02-015-20029
FIELD: WILDCAT
WELL CLASS: WF
OPR: PREMCO WESTERN

1-10 MOHAVE COUNTY

41N-11W 10
NE SE
2353 FSL 510 FEL
STATUS: J&A

P/W 889

SPUD: 11/30/95 COMP: 12/25/97 ELEV: 3090 GR
ID: 380 (10/08/97) FM/TD: UNKNOWN
CONTR: LAYNE-WESTERN (R) (VERTICAL)
PROJ DEPTH/FM: 8500 C.AMBRIAN

COMP 12/25/97, J&A. NO CORES OR DSTS.

LOC DESCRIPTION: 24 MI S-SW VIRGIN FLD(UTAH/NACHOE) 9 MI SE ST GEORGE, UT; LAT: 3696873
LONG: 11340244; PLAN SPUD NOV-1-1995;
CASING: 18 @ 80, 10 3/4 @ 240 W/5 CU YD;
DRLG COMMENTS: ORIGINALLY DRILLED TO 1000 FT AND SHUT-IN 1995- 1996, HOLE CAVED-IN, DRLG
RESUMED FROM 80 FT SEPT 1997
OPER ADD: BOX 496568, GARLAND, TX, 74049-6568 PHONE (214) 341-7010;

2-4-97

John Haas, BLM.

file 889

Visited Pemco well with Becky Hammond.
Plate loosely welded on conductor
Well is emitting some type of gas
Very minimal pressure

Rather will attempt to get a sample for
analysis and measure pressure.

**PETROLEUM INFORMATION
DAILY ACTIVITY REPORT
SECTION II - 09/03/96**

DRILLING ACTIVITY

INITIAL CLASS: WF=NEW FIELD WILDCAT; WD=DEEPER POOL WILDCAT; WS=SHALLOWER POOL WILDCAT; WP=NEW POOL WILDCAT; WO=WILDCAT OUTPOST; D=DEVELOPMENT.

■ DENOTES NEW INFORMATION ADDED THIS WEEK. LDIR - LAST DATE INFORMATION REPORTED OR CONFIRMED.
● DENOTES A FINAL STATUS HAS BEEN ADDED TO THE WELL.

ARIZONA

MOHAVE COUNTY

PREMCO WESTERN
1-10 MOHAVE COUNTY
API 02-015-20029

10-41N-11W
NE SE
2353 FSL 510 FEL
IC 20157000195

WILDCAT; 8500 CAMBRIAN, (FR 09/11/95FM) OPER ADD: BOX 495568,
GARLAND, TX, 74049-6568 PHONE (214) 341-7010; EL: 3090 GR; LOCATION
DATA: 24 MI S-SW VIRGIN FLD(UTAH/NACHOE) 9 MI SE ST GEORGE, UT;
PLAN SPUD NOV-1-1995;

WF

■ CONTR: LAYNE-WESTERN; SPUD: 11/30/95. CSG: 13 @ 80. NO CSG SET; DRLG PROBLEMS RIG UNABLE TO RUN 40 FT 8 5/8 CSG LENGTHS AS PLANNED TO 850 FT, HOLE CAVING IN WHILE OPERATIONS SUSPENDED. 1100 TD, (TD REACHED: 02/ 16/96); ... 1100 TD, WOO (LDIR 08/30/96)

file 889

NEW MEXICO

RIO ARRIBA COUNTY

BURLINGTON RES O&G
11A SAN JUAN 29-7 UNIT
API 30-039-25564

3-29N-7W
NW NW
900 FNL 790 FWL
IC 300397000396

BASIN; 7760 DAKOTA, (FR 01/31/96FM) OPER ADD: BOX 4289,
FARMINGTON, NM, 87499-4289 PHONE (505) 326-9700; EL: 6262 KB; GEOL:
WEATHERFORD LOCATION DATA: 3 MI E NAVAJO CITY, NM TO DUAL
COMP W/BLANCO FLD(MESAVERDE), BASIN FLD (DAKOTA); WELL ID
CHANGES: PROJ DEPTH CHGD FROM 5765. PROJ FM CHGD FROM
MESAVERDE. FIELD CHGD FROM BLANCO. ELEV CHGD FROM 6245 GR. OPR
CHGD FROM MERIDIAN OIL INC.

D

■ CONTR: WALTERS DRLG, RIG #5 RIG SUB:12; SPUD: 07/27/96 CSG: 13 3/8 @ 231 W/354 SX, 9 5/8 @ 3470 W/967 SX, 7 @ 5839 W/525 SX; LNR: 4 1/2 @ 5701-7800 W/300 SX; LOG TYPES: ACSL 5880-7798, CNL 50-5875, DENL 5880-7798, FMS 7350-7799, GRL 5880-7800, IES 5880-7800, LITH 5880-7798, MAGL 7350-7792, MICL 5880-7772, 7350-7799, NGT 7300-7752, POR 5880-7798, RES 7350-7792, SPCT 7300-7752; SHOWS: 5878-5878 GAS 7810 TD, (TD REACHED: 08/ 12/96) BHT: 207F; ... 7810 DTD, 7800 LTD, WOCT (LDIR 08/30/96)

CARANTA JOHN
1 CARANTA
API 30-039-22806-0001

23-32N-1W
C NW SE
1580 FSL 1980 FEL

WILDCAT; 5000 MORRISON, (FR FM) OPER ADD: 20 COUNTY RD 3970,
FARMINGTON, NM, 87401 PHONE (505) 325-2677; EL: 7133 GR; LOCATION
DATA: 4 MI SW NAVAJO FLD(GALLUP/MANCOS/NOBRARA) 2 MI N AMARGO,
NM; OWWO: OLD INFO: FORMERLY AZTEC ENERGY 1 CARANTA SPUD 9/8/81.
8 5/8 @ 221. NO TOPS RPTD. TD 221. COMP 9/17/82. D&A:

WFX

■ CONTR: CABLE TOOL DRLG, RIG #1 CABLE; SPUD: 05/01/96. CSG: 7 @ 1900; DRLG COMMENTS: NMOCD WILL FORCE PLUGGING 9/6/96. ... @ 2000, WOE (LDIR 08/30/96)

SAN JUAN COUNTY

THOMPSON ENGR & PROD
1 STACEY
API 30-045-29396

6-26N-12W
SW SE
835 FSL 1805 FEL
IC 300457002596

WAW; 1255 PICTURED CLIFFS, (FR 04/24/96FM) OPER ADD: 7415 E MAIN,
FARMINGTON, NM, 87402 PHONE (505) 327-4892; EL: 5944 GR; GEOL:
THOMPSON LOCATION DATA: 14 MI S FARMINGTON, NM;

D

■ CONTR: SMITH WAYNE DRLG, RIG #1; SPUD: 08/21/96. LOG TYPES: CNL 132-1243, DENL 132-1243, IES 132-1260, LITH 132-1243; 1260 TD, (TD REACHED: 08/ 23/96) BHT: 78F; ... 1260 DTD, 1260 LTD, WOCT (LDIR 08/30/96)

UTAH

DUCHESNE COUNTY

INLAND PROD
9-19 SOUTH PLEASANT VALLEY
FEDERAL
API 43-013-31610

19-9S-17E
NE SE
1980 FSL 660 FEL

MONUMENT BUTTE; 6500 GREEN RIVER, (FR 03/07/96DN) OPER ADD:
475 17TH ST STE 1500, DENVER, CO, 80202 PHONE (303) 292-0900; EL: 5512
GR; LOCATION DATA: 12 1/4 MI S-SE MYTON, UT;

D

■ CONTR: CAZA DRLG, RIG #56; SPUD: 08/30/96. ... DRLG, DEPTH NOT RPTD (LDIR 08/30/96)

9 '96 11:43AM BLM

8016735729

P.2

O. Clair Adams
Geological Consultant
401 W. Shepard Ridge Rd.
Farmington, Utah 84025
(801) 451-5890

BLM Received
Arizona Strip District Office

AUG 8 1996

St. George, Utah
10:00 A.M.

August 4, 1996

Mr. Rodney Ratheal
Premco Western, Inc.
555 So. Cholla St.
Gilbert, AZ 85233

file 889

RE: Microscopic analysis of rock cuttings from Mohave County
Well #1-10, Sec. 10, T41N, R11W, Mohave Co., Arizona

The well was air drilled and sample cuttings were caught on approximate ten-foot intervals by Mr. Ratheal. The samples were not lagged but the shallow depth and high velocity of air circulation should have given a very short lag time. Foot-by-foot drill rate was not recorded, therefore the penetration rate could not be used to help interpret the depth to lithologic changes.

Samples were washed and cleaned through brass sieves, the several intervals of "No Samples" resulted from no cuttings collected or because all the sample saved was powder that washed through the 100-mesh sieve, leaving no rock fragments for microscopic analysis. A Geologic "Strip Log" is enclosed. My interpretations are shown on the log. Sample study and regional correlations indicate the following tops.

FORMATION (Age)	TOP (FT.)	THICKNESS (FT.)	ELEVATION (FT.)
MOENKOPI (Triassic)			
Lower Red Member	Surface	35+	+3150
Timpoweap Member	35	50	3115
Rock Canyon Mem.	85	20	3065
KAIBAB (Permian)			
Harrisburg Mem.	105	150	3045
Fossil Mtn. Mem.	255	345	2895
TOROWEAP (Permian)			
Woods Ranch Mem.	600	265	2550
Brady Canyon Mem.	865	160+	2285

The hole bottomed near the base of the Brady Canyon Member of the Toroweap Formation. The Seligman Member (\approx 130' of gypsum) was not penetrated. The Coconino (Queantoweap) Sandstone should lie within 300 to 400 feet below the present total depth of the well.

Note: Strip Log abbreviations and symbols follow AMSTRAT and AAPG.

Copies to: Becky Hammond, BLM AZ Strip, St George, Utah
Steve Rauzi, AZ Geological Survey, Tucson, AZ.



Oil & Gas Exploration - Western States

O. Clair Adams

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
Other instructions on reverse side

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. LEASE DESIGNATION AND SERIAL NO.
USA A-21068

2. IF INDIAN, ALLIANCE OR TRIBE NAME

3. TYPE OF WORK
DRILL DEEPEN

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

5. NAME OF OPERATOR
Premco Western, Inc.

6. ADDRESS AND TELEPHONE NO.
P.O. Box 496568, Garland, TX 75049-6568

7. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface: 2353' FSL & 510' FEL (NE/4 SE/4)
At proposed prod. zone: Same

8. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 14 miles southeast of St. George, UT

9. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any) 610'

10. NO. OF ACRES IN LEASE 3041.24

11. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 8500'

12. NO. OF ACRES ASSIGNED TO THIS WELL 80

13. ELEVATIONS (Show whether DF, ET, GR, etc.)
Estimated: 3150'

14. ROTARY OR CABLE TOOLS
Rotary

15. APPROX. DATE WORK WILL START*
November 10, 1995

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	32# J-55	1000'	Class "C" to surface
7-7/8"	5-1/2"	17# N-80	8500'	2800+sx Class "C" to surface

Seal casing with monolithic cement
310 W. Zimmerman Road
673-3631

- Exhibits Attached:
- ✓ "A" Location Survey Plat
 - ✓ "B" Drilling Program
 - ✓ "C" Blowout Preventer Diagram
 - ✓ "D" Surface Use Plan
 - ✓ "E" Access Roads to Location
 - ✓ "E₁" Detail of Access Road
 - ✓ "G" Drill Pad Layout, Cuts & Fills
 - ✓ "G₁" Cross Sections of Drill Pad
 - ✓ "H" Drill Rig Layout
- Write monolithic cement
310 W. Zimmerman Road
673-3631
- Weights in Center: Curves: TANK in United Gas Lease
303-565-3703
- Water: 2000' to 2200'
Best: 2000' to 2200'
Ask about: 2000' to 2200'
Check for: 2000' to 2200'

BOND COVERAGE PURSUANT TO 43 CFR 3104 FOR LEASE OPERATIONS WILL BE PROVIDED BY PREMCO WESTERN, INC.

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

SIGNED Premco Western, Inc.
Rodney R. Batten TITLE President DATE August 31, 1995

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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

CONDITIONS OF APPROVAL, IF ANY: Attached

APPROVED BY Julian P. Anderson TITLE Acting District Mgr DATE 10/6/95

*See Instructions On Reverse Side

TEL

Sep 01 95 13:49 No.001 P.01

SURVEYOR'S CERTIFICATE

**EXHIBIT "A"
SURVEY PLAT**

I, LLOYD RIED POPE, HEREBY CERTIFY THAT UNDER THE LAWS OF THE STATE OF ARIZONA, I AM A REGISTERED LAND SURVEYOR HOLDING LICENSE NO. 15401 AND THAT UNDER THE OWNER'S REQUEST AND UNDER MY DIRECTION, THE BELOW DESCRIBED WELL LOCATION HAS BEEN CORRECTLY LOCATED ON THE GROUND AND THAT THIS PLAT REPRESENTS A TRUE AND ACCURATE SURVEY OF THE WELL AS SHOWN

Lloyd Ried Pope

LLOYD RIED POPE,
REGISTERED LAND SURVEYOR
NO. 15401



9-1-95
CLIENT

PREMCO WESTERN, INC.

LOCATION OF SURVEY

SECTION 10, T 41 N, R 11 W, MOHAVE COUNTY, AZ.

NARRATIVE

THE PURPOSE OF THIS SURVEY WAS TO ESTABLISH THE LOCATION OF THE WELL SITE FOR PREMCO WESTERN INC. THE BASIS OF BEARING WAS ASSUMED TO BE NORTH BETWEEN THE EAST 1/4 AND THE NORTHEAST CORNER OF SECTION 10.

DATE OF SURVEY

29 AUGUST, 1995

LEGEND

-  OIL WELL SITE
-  SECTION CORNER

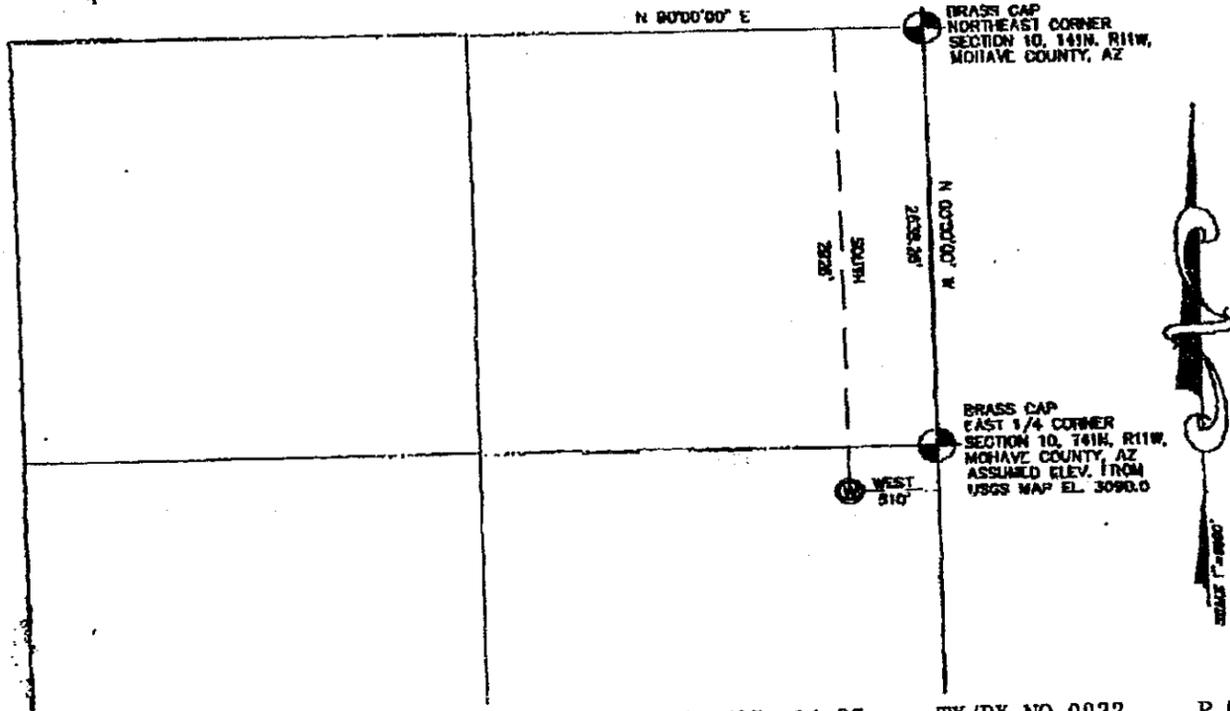


EXHIBIT 'B'

DRILLING PROGRAM

Attached to Form 3160-5

Premco Western, Inc.
#1-10 Mohave County
2353 FSL & 510 FEL
NE/4 SE/4 Sec. 10 T41N R11W
Mohave County, Arizona

1. The Geologic Surface Formation
Surface formation is Moenkopi

2. Estimated Tops of Important Geologic Markers

Formation	Depth	Sea Level Datum
Moenkopi	Surface	+3150'
Kaibab	150'	+3000'
Toroweap	700'	+2450'
Coconino	1250'	+1900'
Hermit	1375'	+1775'
Queantoweap	2125'	+1025'
Pakoon	2775'	+875'
Callville	3600'	-450'
Redwall	4600'	-1450'
Temple Butte	5900'	-2750'
Cambrian	6650'	-3500'
Precambrian	8250'	-5100'
Total Depth	8500'	-5350'

3. Estimated Depths of Anticipated Water, Oil, Gas, or Minerals:
Operator's Plans for Protection

Coconino	1250'	Possible Water and/or Oil & Gas
Queantoweap	2125'	Possible Water and/or Oil & Gas
Pakoon	2775'	Possible Water and/or Oil & Gas
Callville	3600'	Possible Water and/or Oil & Gas
Redwall	4600'	Possible Water and/or Oil & Gas
Temple Butte	5900'	Possible Water and/or Oil & Gas
Cambrian	6650'	Possible Water and/or Oil & Gas

Casing and cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospective valuable mineral deposits. All indications of usable water will be reported.

Casing will be tested to 0.22 psi/ft or 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield.

4. The Proposed Casing and Cementing Programs

HOLE SIZE	SETTING DEPTH (INTERVAL)	SECTION LENGTH	SIZE (OD)	WEIGHT, GRADE & JOINT	NEW, USED
12-1/4"	0 - 1000'	1000'	8-5/8"	32# J-55, ST&C	New
7-7/8"	0 - 8500'	8500'	5-1/2"	17# J-55, LT&C	New

Design Factors Tension: 1.80
 Collapse: 1.125
 Burst: 1.00

Cement Program

Surface Casing: Class "C" cement w/2% CaCl₂. Circulate to surface. WOC 20 hours. Test.

Production Casing: 2800 sx Class "C" and BJ Lite w/6% gel, 10 lb/sk gilsonite and 1/2 lb/sk celloflake. WOC 48 hours. Test.

The following shall be entered in the driller's log:

- (1) Blowout preventer pressure tests, including test pressures and results;
- (2) Blowout preventer tests for proper functioning;
- (3) Blowout prevention drills conducted;
- (4) Casing run, including size, grade, weight, and depth set;
- (5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- (6) Waiting on cement time for each casing string;
- (7) Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

~~EXHIBIT "C"~~ is a schematic diagram of the blowout preventer equipment. A 3000# system will be installed, used, maintained and tested in accordance with all requirements specified in Section III. A - I of Onshore Order 2, except where variations are presented in this application.

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

Ram type preventers and associated equipment (choke manifold, kelly cocks, etc.) shall be pressure tested to 100% of their rated working pressure (with BOP stack isolated from casing by a test plug) for a period of 10 minutes, or a minimum of 1000 psi, whichever is greater. Annular preventers shall be tested to 50% of rated working pressure for 10 minutes. Tests will be run after initial installation, prior to drilling out of surface casing shoe and after any use under pressure, or a minimum of once every 7 days. Pipe rams will be operationally checked each 24-hour period, as will blind rams and annular preventer each time pipe is pulled out of the hole. Annular preventers will be functionally operated at least weekly. Such checks of BOPE will be noted on daily drilling reports.

6. The Type and Characteristics of the Proposed Circulating Muds

There will be enough mud materials on site to displace the hole at any time.

DEPTH	TYPE	WEIGHT #/GAL	VISCOSITY SEC/QT.	FLUID LOSS CC
0 - 1000'	Spud Mud	8.5-9.0	as needed	8 - 12 cc
1000 - 8500'	LSND,	--	as needed to clean hole	--
TD	Gel, water		as needed to log hole	8 - 12 cc

Well will be drilled with air to the extent hole conditions permit, in order to minimize water use.

After mudding up, the slow pump speed will be recorded on daily drilling report. A mud test shall be performed every 24 hours to

see
page
5

determine, as applicable, density, viscosity, gel strength, filtration, and pH.

7. The Auxiliary Equipment to be Used

- (a) A Kelly cock will be kept in the string.
- (b) A float will be used at the bit.
- (c) A fully manned mud logging unit will be used from surface to TD.
- (d) A stabbing valve will be on the floor to be stabbed into the drill pipe when Kelly is not in the string.

8. The Testing, Logging and Coring Programs to be Followed

- (a) Six DST's are planned, beginning at 1000'.
- (b) The logging program will consist of the following:

Dual Induction Laterolog	surface to TD
Integrated Borehole Compensated Gamma-Ray Sonic	surface to TD
Sidewall Neutron Porosity	over zones of interest
Dipmeter	"
- (c) 10' samples will be taken from surface to 1000'
10' samples will be taken from 1000' to TD.
- (d) Completion program will be determined after evaluation of logs, and Sundry Notice will be submitted to BLM for approval.

9. Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures are anticipated. Bottom hole pressure is unknown.

10. Anticipated Starting Date and Duration of the Operations.

The anticipated starting date is set for Nov. 10, 1995, or as soon as possible after approval of drilling application. Operations will cover 60 days for drilling and 60 days for completion.

Cleanup may take up to 6 months depending upon weather.

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Arizona Strip District Office.

- (a) prior to beginning construction;
- (b) prior to spudding;
- (c) prior to running any casing or BOP tests;
- (d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Arizona Strip District Office immediately.

This well will be reported on Form 3160-2 "Monthly Report of Operations" starting with the month in which any operations commence, and continue each month until the well is physically plugged and abandoned. Notification will be submitted within five business days of production startup.

Prior approval will be obtained for abandonment operations, and Form 3160-5 "Subsequent Report of Abandonment" will be filed within 30 days.

All operations will conform to requirements and guidelines in Onshore Order 2 (which is herein incorporated by reference), except for variances approved in this Application.

The Arizona Oil & Gas Conservation Commission must also be notified 24 hours in advance of BOP installation and testing, and surface casing tests so they can have a representative present. All other notifications to the Arizona Oil & Gas Conservation Commission will be made in accordance with conditions of the Arizona Permit to Drill.

- ✶ - Since an air drilling operation is planned, the following equipment *will* be in place:

Rotating Head

Spark arrestors on engine or watercooled exhaust

Straight run bleed line discharged 100' minimum from well bore and securely anchored

Automatic ignitor or continuous pilot light on the bleed line

Compressors located in the opposite direction from the bleed line, a minimum of 100' from the well bore

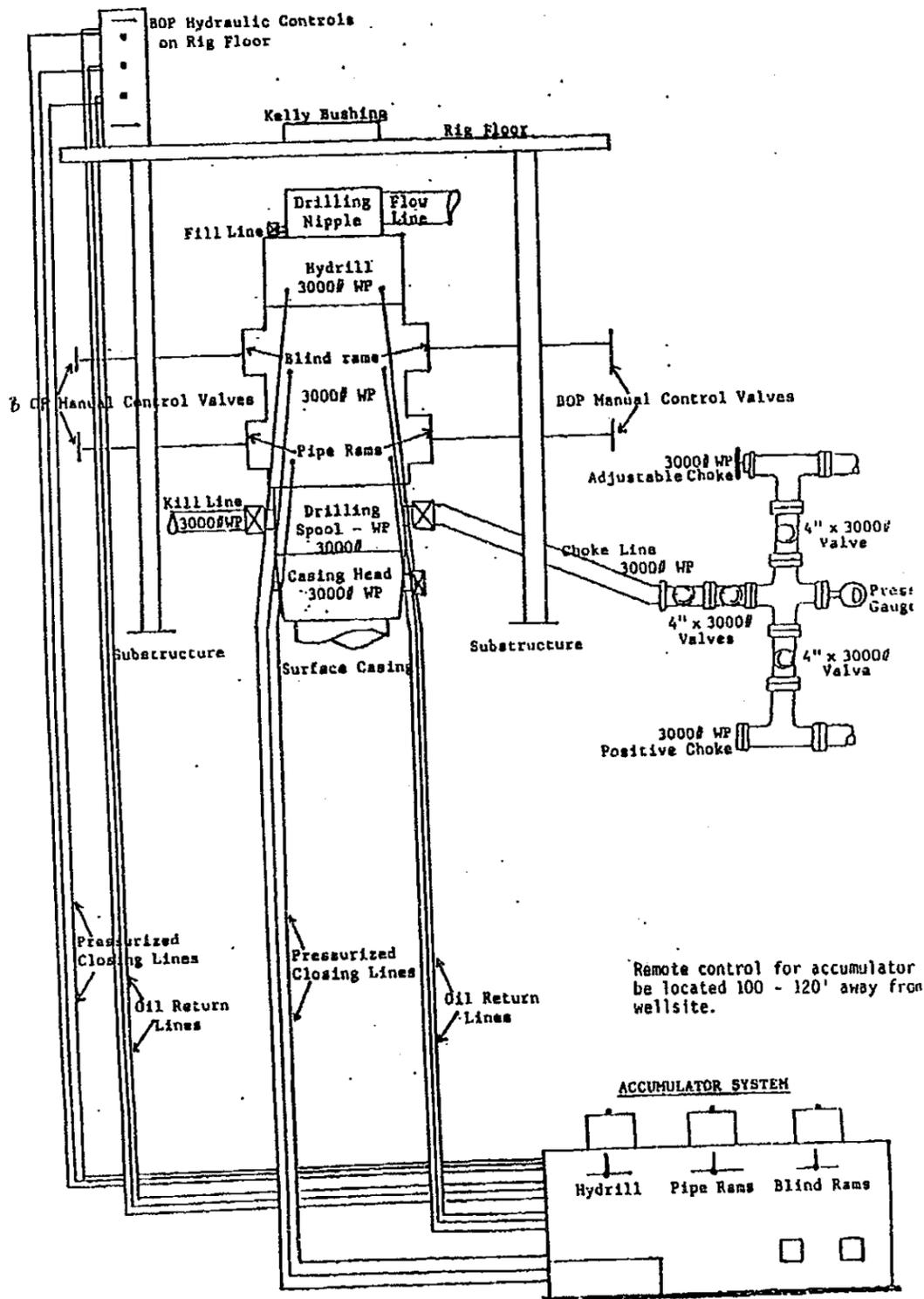


EXHIBIT "D"

SURFACE USE PROGRAM TO ACCOMPANY A.P.D.

Attached to Form 3160-3

Premco Western, Inc.
#1-10 Mohave County
2353 FSL & 510 FEL
NE/4 SE/4 Sec. 10 T41N R11W
Mohave County, Arizona

1. Existing Roads

- a. The proposed well site and elevation plat is shown as EXHIBIT "A". Staking included two directional reference stakes and elevations, also shown on EXHIBIT "A"
- b. The distance from St. George, Utah is 14 miles. From IH 15 take the Washington Exit (Exit 10) east .1 mile to the intersection of Green Spring Rd. and Telegraph Rd. Go left on Telegraph Rd. for 1.2 miles and make a right on 300 East Rd. Proceed for 3.6 miles to the dead end (Ft. Pierce Sign). Go left and follow blacktop for 2.7 miles until road intersects a cattle guard and road turns to gravel. Proceed another 2.7 miles to a fork in the road. Stay left for 1 mile to cattleguard. Make a right through the cattleguard and cross the creek. Stay left for .2 mile. From the Utah-Arizona State Line, procede for .6 mile to a fork (Hurricane Valley Sign). Stay left and go 2.3 miles to Rig Road. Take a right for .3 mile to location.
- c. All roads to location are shown on EXHIBITS "E" & "E1". A new access road approximately 1400' from the existing road will be required, as shown on EXHIBITS "E" & "E1".
- d. All existing roads within a two-mile radius are shown on EXHIBIT "E".
- e. The existing roads need no improvement except grading. Existing roads have a grade less than 5% and will be maintained in same or better condition.

2. Planned Access Roads

Map showing all necessary access roads to be constructed or reconstructed is shown as EXHIBIT "E" for the following:

a. Drilling Operations

- (1) The maximum width of the trail and access road required for drilling will be 20 feet.
- (2) The maximum grade will be 6%.
- (3) No turnouts are planned.
- (4) No drainage design is planned during drilling operations. Brush will be cleared and a temporary road will be prepared by grader.
- (5) No culverts are needed.
- (6) No surfacing material will be required.
- (7) No gates, fence cuts, or cattleguards will be needed.
- (8) Major cuts and fills: None.

- * → (9) The new access road to be constructed was centerline flagged during staking. This road crosses B.L.M. lands, as shown on EXHIBIT "E", sections C - 1.
- (10) Personnel and equipment shall be confined to the areas specified in this application.

b. Production

- * → (1) If production is obtained, new road will be widened and crowned and ditched. Roads will be maintained for year-round use.

3. Location of Existing Wells

- a. There are no water wells within a one-mile radius of this location.
- b. There are no disposal wells.
- c. There are no wells presently being drilled.
- d. There are no producing wells within this one-mile radius.
- e. There are no injection wells.

4. Location of Existing and/or Proposed Facilities to be used if Well is Productive.

- a. This information is not known and cannot be accurately presented at this time. If well is subsequently completed for production, Operator shall supply this information prior to installation.
- b. Rehabilitation of all pad areas not used for production facilities will be made in accordance with B.L.M. stipulations.
- c. All permanent, above-ground facilities, tank batteries, etc. that will remain longer than 6 months will be painted an environmentally acceptable color as recommended by the BIM, the exception being that the OSHA rules are to be complied with where special safety colors are required.
- c. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior approval from the BIM. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

Tests for meter accuracy will be run in accordance with requirements of Arizona State Office.

5. Location and Type of Water Supply

- a. The source of water will be a well and pond in the SE SE, Sec. 3 T41N R11W, to be used with permission of surface lessee.
- b. Water will be transported by truck over approved access roads, as shown on EXHIBIT "E", or by the installation of flowline along roadside.
- c. No water well is to be drilled for this location.

6. Construction Materials

- a. No construction materials are needed for drilling well or constructing access roads into the location during drilling. No construction or surfacing materials will be taken from any Federal land, except that taken off the location, which is on Federal land.
- c. If well is productive and additional materials are required for road or pad, these materials will be provided by the dirt contractor.

7. Handling of Waste Materials and Disposal

- a. Drill cuttings will be buried in reserve pit.

- b. Drilling fluids will be allowed to evaporate in reserve pit.
- c. Any fluids produced during drilling tests or while making production tests will be collected in a test tank. No oil will be placed in reserve pit. Any spills of oil, gas, salt water, or other noxious fluids will be cleaned up and removed. If well is productive, produced water will be disposed of on site for 30 days only, or 90 days with permission of managing agency. After that time, application will be made for approval of permanent disposal method in compliance with NTL-2B.
- d. Portable chemical toilet will be provided.
- * → e. Garbage and non-flammable trash will be disposed of in trash pit. Flammable trash will be disposed of in burn pit. Drill fluids, water, drilling mud and tailings will be kept in reserve pit, as shown on EXHIBIT "H". The trash/burn pit will be totally enclosed with small mesh wire to prevent wind scattering trash before being burned, buried, or removed. Reserve pit will be fenced on three sides during drilling and the fourth side fenced upon removal of the rig. After drilling is completed, the pit will be allowed to dry for 10 days - two weeks, then liner and contents will be removed and hauled to an approved disposal site.
- f. After the rig moves out, all materials will be cleaned up and no adverse materials will be left on location. All open pits will be fenced during drilling and kept closed until the pit is leveled.

8. Ancillary Facilities

No air strip, camp or other facilities will be built during drilling of this well.

9. Well Site Layout

- a. EXHIBIT "G" is the drill pad layout as staked by Reed Pope of St. George, Utah. Cuts and fills have been drafted to represent the planned cut across the location and the pit. Six inches of topsoil will be segregated and stockpiled as shown on EXHIBIT "G".
- b. EXHIBIT "H" is a plan diagram of the proposed rig and equipment layout, reserve pit, trash/burn pit, pipe racks and mud tanks, access road, parking and turnaround. No permanent living facilities are planned. There will be a trailer on site.
- * → c. Soil is very sandy, and the reserve pit will be lined in accordance with BLM stipulations.

10. Plans for Reclamation of the Surface

- * → a. If well is abandoned, site will be restored to original condition as nearly as possible. Backfilling, leveling, and contouring will begin as soon as all pits have dried. Waste and trash will be buried or burned, and unused drilling materials will be removed from site, immediately after drilling is completed. If production is obtained, the unused area of the drill pad will be restored as soon as possible.
- * → b. The soil-banked material will be spread over the area. Revegetation will be accomplished by planting mixed grasses as per formula provided by the B.L.M. Revegetation is recommended for road area as well as drill pad.
- c. Three sides of the reserve pit will be fenced during drilling operations. Prior to rig release, the fourth side will be fenced to prevent livestock or wildlife from entering; and the fencing will be maintained until leveling and cleanup are accomplished.
- * → d. If any oil is on the pit and is not immediately removed, the pit will be flagged overhead or covered with wire mesh.
- e. The reclamation operations will begin immediately after the drill rig is removed. Removal of oil or other adverse substances will begin immediately or the area will be flagged and fenced. Other cleanup will be done as needed. It is estimated that reclamation operations will be completed by Spring 96, depending upon weather conditions.

11. Surface Ownership

Surface at the well site is public land administered by the Bureau of Land Management.

Surface ownership of access roads, as shown on EXHIBITS "E" & "E₁" is as follows:

Sections A - B County Roads
Sections C - 1 Access roads across BIM lands

12. Other Information

The primary surface use is for grazing (limited).

This lease is subject to the following stipulations:

1. In order to protect important scenic values, no surface occupancy or other surface disturbance will be allowed on slopes of Seegmiller

Mountain that are in excess of 30%. Exceptions to this limitation may be specifically authorized in writing by the authorized officer of the federal surface management agency if it is shown to the satisfaction of the authorized officer that the proposed disturbance or occupancy will not impair the visual resources of the area.

2. In order to protect fragile soils located throughout portions of these leases, all vehicle travel is limited to existing roads and trails unless a permit is granted by the authorized officer. Permits granted will be either an approved APD or Notice of Intent to Conduct Geophysical Exploration.

A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be on the wellsite during construction and drilling operations. A copy shall also be furnished to the road contractor.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the BLM office. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3126.4.

If subsurface paleontological or cultural resources are uncovered during construction or reclamation operations, the operator or the operator's contractor shall suspend operations in the vicinity of the discovery and immediately report the finding to the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The operator will be responsible for the cost of evaluation, and any decision as to proper mitigation will be made by the Authorized Officer after consulting with the Operator.

13. Lessee's or Operator's Field Representative

THROUGH A.P.D. APPROVAL:

Premco Western, Inc.
Rodney Ratheal
P.O. Box 496568
Garland, TX 75049-6568
(214) 240-0376

MAIL APPROVED A.P.D. TO:

Premco Western, Inc.
P.O. Box 496568
Garland, TX 75049-6568

Field Representative for Drilling Operations:

Premco Western, Inc.
Rodney Ratheal
P.O. Box 496568
Garland, TX 75049-6568
(214) 240-0376

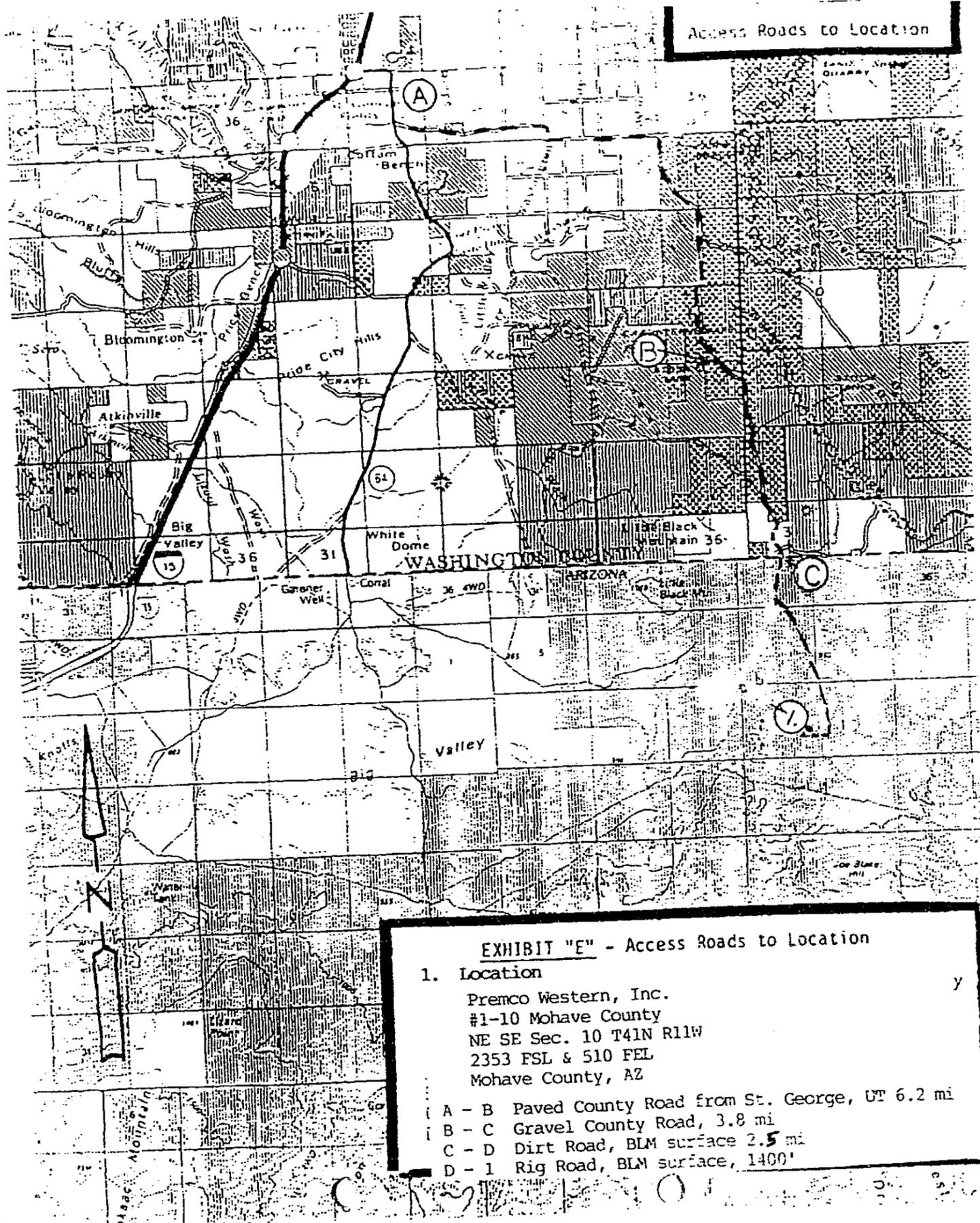
14. Certification

I hereby certify that I, or persons under my direct supervision have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that 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 Precco Western, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

August 31, 1995
Date

Rodney Ratchford
by Rodney Ratchford, President for
Precco, Western, Inc.

* See amendments - Hammond letter of 9-22-95 on correspondence side



Access Roads to Location

EXHIBIT "E" - Access Roads to Location

1. Location

Premco Western, Inc.
 #1-10 Mohave County
 NE SE Sec. 10 T41N R11W
 2353 FSL & 510 FEL
 Mohave County, AZ

- A - B Paved County Road from St. George, UT 6.2 mi
- B - C Gravel County Road, 3.8 mi
- C - D Dirt Road, BLM surface 2.5 mi
- D - 1 Rig Road, BLM surface, 1400'

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

WASHINGTON CO '73

MOHAVE, AZ

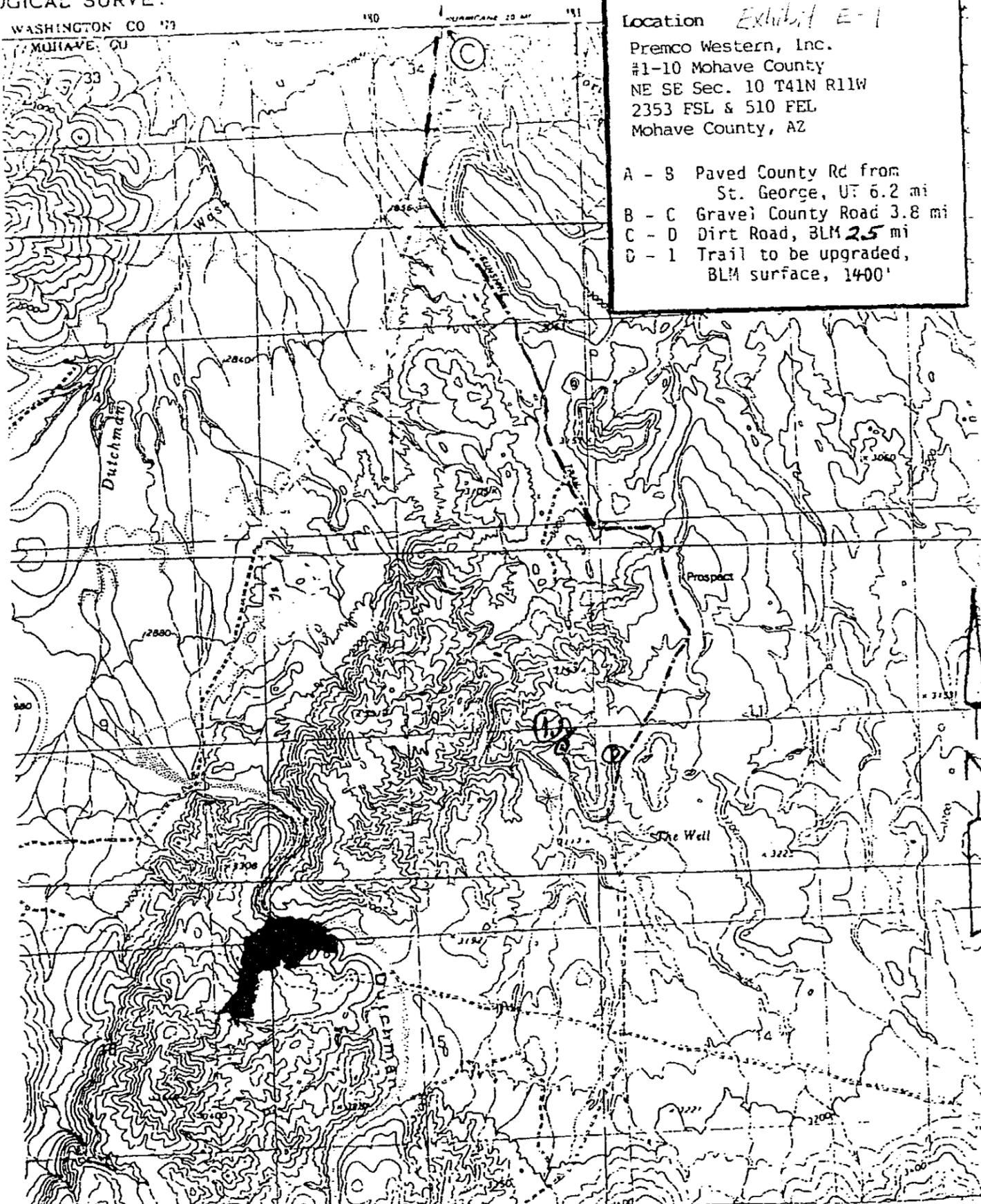


EXHIBIT "E-1"

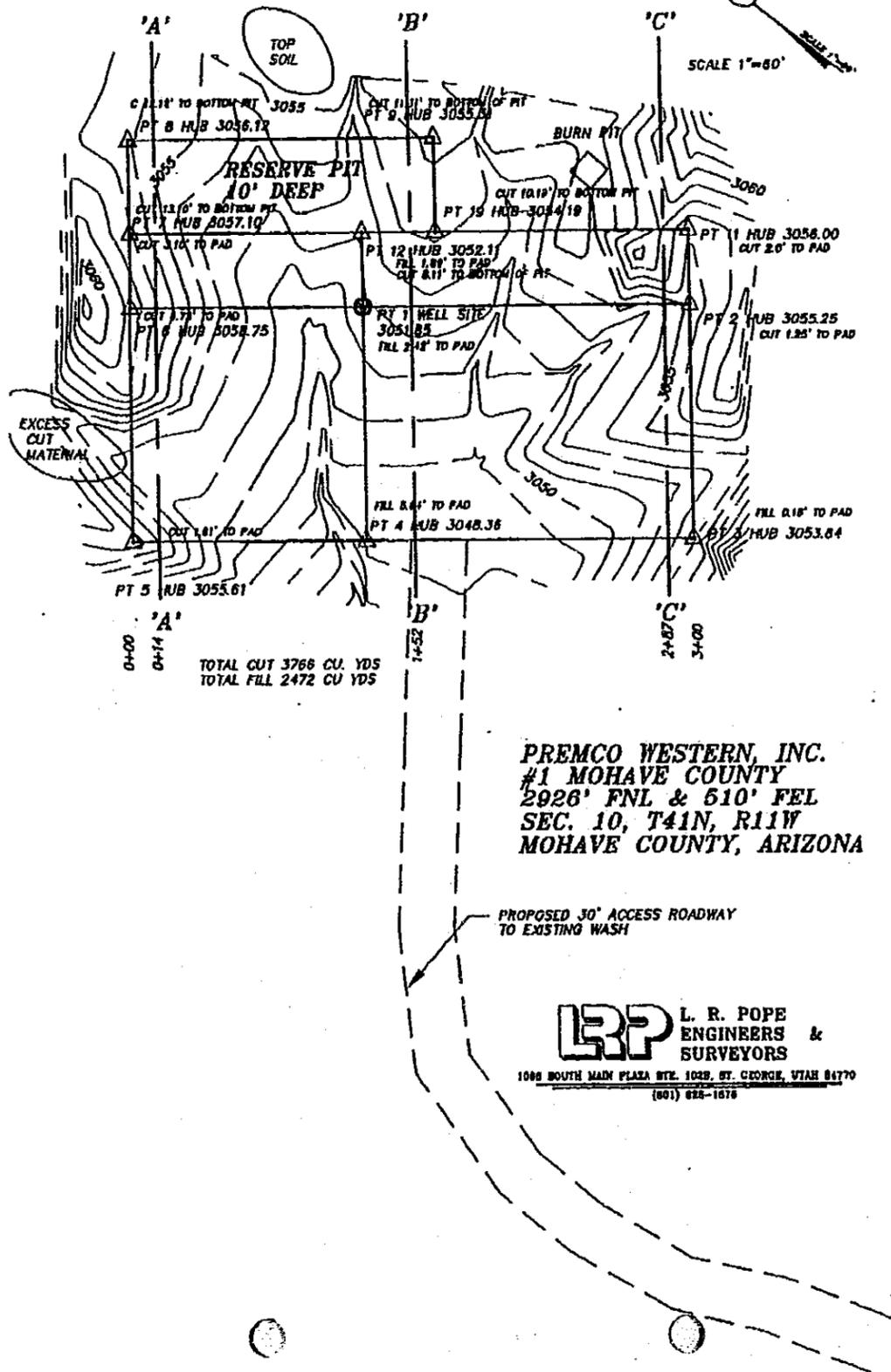
Detail of Access Road

Location *Exhibit E-1*

Premco Western, Inc.
#1-10 Mohave County
NE SE Sec. 10 T41N R11W
2353 FSL & 510 FEL
Mohave County, AZ

- A - B Paved County Rd from
St. George, UT 6.2 mi
- B - C Gravel County Road 3.8 mi
- C - D Dirt Road, BLM 2.5 mi
- D - 1 Trail to be upgraded,
BLM surface, 1400'

EXHIBIT "G"
DRILL PAD LAYOUT
8-30-95



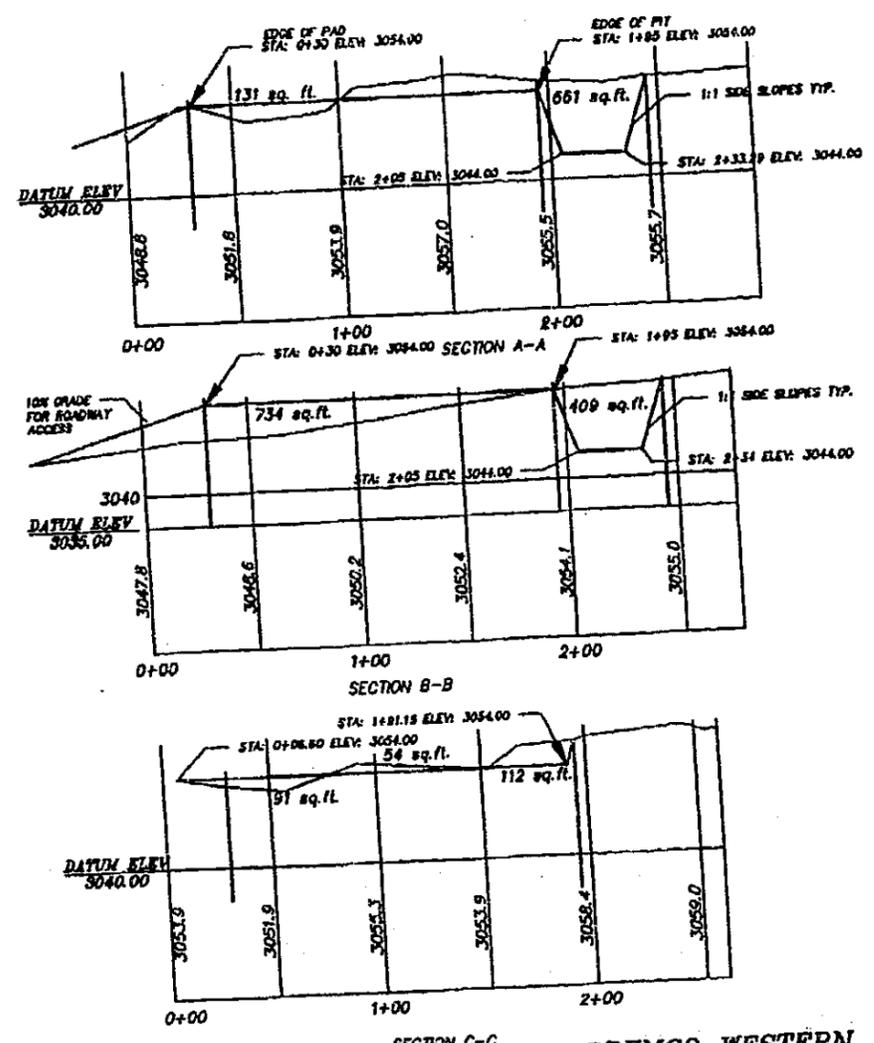
PREMCO WESTERN, INC.
#1 MOHAVE COUNTY
2926' FNL & 510' FEL
SEC. 10, T41N, R11W
MOHAVE COUNTY, ARIZONA

PROPOSED 30' ACCESS ROADWAY
TO EXISTING WASH

L.R.P. L. R. POPE
ENGINEERS &
SURVEYORS

1088 SOUTH MAIN PLAZA BLDG. 1028, ST. GEORGE, UTAH 84770
(801) 824-1878

EXHIBIT "G-1"
CUT/FILL CROSS SECTIONS
8-30-95



TOTAL CUT 3786 CU. YDS
 TOTAL FILL 2472 CU. YDS

SECTION C-C
 HORIZ. SCALE 1"=40'
 VERT. SCALE 1"=20'

PREMCO WESTERN, INC.
#1 MOHAVE COUNTY
2926' FNL & 510' FEL
SEC. 10, T41N, R11W
MOHAVE COUNTY, ARIZONA

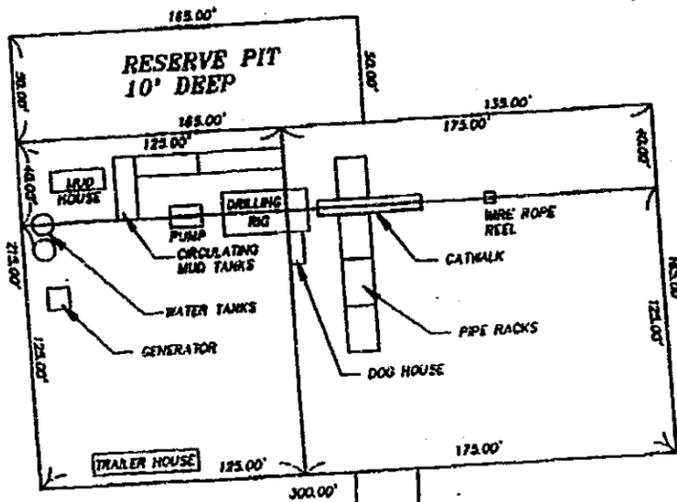
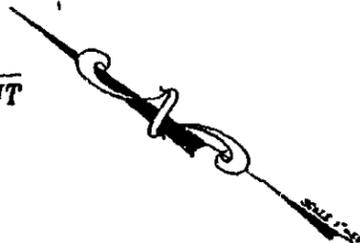
LRP L. R. POPE
 ENGINEERS &
 SURVEYORS

1085 SOUTH MAIN PLAZA STE 108B, ST. GEORGE, UTAH 84779
 (801) 858-1678

SEP 11 '95 04:11PM ELM ARIZONA STRIP 8016287487

P.5

EXHIBIT "H"
DRILL RIG LAYOUT
8-30-95



PREMCO WESTERN, INC.
#1 MOHAVE COUNTY
2926' FNL & 510' FEL
SEC. 10, T41N, R11W
MOHAVE COUNTY, ARIZONA

PROPOSED 30' ROADWAY
TO EXISTING WASH

LRP L. R. POPE
ENGINEERS &
SURVEYORS

1004 SOUTH MAIN PLAZA STE. 100B, ST. GEORGE, UTAH 8477
(801) 633-1070



PERMIT TO DRILL

This constitutes the permission and authority from the
OIL AND GAS CONSERVATION COMMISSION,
STATE OF ARIZONA,

To: PREMCO WESTERN, INC.
(OPERATOR)

to drill a well to be known as

#1-10 MOHAVE COUNTY FEDERAL
(WELL NAME)

located 2353' FSL & 510' FEL

Section 10 Township 41N Range 11W, MOHAVE County, Arizona.

The E/2 OF SE/4 of said
Section, Township and Range is dedicated to this well.

Said well is to be drilled substantially as outlined in the attached Application and must be drilled
in full compliance with all applicable laws, statutes, rules and regulations of the State of Arizona.

Issued this 3 day of OCTOBER, 1995.

OIL AND GAS CONSERVATION COMMISSION

By Steven L. Rainey

EXECUTIVE DIRECTOR

OIL & GAS PROGRAM ADMINISTRATOR

PERMIT 00089

RECEIPT NO. 3080

A.P.I. NO. 02-015-20029

State of Arizona
Oil & Gas Conservation Commission
Permit to Drill

FORM NO. 27

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL

RE-ENTER OLD WELL

NAME OF COMPANY OR OPERATOR

Premco Western, Inc.

Address

City

State

P.O. Box 496568, Garland, Texas 75049-6565

Drilling Contractor

Address

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor USA A-21068	Well number #1-10 Mohave County	Elevation (ground) Estimated 3150'
Nearest distance from proposed location to property or lease line: 810' feet	Distance from proposed location to nearest drilling, completed or applied—for well on the same lease: N/A feet	
Number of acres in lease: 3041.24	Number of wells on lease, including this well, completed in or drilling to this reservoir: One	
If lease, purchased with one or more wells drilled, from whom purchased: N/A		
Well location (give footage from section lines) 2353' FSL & 510' FEL	Section—township—range or block and survey 10-T41N-R11W	Dedication (Comply with Rule 105) 80 (E/2 of SE/4)
Field and reservoir (if wildcat, so state) Wildcat	County Mohave	
Distance in miles, and direction from nearest town or post office Approximately 14 miles southeast of St. George, Utah.		
Proposed depth: 8,500'	Rotary or cable tools Rotary	Approx. date work will start 11/10/95
Bond Status Cashier's Ck attached Amount \$10,000	Organization Report On file Attached	Filing Fee of \$25.00 Attached Attached

Remarks:

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the President of the Premco Western, Inc. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Rodney Kattal
Signature

9/27/95
Date

API # 02-015-20029

Permit Number: **889**

Approval Date: **OCT 3 1995**

Approved By: *Steven L. Rainey*

Notice: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

**STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION**
Application to Drill or Re-enter
File Two Copies

Form No. 3

- Operator shall outline the dedicated acreage for both oil and gas wells on the plat.
- A registered professional engineer or land surveyor registered in the State of Arizona or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.
- ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.
- Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES NO
- If the answer to question four is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES NO . If answer is "yes," Type of Consolidation _____
- If the answer to question four is "no," list all the owners and their respective interests below:

Owner	Land Description
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> </div> <div style="width: 50%; padding-left: 10px;"> <p align="center">CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <p>Name <u>Rodney Ratheal</u></p> <p>Position <u>President</u></p> <p>Company <u>Premco Western, Inc.</u></p> <p>Date <u>9/27/95</u></p> <p>I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</p> <p>Date Surveyed <u>8/29/95</u></p> <p>Registered Professional Engineer and/or Land Surveyor <u>R.L. Pope</u> <u>#15401</u></p> <p>Certificate No. _____</p> </div> </div>	

PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
8-5/8"	32#	J-55	0	1,000'	Surface	510	Class C
5-1/2"	17#	N-80	0	8,500'	Surface	1030	Class C

SEP 11 '95 04:10 PM ARIZONA SURV 0016287487

P.2

EXHIBIT "E"
SURVEY PLAT

LLOYD RIED POPE, HEREBY CERTIFY THAT UNDER THE LAWS OF THE STATE OF ARIZONA, I AM A REGISTERED LAND SURVEYOR HOLDING LICENSE NO. 15401 AND THAT UNDER THE OWNER'S REQUEST AND UNDER MY DIRECTION, THE BELOW DESCRIBED WELL LOCATION HAS BEEN CORRECTLY LOCATED ON THE GROUND AND THAT THIS PLAT REPRESENTS A TRUE AND ACCURATE SURVEY OF THE WELL AS SHOWN

Lloyd Ried Pope
LLOYD RIED POPE,
REGISTERED LAND SURVEYOR
NO. 15401



9-1-95
CLIENT

PREMCO WESTERN, INC.

LOCATION OF SURVEY

SECTION 10, T 41 N, R 11 W, MOHAVE COUNTY, AZ.

NARRATIVE

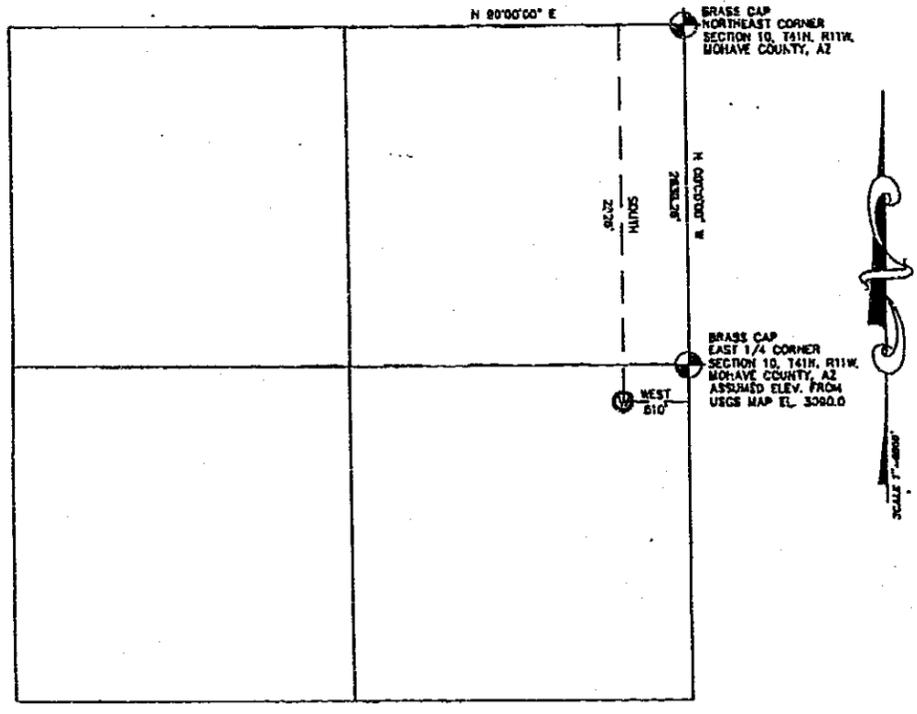
THE PURPOSE OF THIS SURVEY WAS TO ESTABLISH THE LOCATION OF THE WELL SITE FOR PREMCO WESTERN INC. THE BASIS OF BEARING WAS ASSUMED TO BE NORTH BETWEEN THE EAST 1/4 AND THE NORTHEAST CORNER OF SECTION 10.

DATE OF SURVEY

29 AUGUST, 1995

LEGEND

-  OIL WELL SITE
-  SECTION CORNER



IS
INTERIOR
VEY



CO 179

780

HURRICANE 20 MI.

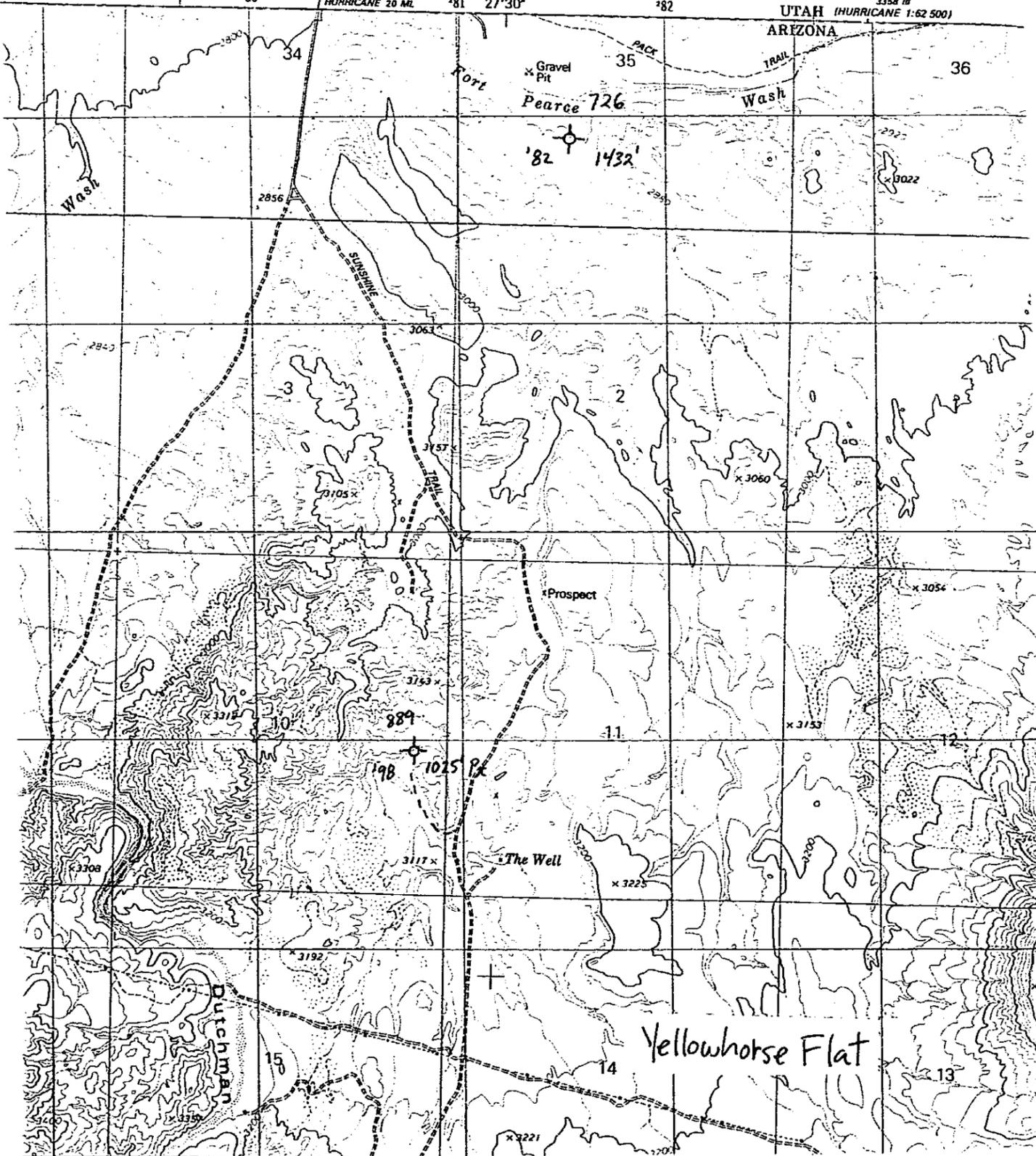
781 27'30"

782

UTAH (HURRICANE 1:62 500)

ARIZONA

36



Yellowhorse Flat

ARIZONA GEOLOGICAL SURVEY
416 W. CONGRESS ST. # 100
TUCSON, AZ 85701
(602) 770-3500

RECEIPT Date October 2, 1995 No. 3080

Received From My Father's Oil Company
Address 3317 Sunrise Drive
Garland, TX 75043 Dollars \$ 25.00

For Permit # 889 (Premco Western 1-10 Federal)

ACCOUNT		HOW PAID	
AMT. OF ACCOUNT		CASH	
AMT. PAID		CHECK	<u>25.00</u>
BALANCE DUE		MONEY ORDER	

By J. Gilmore CK # 1031

8K806 Rediform

ARIZONA GEOLOGICAL SURVEY
416 W. CONGRESS ST. # 100
TUCSON, AZ 85701
(602) 770-3500

RECEIPT Date October 2, 1995 No. 3081

Received From Premco Western Inc
Address Garland, TX Dollars \$ 10,000.00

or PERFORMANCE Bond For Permit # 889
1-10 Federal, Sec. 10-T #1 N-R11N Mwhave Ct

ACCOUNT		HOW PAID	
AMT. OF ACCOUNT		CASH	
AMT. PAID		CHECK	<u>10,000.00</u>
BALANCE DUE		MONEY ORDER	

By J. Gilmore CK # A0560001326

8K806 Rediform

Form 3000-4
(June 1988)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OIL AND GAS OR GEOTHERMAL LEASE BOND

Act of February 25, 1920 (30 U.S.C. 181 et seq.)
Act of August 7, 1947 (30 U.S.C. 351-359)
Department of the Interior Appropriations Act, FY 1981 (42 U.S.C. 6508)
Act of December 24, 1970 (30 U.S.C. 1001-1025)
Other Oil and Gas and Geothermal Leasing Authorities as Applicable

Bond Number

Lease Serial Number (For Individual Bond Only)

AZ-21068

ARIZONA
STATE OFFICE
PHOENIX, ARIZONA

OCT 16 10 15 AM '95

RECEIVED
BUREAU OF
LAND MANAGEMENT

CHECK ONE: OIL AND GAS GEOTHERMAL RESOURCES

CHECK ONE:
 SURETY BOND

KNOW ALL BY THESE PRESENTS, THAT _____

(name)

of _____
(address)

as principal, and _____
(name)

of _____
(address)

as surety,

are held and firmly bound unto the United States of America in the sum of _____

dollars (\$ _____).

lawful money of the United States, which may be increased or decreased by a rider hereto executed in the same manner as this bond.

PERSONAL BOND

KNOW ALL BY THESE PRESENTS, That _____

Premco Western, Inc.

(name)

of P.O. Box 496568, Garland _____, as principal, is held and firmly
(address)

bound unto the United States of America in the sum of ten thousand _____

dollars (\$ 10,000.⁰⁰/_{xx} _____).

lawful money of the United States which sum may be increased or decreased by a rider hereto executed in the same manner as this bond.

The principal, in order to more fully secure the United States in the payment of the aforesaid sum, hereby pledges as security therefore United States negotiable securities of a par value equal to the amount specified. The principal, pursuant to the authority conferred by Section 1 of the Act of September 13, 1982 (31 U.S.C. 9303), does hereby constitute and appoint the Secretary of the Interior to act as his attorney. The interest accruing on the United States securities deposited, in the absence of any default in the performance of any of the conditions, or stipulations set forth in this bond and the instrument(s) granting rights and interests in Federal lands, must be paid to the principal. The principal hereby for himself/herself, any heirs, executors, administrators, successors, and assigns, joint and severally, ratifies and confirms whatever the Secretary shall do by virtue of these presents.

The principal/surety shall apply this bond or the Secretary shall transfer this deposit as security for the faithful performance of any and all of the conditions and stipulations as set forth in this bond and the instruments granting rights and interests in Federal lands. In the case of any default in the performance of the conditions and stipulations of such undertaking, it is agreed that: (1) for a Surety Bond, the surety/principal shall apply the bond or any portion thereof; (2) for a Personal Bond, the Secretary shall have full power to assign, appropriate, apply or transfer the deposit or any portion thereof, to the satisfaction of any damages, assessments, late payment charges, penalties, or deficiencies arising by reason of such default.

This bond is required for the use and benefit of (1) the United States; (2) the owner of any of the land subject to the coverage of this bond, who has a statutory right to compensation in connection with a reservation of the oil and gas and geothermal deposits to the United States; (3) any lessee, permittee, or contractor, under a lease, permit, or resource sale contract issued, or to be issued, by the United States covering the same land subject to this bond, covering the use of the surface or the prospecting for, or the development of other mineral deposits in any portion of such land, to be paid to the United States. For such payment, well and truly to be made, we bind ourselves and each of our heirs, executors, administrators, successors, and assigns, jointly and severally.

This bond shall cover all surface disturbing activities related to drilling operations on a Federal leasehold(s) in accordance with authorization(s) granted under the Acts cited above for:

CHECK ONE:

- NATIONWIDE BOND -- Operations conducted by or on behalf of the principal(s) or on the leasehold(s) of the principal(s) in the United States including the National Petroleum Reserve in Alaska (NPR-A) when a rider sufficient to bring the amount in conformance with 43 CFR 3134 is provided, and provided a rider is obtained, also coverage of multiple exploration operations.
- STATEWIDE BOND -- Operations conducted by or on behalf of the principal(s) or on the leasehold(s) of the principal(s), except the NPR-A, and, provided a rider is obtained, also coverage of multiple exploration operations within the single state of _____.
- INDIVIDUAL BOND -- Operations conducted by or on behalf of the principal or on the leasehold of the principal on the single lease identified by the serial number above.
- NATIONAL PETROLEUM RESERVE IN ALASKA (NPR-A) BOND -- This bond shall cover:
 - NPR-A LEASE BOND -- The terms and conditions of a single lease.
 - NPR-A WIDE BOND -- The terms and conditions of all leases, and provided a rider is obtained, coverage of multiple exploration operations.

(Continued on reverse)

ORGANIZATION REPORT

Full Name of the Company, Organization, or Individual

Premco Western, Inc.

Post Office Address (Box or Street Address)

P.O. Box 496568, Garland, Texas 75049-6568

Plan of Organization (State whether organization is a corporation, joint stock association, firm or partnership, or individual)

Corporation

Purpose of Organization (State type of business in which engaged)

Oil & gas exploration

If a reorganization, give name and address of previous organization.

N/A

If a foreign corporation, give (1) State where incorporated	(2) Name and post office address of state agent	(3) Date of permit to do business in state
Texas	C T Corporation System 3225 N. Central Ave Phoenix, AZ 85012	March 27, 1979
Principal Officers or Partners (if partnership) NAME	TITLE	POST OFFICE ADDRESS
Rodney Ratheal	President	P.O. Box 496568 Garland, TX 75049-6568

DIRECTORS NAME	POST OFFICE ADDRESS
Rodney Ratheal	P.O. Box 496568, Garland, TX 75049-6568

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the President of the Premco Western, Inc. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Rodney Ratheal
Signature

9/27/95
Date

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Organization Report
File One Copy
Form No. 1

3-14-00

Call & leave msg with Becky Hammond as to the
status of 1-10 Mohave Fed. IF plugged asked her to
send copy of plugging report so we may close file on this
hole.

ER
WF

PAGE

P/DWIGHTS PLUS DRILLING WIRE™
ROCKY MOUNTAIN REGION
Section II - 03/03/2000

PAGE 5

COMPLETIONS

ARIZONA / NEVADA-COCHISE COUNTY CONTINUED

CONTR: NORTON DRILLING COMPANY, RIG # 16; **SPUD:**07/15/1995 **CSG:** 9 5/8 IN @ 546 W/500 SACK, 4 1/2 IN @ 4064 W/576 SACK; **DRLG COMMENTS:** DRLG PROBLEMS: LOST 4 1/2" DRILLPIPE AND COLLARS, TOP OF FISH @ 4213; **LOG TYPES:** DI 900-3080, SONL 1500-3080, GG 2734-3996, CCL 2734-3996, CBND 2734-3996, DSN 2815-4000; **8974 TD,** (PENNSYLVANIAN) (TD REACHED:08/15/1995) **BHT:** 117F **PROD TEST(S):** # 001 PERF (PENNSYLVANIAN) 3030-3040 3170-3180 3648-3658 3824-3824 3876-3886 3922-3932 3956-3966 ; **WTR:** 130 BBL **8974 DTD COMP:**09/30/1995 **J&A;** , **NO DST RUN**

MOHAVE COUNTY

MEDALLION OIL COMPANY
1-15 FEDERAL
API 02-015-20028

15-37N-12W
SW SE SE
626 FSL 1060 FEL SEC

WILDCAT; 5000 PERMIT: 879 (FR:03/31/1994 FM KMS) LEASE
TYPE:FEDERAL **TARGET OBJ:** OIL; **OPER ADD:** PO BOX 1101, HOUSTON, TX 77251, (713)654-0144 **EL:** 5517 KB 5511 **GR LOCATION DATA:** 36 MI S ST GEORGE, UT 56 MI S-SW VIRGIN FLD(MOENKOPI); **VERTICAL;**

WF
D&A

CONTR: MEDALLION DRILLING, **SPUD:**05/19/1994 **CSG:** 10 3/4 IN @ 445 W/110 SACK, 7 IN @ 2735 W/150 SACK; **LOG TYPES:** DI 0-3361, SPCT 0-3361, DENL 0-3361, DSN 0-3361; **LOG TOPS:** MISSISSIPPIAN 3368, DEVONIAN 4116, CAMBRIAN 4305; **5000 TD,** (CAMBRIAN) (TD REACHED:06/27/1994) **BHT:** 104F **5000 DTD COMP:**07/15/1994 **D&A;** , **NO DST RUN**

P/N 889

PREMCO WESTERN
1-10 MOHAVE COUNTY
API 02-015-20029

10-41N-11W
NE SE
2353 FSL 510 FEL SEC
IC 020157000195

WILDCAT; 8500 CAMBRIAN (FR:09/11/1995 FM KMS) LEASE
TYPE:FEDERAL; **OPER ADD:** BOX 496568, GARLAND, TX 75049-6568, **EL:** 3090 **GR LOCATION DATA:** 24 MI S-SW VIRGIN FLD(UTAH/NACHOE) 9 MI SE ST GEORGE, UT; **PLAN SPUD NOV-1-1995;** **VERTICAL;**

WF
J&A

CONTR: LAYNE-WESTERN, **SPUD:**11/30/1995 **CSG:** 18 IN @ 80, 10 3/4 IN @ 240 W/5 SACK; **DRLG COMMENTS:** ORIGINALLY DRILLED TO 1075 FT AND SHUT-IN 1995-1996, HOLE CAVED-IN, DRLG RESUMED FROM 80 FT TO 380 FT IN, SEPT 1997; **DLR TOPS:** MOENKOPI 0, KAIBAB /LM/ 105, TOROWEAP 600; **1075 TD,** (TOROWEAP) (TD REACHED:10/08/1997) **1075 DTD COMP:**12/25/1997 **J&A;** , **NO DST RUN**

YUMA COUNTY

CONTENDER OIL
1 AMAN
API 02-027-20038

5-10S-23W
NE SE NW
1897 FNL 2097 FWL SEC
IC 020277000184

WILDCAT; 2850 (FR:03/21/1984 FM KMS) ; **EL:** 205 KB 188 **GR LOCATION DATA:** 7 MI S YUMA, AZ APPROX 200 MI SE NEAREST ESTABLISHED PRODUCTION IN; ORANGE COUNTY, CA; ARIZONA DRY HOLE; **VERTICAL;** **WELL ID CHANGES:** OPR CHGD FROM CENTRAL OIL CO PREV OPER; **CENTRAL OIL CO PREV WELL NO:** 1 **PREV LEASE:** AMAN

WF
D&A-G

CONTR: H & W DRILLING INCORPORATED, RIG # 3; **SPUD:**03/30/1984 **CSG:** 9 5/8 IN @ 40 W/20 SACK, 7 IN @ 393 W/100 SACK; **LNR:** 4 1/2 IN @ 2840 W/337 SACK; **DRLG COMMENTS:** LOCAL CALLS: TRANSITION 1450, BC SAND 1726, COCO SD 2386, OPR EVALUATING SEISMIC/GEOLOGIC DATA, LOG TOPS NOT RPTD.; **LOG TYPES:** IL 390-2866, GR 390-2866, DN 390-2512, NE 390-2512; **LOG TOPS:** ALLUVIUM 0, TRANSITION ZONE 1450; **SDWL # 001** 1321-2848 * 1321.0FSD.LT BRN, FG-MG, NS * 1350.0FSD.LT BRN, VFG-MG, SLI SILTY, PEB, SLI CALC * 1410.0FSD.LT BRN, VFG-MG, SLI CALC * 1504.0FSD.LT GRY-BRN, VFG-COAG, SLTY, PEB, SLI CALC * 1729.0FSD.BRN, FG-MG, SLI LAM, NS * 1738.0FSD.GRY, FG, CALC * 1746.0FCS,GRY, SLTY, SLI CALC * 2390.0FCS,GRY, SLTY, FRAC, NS * 2392.0FSD.LT TN, VFG-FG, LAM, CALC * 2398.0FSD.LT GRY, VFG-FG, SLTY, LAM, CALC, NS * 2604.0FSD.LT GRY, VFG, SLI SLTY, CALC * 2641.0FCS,RED-BRN, SLI SLTY, CALC * 2680.0FSD.LT TN, VFG-FG, SLI SLTY, LAM, SLI CALC * 2820.0FSD.LT GRY, VFG-FG, V SLTY, CLYSTN, LAM * 2848.0FCS,RED-BRN, SLI SLTY, SNDY, FG, LAM, SLI CALC NS; **2866 TD,** (TRANSITION ZONE) (TD REACHED:06/06/1984) **BHT:** 126F **PROD TEST(S):** # 001 PERF (TRANSITION ZONE) 2390-2410 2432-2438 2446-2452 2508-2518 2572-2582 ; **WTR:** UW AMT NOT RPTD W/ SLI GAS SHOW (4000 PPM SALT) **2866 DTD COMP:**07/29/1994 **D&A-G;** , **NO DST RUN**

PETH

**PETROLEUM INFORMATION/DWIGHTS ROCKY MOUNTAIN REGION REPORT
SECTION VI - 01/28/98**

PAGE 2

COMPLETIONS

FINAL CLASS: WF=UNSUCCESSFUL NEW FIELD WILDCAT; WFD=NEW FIELD DISCOVERY; WD=UNSUCCESSFUL DEEPER POOL WILDCAT; WDD=DEEPER POOL DISCOVERY; WS=UNSUCCESSFUL SHALLOW POOL WILDCAT; WSD=SHALLOW POOL DISCOVERY; WP=UNSUCCESSFUL NEW POOL WILDCAT; WPD=NEW POOL DISCOVERY; WO=UNSUCCESSFUL WILDCAT OUTPOST; WOE=WILDCAT OUTPOST EXTENSION; D=UNSUCCESSFUL DEVELOPMENT WELL; DO=DEVELOPMENT OIL WELL; DG=DEVELOPMENT GAS WELL.

ARIZONA

APACHE COUNTY

PETROSUN E&P
15-1 NEW MEXICO & ARIZONA
LAND CO
API 02-001-20306

15-14N-25E
SE NE
1445 FNL 1050 FEL

WILDCAT; PERMIT #894; 3800 PRECAMBRIAN, (FR 06/10/96FM) OPER **WF**
ADD: 6836 E LUDLOW, SCOTTSDALE, AZ, 85254 PHONE (602) 998-9771; EL: TA-OG
5552 GR; LOCATION DATA: 30 MI S-SW PINTA DOME
FLD(COCONINO)ABND 1 1/2 MI SW HUNT, NM; PRIMARY TARGET: DEVONIAN;
TO BE VERTICALLY DRILLED.

- **CONTR: UNITED DRLG, RIG #3: SPUD: 06/17/96, CSG: 5 1/2 @ 1342; DST # 1 (SUPAI) 1034-1062, OP 15 MIN, SI 30 MIN, OP 30 MIN, SI 1 HR, REC: 200**
- **FT MDYWTR, 305 FT WTR, IFP 51, FFP 167, IFP 178, FFP 308, ISIP 388, FSIP 391, IHP 547; DRLG COMMENTS: OPR REPORTS ROTARY BUSHING BLEW**
OUT OF HOLE WITH MUD & METHANE IN SUPAI @ 1202-1232, OPERATOR MAY DRILL AN OFFSET IN FUTURE. SHOWS: 1034-1062 SUPAI OIL, 1034-1062
SUPAI GAS 3648 TD, (UNKNOWN) (TD REACHED: 07/04/96); PROD TEST(S): PERF (SUPAI) 1204-1220, SWBD NTGN AMT NOT RPTD. 3648 TD.
COMP 1/2/98, TEMP ABND. NO CORES, ONE DST WILL BE REISSUED IF ADDITIONAL DATA BECOMES AVAILABLE

MOHAVE COUNTY

PREMCO WESTERN
1-10 MOHAVE COUNTY
API 02-015-20029

10-41N-11W
NE SE
2353 FSL 510 FEL
IC 20157000195

WILDCAT; 8500 CAMBRIAN, (FR 09/11/95FM) OPER ADD: BOX 496568, WF
GARLAND, TX, 74049-6568 PHONE (214) 341-7010; EL: 3090 GR; LOCATION **J&A**
DATA: 24 MI S-SW VIRGIN FLD(UTAH/NACHOE) 9 MI SE ST GEORGE, UT;
PLAN SPUD NOV-1-1995; TO BE VERTICALLY DRILLED.

- **CONTR: LAYNE-WESTERN; SPUD: 11/30/95, CSG: 18 @ 80, 10 3/4 @ 240 W/5 CU YD; DRLG COMMENTS: ORIGINALLY DRILLED TO 1000 FT AND**
- **SHUT-IN 1995-1996, HOLE CAVED-IN, DRLG RESUMED FROM 80 FT 380 TD, (UNKNOWN) (TD REACHED: 10/03/97); 380 TD. COMP 12/25/97, J&A.**
NO CORES OR DSTS. WILL BE REISSUED IF ADDITIONAL DATA BECOMES AVAILABLE

NEVADA

EUREKA COUNTY

PHILLIPS PET
1 ALPHA STRAT
API 27-011-05290

27-25N-52E
SE NW
2818 FSL 1888 FWL
IC 270117000496

WILDCAT; 2500 CONFIDENTIAL, (FR 05/14/96DN) OPER ADD: 6330 W WF
LOOP, BELLAIRE, TX, 77041 PHONE (713) 669-3568; EL: 6888 GR; GEOL: C **D&A**
SCHNEIDER, W EHN! LOCATION DATA: 15 MI S-SE BLACKBURN
FLD(INDIAN WELL/CHAINMAN/NEVADA) 44 MI SE BEOWAWE, NV; STRAT
TEST: VERTICALLY DRILLED. ABHL: 243 FT N 46 DEG 23 MIN 24 SEC W;
138 N 145 W; 2956 FSL 1743 FWL SW SE NW 27-25N-52E LAST SURVEY PT
2125 MD/2111 TVD, 138N 145W OF SURF;

- **CONTR: STACO DRLG; SPUD: 07/16/96, CSG: 7 5/8 @ 411 W/162 SX; LOG TYPES: CALP 0-2127, GRL 0-2127, SP 0-2127; LOG TOPS: EUREKA QTZ**
- **380, POGONIP 472, CAMBRIAN 1936; CORE # 1 480-485 REC: 5 FT NO DESCRIPTION AVAILABLE CORE # 2 1030-1032 REC: 2 FT NO DESCRIPTION**
AVAILABLE CORE # 3 1275-1280 REC: 1.80 FT NO DESCRIPTION AVAILABLE CORE # 4 1690-1692 REC: 2.50 FT NO DESCRIPTION AVAILABLE CORE #
5 2125-2130 REC: 4.90 FT NO DESCRIPTION AVAILABLE; DRLG COMMENTS: STRAT TEST. LOCAL CALLS(LOG): HANSON CREEK 0, ANTELOPE VALLEY
LS OG POGONIP PROUG 472, NINEMILE 996, GOODWIN 1106, LOWER POGONIP 1790, UPPER CAMBRIAN DOLO 1936. 2130 TD, (CAMBRIAN) (TD
REACHED: 08/11/96), RIG REL: 08/13/96; 2130 DTD, 2127 LTD. COMP 8/13/96, D&A. FIVE CORES, NO DSTS

FORELAND CORP
1-7 PINE CREEK
API 27-011-05291

7-28N-52E
NE NE
450 FNL 350 FEL

WILDCAT; PERMIT #787; 9000, (FR 08/01/96DN) OPER ADD: 2561 S 1560 WF
W STE 200, WOODS CROSS, UT, 84087 PHONE (801) 298-9866; EL: 5240 KB; **D&A**
GEOL: MR HANSEN LOCATION DATA: 3 MI SW WILLOW CREEK NORTH
FLD(INDIAN WELL/CHAINMAN SH) 19 MI S PALISADE, NV; TO BE
VERTICALLY DRILLED.

- **CONTR: TRUE DRLG, RIG #16: SPUD: 08/05/96 (EST), CSG: 20 @ 60, 8 5/8 @ 910, SET PROD CSG @ 9700; LOG TYPES: BHCS 0-9708, CALP 0-9708,**
- **906-9708, DLL 906-9708, GRL 0-9708, 906-9708, 4600-9672, MINL 4600-9672; SDWL CORES: DEVONIAN; DST # 1 (DEVONIAN), DETAILS NOT RPTD.**
TESTED THREE DIFFERENT ZONES; DRLG COMMENTS: OIL & GAS SHOWS RPTD IN TERTIARY VOLCANICS AND DEVONIAN CARBONATES. OIL RPTD
FROM SDWL CORES TAKEN AT INTRVLs BETWEEN 5400-9600 FT. PROD TEST OPRS ENCOURAGING-WELL P&A-PROSPECT AREA WO ADDITIONAL
SEISMIC/GEOL EVAL FOR UPDIP PROSPECT IDENTIFICATION. 9708 TD, (DEVONIAN) (TD REACHED: 09/13/96) BHT: 238F; PROD TEST(S): PERF
(DEVONIAN) INT NOT RPTD, GAUGE NOT RPTD. 9708 LTD, 9700 DTD. COMP 12/20/96(EST), D&A. WILL BE REISSUED IF ADDITIONAL DATA
BECOMES AVAILABLE

**PETROLEUM INFORMATION/DWIGHTS
DAILY ACTIVITY REPORT
SECTION II - 01/22/98**

PAGE 5

COMPLETION SUMMARY

FINAL CLASS: WF = UNSUCCESSFUL NEW FIELD WILDCAT; WFD = NEW FIELD DISCOVERY; WD = UNSUCCESSFUL DEEPER POOL WILDCAT; WDD = DEEPER POOL DISCOVERY; WS = UNSUCCESSFUL SHALLOW POOL WILDCAT; WSD = SHALLOW POOL DISCOVERY; WP = UNSUCCESSFUL NEW POOL WILDCAT; WPD = NEW POOL DISCOVERY; WO = UNSUCCESSFUL WILDCAT OUTPOST; WOE = WILDCAT OUTPOST EXTENSION; D = UNSUCCESSFUL DEVELOPMENT WELL; DO = DEVELOPMENT OIL WELL; DG = DEVELOPMENT GAS WELL.

ARIZONA

APACHE COUNTY

PETROSUN E&P
15-1 NEW MEXICO & ARIZONA
LAND CO
API 02-001-20306

15-14N-25E
SE NE
1445 FNL 1050 FEL

WILDCAT; PERMIT #894; 3800 PRECAMBRIAN, (FR 06/10/96FM) OPER ADD: 6836 E LUDLOW, SCOTTSDALE, AZ, 85254 PHONE (602) 998-9771; EL: TA-OG
5552 GR; LOCATION DATA: 30 MI S-SW PINTA DOME
FLD(COCONINO)ABND 1 1/2 MI SW HUNT, NM; PRIMARY TARGET: DEVONIAN;
TO BE VERTICALLY DRILLED.

- CONTR: UNITED DRLG. RIG #3; SPUD: 06/17/96. CSG: 5 1/2 @ 1342; DST # 1 (SUPAI) 1034-1062. OP 15 MIN, SI 30 MIN, OP 30 MIN, SI 1 HR, REC: 200 FT MDYWTR, 305 FT WTR, IFF 51, FFP 167, IFF 178, FFP 308, ISIP 388, FSIP 391, IHP 547; DRLG COMMENTS: OPR REPORTS ROTARY BUSHING BLEW OUT OF HOLE WITH MUD & METHANE IN SUPAI @ 1202-1232. OPERATOR MAY DRILL AN OFFSET IN FUTURE. SHOWS: 1034-1062 SUPAI OIL 1034-1062 SUPAI GAS 3648 TD. (UNKNOWN) (TD REACHED: 07/04/96); PROD TEST(S): PERF (SUPAI) 1204-1220, SWBD NTGN AMT NOT RPTD. 3648 TD. COMP 1/2/98, TEMP ABND. NO CORES, ONE DST RPTD. WILL REISSUE WHEN WELL COMPLETED. . . (LDIR 01/21/98)

MOHAVE COUNTY

PREMCO WESTERN
1-10 MOHAVE COUNTY
API 02-015-20029

10-41N-11W
NE SE
2353 FSL 510 FEL
IC 20157000195

WILDCAT; 8500 CAMBRIAN, (FR 09/11/95FM) OPER ADD: BOX 496568, GARLAND, TX, 74049-6568 PHONE (214) 341-7010; EL: 3090 GR; LOCATION DATA: 24 MI S-SW VIRGIN FLD(UTAH/NACHOE) 9 MI SE ST GEORGE, UT; PLAN SPUD NOV-1-1995; TO BE VERTICALLY DRILLED.

- CONTR: LAYNE-WESTERN; SPUD: 11/30/95. CSG: 18 @ 80, 10 3/4 @ 240 W/5 CU YD; DRLG COMMENTS: ORIGINALLY DRILLED TO 1000 FT AND SHUT-IN '95-96, HOLE CAVED-IN, DRLG RESUMED FROM 80 FT SEPT '97 380 TD, (UNKNOWN) (TD REACHED: 10/08/97); 380 TD. COMP 12/25/97, J&A. NO CORES OR DSTS. WILL BE REISSUED WHEN DATA AVAILABLE. . . (LDIR 01/21/98)

COLORADO

KIOWA COUNTY

SPRING THOMAS L
2 STATE BOCK
API 05-061-06749

31-20S-48W
NE SE
2000 FSL 660 FEL

MCCLAVE; PERMIT #97-852; 4800 MORROW, (FR 11/08/97DN) OPER ADD: 7400 E ORCHARD RD STE 2000, GREENWOOD VILLAGE, CO, 80111 PHONE (303) 771-1889; EL: 3989 GR; LOCATION DATA: 10 MI NNW WILEY, CO;

- CONTR: MURFIN DRLG. RIG #24; SPUD: 12/08/97. CSG: 8 5/8 @ 322 W/200 SX, 5 1/2 @ 324 W/670 SX; OPENHOLE LOGS NOT RUN; 4805 TD, (MORROW) (TD REACHED: 12/14/97); PRODUCING INTERVAL(S) DATA: PERF (MORROW) IP NOT RPTD (DATE OF 1ST SALES 01/13/98, 320 MCFGPD). 4805 TD. COMP 1/15/98(EST), GAS WELL. PROD ZONE - MORROW INT NOT RPTD. HOLDING FOR DATA . . . (LDIR 01/21/98)

KIT CARSON COUNTY

MULL DRLG
1-21 LINDSAY
API 05-063-06290

21-10S-45W
NW SE
1950 FSL 1980 FEL

BEAVER; PERMIT #97-989; 5550 MORROW, (FR 12/29/97DN) OPER ADD: BOX 2758, WICHITA, KS, 67201-2758 PHONE (316) 264-6366; EL: 4333 GR; LOCATION DATA: 13 MI SE STRATTON, CO 1/2 MI SSE OF FLD(MORROW);

- CONTR: KUDU DRLG. RIG #1; SPUD: 01/02/98. CSG: RAN SURF CSG: 5550 TD, (MORROW) (TD REACHED: 01/13/98); 5550 TD (APPROX). COMP 1/14/98, D&A. HOLDING FOR DATA . . . (LDIR 01/21/98)

LA PLATA COUNTY

SG INTERESTS I
33-1 ZELLITI 34-9
API 05-067-08063

33-34N-9W
SW NW
1395 FNL 1235 FWL

IGNACIO-BLANCO; PERMIT #96-703; 3110 FRUITLAND COAL, (FR 10/08/96FM) OPER ADD: %SAGLE, SCHWAB & MCLEAN, BOX 2677, DURANGO, CO, 81302 PHONE (970) 259-2701; EL: 6713 KB; LOCATION DATA: S OF UTE LINE; 9 MI S DURANGO, CO; TO BE VERTICALLY DRILLED.

- CONTR: FOUR CORNERS DRLG. RIG #7 RIG SUB:12; SPUD: 12/10/96 CSG: 9 5/8 @ 320 W/450 SX, 7 @ 2726 W/480 SX; DRLG COMMENTS: BIG A WS #22 CAVITATED/COMP'D 2726-TD 3110 TD, (FRUITLAND) (TD REACHED: 12/13/96); PRODUCING INTERVAL(S) DATA: PERF (FRUITLAND) IP NOT RPTD 3110 TD. COMP 12/29/97, SIGW. PROD ZONE - FRUITLAND (INT NOT RPTD). NO CORES OR DSTS. HOLDING FOR DATA. . . (LDIR 01/21/98)



Jane Dee Hull
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

January 14, 1998

CERTIFIED MAIL

Mr. Rodney Ratheal
Premco Western, Inc.
P.O. Box 1274
St. George, UT 84771-1274

Re: Return of \$10,000 Cash Performance Bond
Premco Western #1-10 Mohave Federal well, State Permit #889.

Dear Mr. Ratheal:

The Oil and Gas Conservation Commission adopted a policy in its meeting of October 31, 1997, to eliminate duplicate bonding on Indian and federal lands if the operator provides evidence of bonding with the U.S. Bureau of Indian Affairs or U.S. Bureau of Land Management (BLM).

This office has received evidence from the BLM of Premco Western's bonding with the BLM for Premco's operations on federal oil and gas lease serial number AZ-21068.

As a result, a check in the amount of the referenced cash performance is enclosed.

Please call if you have any questions.

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator

Enclosure

SENDER: ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: MR Rodney Ratheal Premco Western Inc PO Box 1274 St George Utah 84771-1274		4a. Article Number 2 236 223 228	
5. Received By: (Print Name) Rodney Ratheal		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
6. Signature (Addressee or Agent) X Rodney Ratheal		7. Date of Delivery 1-20-1998	
PS Form 3811, December 1994		8. Addressee's Address (Only if requested and fee is paid)	

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.

10256-97-B-0179 Domestic Return Receipt

STATE OF ARIZONA REMITTANCE ADVICE

WARRANT NO.
213669128

(520) 770-3500 EXT.

GEOLOGICAL SURVEY

INVOICE NO.	INVOICE DATE	INVOICE DESCRIPTION	AGY	DOCUMENT/SFX	AMOUNT
/ /			GSA	200142	10000.00

VENDOR NAME: MY FATHER'S OIL COMPANY, LLC	FUND: 3030	ISSUE DATE: 01/12/98	WARRANT AMOUNT: 10,000.00
VENDOR NUMBER: 17525953610 001			

FOLD OR SEPARATE AT COLORED LINE BELOW

STATE OF ARIZONA

NOT GOOD AFTER
VOID DATE SHOWN

91-113
1221

DATE ISSUED
MO-DAY-YR
01/12/98

VOID AFTER
MO-DAY-YR
07/11/98

BANK	WARRANT NO.
21	3669128

VENDOR NO.
17525953610 001

FUND	AGENCY	DOCUMENT NO.
3030	GSA	200142

PAY THIS AMOUNT
\$10,000.00

*****TEN THOUSAND AND 00/100 DOLLARS*****
PAY TO THE ORDER OF:

MY FATHER'S OIL COMPANY, LLC
PO BOX 1274
ST GEORGE UT 84771-1274



J. S. Hibbs
DIRECTOR
DEPARTMENT OF ADMINISTRATION

Jane Dee Hull
COUNTERSIGNED GOVERNOR

⑆3669128⑆ ⑆122101133⑆

21

CHECK CHANGE .00

**** U.S. POSTAL SERVICE ****
 DOWNTOWN 727 85702
 038888 34.00
 LUFE # 01
 01-14-98 15:18:45

CUSTOMER RECEIPT

109 POST VAL IMF 2.77
 TOTAL 2.77
 CHECK #008 2.77
 CHANGE .00

*** THANK YOU ***

Z 236 223 228

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

Sent to <i>Rodney Rathael</i>	
Street & Number <i>Premco</i>	
<i>P.O. Box 1274</i>	
Post Office, State, & ZIP Code <i>St George, Utah 84771</i>	
Postage	\$ 32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Address	1.10
TOTAL Postage & Fees	\$ 2.77
Postmark or Date	

PS Form 3800, April 1995

SENDER:
 ■ Complete items 1 and/or 2 for additional services.
 ■ Complete items 3, 4a, and 4b.
 ■ Print your name and address on the reverse of this form so that we can return this card to you.
 ■ Attach this form to the front of the mailpiece, or on the back if space does not permit.
 ■ Write "Return Receipt Requested" on the mailpiece below the article number.
 ■ The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

3. Article Addressed to:
MR Rodney Rathael
Premco Western Inc
P.O. Box 1274
St George Utah
84771-1274

4a. Article Number
2 236 223 228

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
1-20-1998

5. Received By: (Print Name)
Rodney Rathael

6. Signature (Addressee or Agent)
X Rodney Rathael

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-8-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

Request for Taxpayer Identification Number and Certification

Give form to the
requester. Do NOT
send to the IRS.

Name (If joint names, list first and circle the name of the person or entity whose number you enter in Part I below. See instructions on page 2 if your name has changed.)

Business name (Sole proprietors see instructions on page 2)
My Father's Oil Company, LLC

Please check appropriate box: Individual/Sole proprietor Corporation Partnership Other LLC

Address (number, street, and apt. or suite no.)
P.O. Box 1274

City, state, and ZIP code
St. George, UT 84771-1274

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). For sole proprietors, see the instructions on page 2. For other entries, it is your employer identification number (EIN). If you do not have a number, see How To Get a TIN below.

Note: If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.

Social security number
+

OR

Employer identification number
75-2595361

List account number(s) here (optional)

Part II For Payees Exempt From Backup Withholding (See Part II instructions on page 2)

Part III Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

Certification instructions.—You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, the acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (Also see Part III instructions on page 2.)

Sign Here My Father's Oil Company, LLC Date 12/23/97
Signature by Rodney Cottrell

Section references are to the Internal Revenue Code.

Purpose of Form.—A person who is required to file an information return with the IRS must get your correct TIN to report income paid to you, real estate transactions, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA. Use Form W-9 to give your correct TIN to the requester (the person requesting your TIN) and, when applicable, (1) to certify the TIN you are giving is correct (or you are waiting for a number to be issued), (2) to certify you are not subject to backup withholding, or (3) to claim exemption from backup withholding if you are an exempt payee. Giving your correct TIN and making the appropriate certifications will prevent certain payments from being subject to backup withholding.

Note: If a requester gives you a form other than a W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

What is Backup Withholding?—Persons making certain payments to you must withhold and pay to the IRS 31% of such payments under certain conditions. This is called "backup withholding." Payments that could be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

If you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return, your payments will not be subject to backup withholding. Payments you receive will be subject to backup withholding if:

- You do not furnish your TIN to the requester, or
- The IRS tells the requester that you furnished an incorrect TIN, or
- The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
- You do not certify to the requester that you are not subject to backup withholding under 3 above (for reportable interest and dividend accounts opened after 1983 only), or
- You do not certify your TIN. See the Part III instructions for exceptions.

Certain payees and payments are exempt from backup withholding and information reporting. See the Part II instructions and the separate instructions for the Requester of Form W-9.

How To Get a TIN.—If you do not have a TIN, apply for one immediately. To apply, get Form SS-5, Application for a Social Security Number Card (for individuals), from your local office of the Social Security Administration, or Form SS-4, Application for Employer Identification Number (for businesses and all other entities), from your local IRS office.

If you do not have a TIN, write "Applied For" in the space for the TIN in Part I, sign and date the form, and give it to the requester. Generally, you will then have 60 days to get a TIN and give it to the requester. If the requester does not receive your TIN within 60 days, backup withholding, if applicable, will begin and continue until you furnish your TIN.

AFIS II VENDOR SETUP

VENDOR NUMBER	17525953610	MAIL CODE	
VENDOR NAME	My Father's Oil Company, LLC	ALTERNATE NAME(S)	
ADDRESS	P.O. Box 1274 St. George, Utah 84771-1274	1. _____	
		2. _____	
		3. _____	
		4. _____	
CITY	St. George	STATE	UT
VENDOR TYPE:	5	OWNERSHIP CODE:	D
1. Employee	A. Arizona Corporation	VENDOR CONTACT	Rodney Rathel
2. Federal Agency	C. Professional Corp.	PHONE NUMBER	None
3. State Agency	E. State Employee	FAX NUMBER	None
4. Local Gov't	F. Financial Institution	SALES TAX LICENSE	N/A
5. Vendor-Business	G. Government Entity		
6. Vendor-Individual	I. Individual Recipient		
7. Other	N. Medical Corporation		
	O. Out of State Corp.		
	P. Professional Assoc.		
	R. Foreign		
	S. Sole Owner		
	T. Partnership		

AGENCY IDENTIFICATION CODE _____

AUTHORIZED AGENCY SIGNER _____

AGENCY PHONE NUMBER _____

1099 CRITERIA

Does the vendor provide a service?
Is the vendor not a corporation?
Is the vendor a non-employee?

If the answer to these three questions is YES there must be a Y in the 1099 indicator box.

1099 INDICATOR (Y OR N) = N

OPER ADD:
830-4040 FT

PAGE

PETROLEUM INFORMATION/DWIGHTS
DAILY ACTIVITY REPORT
SECTION II - 12/22/97

PAGE 9

DRILLING ACTIVITY

INITIAL CLASS: WF=NEW FIELD WILDCAT; WD=DEEPER POOL WILDCAT; WS=SHALLOWER POOL WILDCAT; WP=NEW POOL WILDCAT; WO= WILDCAT OUTPOST; D=DEVELOPMENT.

■ DENOTES NEW INFORMATION ADDED THIS WEEK. LDIR - LAST DATE INFORMATION REPORTED OR CONFIRMED.
● DENOTES A FINAL STATUS HAS BEEN ADDED TO THE WELL.

ARIZONA

MOHAVE COUNTY

PREMCO WESTERN 10-41N-11W WILDCAT; 8500 CAMBRIAN, (FR 09/11/95FM) OPER ADD: BOX 496568, WF
1-10 MOHAVE COUNTY NE SE GARLAND, TX, 74049-6568 PHONE (214) 341-7010; EL: 3090 GR; LOCATION
API 02-015-20029 2353 FSL 510 FEL DATA: 24 MI S-SW VIRGIN FLD(UTAH/NACHOE) 9 MI SE ST GEORGE, UT;
IC 20157000195 PLAN SPUD NOV-1-1995; TO BE VERTICALLY DRILLED.
■ CONTR: LAYNE-WESTERN; SPUD: 11/30/95, CSG: 18 @ 80, 10 3/4 @ 240 W/5 CU YD; DRLG COMMENTS: ORIGINALLY DRILLED TO 1000 FT AND SHUT-IN '95-96 ,HOLE CAVED-IN, DRLG RESUMED FROM 80 FT SEPT '97 380 TD, (TD REACHED: 10/ 08/97); . . . 380 TD, SI (LDIR 12/19/97)

COLORADO

YUMA COUNTY

PLAINS PET OPERATING 7-2S-43W BEECHER ISLAND; PERMIT #97-581; 1750 NIOBRARA, (FR 07/30/97FM) D
44-7 ODELL SE SE OPER ADD: BOX 383, LAKIN, KS, 67860 PHONE (316) 355-7838; EL: 3599
API 05-125-08018 560 FSL 560 FEL GR; LOCATION DATA: 13 1/2 MI NE IDALIA, CO;
■ CONTR: EXCELL DRLG; SPUD: 10/01/97, CSG: 7 @ 255 W/102 SX, 4 1/2 @ 1712 W/100 SX; 1746 TD, (TD REACHED: 10/ 02/97), RIG REL: 10/02/97;
PROD TEST(S): PERF (NIOBRARA) 1614, 1570-1594, W/2 PF, ACID (1570-1614) W/ 500 GALS, 15% HCL SFFR (1570-1614) W/ 16044 GALS, 100900 LBS SAND, 363000 SCF N2 12/20 BRADY SD . . . 1746 TD, TSTG (LDIR 12/19/97)

NEW MEXICO

ROOSEVELT COUNTY

UMC PET 25-8S-37E WILDCAT; 12500 DEVONIAN, (FR 12/08/97MD) OPER ADD: 410 17TH ST, WD
1 RUSHMORE FEDERAL NE SW STE 1400, DENVER, CO, 80202 PHONE (303) 573-5100; EL: 3994 GR;
API 30-041-20884 2250 FSL 1700 FWL LOCATION DATA: 15 MI NE CROSS ROADS, NM; TO BE VERTICALLY
IC 300417000497 DRILLED.
■ CONTR: PATTERSON DRLG, RIG #47; SPUD: 12/07/97, . . . DRLG 4560 (LDIR 12/19/97)



Jane Dee Hull
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

December 18, 1997

Mr. Rodney Ratheal
Premco Western, Inc.
P.O. Box 1274
St. George, UT 84771-1274

file 889

Dear Mr. Ratheal:

This office has received evidence of Premco Western's bonding with the U.S. Bureau of Land Management (BLM) for its operations on federal oil and gas lease serial number AZ-21068.

However, you will need to fill out and return the enclosed *vendor registration and W-9 forms* before we may process the release of your duplicate bond for the Premco Western #1-10 Mohave Federal well on federal lease #AZ-21068.

Please call if you have any questions.

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator

Enclosures

12-15-97 Call Becky Hammond @ BLM

Rodney Ratheal's lease extension expired 11/30/97

In process of putting together plan to P+A + reclaim.

Has 3 notes

Lease bond will remain in effect until P+A + reclaim.

He plans to or has submitted app for another lease.

That well will need new bond as it's on new lease.

Bonding is lease by lease unless state-wide obtained.



Janie Dee Hull
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

December 3, 1997

Mr. Rodney Ratheal
Premco Western, Inc.
P.O. Box 1274
St. George, UT 84771-1274

file 889

Dear Mr. Ratheal:

The Oil and Gas Conservation Commission adopted a policy to eliminate duplicate bonding on Indian and federal lands. Give me a call to discuss your bond with the #1-10 Mohave Federal.

I am still waiting to hear from the attorney general regarding the forfeited United Gas Search bond.

Sincerely,

Steven L. Rauzi

Steven L. Rauzi
Oil & Gas Program Administrator

12-01-97 11:57 FAX 801 656 1796

Preenco Western

@001

FAX TRANSMITTAL

FROM: Rodney Ratheal
Preenco Western, Inc.
P.O. Box 1274
St. George, Utah 84771-1274

file 889

DATE: 11/28/97

NUMBER OF PAGES INCLUDING THIS PAGE: 1

SENT TO: Steve Raszi
Arizona Geological Survey
416 W. Congress, Suite 100
Tucson, AZ 85701
(520) 770-3505

MESSAGE:

I am very short of money with lease auctions coming up soon. Do you think it might be possible for me to receive a reimbursement on expenses relating to the reclamation of the United Gas well location. It would be very helpful if I could receive it in time to use at auction in December. I was to receive it after August when supposedly a certificate of deposit would expire. Please notify me by mail to the above address as to what I might expect. Thank you.

October 9, 1997

NIAKUK

**BP Expl (Alaska) Inc. "Niakuk" NK-41A Directional
36-12N-15E UM, Fr SE cor 1474'N 717'W(Surface)
21-12N-16E UM, Fr SE cor 4591'N 3167'W(est.BHL)
22-12N-16E UM, Fr SE cor 1171'N 4970'W(est.BHL-RD)
50-029-22778-01 S-06/26/97(Pool Arctic #7)
????? Redrilling, no details. Map:AL-5

POINT MCINTYRE

ARCO Alaska Inc. "Point McIntyre" P2-33 Directional
14-12N-14E UM, Fr NW cor 231'S 1365'E(Surface)
6-12N-15E UM, Fr NE cor 4073'S 1652'W(est.BHL)
50-029-22812 S-10/04/97(Doyon Drlg #14) Map:AL-4
6718 Drilling.

PRUDHOE BAY

ARCO Alaska Inc. "Prudhoe Bay Unit" 04-16A Map:AL-5
26-11N-15E UM, Fr SW cor 747'N 295'E(Surface)
25-11N-15E UM, Fr SW cor 1494'N 1436'E(BHL)
36-11N-15E UM, Fr SE cor 5102'N 5142'W(est.BHL-RD)
13-3/8c.2665 9-5/8c.11226 7c.11611 50-029-20977-01
(Rowan Drlg #41) S-9/9/83 Rig rel-10/2/83
Rsm-10/07/97(Doyon Drlg #16) Directional
11611 Pg11555 Resumed 10/7/97 for redrill #1.
Pulled tubing.

ARCO Alaska Inc. "Pr
32-11N-15E UM, Fr NE
31-11N-15E UM, Fr SE
6-10N-15E UM, Fr SE c
13-3/8c.2700-9-5/8c.
(Rowan Drlg Co #35)
Directional

9945 TVD9177 Revised
location.

ARCO Alaska Inc. "Pr
34-11N-14E UM, Fr SE
27-11N-14E UM, Fr SE
7c.???? 4-1/2c.13380
S-09/14/97(Doyon Dr.
13380 TD. Drilled. C

ARCO Alaska Inc. "West
25-12N-14E UM, Fr SE c
20-12N-15E UM, Fr SE c
Directional Map:AL-
Issued permit #97-185

BP Expl (Alaska) Inc.
6-11N-14E UM, Fr NE cc
32-12N-14E UM, Fr SE cor 1564'N 1237'W(BHL)
32-12N-14E UM, Fr NE cor 1590'S 1375'W(est.BHL-RD)
13-3/8c.2729 9-5/8W.???? 50-029-20475-01 Map:AL-4
(Nabors Drlg #22E) S-8/20/81 Rig rel-9/6/81
Rsm-09/18/97(Doyon Drlg #9) Directional
10819 Pg10776 Redrilling at 10457'.

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" H-34
21-11N-13E UM, Fr SE cor 3224'N 1265'W(Surface)
21-11N-13E UM, Fr SE cor 3507'N 4097'W(est.BHL)
50-029-22803 S-6am-09/17/97(Nabors Drlg #28S)
Directional Map:AL-4
????? Drilling, no details.

**BP Expl (Alaska) Inc. "Prudhoe Bay Unit" SB-1 (EXT)
35-12N-12E UM, Fr SE cor 4301'N 4500'W(Surface)
27-12N-12E UM, Fr SE cor 177'N 531'W(est.BHL)
Directional Map:AL-4
Applied for permit 9/5/97.

**BP Expl (Alaska) Inc. "Prudhoe Bay Unit" SB-2 (EXT)
21-11N-12E UM, Fr SE cor 4758'N 1143'W(Surface)
21-11N-12E UM, Fr SE cor 4761'N 520'W(est.BHL)
Directional Map:AL-4
Applied for permit 9/5/97.

**BP Expl (Alaska) Inc. "Sam" 1 Directional Map:AL-4
6-11N-14E UM, Fr SE cor 5000'N 500'W(Surface)
30-12N-14E UM, Fr SE cor 2837'N 1557'W(est.BHL)
Applied for permit 9/15/97. (EXPLORATORY)

**OTHER WESTERN STATES
EAST BOUNDARY BUTTE**

Central Resources, Inc. "Navajo" 4 02-001-20317
4-41N-28E, Fr SE cor 2262'N 906'W(Surface)
4-41N-28E, Fr NE cor 1200'S 1980'W(est.BHL) Map:AZ
Lease #14-20-603-413 6500'Paradox-est.td
elev:5364'GR Directional
Issued permit #905 on 10/3/97.

HURRICANE CLIFF

Premco Western, Inc. "Mohave County" 1-10 Map:AZ
10-41N-11W, Fr SE cor 2353'N 510'W 02-015-20029
18c.75 10-3/4c.240 8-5/8c.1050aprx elev:3090'GR
(Federal Lease #A-21068) 8500'-est.td S-11/30/95
420+ Redrilling with cable tool rig below 420'.

BRADY HOT SPRINGS

Brady Power Partners "1" BCH-1 27-001-90256 Map:NV
36-23N-26E, SE-1/4 SE-1/4 5000'-est.td
(Tonto Drlg)
2000 Drilled. Released rig. Will finish drilling
with a continuous core rig.

**STATE OF NEVADA
CHURCHILL COUNTY**

1-90258 Map:NV
Tonto Drlg)
to finish

1-90259 Map:NV
td

001-90253
p:NV
Drlg Co #10)
Map:NV

BERALDA COUNTY
09-05203
Inswestern #1)

BLACKBURN

Petroleum Corp of Nevada "Blackburn" 21 Map:NV
7-27N-52E, Fr SE cor 1540'N 700'W 27-011-05292
7c.???? S-08/08/97(Transwestern Drlg #1)
elev:5296'GR 7700'-est.td
????? Drilled, "no dope" hole. Ran production
string to an undisclosed-depth. Released rig
9/15/97.

BLACKBURN-SH

Trail Mountain, Inc. "Lucky Seven Unit" 1 Map:NV
13-27N-51E, Fr SW cor 100'N 2530'E 7000'-est.td
(Federal Lease #N-46988) (NFW)
Location.

HYDE WASH

Falcon Energy LLC/Kriac Energy "Hamlin Wash" 18-1R
18-8N-70E, Fr SE cor 1050'N 475'W 27-017-05226
S-08/18/97(Sierra Drlg #3) elev:5712'GR Map:NV
3100'-est.td (NFW)
????? Evaluating. Plan to resume.

GHOST RANCH

Makoil, Inc. "Ghost Ranch" 2-21X 27-023-05553
2-8N-57E, Fr NW cor 430'S 2310'E elev:4742'GR
9-5/8c.500 7c.4600aprx S-07/25/97(Makoil rig #286)
(Federal Lease N-42341) 5000'-est.td Map:NV
4600+ Testing with production rig. (EXT)

Premco 10/10/97
φ ahead @ 808'
making ~ 2' / day
lease expite November
Target is 11,000'

October 9, 1997

NIAKUK

**BP Expl (Alaska) Inc. "Niakuk" NK-41A Directional
36-12N-15E UM, Fr SE cor 1474'N 717'W(Surface)
21-12N-16E UM, Fr SE cor 4591'N 3167'W(est.BHL)
22-12N-16E UM, Fr SE cor 1171'N 4970'W(est.BHL-RD)
50-029-22778-01 S-06/26/97(Pool Arctic #7)
????? Redrilling, no details. Map:AL-5

POINT MCINTYRE

ARCO Alaska Inc. "Point McIntyre" P2-33 Directional
14-12N-14E UM, Fr NW cor 231'S 1365'E(Surface)
6-12N-15E UM, Fr NE cor 4073'S 1652'W(est.BHL)
50-029-22812 S-10/04/97(Doyon Drlg #14) Map:AL-4
6718 Drilling.

PRUDHOE BAY

ARCO Alaska Inc. "Prudhoe Bay Unit" 04-16A Map:AL-5
26-11N-15E UM, Fr SW cor 747'N 295'E(Surface)
25-11N-15E UM, Fr SW cor 1494'N 1436'E(BHL)
36-11N-15E UM, Fr SE cor 5102'N 5142'W(est.BHL-RD)
13-3/8c.2665 9-5/8c.11226 7c.11611 50-029-20977-01
(Rowan Drlg #41) S-9/9/83 Rig rel-10/2/83
Rsm-10/07/97(Doyon Drlg #16) Directional
11611 Pg11555 Resumed 10/7/97 for redrill #1.
Pulled tubing.

ARCO Alaska Inc. "Prudhoe Bay Unit" 05-04A Map:AL-5
32-11N-15E UM, Fr NE cor 2262'S 1182'W(Surface)
31-11N-15E UM, Fr SE cor 795'N 1630'W(BHL)
5-10N-15E UM, Fr SE cor 5153'N 507'W(est.BHL-RD)
13-3/8c.2700-9-5/8c.9908-50-029-20152-01
(Rowan Drlg Co #35) S-12/17/74 Comp-1/24/75
Directional
9945 TVD9177 Revised proposed bottom hole
location.

ARCO Alaska Inc. "Prudhoe Bay Unit" 07-36 Map:AL-4
34-11N-14E UM, Fr SE cor 3507'N 4610'W(Surface)
27-11N-14E UM, Fr SE cor 2106'N 4456'E(est.BHL)
7c.???? 4-1/2c.13380 50-029-21806 Directional
S-09/14/97(Doyon Drlg #141)
13380 TD. Drilled. Cmtd 4-1/2" csg at 13380'

ARCO Alaska Inc. "West Beach" WB-05 50-029-22817
25-12N-14E UM, Fr SE cor 109'N 3220'W(Surface)
20-12N-15E UM, Fr SE cor 503'N 1524'W(est.BHL)
Directional Map:AL-4
Issued permit #97-185 on 10/2/97.

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" E-11A
6-11N-14E UM, Fr NE cor 463'S 500'W(Surface)
32-12N-14E UM, Fr SE cor 1564'N 1237'W(BHL)
32-12N-14E UM, Fr NE cor 1590'S 1375'W(est.BHL-RD)
13-3/8c.2729 9-5/8W.???? 50-029-20475-01 Map:AL-4
(Nabors Drlg #22E) S-8/20/81 Rig rel-9/6/81
Rsm-09/18/97(Doyon Drlg #9) Directional
10819 Pg10776 Redrilling at 10457'.

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" H-34
21-11N-13E UM, Fr SE cor 3224'N 1265'W(Surface)
21-11N-13E UM, Fr SE cor 3507'N 4097'W(est.BHL)
50-029-22803 S-6am-09/17/97(Nabors Drlg #2ES)
Directional Map:AL-4
????? Drilling, no details.

**BP Expl (Alaska) Inc. "Prudhoe Bay Unit" SB-1 (EXT)
35-12N-12E UM, Fr SE cor 4301'N 4500'W(Surface)
27-12N-12E UM, Fr SE cor 177'N 531'W(est.BHL)
Directional Map:AL-4
Applied for permit 9/5/97.

**BP Expl (Alaska) Inc. "Prudhoe Bay Unit" SB-2 (EXT)
21-11N-12E UM, Fr SE cor 4758'N 1143'W(Surface)
21-11N-12E UM, Fr SE cor 4761'N 520'W(est.BHL)
Directional Map:AL-4
Applied for permit 9/5/97.

**BP Expl (Alaska) Inc. "Sam" 1 Directional Map:AL-4
6-11N-14E UM, Fr SE cor 5000'N 500'W(Surface)
30-12N-14E UM, Fr SE cor 2837'N 1557'W(est.BHL)
Applied for permit 9/15/97. (EXPLORATORY)

**OTHER WESTERN STATES
EAST BOUNDARY BUTTE**

STATE OF ARIZONA
APACHE COUNTY
Central Resources, Inc. "Navajo" 4 02-001-20317
4-41N-28E, Fr SE cor 2262'N 906'W(Surface)
4-41N-28E, Fr NE cor 1200'S 1980'W(est.BHL) Map:AZ
Lease #14-20-603-413 6500'Paradox-est.td
elev:5364'GR Directional
Issued permit #905 on 10/3/97.

HURRICANE CLIFF

MOHAVE COUNTY
*Premco Western, Inc. "Mohave County" 1-10 Map:AZ
10-41N-11W, Fr SE cor 2353'N 510'W 02-015-20029
18c.75 10-3/4c.240 8-5/8c.1050aprx elev:3090'GR
(Federal Lease #A-21068) 8500'-est.td S-11/30/95
420+ Redrilling with cable tool rig below 420'.

BRADY HOT SPRINGS

STATE OF NEVADA
CHURCHILL COUNTY
Brady Power Partners "1" BCH-1 27-001-90256 Map:NV
36-23N-26E, SE-1/4 SE-1/4 5000'-est.td
(Tonto Drlg)
2000 Drilled. Released rig. Will finish drilling
with a continuous core rig.

Brady Power Partners "1" BCH-2 27-001-90258 Map:NV
1-22N-26E, SE-1/4 NW-1/4 S-09/20/97(Tonto Drlg)
5000'-est.td
2000+ Moved in a continuous core rig to finish
well.

Brady Power Partners "1" BCH-3 27-001-90259 Map:NV
12-22N-26E, NW-1/4 SW-1/4 5000'-est.td
(Tonto Drlg)
????? Drilling...

DIXIE VALLEY

Oxbow Geothermal Corp. "32" 27-32 27-001-90253
32-25N-37E, SW-1/4 SW-1/4 (Wotec) Map:NV
500aprx. Drilled. Evaluating. May deepen.

STILLWATER

AMOR IV "6" 12A-6 27-001-90255 (VECO Drlg Co #10)
6-19N-31E, NW-1/4 NW-1/4 5000'-est.td Map:NV
Moving rig to location.

BIG SMOKY VALLEY

ESMERALDA COUNTY
*Marshall Oil Co. "Federal Jake" 1 27-009-05203
7-2N-39E, Fr NE cor 1213'S 1406'W (Transwestern #1)
10,000'-est.td elev:4730'GR. Map:NV (NFW)
Preparing to move in equipment later this week.

BLACKBURN

BLISS COUNTY
Petroleum Corp of Nevada "Blackburn" 21 Map:NV
7-27N-52E, Fr SE cor 1540'N 700'W 27-011-05292
7c.???? S-08/08/97(Transwestern Drlg #1)
elev:5296'GR 7700'-est.td
????? Drilled, "no dope" hole. Ran production
string to an undisclosed depth. Released rig
9/15/97.

BLACKBURN-SW

*Trail Mountain, Inc. "Lucky Seven Unit" 1 Map:NV
13-27N-51E, Fr SW cor 100'N 2530'E 7000'-est.td
(Federal Lease #N-46988) (NFW)
Location.

HYDE WASH

LINCOLN COUNTY
*Falcon Energy LLC/Kriac Energy "Hamlin Wash" 18-1R
18-8N-70E, Fr SE cor 1050'N 475'W 27-017-05226
S-08/18/97(Sierra Drlg #3) elev:5712'GR Map:NV
3100'-est.td (NFW)
????? Evaluating. Plan to resume.

GHOST RANCH

NYE COUNTY
**Makoil, Inc. "Ghost Ranch" 2-21X 27-023-05553
2-8N-57E, Fr NW cor 430'S 2310'E elev:4742'GR
9-5/8c.500 7c.4600aprx S-07/25/97(Makoil rig #286)
(Federal Lease N-42341) 5000'-est.td Map:NV
4600+ Testing with production rig. (EXT)

**PETROLEUM INFORMATION/DWIGHTS
DAILY ACTIVITY REPORT
SECTION II - 09/25/97**

PAGE 6

DRILLING ACTIVITY

INITIAL CLASS: WF=NEW FIELD WILDCAT; WD=DEEPER POOL WILDCAT; WS=SHALLOWER POOL WILDCAT; WP=NEW POOL WILDCAT; WO=WILDCAT OUTPOST; D=DEVELOPMENT.

■ DENOTES NEW INFORMATION ADDED THIS WEEK. LDIR - LAST DATE INFORMATION REPORTED OR CONFIRMED.
● DENOTES A FINAL STATUS HAS BEEN ADDED TO THE WELL.

ARIZONA

MOHAVE COUNTY

<p>PREMCO WESTERN 1-10 MOHAVE COUNTY API 02-015-20029</p>	<p>10-41N-11W NE SE 2353 FSL 510 FEL IC 20157000195</p>	<p>WILDCAT; 8500 CAMBRIAN, (FR 09/11/95FM) OPER ADD: BOX 496568, GARLAND, TX, 74049-6568 PHONE (214) 341-7010; EL: 3090 GR; LOCATION DATA: 24 MI S-SW VIRGIN FLD(UTAH/INACHOE) 9 MI SE ST GEORGE, UT; PLAN SPUD NOV-1-1995; TO BE VERTICALLY DRILLED.</p>	<p>WF</p>
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■ CONTR: LAYNE-WESTERN; SPUD: 11/30/95, CSG: 18 @ 80, 10 3/4 @ 240 W/5 CU YD; DRLG COMMENTS: ORIGINAL RIG DRILLED TO 1100 FT, UNABLE TO SET CSG ALLOWING HOLE TO CAVE-IN, RESUMED DRILLING DRLG PROBLEMS RIG UNABLE TO RUN 40 FT 8 5/8 CSG LENGTHS AS PLANNED TO 850 FT, HOLE CAVING IN WHILE OPERATIONS SUSPENDED. . . . DRLG, (DEPTH NOT RPTD) (LDIR 09/24/97)

?/N 889

COLORADO

GARFIELD COUNTY

<p>BARRETT RESOURCES GM 12-33 UNOCAL-FEDERAL API 05-045-06827</p>	<p>33-6S-96W SW NW 1954 FNL 700 FWL</p>	<p>GRAND VALLEY; PERMIT # 97-569; 6780 WILLIAMS FORK, (FR 08/19/96FM) OPER ADD: 1515 ARAPAHOE ST TWR 3 STE 1000, DENVER, CO, 80202 PHONE (303) 572-3900; EL: 5697 KB; LOCATION DATA: 3 1/2 MI NW PARACHUTE, CO; TO BE VERTICALLY DRILLED. PERMIT REISSUED: 07/25/97</p>	<p>D</p>
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■ CONTR: FOUR CORNERS DRLG, RIG #3 RIG SUB:12; SPUD: 09/13/97 CSG: 9 5/8 @ 348 W/200 SX; . . . DRLG 5365 (LDIR 09/24/97)

<p>BROWN TOM INC 1-31 SAVAGE API 05-045-07212</p>	<p>1-7S-94W NW SW 2553 FSL 1221 FWL</p>	<p>RULISON; PERMIT # 97-643; 8100 WILLIAMS FORK, (FR 08/14/97DN) OPER ADD: 141 UNION BLVD STE 400, LAKEWOOD, CO, 80228 PHONE (303) 980-8050; EL: 6518 GR; LOCATION DATA: 5 1/2 MI SW RIFLE, CO;</p>	<p>D</p>
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■ CONTR: CAZA DRLG, RIG #16; SPUD: 09/17/97, . . . DRLG 6970 (LDIR 09/24/97)

<p>BROWN TOM INC 2-22 SAVAGE API 05-045-07205</p>	<p>2-7S-94W SE NW 1928 FNL 2253 FWL</p>	<p>RULISON; PERMIT # 97-593; 7600 WILLIAMS FORK, (FR 07/31/97DN) OPER ADD: 141 UNION BLVD STE 400, LAKEWOOD, CO, 80228 PHONE (303) 980-8050; EL: 5995 GR; LOCATION DATA: 5 1/2 MI SW RIFLE, CO;</p>	<p>D</p>
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■ CONTR: CAZA DRLG, RIG #59; BLDG LOC: (LDIR 09/24/97)

LA PLATA COUNTY

<p>WILLIAMS PROD 3D IGNACIO 33-7 API 05-067-08099</p>	<p>20-33N-7W NW SW 2065 FSL 1065 FWL</p>	<p>IGNACIO-BLANCO; PERMIT # 97-470; 5705 MESAVERDE, (FR 06/24/97FM) OPER ADD: 7415 E MAIN, FARMINGTON, NM, 87402 PHONE (505) 327-4892; EL: 8607 KB; LOCATION DATA: 2 MI S IGNACIO, CO, WELL ID CHANGES: WELL NAME CHGD FROM 33-7 IGNACIO</p>	<p>D</p>
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■ CONTR: FOUR CORNERS DRLG, RIG #7 RIG SUB:12; SPUD: 09/20/97 . . . @ 3223, COH (LDIR 09/24/97)

<p>WILLIAMS PROD 1A TIFFANY API 05-067-08095</p>	<p>26-33N-7W SE SW 1030 FSL 2115 FWL</p>	<p>IGNACIO-BLANCO; PERMIT # 97-421; 5840 MESAVERDE, (FR 08/13/97FM) OPER ADD: % WALSH ENGR & PROD, 7415 E MAIN, FARMINGTON, NM, 87402 PHONE (505) 327-4892; EL: 6402 KB; LOCATION DATA: 4 MI SE IGNACIO, CO; TO BE VERTICALLY DRILLED.</p>	<p>D</p>
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■ CONTR: FOUR CORNERS DRLG, RIG #7 RIG SUB:12; SPUD: 09/08/97 5767 TD, (TD REACHED: 09/ 16/97); . . . 5767 TD, WOCT (LDIR 09/24/97)

MORGAN COUNTY

<p>BARNES PET 3 ROSENER API 05-087-08081-0001</p>	<p>33-2N-59W SW SE 815 FSL 2400 FEL</p>	<p>WILDCAT; PERMIT # 96-303; 10100 PALEOZOIC, (FR 04/17/96DN) OPER ADD: 4925 GREENVILLE AVE #920, DALLAS, TX, 75206 PHONE (214) 691-8791; EL: 4704 KB; LOCATION DATA: 3 1/2 MI W-SW LATCH STRING FLD(D SAND) 55 MI SE PIERCE FLD(LYONS) 15 MI SW FORT MORGAN, CO; TO BE VERTICALLY DRILLED. OWDD: OLD INFO: FORMERLY BARNES PET 3 ROSENER SPUD 5/11/95, 8 5/8 @ 440 W/200 SX, LOG TOPS: D SAND 6157, LYONS 7440, GRANITE WASH 9614, TD 9860, COMP 6/18/95, D&A;</p>	<p>WFD</p>
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■ CONTR: ASHBY DRLG, RIG #2; SPUD: 09/05/96, CSG: 8 5/8 @ 452 W/200 SX, 5 1/2 @ 10070 W/130 SX; TBG: 2 3/8 @ 9624; LOG TYPES: FMS: CNL 9800-10265, DITE 9800-10289, LDT 9800-10265, MICL 9800-10239; LOG TOPS: GRANITE 9844; 10299 TD, (TD REACHED: 09/ 21/96) BHT: 215F10026 PBTD; PROD TEST(S): PERF (GRANITE), 9893-9897, 9924-9928, 9943-9947, 9953-9956, W/4 PF, (PALEOZOIC SUBGRANITE ZONE) BRPG 9883 PERF (GRANITE) 9820-9840 W/4 PF, BDA (9820-9840) W/ 31 BBLs, 2% KCL FBRKP 2800, ISIP 750, ACID (9820-9840) W/ 110 BBLs, 60 BBLs 15% NEHCL 50 BBLs 2% KCL W/75 BALL SEALERS ISIP 700, ACID (9820-9840) W/ 163 BBLs, 60 BBLs MRS2-B 103 BBLs 2% KCL ISIP 600, ACID (9820-9840) W/ 103 BBLs, 60 BBLs MRS2-B 43 BBLs 2% KCL ISIP 750, SWBD TR OIL, TR GAS, 3 BW/10 HRS . . . 10299 LTD, 10284 DTD, PB 10026, EVAL (LDIR 09/24/97)

Munger Oilgram, Page 8
September 18, 1997

nt Unit" H-09
4175'W(Surface)
508'W(est.BHL)
97(Nabors Drlg #22E)

ed rig 9/14/97.

nt Unit" H-12
4150'W(Surface)
599'W(est.BHL)
3 Drlg #22E)

11/97. Drilling,

nt Unit" L-36
386'W(Surface)
138'W(est.BHL)
3 Drlg #27E)

-41A Directional
17'W(Surface)
167'W(est.BHL)
970'W(est.BHL-RD)
1 Arctic #7)
p:AL-5

P2-01 Directional
4'W(Surface)
894'W(est.BHL)
97(Doyon Drlg #14)
5/6/97. Map:AL-4

P2-36A Map:AL-4
48'E(Surface)
471'E(est.BHL)
317'E(est.BHL-RD)
rectional

rilling ahead.

" 02-01B Map:AL-4
94'E(Surface)
556'E(BHL)
728'W(est.BHL-RD)
029-20442-01
rel-4/26/80
irectional
rected report).

" 07-11A Map:AL-4
'W(Surface)
104'W(BHL)
19'W(est.BHL-RD)
c.????

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" Z-03
19-11N-12E UM, Fr NW cor 976'S 1427'E(Surface)
19-11N-12E UM, Fr SE cor 1543'N 1305'W(est.BHL)
50-029-22787 S-09/06/97(Nabors Drlg #18E)
Directional Map:AL-4
???? Drilling, no details. (Note corrected spud
and rig number.)

OTHER WESTERN STATES
HURRICANE CLIFF

*Premco Western, Inc. "Mohave County" 1-10 Map:AZ
10-41N-11W, Fr SE cor 2353'N 510'W 02-015-20029
18c.75 10-3/4c.240 8-5/8c.1050aprx elev:3090'GR
(Federal Lease #A-21068) 8500'-est.td S-11/30/95
1050 Redrilling with cable tool rig at 404'.

STATE OF ARIZONA
MOHAVE COUNTY

BRADY HOT SPRINGS

Brady Power Partners "1" BCH-1 27-001-90256 Map:NV
36-23N-26E, SE-1/4 SE-1/4 5000'-est.td
Issued permit #448 on 9/5/97. (OBSERVATION)

Brady Power Partners "1" BCH-1 27-001-90258 Map:NV
1-22N-26E, SE-1/4 NW-1/4 5000'-est.td
Issued permit #450 on 9/5/97. (OBSERVATION)

Brady Power Partners "1" BCH-1A 27-001-90257
1-22N-26E, NW-1/4 NE-1/4 5000'-est.td Map:NV
Issued permit #449 on 9/5/97. (OBSERVATION)

Brady Power Partners "1" BCH-3 27-001-90259 Map:NV
12-22N-26E, NW-1/4 SW-1/4 5000'-est.td
Issued permit #451 on 9/5/97. (OBSERVATION)

Brady Power Partners "1" BCH-3A 27-001-90260
12-22N-26E, NE-1/4 SE-1/4 5000'-est.td Map:NV
Issued permit #452 on 9/5/97. (OBSERVATION)

Brady Power Partners "1" BCH-4 27-001-90261 Map:NV
14-22N-26E, NE-1/4 NE-1/4 5000'-est.td
Issued permit #453 on 9/5/97. (OBSERVATION)

Brady Power Partners "1" BCH-4A 27-001-90262
13-22N-26E, NW-1/4 NW-1/4 5000'-est.td Map:NV
Issued permit #454 on 9/5/97. (OBSERVATION)

Brady Power Partners "1" BCH-5 27-001-90263 Map:NV
25-22N-26E, NE-1/4 SW-1/4 5000'-est.td
Issued permit #455 on 9/5/97. (OBSERVATION)

DIXIE VALLEY

Oxbow Geothermal Corp. "32" 27-32 27-001-90253
32-25N-37E, SW-1/4 SW-1/4 (Wotec) Map:NV
500aprx. Drilled. Evaluating. May deepen.

Oxbow Geothermal Corp. "7" 63-7 27-001-90162

PETROLEUM INFORMATION/DWIGHTS
DAILY ACTIVITY REPORT
SECTION II - 09/17/97

DRILLING ACTIVITY

INITIAL CLASS: WF=NEW FIELD WILDCAT; WD=DEEPER POOL WILDCAT; WS=SHALLOWER POOL WILDCAT; WP=NEW POOL WILDCAT; WO= WILDCAT OUTPOST; D=DEVELOPMENT.
■ DENOTES NEW INFORMATION ADDED THIS WEEK. LDIR - LAST DATE INFORMATION REPORTED OR CONFIRMED.
● DENOTES A FINAL STATUS HAS BEEN ADDED TO THE WELL.

P/N 889

ARIZONA

MOHAVE COUNTY

PREMCO WESTERN
1-10 MOHAVE COUNTY
API 02-015-20029

10-41N-11W
NE SE
2353 FSL 510 FEL
IC 20157000195

WILDCAT; 8500 CAMBRIAN, (FR 09/11/95FM) OPER ADD: BOX 496568, GARLAND, TX, 74049-6568 PHONE (214) 341-7010; EL: 3090 GR; LOCATION DATA: 24 MI S-SW VIRGIN FLD(UTAH/NACHOE) 9 MI SE ST GEORGE, UT; PLAN SPUD NOV-1-1995; TO BE VERTICALLY DRILLED.

WF

■ CONTR: LAYNE-WESTERN; SPUD: 11/30/95, CSG: 18 @ 80, 10 3/4 @ 240 W/5 CU YD; DRLG COMMENTS: ORIGINAL RIG DRILLED TO 1100 FT, UNABLE TO SET CSG ALLOWING HOLE TO CAVE-IN, RESUMED DRILLING DRLG PROBLEMS RIG UNABLE TO RUN 40 FT 8 5/8 CSG LENGTHS AS PLANNED TO 850 FT, HOLE CAVING IN WHILE OPERATIONS SUSPENDED. . . . DRLG 360 (LDIR 09/16/97)

COLORADO

GARFIELD COUNTY

BARRETT RESOURCES
RMV 77-33 COOK
API 05-045-07087

33-6S-94W
NE NW
600 FNL 1751 FWL

RULISON; PERMIT #97-438; 7400 WILLIAMS FORK, (FR 08/08/96FM) OPER ADD: 1515 ARAPAHOE ST TWR 3 # 1000, DENVER, CO, 80202 PHONE (303) 572-3900; EL: 5587 GR; LOCATION DATA: 6 1/2 MI SW RIFLE, CO; TO BE VERTICALLY DRILLED. PERMIT REISSUED: 06/16/97

D

■ CONTR: NABORS DRLG USA, RIG # 488; RURT; (LDIR 09/16/97)

BARRETT RESOURCES
RMV 84-34 JUHAN
API 05-045-07180

34-6S-94W
SE SW
668 FSL 2111 FWL

RULISON; PERMIT #97-371; 7050 WILLIAMS FORK, (FR 05/28/97FM) OPER ADD: 1515 ARAPAHOE ST TWR 3 STE 1000, DENVER, CO, 80202 PHONE (303) 572-3900; EL: 5512 GR; LOCATION DATA: 9 1/2 MI E-NE PARACHUTE, CO; TO BE VERTICALLY DRILLED.

D

■ CONTR: NABORS DRLG USA, RIG # 457; SPUD: 09/04/97, CSG: 9 5/8 @ 588 W/540 SX; . . . DRLG 4800 (LDIR 09/16/97)

BARRETT RESOURCES
GM 11-33 UNOCAL
API 05-045-07105

33-6S-96W
NW NW
447 FNL 595 FWL

GRAND VALLEY; PERMIT #97-568; 6550 WILLIAMS FORK, (FR 09/20/96FM) OPER ADD: 1515 ARAPAHOE ST TWR 3 STE 1000, DENVER, CO, 80202 PHONE (303) 572-3900; EL: 5452 KB; LOCATION DATA: 4 1/4 MI NW PARACHUTE, CO; TO BE VERTICALLY DRILLED. PERMIT REISSUED: 07/25/97

D

■ CONTR: FOUR CORNERS DRLG, RIG # 3 RIG SUB:12; SPUD: 08/28/97 CSG: 9 5/8 @ 328 W/200 SX, 4 1/2 @ 6514 W/1095 SX; 6530 TD, (TD REACHED: 09/ 11/97); . . . 6530 TD, WOCT (LDIR 09/16/97)

BARRETT RESOURCES
GM 12-33 UNOCAL-FEDERAL
API 05-045-06827

33-6S-96W
SW NW
1954 FNL 700 FWL

GRAND VALLEY; PERMIT #97-569; 6780 WILLIAMS FORK, (FR 08/19/96FM) OPER ADD: 1515 ARAPAHOE ST TWR 3 STE 1000, DENVER, CO, 80202 PHONE (303) 572-3900; EL: 5697 KB; LOCATION DATA: 3 1/2 MI NW PARACHUTE, CO; TO BE VERTICALLY DRILLED. PERMIT REISSUED: 07/25/97

D

■ CONTR: FOUR CORNERS DRLG, RIG # 3 RIG SUB:12; SPUD: 09/13/97 CSG: 9 5/8 @ 348 W/200 SX; . . . DRLG 2075 (LDIR 09/16/97)

BARRETT RESOURCES
RMV 108-4 BERNKLAU
API 05-045-07194

4-7S-94W
NW NE
402 FNL 1599 FEL

RULISON; PERMIT #97-453; 7450 WILLIAMS FORK, (FR 08/20/97FM) OPER ADD: 1515 ARAPAHOE ST TWR 3 STE 1000, DENVER, CO, 80202 PHONE (303) 572-3900; EL: 5774 GR; LOCATION DATA: 9 MI NE PARACHUTE, CO; WELL ID CHANGES: FTG CHGD FROM 401 FNL 1517 FEL

D

■ CONTR: NABORS DRLG USA, RIG # 488; SPUD: 08/21/97, CSG: 9 5/8 @ 631 W/275 SX, 4 1/2 @ 7454 W/950 SX; 7459 TD, (TD REACHED: 09/ 13/97); . . . 7459 TD, WOCT (LDIR 09/16/97)

BARRETT RESOURCES
GM 34-3 FEDERAL
API 05-045-07190

3-7S-96W
SW SE
194 FSL 1721 FEL

GRAND VALLEY; PERMIT #97-438; 6550 WILLIAMS FORK, (FR 08/17/97FM) OPER ADD: 1515 ARAPAHOE ST TWR 3 STE 1000, DENVER, CO, 80202 PHONE (303) 572-3900; EL: 5742 GR; LOCATION DATA: 2 MI NW PARACHUTE, CO;

D

■ CONTR: NABORS DRLG USA, RIG # 414; SPUD: 09/04/97, CSG: 9 5/8 @ 329 W/200 SX; . . . DRLG 5250 (LDIR 09/16/97)

**PETROLEUM INFORMATION/DWIGHT'S
DAILY ACTIVITY REPORT
SECTION II - 09/11/97**

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DRILLING ACTIVITY

INITIAL CLASS: WF=NEW FIELD WILDCAT; WD=DEEPER POOL WILDCAT; WS=SHALLOWER POOL WILDCAT; WP=NEW POOL WILDCAT; WO= WILDCAT OUTPOST; D=DEVELOPMENT.

■ DENOTES NEW INFORMATION ADDED THIS WEEK. LDIR - LAST DATE INFORMATION REPORTED OR CONFIRMED.
● DENOTES A FINAL STATUS HAS BEEN ADDED TO THE WELL.

ARIZONA

MOHAVE COUNTY

P/N 889
PREMCO WESTERN
1-10 MOHAVE COUNTY
API 02-015-20029

10-41N-11W
NE SE
2353 FSL 510 FEL
IC 20157000185

WILDCAT; 8500 CAMBRIAN, (FR 09/11/95FM) OPER ADD: BOX 496568, GARLAND, TX, 74049-6568 PHONE (214) 341-7010; EL: 3090 GR; LOCATION DATA: 24 MI S-SW VIRGIN FLD(UTAHNACHOE) 9 MI SE ST GEORGE, UT; PLAN SPUD NOV-1-1995; TO BE VERTICALLY DRILLED.
■ CONTR: LAYNE-WESTERN; SPUD: 11/30/95. CSG: 18 @ 80, 10 3/4 @ 240 W5 CU YD; DRLG COMMENTS: ORIGINAL RIG DRILLED TO 1100 FT. UNABLE TO SET CSG ALLOWING HOLE TO CAVE-IN, RESUMED DRILLING DRLG PROBLEMS RIG UNABLE TO RUN 40 FT 8 5/8 CSG LENGTHS AS PLANNED TO 850 FT, HOLE CAVING IN WHILE OPERATIONS SUSPENDED. . . . DRLG 303 (LDIR 09/10/97)

WF

COLORADO

CHEYENNE COUNTY

UNION PACIFIC RESOURCES
32-29 SIDEBOTTOM
API 05-017-07559

29-12S-44W
SW NE
1777 FNL 1971 FEL

ARCHER; PERMIT #97-627; 5702 MORROW, (FR 08/13/97DN) OPER ADD: BOX 7 MS 3006, FORT WORTH, TX, 76101-0607 PHONE (817) 877-7958; EL: 4361 GR; LOCATION DATA: 11 MI N CHEYENNE WELLS, CO; DRLG 1082(9/5/97) (LDIR 09/10/97)

D

UNION PACIFIC RESOURCES
1 PFEIFER 31-5
API 05-017-07560

5-13S-44W
NW NE
799 FNL 1964 FEL

BROKEN BOW; PERMIT #97-629; 5500 MORROW, (FR 08/13/97DN) OPER ADD: BOX 7 MS 3006, FORT WORTH, TX, 76101 PHONE (817) 877-7664; EL: 4309 GR; LOCATION DATA: 9 1/2 MI N CHEYENNE WELLS, CO; DRLG 1082(9/5/97) (LDIR 09/10/97)

D

VESSELS O&G
13-30 GIBSON GULCH UNIT
API 05-045-07206

30-6S-91W
SW SW
660 FSL 660 FWL

MAM CREEK; PERMIT #97-594; 5500 WILLIAMS FORK, (FR 08/01/97DN) OPER ADD: 1050 17TH ST STE 2000, DENVER, CO, 80265 PHONE (303) 825-3500; EL: 5904 GR; LOCATION DATA: 4 1/2 MI SE SILT, CO; DRLG 5050 (LDIR 09/10/97)

D

SNYDER OIL
18-8 PITMAN
API 05-045-07073

18-7S-92W
SE NE
2304 FNL 782 FEL

MAM CREEK; PERMIT #97-578; 6100 WILLIAMS FORK, (FR 08/18/96DN) OPER ADD: 1625 BROADWAY STE 2200, DENVER, CO, 80202 PHONE (303) 592-4843; EL: 6072 GR; LOCATION DATA: IRREG SEC; 7 MI S-SW SILT, CO; TO BE VERTICALLY DRILLED. PERMIT REISSUED: 07/29/97

D

BROWN TOM INC
1-32 SAVAGE
API 05-045-07201

1-7S-94W
NW SE
1691 FSL 2650 FWL

RULISON; PERMIT #97-539; 8350 WILLIAMS FORK, (FR 07/15/97DN) OPER ADD: 141 UNION BLVD STE 400, LAKEWOOD, CO, 80228 PHONE (303) 980-8050; EL: 6755 GR; LOCATION DATA: 12 MI E PARACHUTE, CO; DRLG 8100 (LDIR 09/10/97)

D

BROWN TOM INC
10-11 SAVAGE
API 05-045-07186

10-7S-94W
NW NW
983 FNL 1162 FWL

RULISON; PERMIT #97-407; 8300 WILLIAMS FORK, (FR 08/10/97DN) OPER ADD: 141 UNION BLVD STE 400, LAKEWOOD, CO, 80228 PHONE (303) 980-8050; EL: 6889 GR; LOCATION DATA: 7 MI SW RIFLE, CO; TO BE VERTICALLY DRILLED.

D

BROWN TOM INC
8-11 SOUTH CANYON FEDERAL
API 05-045-07187

8-7S-104W
NW NW
630 FNL 309 FWL

SOUTH CANYON; PERMIT #97-408; 7000 MORRISON, (FR 08/10/97DN) OPER ADD: 141 UNION BLVD #400, LAKEWOOD, CO, 80228 PHONE (303) 716-4921; EL: 7403 GR; LOCATION DATA: 26 MI NW FRUITA, CO; TO BE VERTICALLY DRILLED.

D

■ CONTR: CAZA DRLG, RIG #59; SPUD: 09/08/97 (EST), . . . DRLG(DPTH NOT RPTD) (LDIR 09/10/97)

■ CONTR: CAZA DRLG, RIG #58; SPUD: 08/29/97 (EST), . . . DRLG-TITE (LDIR 09/10/97)

8-18-97 Rodney Rathel calls

file 889

Have drilled ahead to 240' + waiting on pipe.

Plan to run 10³/₄" pipe to 240' - probably conductor.

May run string of surface pipe through Cocouino if wth.

Dtls ~ 9hr/day + averaging 20'/day.

Have been dressing buttons on bit + plan 18hr days²/new bit.

He bought a Bucyrus-Erie 48-L cable tool rig in Farm.

Is rated to 6-8000'

Came in on long semi-trucks (3)

Parked on side of road at jet near Ft. Pierce Wash.

Some guy came by, Rudy, + asked who's 48-L?

Turns out Rudy, 79 yrs old, been dtls for 52 years, since 1946

His grand dad lived to 107 + Rudy's, who's dtls for him, wearing him out!

Rodney is welder, dressing bits, etc. + learning pouring socket full of zinc, etc.

Rudy drilling in day + with new bit + 18 hr days Rodney will drill @ night.

Rudy's has trouble seeing at night.

Rudy converted a B-E rig to rotary in 1961 - could switch back + forth.

Came off cathead w/ chain + hooked up rotary.

(Has until end of November to complete well = lease expire.

Is drilling 12 rotations/min with air hube.

I advise Rodney I reminded AGO of restoration + sent itemized list,

with a note that I have all actual receipts.

Rodney advises costs not too great since he own's rig.

He will keep me advised of progress

8-19-97 Paul Buff calls.

Do drillers for oil wells need permit.

I advise not in sense wth drillers do - operator gets permit.

PE coming down from SLC to review Rodney's operation.

Have been so many changes that it's almost a new operation.

08-07-97 20:08 FAX 801 858 1796

Premco Western

001

FAX TRANSMITTAL

**FROM: Rodney Rathcal
Premco Western, Inc.
P.O. Box 1274
St. George, Utah 84771-1274
Office/Fax (801) 658-1796**

DATE: 8/7/97

NUMBER OF PAGES INCLUDING THIS PAGE: 1

**SENT TO: Steve Ruzai
Arizona Geological Survey
416 W. Congress, Suite 100
Tucson, AZ 85701
(520) 770-3505**

MESSAGE:

I have begun drilling operations on the Mohave County 1-10 well. We have started a new hole because the last one is too crooked. We are at 118' and drilling will be rather slow until a few changes are made. I look forward to meeting you soon. Please make a note of my new telephone number and address.

2-18-97

John Haas, BLM received call from Gaty Smith Dhs last Friday (11-14-97) that the 1-10 Federal was apparently plugged. He was out at the site and the conductor was pulled. JH pointed out he was out to the site just a couple of weeks ago and the conductor pipe was in place. A bit of mystery!

2-20-97

Rodney Rathcal called, has gone to well and covered conductor pipe with dirt. He doesn't want anyone from St. George going down and messing with the well. Hopes to have financing to start up in a few months but hopes to pick up protection release first.

**My Father's Oil Company, LLC
Premco Western, Inc.
555 South Cholla
Gilbert, AZ 85233**

January 21, 1997

Mr. Steven L. Rauzi
Arizona Geological Survey
416 W. Congress, Suite 100
Tucson, Arizona 85701

Dear Mr. Rauzi,

Until further notice, please make note in your files of the new address for both Premco Western, Inc. and My Father's Oil Company, LLC. to be the address as indicated on the letterhead. Thank you for your time.

Sincerely,



Rodney Ratheal





Fife Symington
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

August 1, 1996

Mr. Rodney Ratheal
Premco Western
555 South Cholla Street
Gilbert, Arizona 85233

file 889

Dear Mr. Ratheal:

Thank you for your telephone call this morning advising me of the samples for the 1-10 Mohave Federal and your new address. As we discussed, you will need to update your organization report in light of your move. A blank copy of our organization report form is enclosed for your use. Please complete and return it at your earliest convenience.

Let me know if I may be of further assistance.

Sincerely,

Steven L. Rauzi

Steven L. Rauzi
Oil & Gas Program Administrator

Enclosure

3100 (010)
Lease AZA-21068
Well # Mohave County 1-10

CERTIFIED MAIL NO. P 393 887 602
RETURN RECEIPT REQUESTED

Mr. Rodney Ratheal
Premco Western, Inc.
555 So. Cholla St.
Gilbert, AZ 85233

JUL 9 1996

WRITTEN ORDER

Dear Mr. Ratheal:

On November 30, 1995, Premco Western began spudding the hole for an oil and gas well on lease number AZA-21068 which was scheduled to expire on midnight November 30, 1995. Regulation 43 CFR 3107.1, Extension by Drilling, states that in order to qualify for a two-year extension by performing diligent drilling operations at the end of the primary term of the lease, "actual drilling operations shall be conducted in a manner that anyone seriously looking for oil and gas could be expected to make in that particular area, given the existing knowledge of geologic and other pertinent facts," and "in drilling a new well on a lease . . . it shall be taken to a depth sufficient to penetrate at least one formation recognized in the area as potentially productive of oil and gas."

It is BLM's understanding that the mobile drill rig was moved from the well site on June 12, 1996, and that little, if any, progress was made in drilling and improving the well bore in accordance with the approved drilling plan since May 3, 1996. Accordingly, it is requested that the following information be provided:

A lithologic log that shows the various formations -- tops and bottoms, with descriptive characterizations -- encountered in the wellbore.

An explanation as to how the lithologic log was determined.

The status and condition of the wellbore.



Plans to continue diligent drilling operations, or in the lack thereof, plans to plug and secure the wellbore and reclaim the drill site.

You are hereby requested to submit a response to the above four items to this office by August 10, 1996. If you believe an extension beyond this date is necessary, please contact John Haas at 602-650-0222 by July 18, 1996.

Sincerely,

Roger G. Taylor

Roger Taylor
District Manager

cc: AZ-933
AZ-014

- 5-17-96 John Haas, drilled to 1100' lost + fished bit out a 970'
stuck pipe + retrieved pipe + dropped slip in hole.
fishing on for slip.
- 5-30-96 Called Rodney Rathel + advise of ADGCC mtg on Friday,
5-17-96. He reported that slip dropped in hole + stuck
at about 500'. Drilled to 1100', reamed to 675' +
thinking about setting casing @ 500' + sidetrack junk.
Rig on hole now capable to 2200', may bring rig
in capable to 3300'.
- 7-19-96 Rodney called to advise of his move to 555
South Cholla Street, Gilbert AZ 85233 (602) 507-3778.
Will send P.O. box for Pemco Western in next week
or so. Pipe stuck @ 675', bit cone + slips also stuck.
\$5,000 fishing w/ no success. May just start new
hole when financing (Phoenix area) arranged. Anticipates
~ year. May set plug in this hole.
- 8-1-96 Rodney calls to advise (1) Ockite Adams to send set of samples
for the 1-10 Mohave Federal hole (currently sitting Hunt well near
Pischoe ND) and (2) wants to convert bond money to other bond.
I advise that not relevant, decision is who should get the
UGS bond (see file 876) not what they will do with it.

WILDCAT: WDD =
FULL NEW POOL
ACCESSFUL

RT

PETROLEUM INFORMATION ROCKY MOUNTAIN REGION REPORT
SECTION VI - 03/27/96

PAGE 3

DRILLING PROGRESS

INITIAL CLASS: WF=NEW FIELD WILDCAT; WD=DEEPER POOL WILDCAT; WS=SHALLOWER POOL WILDCAT; WP=NEW POOL WILDCAT; WO=
WILDCAT OUTPOST; D=DEVELOPMENT.

■ DENOTES NEW INFORMATION ADDED THIS WEEK. LDIR - LAST DATE INFORMATION REPORTED OR CONFIRMED.
● DENOTES A FINAL STATUS HAS BEEN ADDED TO THE WELL.

ARIZONA

APACHE COUNTY

RIDGEWAY ARIZONA OIL 2-11N-29E UNNAMED; PERMIT #893; 2485 FORT APACHE, (FR 10/20/95FM) OPER WO
2-1 RIDGEWAY STATE SE NW ADD: 1080 700 4TH AVE SW, CALGARY ALB T2P 3J4, PHONE (800) 347-0294;
API 02-001-20305 1660 FNL 1660 FWL EL: 6710 GR; LOCATION DATA: 1/2 E FORT APACHE CO2 DISC 3-11N-29E
UNNAMED 8 1/2 MI SE ST JOHNS, AZ;

LOC;

RIDGEWAY ARIZONA OIL 10-11N-29E UNNAMED; PERMIT #891; 2485 FORT APACHE, (FR 10/20/95FM) OPER WO
10-1 RIDGEWAY STATE SW NE ADD: 1080 700 4TH AVE SW, CALGARY ALB T2P 3J4, PHONE (800) 347-0294;
API 02-001-20303 1660 FNL 1660 FEL EL: 6654 GR; LOCATION DATA: 1/3 MI S FORT APACHE CO2 DISC SE
3-11N-29E UNNAMED 9 1/2 MI SE ST JOHNS, AZ;

CONTR: AZTEC WELL SRVCG; LOC;

RIDGEWAY ARIZONA OIL 11-11N-29E UNNAMED; PERMIT #892; 2680 FORT APACHE, (FR 10/20/95FM) OPER WO
11-1 RIDGEWAY STATE SE NW ADD: 1080 700 4TH AVE SW, CALGARY ALB T2P 3J4, PHONE (800) 347-0294;
API 02-001-20304 1775 FNL 1660 FWL EL: 6824 GR; LOCATION DATA: 1/3 MI SE FORT APACHE CO2 DISC
3-11N-29E UNNAMED 10 MI SE ST JOHNS, AZ;

LOC;

RIDGEWAY ARIZONA OIL 15-12N-29E WILDCAT; PERMIT #883; 220 SAN ANDRES, (FR 12/08/94FM) OPER ADD: WF
1A RIDGEWAY PLATEAU NE SW 1080-700 4TH AVE SW, CALGARY, AS, T2P3J-0004 PHONE (800) 347-0294;
CATTLE CO 2983 FNL 3583 FEL EL: 6377 KB; LOCATION DATA: 51 MI S NAVAJO SPRINGS
API 02-001-20298 FLD(COCONINO) 59 FT FROM POSS GAS DISC 7 MI SE ST JOHNS, AZ;

CONTR: SALAZAR DRLG; SPUD: 11/28/94. DRLG COMMENTS: DRLD WITH CO2 FROM DISCOVERY WELL. MAY USE THIS WELL AS A DISPOSAL
WELL IN THE FUTURE. 220 TD, (TD REACHED: 11/ 27/94); ... 220 TD, S(WOO) (LDIR 03/12/96)

RIDGEWAY ARIZONA OIL 22-12N-29E UNNAMED; PERMIT #888; 2300 FORT APACHE, (FR 08/28/95FM) OPER WO
22-1X RIDGEWAY STATE SE NW ADD: 1080-700 4TH AVE SW, CALGARY, AB, 00T2R-03J4 PHONE (505)
API 02-001-20301 1363 FNL 1713 FWL 327-1378; EL: 6393 GR; LOCATION DATA: 1 MI S CO2
DISCOVERY-UNNAMED 15-12N-29E FLD 8 MI SE ST JOHNS, AZ: TO REPLACE
JUNKED HOLE #1; WELL ID CHANGES: WELL NAME CHGD FROM STATE
FTG CHGD FROM 1383 FNL 1723 FWL

CONTR: SMITH WAYNE DRLG, RIG #1; LOC;

RIDGEWAY ARIZONA OIL 35-12N-29E UNNAMED; PERMIT #890; 2500 FORT APACHE, (FR 10/20/95FM) OPER WO
35-1 RIDGEWAY STATE NE SW ADD: 1080 700 4TH AVE SW, CALGARY ALB T2P 3J4, PHONE (800) 347-0294;
API 02-001-20302 1660 FSL 1660 FWL EL: 6689 GR; LOCATION DATA: 3/4 MI NE FORT APACHE CO2 DISC SE
3-11N-29E UNNAMED 10 1/2 MI SE ST JOHNS, AZ;

CONTR: AZTEC WELL SRVCG; LOC;

HARKEN SOUTHWEST 17-40N-29E BLACK ROCK; PERMIT #881; 6469 PARADOX, (FR 07/18/94DN) OPER D
7X BLACK ROCK NE SW ADD: DRAWER 612007, DALLAS, TX, 75261 PHONE (817) 695-4900; EL: 6895
API 02-001-20296 1750 FSL 1572 FWL GR; LOCATION DATA: 7 MI SW TEEC NOS POS, AZ;

LOC;

MOHAVE COUNTY

PREMCO WESTERN 10-41N-11W WILDCAT; 8500 CAMBRIAN, (FR 09/11/95FM) OPER ADD: WF
1-10 MOHAVE COUNTY NE SE GARLAND, TX, 74049-8568 PHONE (214) 341-7010; EL: 3090 GR; LOCATION
API 02-015-20029 2353 FSL 510 FEL DATA: 24 MI S-SW VIRGIN FLD(UTAH/NACHOE) 9 MI SE ST GEORGE, UT;
IC 20157000195 PLAN SPUD NOV-1-1995;

■ SPUD: 11/30/95 CSG: 18 @ 80; DRLG COMMENTS: LAYNE WESTERN CO DRLD TO SURF CSG POINT STARTING 1/29/96 FROM 80 FT. GARY DRLG TO
DRILL 1100-2800... @ 1100, COH TO RUN 8 5/8 CSG (LDIR 03/28/96)

file 889

MAR-26-1996 09:59 FROM ARIZONA STATE OFFICE TO 85207703505 P.02

OFFICIAL COPIES SD READ CF DIVISION GROUP AUTHOR

file 559

3106(933)
AZA-25155

MAR 21 1996

*Amell
3-21-96
for R.P.
J.Hass
3-19-96
A. Bunch
3/20/96*

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

NOTICE

My Father's Oil Company, LLC : Oil and Gas Lease
3317 Sunrise Drive :
Garland, TX 75043 : Date Assignment Filed: Feb. 29, 1996

Additional Requirement

Your assignment affecting oil and gas lease AZA-25155 cannot be approved as filed.

Our records show a well pad which has been constructed on the lease still has not been revegetated. Liability for the operation is being maintained by the lessee. The Federal leasing regulations at 43 CFR 3104.2 state, "The operator on the ground shall be covered by a bond in his/her own name as principal, or a bond in the name of the lessee or sublessee, provided that a consent of the surety, or the obligor in the case of a personal bond, to include the operator under the coverage of the bond is furnished to the BLM office maintaining the bond."

The assignee maintains no bonding coverage for this lease. Options available to secure an appropriate bond are contained in the enclosed "Information on Procedures for Obtaining Surety and Personal Bonds." If the assignee files a surety bond, it must be accompanied by a consent of surety. A sample consent is enclosed. The consent must be executed by the assignee (principal) and the surety must be accompanied by a Power of Attorney for the person signing on behalf of the surety. If a personal bond is secured, a consent of the principal to the personal bond will be required.

Forty-five days are allowed for the defect in the assignment to be cured. During that time, a new filing fee will not be required. If the defect in the assignment is not cured within the time allowed, we will issue a decision denying approval of the assignment. If additional time is needed to comply with the above requirement, a written request for an extension of time must be filed in this office before the end of the 45-day period. Should you have any questions concerning this correspondence, you may contact John Hass at telephone number (502) 650-0222.

/s/ Phillip D. Moreland

Phillip D. Moreland
Acting Deputy State Director
Resource Planning, Use And
Protection Division

Enclosures
Consent of Surety
Consent of Principal
Bond Information

bcc: AZ Strip

24

file 889

The 1 Mr. Jones-State, se nw 32-7n-23e, Guadalupe County, originally was set up as a 15,000-ft test of Pennsylvanian horizons. Labrador took sidewall cores and drillstem tested two intervals, but released no details.

Labrador's venture was drilled nine miles southeast of a non-commercial Abo (Permian) gas discovery completed in 1982. Nearest established production is some 60 miles to the southeast, in Roosevelt County's Tule field, a Permian Basin pool that produces gas from Pennsylvanian and the Ordovician Montoya between 6800 and 7200 ft.

Davis Petroleum Corp plugged and abandoned a remote wildcat drilled in the northern portion of the non-producing Albuquerque-Belen Basin about 14 miles north of Albuquerque.

Davis' 1-Y Tamara, se se 3-13n-2e, Sandoval County, was set up as a 9100-ft test of Dakota and drilled to a depth of 8732 ft, with no other details disclosed. The venture is 36 miles southeast of the nearest production, at shallow Mesaverde wells on the southeastern flank of the San Juan Basin.

Arizona

Oil flowed at the rate of 117 bbls per day, with 693,000 cu ft of gas and 54 bbls of water daily, at a stepout from northeastern Arizona's Black Rock field completed by Harken Southwest Corp nine miles west and slightly south of Teec Nos Pos.

Harken tested the 20 Black Rock, se se 7-40n-29e, Apache County, through a 16/64-inch choke with a flowing tubing pressure of 280 psi. Production is commingled from perforations in Lower Ismay between 4680 and 4752 ft; Desert Creek between 4786 and 4818 ft; and Akah from 4927 to 5028 ft.

The 5432-ft well offsets to the north an abandoned Mississippian oil producer on the northwestern flank of Black Rock field and is three quarters of a mile east of the field's northwesternmost Paradox producer.

PREMCO Western in late November spudded an 8500-ft test to Precambrian on the western end of the Mogollon Plateau approximately 120 miles northwest of Flagstaff in northwestern Arizona.

The Mohave County venture, the 1-10 Mohave County in ne se 10-41n-11w, is about 24 miles southwest of the closest previous production, in Washington County, Utah's Virgin field, an inactive Timpoweap (Moenkopi) oil pool. The nearest current production is more than 100 miles to the northeast, in Utah's Upper Valley field, a Kaibab pool on the northern end of the Kaiparowits Basin. As the year ended, PREMCO had reached a depth of 1100 ft and was awaiting another rig to continue drilling.

Ridgeway Arizona Oil Co during the year began the process of delineating a carbon dioxide/helium accumulation discovered by the company in 1994 on the St. Johns Anticline near the town of St. Johns in eastern Arizona's Apache County.

The company, the U.S. operating subsidiary of Calgary-based Ridgeway Petroleum Corp, completed the 3-1 State 13-53-801, ne se 3-11n-29e, flowing 663,000 cu ft of gas per day from Fort Apache between 1536 and 1676 ft. Ridgeway said preliminary analysis of the gas—performed by the U.S. Bureau of Mines—indicated it is composed of 89 percent CO₂, 10 percent nitrogen, 0.7 percent helium and 0.1 percent each of methane and argon.

The 3-1 State 13-53-801 was drilled four miles south of Ridgeway's initial discovery in the area, which was completed in 1994 at the 1 Ridgeway/Canstar-Plateau Cattle Co, se nw 15-12n-29e. The latter well produced CO₂, helium and nitrogen from Supai at 1410-79 and 1680-1720 ft.

Ridgeway estimated reserves in the field at 260 billion cu ft of CO₂ and two billion cu ft of helium.

The area is approximately 55 miles south of the Pinta Dome-Navajo Springs area, which has produced nonflammable, helium-bearing gas.

Carbon dioxide from the wells is to be utilized for

**PETROLEUM INFORMATION
DAILY ACTIVITY REPORT
SECTION II - 02/27/96**

DRILLING ACTIVITY

INITIAL CLASS: WF=NEW FIELD WILDCAT; WD=DEEPER POOL WILDCAT; WS=SHALLOWER POOL WILDCAT; WP=NEW POOL WILDCAT; WO=WILDCAT OUTPOST; D=DEVELOPMENT.
 ■ DENOTES NEW INFORMATION ADDED THIS WEEK. LDIR - LAST DATE INFORMATION REPORTED OR CONFIRMED.
 ● DENOTES A FINAL STATUS HAS BEEN ADDED TO THE WELL.

ARIZONA

MOHAVE COUNTY

PREMCO WESTERN
1-10 MOHAVE COUNTY
API 02-015-20029

10-41N-11W
NE SE
2353 FSL 510 FEL
IC 20157000195

WILDCAT; 8500 CAMBRIAN, (FR 09/11/95FM) OPER ADD: BOX 496568,
GARLAND, TX, 74049-6568 PHONE (214) 341-7010; EL: 3090 GR; LOCATION
DATA: 24 MI S-SW VIRGIN FLD(UTAH/NACHOE) 9 MI SE ST GEORGE, UT;
PLAN SPUD NOV-1-1995;

WF

■ SPUD: 11/30/95 CSG: 18 @ 80; DRLG COMMENTS: LAYNE WESTERN CO DRLD TO SURF CSG POINT STARTING 1/29/95 FROM 80 FT. . . . @ 1100.
RNG 8 5/8 CSG (LDIR 02/26/96)

COLORADO

GARFIELD COUNTY

BARRETT RESOURCES
RMV 40-20 FEDERAL
API 05-045-06975

20-6S-94W
SE NW
2100 FNL 2031 FWL

RULISON; PERMIT #95-943; 7550 MESAVERDE, (FR 12/27/94DN) OPER
ADD: 1515 ARAPAHOE ST, TOWER 3, STE 1000, DENVER, CO, 80202 PHONE
(303) 572-3900; EL: 5443 GR; LOCATION DATA: 6 1/2 MI W RIFLE, CO;
PERMIT REISSUED: 12/06/95

D

■ CONTR: ADCOR DRLG, RIG #14; SPUD: 01/26/96, CSG: 9 5/8 @ 939 W/395 SX; . . . DRLG 8600 (LDIR 02/26/96)

MONTANA

FALLON COUNTY

SHELL WESTERN E&P INC
22X-10AH CABIN CREEK
API 25-025-21593

10-9N-58E
SE NW
2240 FNL 2400 FWL

CABIN CREEK; PERMIT #14181; 13300 RED RIVER, (FR 12/27/95CA) OPER
ADD: BOX 576 (WCK 6265), HOUSTON, TX, 77001 PHONE (713) 544-3797; EL:
2930 GR; LOCATION DATA: 14 MI N-NW BAKER, MT; TO BE
HORIZONTALLY DRILLED. PBHL: 950 FNL 200 FEL NE NE 10-9N-58E;

D

■ CONTR: NABORS DRLG USA, RIG #592; SPUD: 02/05/96 (EST), CSG: 9 5/8 @ 1617; . . . DRLG 8375 (LDIR 02/26/96)

SHELL WESTERN E&P INC
12X-36H MONARCH
API 25-025-21588

36-9N-58E
SW NW
1350 FNL 680 FWL

MONARCH; PERMIT #14152; 11800 RED RIVER, (FR 11/07/95CA) OPER
ADD: BOX 576, WCK 6265, HOUSTON, TX, 77001-0576 PHONE (713) 544-3797;
EL: 2915 GR; LOCATION DATA: 9 MI N-NW BAKER, MT; TO BE
HORIZONTALLY DRILLED. PBHL: 650 FNL 1200 FEL NE NE 36-9N-58E;

D

■ CONTR: NABORS DRLG USA, RIG #265; SPUD: 12/05/95, CSG: 9 5/8 @ 1536, 7 @ 8905; 11895 TD, (TD REACHED: 01/03/96); . . . 11895 TD,
TSTG (RED RIVER) (LDIR 02/26/96)

SHELL WESTERN E&P INC
44-17H CABIN CREEK
API 25-025-21594

17-10N-58E
SE SE
460 FSL 900 FEL

CABIN CREEK; PERMIT #14182; 13500 RED RIVER, (FR 12/27/95CA) OPER
ADD: BOX 576 (WCK 6265), HOUSTON, TX, 77001 PHONE (713) 544-3797; EL:
2786 GR; LOCATION DATA: 18 MI N-NW BAKER, MT; TO BE
HORIZONTALLY DRILLED. PBHL: 1400 FNL 2300 FWL SE NW
16-10N-58E;

D

■ CONTR: NABORS DRLG USA, RIG #265; SPUD: 02/16/96, CSG: 9 5/8 @ 1610; . . . DRLG 7497 (LDIR 02/26/96)

NEW MEXICO

SAN JUAN COUNTY

MERIDIAN OIL INC
2R MCMANUS
API 30-045-29340

4-25N-8W
SW NW
1480 FNL 790 FWL
IC 300457009095

BALLARD; 2200 PICTURED CLIFFS, (FR 09/25/95FM) OPER ADD: BOX 4289,
FARMINGTON, NM, 87499-4289 PHONE (505) 326-9700; EL: 6464 KB;
LOCATION DATA: 11 MI NE NAGEEZI, NM;

D

■ CONTR: WALTERS DRLG, RIG #5 RIG SUB:12; SPUD: 02/10/96 CSG: 8 5/8 @ 142 W/129 SX, 4 1/2 @ 2445 W/524 SX; DRLG COMMENTS: BASIN
WELL SERVICE #5 COMPLETED. 2450 TD, (TD REACHED: 02/11/96); . . . 2450 TD, TSTG (LDIR 02/26/96)

MARALEX RESOURCES
2 WEST BISTI 26-13-20
API 30-045-29041

20-26N-13W
NE NW SW
2000 FSL 1029 FWL
IC 300457011093

BASIN; 1842 FRUITLAND, (FR 09/09/93FM) OPER ADD: BOX 421, BLANCO,
NM, 87412-0421 PHONE (505) 325-5599; EL: 6558 GR; GEOL: O'HARE
LOCATION DATA: 16 1/2 MI S FARMINGTON, NM; WELL ID CHANGES:
FTG CHGD FROM 1450 FSL PROJ DEPTH CHGD FROM 1883. FTG CHGD
FROM 1850 FSL 1450 FWL. SPOT CHGD FROM SW NE SW. API CHGD FROM
30-045-29014-0000.

D

2-14-96 (JH) Premco Western # 1-10 Mohave Co., Federal

Have drilled $6\frac{1}{2}$ " hole to 1050'

Opening to $12\frac{1}{4}$ " hole for $8\frac{3}{8}$ " CSG

Have 1200' of surface pipe on hand

still looking for dp to deepen hole

Deepen to 1400-1600' to Coconino - Oil shows rptd in other wells
- sufficient to hold lease for 2 additional yrs

2-15-96 (JH) Trying to arrange for cementers
Advise of Layne Western office & phone # in Chandler
looking for shorter CSG. JH will calc. strengths
R/H with beamer (Copner)

3-13-96 (Rodney Rathel) Currently fishing bit out of hole. T.D. 1100' + have
opened hole down to 300' (hard) expect hole below 300' to open faster
(better drilling with $6\frac{1}{2}$ " hole). Has reclaimed UGA location [

3-26-96 (John Haas) lost bit @ ~ 970' going in hole with larger
bit to that depth & will fish for bit.

Premco Western, Inc.
P.O. Box 496568
Garland, Texas 75049-6568
(801) 652-1723 St. George, Utah

January 24, 1996

rcd 1-29-96

file 889

Mr. Steven L. Rauzi
Arizona Geological Survey
416 W. Congress, Suite 100
Tucson, Arizona 85701

Dear Mr. Rauzi,

Per your request dated January 19, this letter is to serve as an update on the status of Mohave County well #1-10. The well was spudded on November 30 and drilled to 20' and 18" surface conductor was set. On December 29, drilling resumed with a 6-1/2" bit to a depth of 825' on January 11, at which time drilling was stopped awaiting more drill pipe.

The drilling contractor informed me yesterday that drill pipe should be delivered by next Monday, January 29. Drilling should resume by January 30 and drilled to a depth of 1200-1400'. The well will then be bored out with a larger bit and 8-5/8" casing will be set to 1000-1200 feet.

After surface casing has been set, additional time will be required to get a larger rig moved in to start drilling to the 8500' depth. I anticipate a one to three month delay before drilling will be resumed. If you desire any other information, you may call me at the St. George number listed above. I expect to be here at least through the end of February.

Sincerely,

Rodney Ratheal

Rodney Ratheal
President

*777 S. 400 E. #69
St. George, Utah 84770*



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

January 19, 1996

Mr. Rodney Ratheal
Premco Western
P.O. Box 496568
Garland, Texas 75049-6568

file 889

Dear Mr. Ratheal:

The Oil & Gas Conservation Commission will meet on February 9 in Tucson and will be expecting a status report on the Premco Western #1-10 Mohave County well. Since I have not heard from you since approving your permit to drill in October 1995, I would appreciate a written update on the current status of your operations and future plans for this well. I look forward to hearing from you soon.

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator

OTHER WESTERN STATES: STATE OF ARIZONA
ST JOHNS APACHE COUNTY

**Ridgeway Arizona Oil Corp "State" 10-1 MAP:AZ
 10-11N-29E, Fr NE cor 1660'S 1660'W 02-001-20303
 State lease 13-53801 elev:6654'GR 2485'-est.td
 (Aztec Well Service) (EXT)
 Plan to start after the first of the year.

SAN SIMON COCHISE COUNTY

*Arzon Corp. "Arzon State" 1 02-003-20009 MAP:AZ
 27-13S-30E, Fr NW cor 660'S 660'E elev:3600'GR
 9-5/8c, 530± 7c, 1064 S-07/15/95 (Norton Drilg Co)
 State Lease #13-100203 9900'-est.td (NEW)
 8974 Reentered hole in late September. Tested.
 Suspended. Evaluating.

HURRICANE CLIFF MOHAVE COUNTY

*Premco Western, Inc. "Mohave County" 1-10 MAP:AZ
 10-41N-11W, Fr SE cor 2353'N 510'W 02-015-20029
 18c.75 elev:3090'GR S-11/30/95 8500'-est.td
 (Federal Lease #A-21068) (NEW)
 80 Set conductor pipe.

STATE OF NEVADA
INDEPENDENCE VALLEY ELKO COUNTY

*Foreland Corp. "Dead Man's Creek" 44-13 MAP:NV
 13-39N-65E, Fr SE cor 660'N 870'W 27-007-05228
 7c.8000+ elev:5828'GR (Colorado Well Service Inc)
 (Rio Grande Drilg #6) S-aprx.8/20/82 Rel-2/16/83
 Originally drld to 10900'. Perf'd and tested
 within 8300-8780'. Plugged and abandoned 2/16/83.
 10200 Re-entered hole. Drilling out plugs. (NEW)
 12,000'-est.td

BLACKBURN EUREKA COUNTY

Petroleum Corp of Nevada "Blackburn" 20 MAP:NV
 7-2'N-52E, Fr SE cor 2514'N 1456'W 27-011-05289
 Federal lease N-10613 elev:5293'GR 7700'-est.td
 Permit #776 issued.

CALIENTE LINCOLN COUNTY

City of Caliente "Commercial Caliente Injection" 1
 5-4S-67E, NE-1/4 SW-1/4 27-017-90000 MAP:NV
 Permit #429 issued. 120'-est.td

CCAL VALLEY

*Tide Petroleum Co LP "Baseline Canyon Federal" 2A
 21-1N-59E, Fr SW cor 1161'N 1317'E MAP:NV (NEW)
 Federal Lease N-41649
 100' north of the Company's "Baseline Canyon
 Federal" #2, drld to 1375'. Hit water and
 suspended 11/12/95.
 Plan to start in January 1996.

SUNNYSIDE

*Conley P Smith Oper Co "Cave Valley Federal" 13-10
 13-7N-63E, Fr SE cor 1800'N 1950'W 27-017-05220
 Federal lease N-47987 MAP:NV elev:5009'GR (NEW)
 Issued permit #777. 5000'-est.td

EAGLE SPRINGS-SOUTH NYE COUNTY (cont)

*Antelope Energy LLC. "Cold Springs" 1 MAP:NV
 34-8N-57E, Fr NE cor 270'S 230'W 27-023-05542
 Federal lease N-59432 (Cardinal Drilg Co #12)
 Moving in equipment. (Note API number.) (NEW)

NYALA

*Federal Petroleum Corp. "Federal" 1-10 MAP:NV
 10-5N-56E, Fr NW cor 950'S 1920'E 27-023-05533
 Federal lease N-47227 elev:4930'GR 5500'-est.td
 S-10/12/95 (Cardinal Drilg Co #12) (NEW)
 4140 TD. Drilled. Logged. Released rig 11/6/95.
 Evaluating logs.

PORTUGUESE MOUNTAIN

*Dayton Oil & Expl Inc. "Benben-Portuguese Mtn" 1-13
 13-10N-56E, Fr SW cor 990'N 990'E 27-023-05518
 Federal Lease N-46135 MAP:NV elev:4880'GR
 Permit #738 issued. 5000'-est.td (NEW)

RAILROAD VALLEY

*Makoil, Inc. "Midland Trail" 29-24 MAP:NV
 29-6N-56E, Fr SW cor 660'N 1980'E elev:4748'GR
 Plan to start by the end of this year. (NEW)
 5000'-est.td

THIRSTY CANYON

*Nevada Western Oil Corp. "Coffer" 1-A MAP:NV
 31-10S-48E, Fr SE cor 1990'N 812'W (NEW)
 Notice of staking.

TRAP SPRINGS

**Trail Mountain, Inc. "Blackjack Federal" 1 MAP:NV
 34-9N-56E, Fr NE cor 2440'S 1980'W (Surface)
 34-9N-56E, Fr SE cor 1617'N 1980'W (est BHL)
 27-023-05534 elev:4737'GR (EXT)
 Federal lease N-5349 5000'-est.td 5587'-est.td
 Issued permit #768.

TRAP SPRINGS-NW

*Phillips Petroleum Co. "Roulette" 1 27-023-05535
 20-10N-56E, Fr NE cor 1980'S 660'W MAP:NV (NEW)
 Federal lease N-59866 elev:5481'GR 8000'-est.td
 Issued permit #771.

TRAP SPRINGS-WEST

*Phillips Petroleum Co. "Three of a Kind" 1 MAP:NV
 21-9N-56E, Fr NW cor 1980'S 1980'E 27-023-05536
 Federal lease N-59864 elev:4839'GR 7500'-est.td
 (True Drilg Co #16) (NEW)
 Moving in equipment. Plan to spud 12/15/96.

LONG VALLEY

*Phillips Petroleum Co. "Sidewinder" 1-1 MAP:NV
 1-22N-58E, Fr SW cor 660'N 1980'E 27-033-05305
 Federal lease N-43814 elev:6109'GR (NEW)
 S-1:35am-11/30/95 (Cardinal Drilg Co #40)
 ??? Drilling, no details. 10,000'-est.td

*Phillips Petroleum Co. "Sidewinder" 12-1 MAP:NV
 12-22N-58E, Fr SW cor 660'S 1980'E 27-033-05306

12-4-95 John Haas, BLM, reports that Premco started clearing location for the # 1-10 Mohave County Federal on 11-30-95. They augered a 24" hole to 17.5' and set 18" culvert conductor to 17.5'. It was cmtd back to the surface. They encountered water seeps @ 8'. Premco has now put out bids for initial drilling of hole to Layne Western, Mesquite, and Gary Smith drilling. Premco has also started reclamation of the Old United Gas Search location, which it acquired from Permols who acquired it from United Gas Search.

1-19-96 John Haas, BLM reports that 6 $\frac{1}{2}$ " hole was drilled to 825' within the last week or so with the intention of using a reamer to open hole to 12 $\frac{1}{4}$ " for 8 $\frac{5}{8}$ " surface pipe. They ran out of dp @ 825'. Driller left to go? Has good, new csg on location in 45' lengths. No mast sufficient to run same. Drillers are slow. Rodney Rathel, Premco, considers 825' depth (Torowear) sufficient work to extend lease. Haas hesitant to consider so. Piece-meal operation to date.

**Decision Record
Premco Western, Inc.
Mohave County #1-10 APD
DR-AZ-010-95-031
Ref. EA-AZ-010-95-031**

Decision

It is my decision to authorize Premco Western, Inc., to drill an oil exploration well in T41N, R11W, Section 10, G&SRM. These lands are in Mohave County, Arizona, and administered by the Bureau of Land Management, Arizona Strip District. All exploration and related activities must be carried out in conformance with all Onshore Oil and Gas Orders and the Conditions of Approval (attached). Conformance with these Orders and Conditions of Approval will insure that significant negative impacts to the environment and other resource values will not occur. This decision is in conformance with the Arizona Strip District Resource Management Plan (1992).

Rationale for the Decision

The Mineral Leasing Act of 1920, the Federal Land Policy and Management Act of 1976, the Federal Onshore Oil and Gas Leasing Reform Act of 1987, the National Environmental Policy Act of 1969 as amended and 43 CFR 3100-3500 provide the legal and regulatory framework for the issuance and management of oil and gas leases. This decision and the action it authorizes are in conformance with this legal and regulatory framework. No significant adverse environmental impacts resulting from this exploration were identified in Environmental Assessment (EA) AZ-010-95-031. This EA provided for mitigation of potential adverse impacts to other resource values. In addition, this area is leased subject to standard lease terms and conditions. Therefore, there is no basis on which to deny approval of the Application for a Permit to Drill (APD).

Compliance and Monitoring

Adherence to the attached Conditions of Approval and BLM and State of Arizona regulations is mandatory. Surface activities will be monitored by the BLM Arizona Strip District. The BLM Arizona State Office and the State of Arizona will monitor compliance with drilling, plugging and production requirements.

Any party adversely affected by this decision has the right of appeal pursuant to 43 CFR Group 3000 Part 4.

/s/ Julian L. Anderson

 Roger G. Taylor
District Manager

OCT 6 1995

Date

**Environmental Assessment
for
Premco Western, Inc.
Mohave County #1-10 APD
EA-AZ-010-95-031**

Need for the Proposed Action

Premco Western, Inc., of Garland, Texas, has submitted an Application for a Permit to Drill (APD) to the Bureau of Land Management (BLM), Arizona Strip District. The proposed wildcat site is located south of Washington Fields within the Shivwits Resource Area in Mohave County, Arizona. The legal description of the proposed well is T41N, R11W, Section 10, NESE, Gila and Salt River Meridian (G&SRM). The proposed drill site is approximately 10 miles southeast of St. George, Utah, and would be on Lease No. A-21068 held by Premco Western, Inc., issued in 1985.

Conformance With Land Use Plans

The proposed action is in conformance with the Arizona Strip District Resource Management Plan and Final Environmental Impact Statement (1992). This document provides the following management guidance: "The Mineral Leasing Act of 1920, the Geothermal Steam Act of 1970 and 43 CFR 3100-3500 provide the legal and regulatory framework for the issuance and management of mineral leases. These regulations apply where public interest exists for the development of oil, gas, geothermal, coal and non-energy leasable mineral resources. Stipulations are attached to leases and permits in order to ensure protection of non-mineral resources that are susceptible to impacts resulting from the exploration and development of leasable mineral resources." The Resource Management Plan (RMP) states further, "Allow entire unit (district) to remain open to mineral leasing, location and sale except where restricted by wilderness designation, withdrawals, or specific areas identified in this plan." The proposed wildcat drill site is not identified in the RMP as in a restricted area. In addition, oil and gas leasing and development are done under the authority of the following: the Federal Land Policy and Management Act (FLPMA) of 1976, the Federal Onshore Oil and Gas Leasing Reform Act (FOOGLRA) of 1987 and the National Environmental Policy Act (NEPA) of 1969, as amended.

Alternatives

This environmental assessment considers the environmental consequences of, and an alternative to, Premco Western, Inc.,'s proposal to drill a wildcat oil well.

Proposed Action

The proposed well would test for oil in T41N, R11W, Section 10, in Mohave County, Arizona. Drilling would begin in November of 1995. This environmental assessment does not consider the development of oil production facilities. Should oil be discovered by the exploration activities additional environmental documentation and NEPA compliance would be necessary prior to production.

Existing BLM- and county-maintained roads would be utilized to access the drill site. Final access to the proposed site would be in the bottom of a wash. The access through the wash bottom would be bladed. No new roads would be constructed. The existing roads would be maintained as necessary in accordance with BLM standards. All access would be subjected to approximately 40 round trips (from St. George to drill site) by vehicles transporting drill equipment, casing, cement, trailers, fuel and other supplies needed to establish the drill operation. Thereafter, two round trips per day for crew shuttle would be necessary.

Duration of set-up and drilling is anticipated to be approximately 60 days. A 225' X 300' pad site would be constructed which would contain all drilling facilities (see Appendix A for well site usage plan). In areas of the pad where blading or excavation is necessary, 6 inches of surface soils would be stockpiled for later use in reclamation. Soils beneath the 6-inch surface layer would be kept separate and used for later fill and recontouring of the drill pad (see Appendices A and B for cross sections).

A reserve pit would be excavated on the drill pad. The pit would be excavated into bedrock to a depth of approximately 10 feet. This pit would be used to hold drill cuttings and drilling water, foam and mud until they are dry. The pit would not be lined with a synthetic liner. The reserve pit would be fenced prior to drilling and remain so until backfilled to prevent adverse impacts to wildlife and livestock. The pit, when backfilled, would be covered with at least three feet of earth. If the well is successful, some oil and noxious fluids may be deposited in the reserve pit until the flow of such fluids can be diverted into storage tanks which will be present on site from the onset of operations. An overhead net would be placed over the pit to prevent birds and bats from entering if the oil or noxious fluids are not removed immediately. Any oil or noxious fluids in the reserve pit would be removed by the operator prior to backfilling of the pit.

All garbage and other waste material would be stored in a trash cage. All trash would be hauled from the drill site and deposited in an approved landfill. Burning of trash would not be permitted.

Chemical toilets would be present on site. No permanent living or camping facilities would be authorized. Three trailers would be present on site and one each would be used by the mudlogger, tool pusher and geologist/engineer.

Premco Western, Inc., proposes to rotary drill to approximately 8500'. The well would be drilled with air and foam (a non-toxic detergent compound) as long as hole conditions permit, then mud would be used as necessary. Drilling mud and foam which would be utilized include: barite, bentonite gel and non-phosphate foaming agent. Water would be transported by a temporary pipeline placed along the access roads or by truck several miles from the Stake Farm to the pad site. Casing and cementing would be used to protect any groundwater zones, potentially productive hydrocarbon zones, lost circulation zones, abnormal pressure zones or prospectively valuable mineral deposits encountered. Any water found in the drilling process would be reported to the BLM and the State of Arizona. All operations would conform to the requirements and guidelines of Onshore Oil and Gas Order No. 2.

If the well is successful, the portions of the drill site not needed for production facilities would be recontoured and reclaimed. An all-weather access road would be needed to maintain the well head. At this time, additional environmental documentation and NEPA compliance would be necessary to consider the effects of oil development and production. The access and pad site would be reclaimed upon cessation of production.

If the well is not successful, the pad site would be recontoured to approximate the original contours and stockpiled surface soils would be spread across the site. Reseeding would follow with a BLM-approved seed mixture. Reclamation activities would be complete by the spring of 1996. Successful revegetation of the site would take three to five years. If initial seedings fail, Premco Western, Inc., and/or their agent would complete additional reseeded under BLM direction.

Additional details regarding the proposed action, as described in the APD, are located in the project case file at the Arizona Strip District Office. The proposed action includes the incorporation of BLM's Conditions of Approval, which are included as Appendix C. Premco Western, Inc., has submitted the required lease bond to guarantee performance of reclamation.

No Action

Consideration of the no action alternative is required by Section 1502.14(d) of NEPA and by the Council of Environmental Quality guidelines as specified in 43 CFR 1502.14(d). Under this alternative, the APD would be denied and the operator would not be allowed to drill at this location. This alternative would be chosen if the environmental assessment shows that the proposed action causes unacceptable impacts to the environment.

Affected Environment

This section provides a description of the potentially-affected natural and human environments that could affect or be affected by the alternatives.

A. Geology

The proposed drill site is located within the Colorado Plateau Physiographic Province and lies between the Hurricane fault zone to the east and the Main Street fault zone to the west. Formations in the area consist of the Triassic Moenkopi Formation and the Permian Kaibab Formation. The Moenkopi Formation consists of dolomitic siltstone and mudstone interlayered with thin beds of gypsum and minor resistant silty limestone ledges. The Kaibab Formation contains bedded gypsum and massive fossiliferous limestone. Quaternary/Tertiary basalt flows cap many of the ridges. The Paleozoic rocks beneath consist of shallow marine and continental sediments deposited in and along the margin of the western geosyncline.

The area has been rated as having a moderate potential for the occurrence of oil and gas resources. This rating is supported by oil shows reported from wells drilled in the area. At this time data are quantitatively minimal to support or refute the existence of a resource. No oil or gas production has occurred from the Arizona Strip District.

Lode mining claims for gypsum are located in the same area.

Elevations in the immediate vicinity of these tracts range from 2800 to 4000 feet.

B. Hydrology

Surface waters from runoff flow through Fort Pearce Wash, located several miles to the north, during and after storms. Ground water flows through the alluvium in Fort Pearce Wash year round. The proposed drill site is located on bedrock, and groundwater in this area probably exists only at great depth. Ground water may occur in the Mississippian Redwall Limestone.

C. Soils

Three dominant soils exist in the area. Soils derived from the gypsiferous units are classified as Gyphill loam. Soils derived from limestone have been mapped as the Hobog-Tidwell complex. The depth to the lithic contact in these soils ranges from 0 to 20 inches, and the available water capacity is 0.5 to 2.0 inches. Average annual precipitation is less than 8 inches. The low available water capacity in these soils makes them very droughty during periods of below average precipitation. The soils have a low potential for successful revegetation.

Gyphill loam usually occurs on 15 to 40 percent slopes and is a nongravelly to very cobbly fine sandy loam or loam. The permeability is moderate to moderately rapid. The water erosion hazard is severe to very severe, and the wind erosion hazard is moderate. Surface cover and stability on this soil are provided by cryptogams.

The Hobog-Tidwell complex usually occurs on 8 to 35 percent slopes and consists of very gravelly or very cobbly sandy loam. The permeability is moderately rapid, and runoff is medium to rapid. The water erosion hazard is moderate to severe, and the wind erosion hazard is slight.

There are small areas of moderately deep to deep alluvial soils that are loamy, usually in drainages and at the bottoms of slopes.

D. Vegetation/Range

Vegetation is comprised of creosote/bursage at the lower elevations and sagebrush with scattered areas of juniper, algerita, cliffrose, atriplex, and snakeweed. Various grass species exist throughout both vegetative types such as galleta, Indian ricegrass, squirrel tail, sand dropseed and grama grasses. The proposed site was surveyed for threatened or endangered plant species and none were found.

E. Wildlife

Wildlife species commonly found in the area include mule deer, coyote, ground squirrels, jack rabbits, red-tailed hawks and non-game migratory birds. No listed threatened or endangered wildlife species are known to occur in the area. However, spotted bats and ferruginous hawks, federal candidates for listing, are known to occur in the area. Additionally, golden eagles sometimes inhabit the area and are protected by the Bald Eagle Protection Act of 1940, as amended. The immediate area of this lease is not considered desert tortoise habitat.

F. Land Uses

The dominant uses in the area are livestock grazing and wildlife habitat. Some hunting, OHV use, recreational sightseeing and prospecting for gypsum occur. The area is located in a semi-primitive motorized recreation opportunity spectrum class.

G. Visual Resources

The proposed site is located in a Class IV Visual Resource Objective area. The objective of this class is to provide for management activities which could require major modification of the existing character of the landscape. The level of change can be high. Management activities may dominate the view and be the major focus of viewer attention. However, every attempt should be made to minimize the impact of an activity through careful location and minimal disturbance.

H. Cultural Resources

There are cultural resources in the area based on limited Class II and III inventories. Little Black Mountain cultural resource site, designated for public use and interpretation, is located approximately 3 miles northwest of the proposed drill site. A cultural survey of the proposed site was completed on August 24, 1995.

I. Air Quality

Air quality in the region is generally good due to the lack of major pollution sources. This area is located in a Class II airshed. The major local nonpoint sources of air emissions are vehicles, which emit carbon monoxide and create fugitive dust on the dirt roads.

Environmental Consequences

This section describes the consequences upon each component of the affected environment from the implementation of each alternative.

Environmental Consequences of the Proposed Action

A. Geology

The likelihood of significant quantities of oil and gas occurring is minimal. Given the moderate potential and the fact that the closest wells drilled did not encounter any significant oil and gas resources, the probability is very low that field development would occur on these tracts. Adverse effects to ground water bearing formations are not expected as the chance to encounter ground water from drilling at this site is low. However, if any zone produces ground water, it would be protected and reported.

B. Hydrology

If rainstorms occur, some increased siltation would occur in run-off water due to the disturbed soils and bedrock on the drill pad. This siltation in run-off water would be negligible. No drilling muds or foams would be released into the environment via surface run-off due to their containment within the reserve pit. The reserve pit would not be lined with synthetic material primarily due to the surface pollution problems the liners can cause and due to the clay in the bedrock.

The ground water regime would not be disturbed as standard well-casing and cementing stipulations contained in the APD would be followed. The depth at which any potential ground water may be located is so great, that materials used in drilling fluids leaching into it from the reserve pit is extremely remote at best. Furthermore, the compounds which would be used in the drilling fluids are non-toxic.

C. Soils

Some soils would be disturbed by exploration and development activities. These impacts would be temporary in nature and would be reclaimed as soon as practical. Since some of the soils in the area are considered fragile, adverse impacts could occur if full field development were to take place. The impacts would be mitigated. Erosion would be accelerated by surface-disturbing activities. However, reclamation procedures required of the operator, including recontouring and reseeding would help eliminate erosion from surface disturbance. The carbonate concentrations in the subhorizons would make using this portion of the soils an ineffective seedbed.

D. Vegetation/Range

Livestock operations would not be adversely affected by limited exploration. However, adverse impacts could occur if extensive developments took place. Stock reservoirs, including those which may provide seasonal wildlife water, would not be affected. Vegetation would be destroyed in the construction of the drill pad. This would result in 1.5 acres of surface disturbance. The loss of forage to wildlife and livestock would be insignificant and temporary.

E. Wildlife

The development of a drill pad would displace most wildlife species during the construction and drilling phases. Most species would be expected to return to the area once these activities cease. Habitat of wildlife would not be substantially impacted. All threatened or endangered species encountered would be protected through compliance with the Endangered Species Act. Should a desert tortoise be found in the area, work would stop and Section 7 consultation would take place. Burrows of small mammals would invariably be destroyed in the construction of the drill pad. Birds and reptiles would also lose habitat for feeding and cover as well as existing and/or potential burrow and nest sites.

Overall, the outright mortality of small mammals, reptiles and birds caused from construction activity would be low. The greatest effects on these animals would be the loss of a small amount of habitat used for feeding, cover and nesting/reproduction. In effect, the animals would be forced into adjoining habitat to meet their feeding, cover and reproduction needs. Animals would return to the area at the conclusion of operations and following revegetation.

Free standing water in the reserve pit would be an attractant to wildlife. Impacts would be to those species that can go through, under or over the exclusion fence around the reserve pit. However, only non-toxic drilling additives would be used and expelled into the pit. If the well is successful, oil and noxious fluids present in the pit would be poisonous to wildlife. Therefore, the pit would be netted if oil and/or gas is found.

F. Land Uses

The APD would have little effect on recreation activities, livestock grazing or prospecting for gypsum. A potential adverse impact would be the disturbance of big-game species during the Arizona Game Management Unit 13B deer hunt, thus impacting recreational hunting. However, construction of the pad site is not expected to begin until after November 10, and the last day of the hunt is November 12.

G. Visual Resources

Visual Resource management objectives would not be adversely impacted by the proposed action. The proposed drill site cannot be seen from the Sunshine Trail (BLM Road #1035).

H. Cultural Resources

The cultural survey on August 24, 1995, determined that no historic properties would be impacted by a drill pad at the proposed location.

I. Air Quality

Dust and minor amounts of hydrocarbons would be generated by vehicle travel and drilling or pumping equipment throughout the life of exploration or production operations. These impacts would be successfully mitigated through the use of standard pollution control and reclamation measures. Air quality would be decreased in the short term by fugitive dust and motor emissions. No toxic gases are anticipated to be encountered through drilling at this location. Hydrogen-sulfide gas is not present in the formations to be encountered by this well.

Cumulative Effects

Historically, man's activities in the area have included livestock grazing; recreational use; oil and gas exploration; power transmission lines; exploration for and mining of gypsum; and the associated roads, which have resulted in changes in vegetation and in erosion.

Approximately 43 wells have been drilled within the Arizona Strip District since the early 1900's resulting in almost 344 acres of disturbance. All but approximately 5 acres of this disturbance has been reclaimed. East of Fredonia, Arizona, 14 wells have been drilled in the last ten years. Medallion Oil Company drilled near Sullivan Draw in 1994. None of the wells have produced oil or gas. Since no wells have been drilled in recent years in close proximity to the proposed exploration site, no cumulative impacts from exploration for oil and gas are predicted. Given the moderate potential for the existence of oil deposits, and the fact that wells drilled on the district have not encountered any oil and gas resources, the probability is very low that this well would be successful and oil field development would occur. If oil is encountered, the cumulative impacts of field development would be addressed in additional NEPA compliance which would be initiated at that time. The cumulative impacts of the proposed action are within the guidelines that were predicted and analyzed in the Arizona Strip District Resource Management Plan and Environmental Impact Statement (1992).

Livestock grazing and recreation are the primary human uses in the area of the proposed action. Impacts of these uses in addition to the proposed action could cause cumulative impacts to occur. Cumulative use of access roads by persons engaged in recreation activities and/or livestock grazing in addition to the proposed action would cause degradation of roads and reduced air quality from fugitive dust. Degradation to roads would be minimized by routine BLM, county and Premco Western, Inc.,'s maintenance. Poor air quality caused by fugitive dust would be short term and is not a significant cumulative impact.

Environmental Consequences of the No Action Alternative

Under this alternative, the APD would not be approved. Implementation of the no action alternative would not cause any disturbance to the environment. The oil and gas resources which may underlie the tracts would not be developed.

Cumulative Effects

Selection of this alternative would not add to the cumulative effects discussed in the previous section. The adoption of the no action alternative would not create cumulative impacts.

Residual Impacts

No residual impacts would remain after the application of all mitigation measures and operating standards.

Mitigation Measures/Operating Stipulations

Refer to Appendix C for a complete list of all mitigation measures and operating standards.

Persons Or Agencies Consulted

George Cropper - Shivwits Resource Area, Manager
Robert Smith - Shivwits Resource Area; HazMat, Soil and Water Specialist
Lee Hughes - Vermillion Resource Area, Ecologist
John Herron - Shivwits Resource Area, Archaeologist
Tim Duck - Shivwits Resource Area, Wildlife Biologist
L.D. Walker - Shivwits Resource Area, Rangeland Management Specialist
Becky Hammond - Arizona Strip District, Resource Advisor/Geologist
Ilene Anderson - Shivwits Resource Area, Branch Chief
Arizona Game and Fish Department
Arizona Geological Survey

Public Participation

A copy of Premco's Application for a Permit to Drill (APD) was posted in the Information Center at the Interagency Office at 345 East Riverside Drive in St. George (Shivwits Resource Area Office) and also at the Arizona Strip District Office at 390 North 3050 East in St. George on September 1, 1995 for public review.

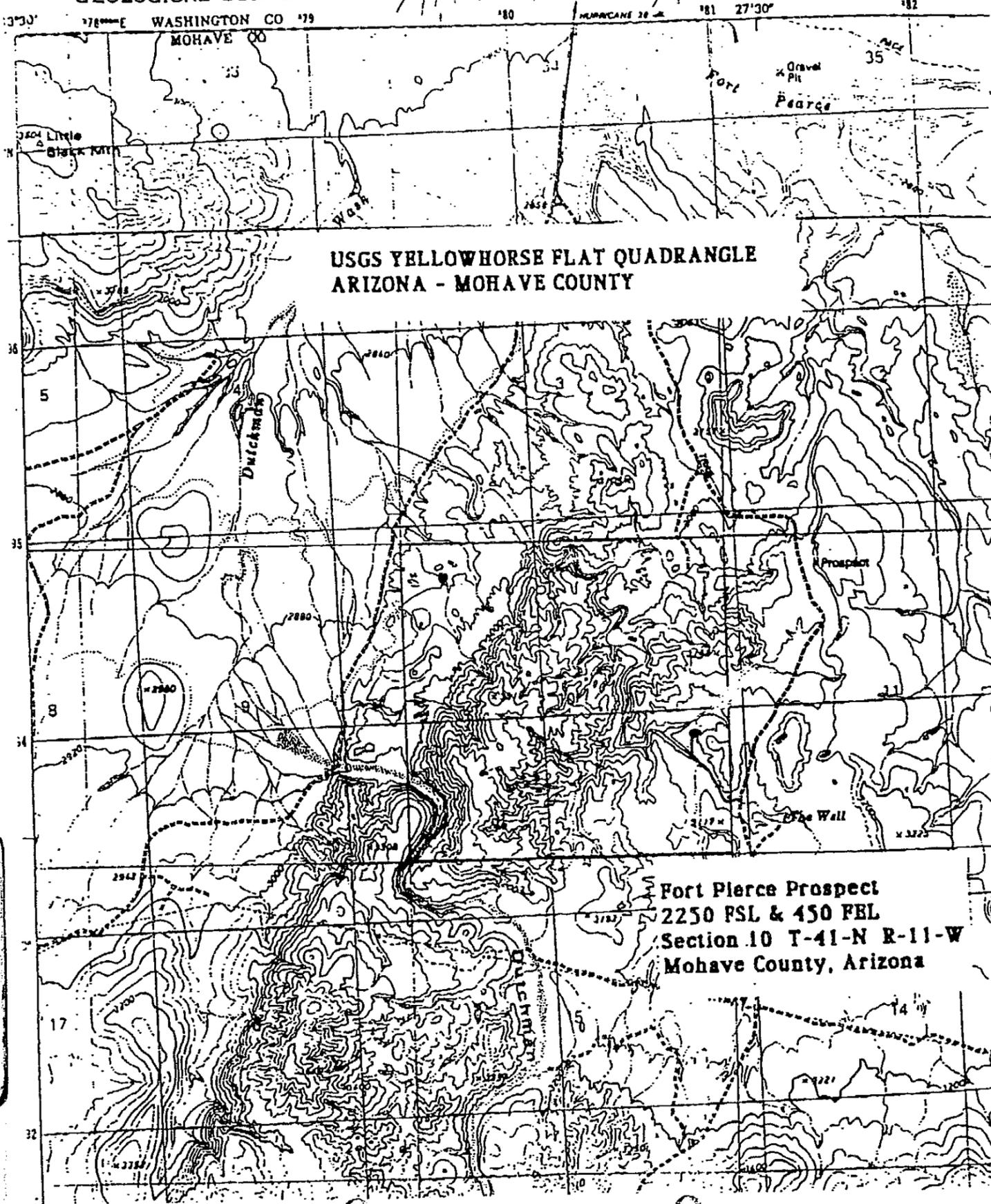
Letters describing the proposal were sent to publics who had earlier requested that they be informed of lands/minerals issues on the district (see list in the APD case file). Concerned individuals or organizations were requested in this letter to request a copy of the draft environmental assessment considering the potential impacts of the proposal. Copies of this document were mailed to the Southern Utah Wilderness Alliance (SUWA), the Arizona Game and Fish Department and the Mohave County Public Land Use Committee along with a request for comments regarding the alternatives, affected resources and impacts.

Finding of No Significant Impact

Based on the analysis of potential environmental impacts contained in this environmental assessment, impacts are not expected to be significant, and an environmental impact statement is not required.

DEPARTMENT OF THE INTER. x
GEOLOGICAL SURVEY

APPENDIX A

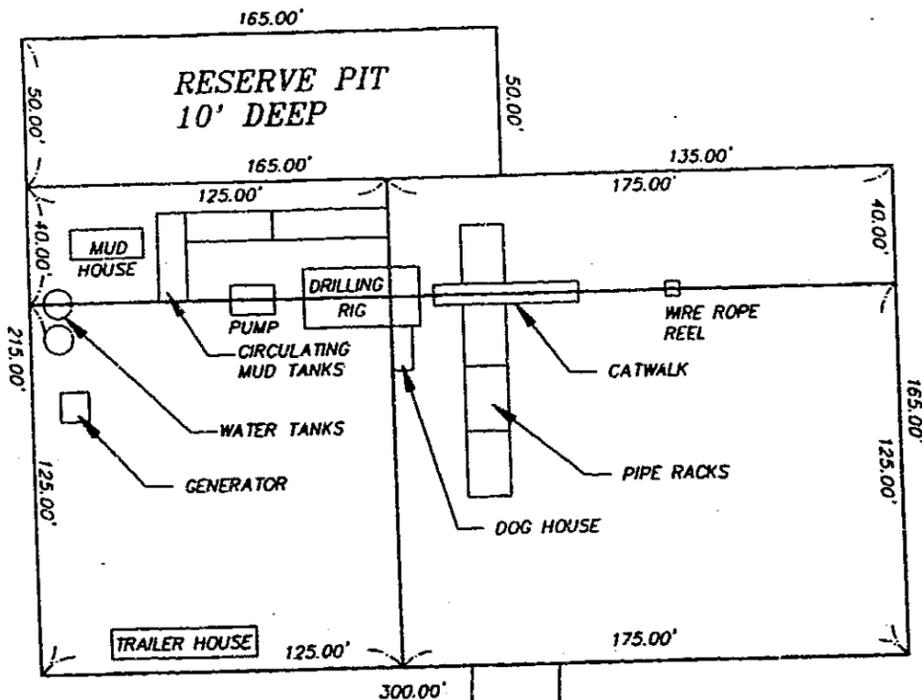
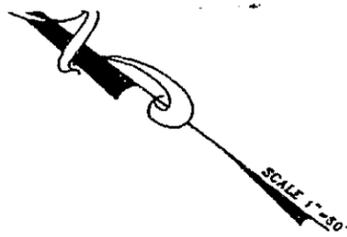


USGS YELLOWHORSE FLAT QUADRANGLE
ARIZONA - MOHAVE COUNTY

Fort Pierce Prospect
2250 PSL & 450 FBL
Section 10 T-41-N R-11-W
Mohave County, Arizona

DRILL RIG LAYOUT
8-30-95

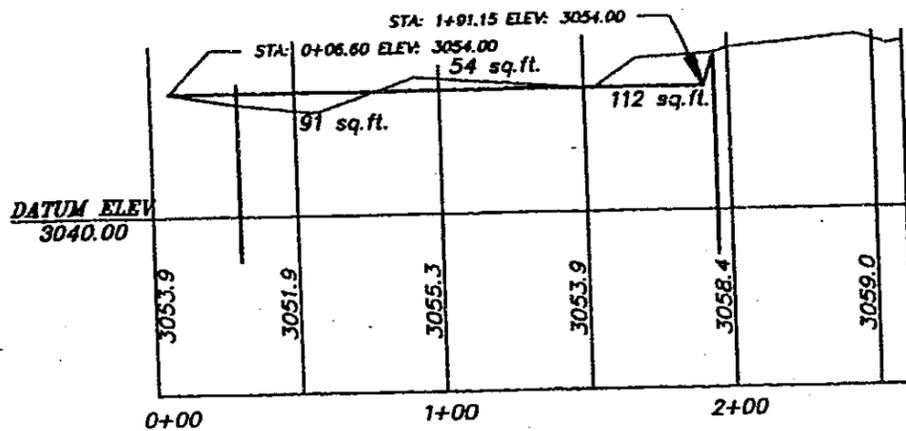
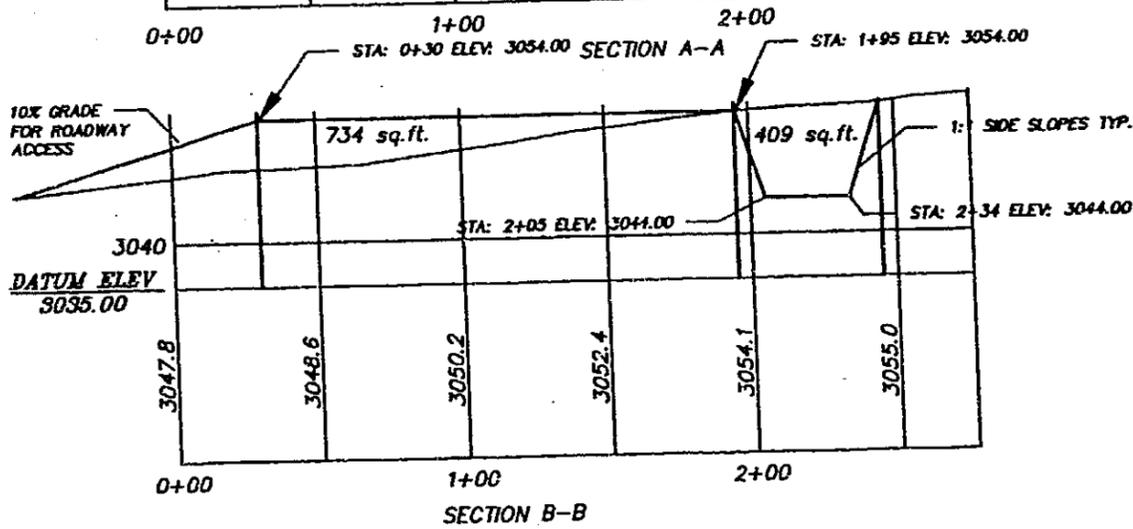
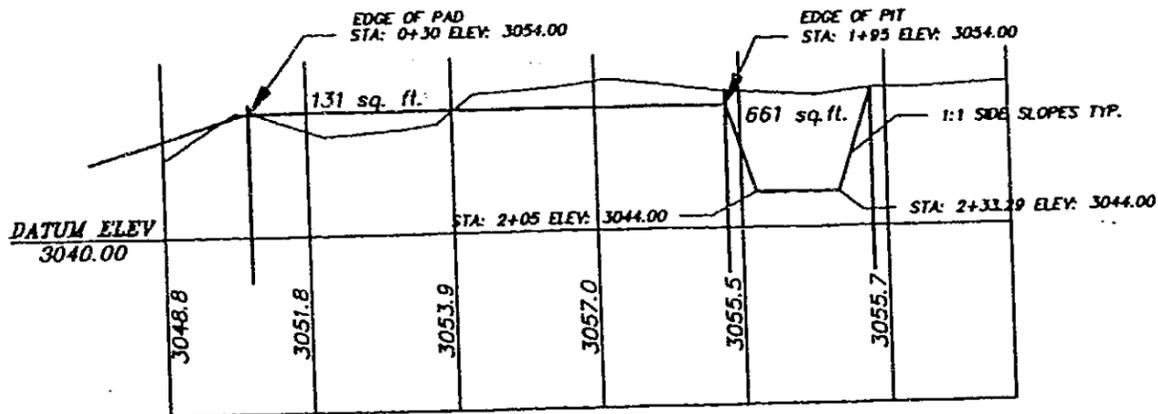
APPENDIX E,



PREMCO WESTERN, INC.
#1 MOHAVE COUNTY
2926' FNL & 510' FEL
SEC. 10, T41N, R11W
MOHAVE COUNTY, ARIZONA

APPENDIX B,

APPENDIX B₂



SECTION C-C
 HORIZ. SCALE 1"=60'
 VERT. SCALE 1"=20'

TOTAL CUT 3766 CU. YDS
 TOTAL FILL 2472 CU YDS

PREMCO WESTERN, INC.
 #1 MOHAVE COUNTY
 2926' FNL & 510' FEL
 SEC. 10, T41N, R11W
 MOHAVE COUNTY, ARIZONA

LRP L. R. POPE
 ENGINEERS &
 SURVEYORS

APPENDIX C

MITIGATION MEASURES/OPERATING STANDARDS

CONDITIONS OF APPROVAL

All lease and/or unit operations shall be conducted in such a manner that full compliance is made with applicable state and federal laws and regulations, onshore oil and gas orders, notices to lessees (NTL's) and the approved Application for Permit to Drill (APD). The operator is fully responsible for the actions of subcontractors. Any deviation from the terms of the approved APD requires prior approval from the Bureau of Land Management (BLM).

A copy of these mitigation measures, operating stipulations and the approved Application for Permit to Drill must be available at the drilling site and must be furnished to your field representative to ensure compliance.

Surface Operating Standards

1. This permit is valid for a period of one year from the date of approval. If construction does not commence within 90 days of approval, the operator must contact the Arizona Strip District Office 15 days prior to beginning construction. Construction under adverse conditions may require additional stipulations. If the permit terminates, any surface disturbance created under the permit must be rehabilitated in accordance with the approved permit. After termination, future operations will require a new application be filed for approval.
2. The Arizona Strip District Office shall be notified at least 24 hours prior to construction of the pad location. Before dirt work commences, heavy equipment operators must meet with BLM and Premco Western, Inc., personnel on site to review stipulations and determine project area boundaries.
3. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historical or archaeological sites or collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might disturb such materials and contact the authorized officer (AO). Within five working days, the AO will inform the operator as to:
 - whether the materials appear to eligible for the National Register of Historic Places;
 - the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and

- a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

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

4. Burning trash will not be allowed. All trash must be contained in a trash cage and hauled to an approved disposal site during and at the completion of drilling activities.
5. Surface disturbance shall be limited to the extent practicable and only where shown on the well location map. Grading of the well location shall be kept to the minimum necessary.
6. The stockpiled surface soil shall be signed and identified.
7. The reserve pit will be surrounded with a wire sheep fence. At the first indication of oil or other noxious fluids, the reserve pit will be covered with wire mesh screen to prevent wildlife from entering the pit.
8. Reclamation of all disturbed areas is required. After the stockpiled soil is spread across the reclaimed drill site and access road, it will be scarified and seeded. Revegetation of all disturbed areas except in the wash, which will naturally return to its pre-drilling condition, is required. The seed mixture to be used will be specified by the BLM at the time of reclamation. The seed may be applied by rangeland drill or broadcast and harrow or other drag techniques as approved by the AO. All seed used shall be certified minimum 90% pure live seed and shall meet Arizona State requirements for weed free specifications.
9. The lessee is responsible for damage to roads caused by operations and will repair them to BLM standards.
10. Soils with a rocky surface will have the surface returned to as near natural (pre-construction) conditions as possible so as to minimize erosion and to blend in with the surrounding features.
11. Within 30 days of completion of drilling, the location will be cleared of all equipment, debris and materials not required for production.

Drilling Operating Standards

1. The spud (initial drilling) date shall be reported orally to the Arizona Strip District Office within 24 hours prior to spudding. Written notification shall follow within 5 working days.
2. The Arizona Strip District Office shall be notified within 24 hours prior to running casing and performing BOP tests.
3. All shows of fresh water and minerals will be reported and protected. All indications of hydrogen-sulfide gas or over-pressured zones will be reported. A sample will be taken of any water flows and furnished to the Arizona Strip District Office for analysis. All oil and gas shows will be adequately tested for commercial possibilities, reported and protected.
4. Intermediate and production casing pressure tests shall be performed at 1500 psi as specified in Onshore Oil and Gas Order No. 2, Section B(h).
5. The annual preventer shall be tested to 1500 psi (50% of rated working pressure). Pressure shall be maintained at least 10 minutes.
6. Surface casing shall be cemented to the surface.
7. No location will be constructed or moved, no well will be plugged, and no drilling or work-over equipment will be removed from a well to be placed in a suspended status without prior approval. If operations are to be suspended for more than 30 days, prior approval must be obtained and notification given before resumption of operations.
8. Approval for abandonment must be obtained prior to beginning plugging operations. At least 24 hours advance verbal notification is required and must be followed up in writing within 30 days. Subsequent and final abandonment notifications are required and must be submitted on Form 3160-5, in triplicate.
9. Periodic drilling progress reports must be filed directly with the Arizona Strip District Office on a frequency and form acceptable to the AO.
10. In accordance with 43 CFR 3162.4-3, this well must be reported on Form 3160-6, "Monthly Report of Operations", starting with the month in which production operations commence and continue each month until the well is physically plugged and abandoned. This report should be filed in duplicate directly with:

Minerals Management Service
Production Accounting Division
Denver Federal Center, Building 85, Room A212
Denver, Colorado 80225

Any changes in the program must be approved by the Arizona Strip District Office. "Sundry Notices and Reports on Wells" (Form 3160-5) must be filed on all changes of plans and other operations in accordance with 43 CFR 3162.3-2. Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, will require the filing of a suitable plan pursuant to Onshore Order No. 1 and prior approval by the Arizona Strip District Office.

11. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after the well is completed. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during the drilling, work-over, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluid, and/or gas) will be submitted only when requested.

12. Surface casing and production casing will be tested in accordance with the State of Arizona administrative code R12-7-110.E and R12-7-111.C, respectively. (Federal Onshore Order No. 2 requirement III.B.H is waived to the State of Arizona rules cited above.)

13. No chromates or other toxic or hazardous materials will be used.

14. A flare or automatic igniter shall be installed at the end of the blooie line.

Production Standards

1. If a replacement rig is contemplated for completion operations, a "Sundry Notice" to that effect must be filed for prior approval, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
2. Pursuant to Onshore Oil and Gas Order No. 7, Requirements Regarding Disposal Facilities for New Wells, this approval authorizes existing reserve tank disposal of the water produced from this well for a period of 90 days from the date of initial production for testing purposes. During this period, an application for approval of the permanent disposal methods, along with the required water analysis and other information, must be submitted for approval. Failure to file a timely application will be considered an incident of noncompliance, and appropriate enforcement actions will be taken. If underground injection is proposed, a permit must also be obtained from the Environmental Protection Agency or the State.
3. Should this well successfully be completed for production, the Arizona Strip District Office must be notified when it is placed in a producing status. Such notification will be by telegram or other written communication and must be received in this office no later than five days from when the well was placed in production. The notification shall provide, as a minimum, the following information items:
 - Operator name, address and telephone.
 - Well name and number.
 - Well location (including 1/4, 1/4, section, township, range, and principal meridian).
 - The nature of the well's production; i.e., crude, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons.
 - The federal lease prefix and number on which the well is located.
4. If a tank battery is constructed on this lease, it must be surrounded by a fire wall of sufficient capacity to adequately contain the storage capacity of the battery.
5. Any flaring or venting of gas is subject to NTL-4A.
6. Spills, accidents, fires, injuries, blowouts and other undesirable events must be reported to the Arizona Strip District Office within the time frames of NTL-3A.

7. Within 30 days after construction of any new tank battery, a plat of the battery location and a schematic diagram of the battery and any attendant facilities (such as vapor recovery units) must be submitted to the AO. The diagram must clearly indicate all pressure vessels, tankage, manifolds, valves and associated piping and should be labeled or color coded to show the paths of various fluids. Sizes, capacities, pressure ratings, tank numbers, etc., should also be shown. Each diagram should be certified and bear the signature of responsible representatives of the lease operator. If changes are subsequently made in the tankage, piping, etc., a revised diagram must be submitted to the Arizona Strip District within 30 days of completion of the modification. If measurement of oil for sales is by tank gauge, one complete copy of 100% capacity tank tables for each sales tank must be submitted when the schematic diagram is submitted.

Applicable Bureau of Land Management office addresses and contacts are:

Arizona Strip District Office
390 North 3050 East
St. George, UT 84790
(801) 673-3545

<u>Title</u>	<u>Name</u>	<u>Function</u>
District Manager	Roger G. Taylor	Mineral Policy, Decisions
Nonrenewable Resources Advisor/Geologist	Becky Hammond	13 Point Plan Drill Site Construction, Spud Notice, APD Administration

Arizona State Office
P.O. Box 16563
Phoenix, Arizona 85011
(602) 650-0222

<u>Title</u>	<u>Name</u>	<u>Function</u>
Petroleum Engineer	John Haas	10 Point Plan Plugging Procedure



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

October 3, 1995

David Grisez
Mohave County Manager
P. O. Box 7000
Kingman, AZ 86401

Re: Premco Western #1-10 Mohave County Federal
Sec. 10, T. 41 N., R. 11 W.
State Permit #889

Dear Mr. Grisez:

A copy of the approved application to drill the referenced well in Mohave County is enclosed for your information.

I am providing you with this copy in accordance with a policy of the **Arizona Oil and Gas Conservation Commission** to keep County Governments informed about exploration drilling in Arizona. This hole will test for the presence of oil or gas in this area.

The **Commission** issues a permit to drill pursuant to A.R.S. § 27-516 after determining that the well is in compliance with all applicable rules and law and that public health and safety, correlative rights, and subsurface resources will not be compromised.

Do not hesitate to contact me if I may be of further assistance.

Sincerely,

Steven L. Rauzi
Oil and Gas Program Administrator

Enclosure

c Commissioners



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

October 3, 1995

Mr. Rodney Ratheal
Premco Western
P. O. Box 496568
Garland, Texas 75049-6568

Re: Premco Western #1-10 Mohave County Federal (State Permit #889)
Sec. 10, T. 41 N., R. 11 W., Mohave County, Arizona

Dear Mr. Ratheal:

An approved duplicate original of Premco's Application for Permit to Drill the referenced well, State Permit to Drill #889, filing fee receipt #3080, and performance bonding receipt #3081 are enclosed. Samples, logs, and completion report are required pursuant to A.A.C. R12-7-121.

This Permit is issued on the condition that you conduct operations substantially as outlined in the drilling prognosis submitted with the application to drill, and that you *notify me at least 48 hours* before you:

- 1) Commence drilling operations;
- 2) Run and cement surface casing; and
- 3) Nipple up and test the BOPE prior to drilling out of the surface casing.

Copies of Sundry or Completion filed with the BLM are satisfactory to meet future requirements of this office. My home phone number is (520) 881-4850.

- The Oil and Gas Conservation Commission of the State of Arizona looks forward to a successful completion of this well.

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator

Enclosures

EXPLORATION

forations at 10,892-914 ft. Working interests are Roundtree 20% and Box 52%.

The first two offsets are to be in 1-11n-5w and 36-12n-5w.

ARIZONA

Premco Western, Garland, Tex., staked a remote wildcat in far northwestern Arizona on the Mogollon plateau.

The 1-10 Mohave County, in 10-41n-11w, Mohave County, is projected to 8,500 ft. It is 24 miles southwest of idle Virgin oil field in Washington County, Utah, PI reported.

A subsidiary of Ridgeway Petroleum Corp. plans to step up delineation of a carbon dioxide deposit in eastern Arizona.

Ridgeway Arizona Oil Co. completed a second well on the St. Johns anticline in Apache County. The 3-1 State, in 3-11n-29e, flowed 663 Mcfd of gas through a $\frac{3}{4}$ in. choke with 90 psi FTP from the Fort Apache member of Permo-Pennsylvanian Supai at 1,536-1,676 ft. Gas analysis indicated 89% CO₂ and 10% nitrogen.

The well is 4 miles south of the company discovery, the Ridgeway/Canstar 1 Plateau Cattle Co., completed in 1994 (see map, OGJ, Sept. 5, 1994, p. 42).

Ridgeway plans to drill five more wells in the area starting in October 1995, Petroleum Information reported. The CO₂ is to be used to grow hydroponic greenhouse vegetables.

ARKANSAS

Amoco Production Co. gauged a southern Arkoma basin gas well in Mansfield field.

The 2 Harp Unit, in 4-4n-30w, Scott County, flowed gas at the rate of 4.1 MMcfd in 11 hr through a $\frac{3}{4}$ in. choke with 415 psi flowing casing pressure from Lower Atoka Hartford sand at 5,910-30 ft.

KENTUCKY

Eastern Kentucky's Elliott County may have another Rome trough gas discovery.

Blue Ridge Group Inc., Bowling Green, Ky., and Preston Oil Co., Houston, set production casing at TD 9,047 ft at the 1 Greene, in 10-T-79, 27 miles southwest of Ashland, PI reported. It was projected to 8,700 ft in Middle Cambrian Rome.

Carson Associates, Ashland, last year completed the 1 Kazee Heirs, in 14-S-78, 20 miles northwest of Paintsville, after it flowed 11 MMcfd of gas from Cambrian Rome (OGJ, Oct. 3, 1994, p. 72).

LOUISIANA

Texas Meridian Resources Corp., Houston, plans to start a well by mid-October near a recent completion in Southwest Lake Boeuf field in Lafourche Parish.

The 2 Pacific Enterprises, in 50-15s-18e, flowed at the rate of 2,745 b/d of oil and 6,828 MMcfd of gas through an $\frac{1}{4}$ in. choke from an undisclosed formation. It is to be placed on production at the full depth allowable of 1,500 b/d of oil and 2.9 MMcfd of gas.

The 3 Pacific Enterprises, in 36-15s-18e, is projected to 17,500 ft to Rob A, B, and C and Plater sands in a fault block adjacent to current production, said Optima Petroleum Corp., Calgary, which holds an 8% working interest.

Unocal Corp. is to boost production from Fresh Water Bayou field in Vermilion Parish to 200 MMcfd of gas and 1,800 b/d of condensate with start-up this month of the C-18 and C-20 Louisiana Furs wells.

The field's mid-September production was 140 MMcfd and 1,250 b/d.

The two development

wells were drilled simultaneously based on 3D seismic data and follow three previously successful wells, including the 1994 discovery.

The C-18 well went to 20,185 ft and tested the entire Lower Discorbis Bolivarensis sands. It cut 241 ft of commercial gas pay in the same deep field sands producing in the C-16, C-17, and C-19 wells. It flowed 30.9 MMcfd of gas with 374 b/d of condensate through a $\frac{3}{4}$ in. choke with 10,190 psi FTP.

MISSISSIPPI

Amerada Hess Corp. opened Midway Dome field in Lamar County.

The 1 Allar Co., in 34-4n-15w, flowed 3,462 MMcfd of gas with 72 b/d of 47° gravity condensate through a $\frac{3}{4}$ in. choke with 5,503 psi FTP from Cretaceous Hosston perforations at 15,770-798 ft and 15,808-828 ft.

It is 1 $\frac{1}{2}$ miles northeast of Tatum's Camp gas field. Earlier company exploration led to gas-condensate discoveries on the flanks of Dry Creek salt dome in Covington County and Carson salt dome in Jefferson Davis County, reports Southeastern Oil Review, Jackson.

MONTANA

A group led by Panterra Petroleum, Billings, Mont., cut multiple indicated pay zones at an exploratory test $\frac{1}{4}$ mile southwest of North Bainville field in Roosevelt County with 3D seismic involvement.

The 4-15 Granley-State, in 15-28n-58e, flowed 386 bbl of oil in 23 hr on a $\frac{1}{4}$ in. choke with 530 psi FTP from perforations at 12,290-303 ft and 12,310-320 ft in the C laminated section of Ordovician Red River.

Drillstem tests had strong oil recoveries from Devonian Winnipegosis, Nisku, Duperow, and Ratcliffe. A twin well is being evaluated to exploit the shallower productive zones.

The group's 2-10 Bob Crusch, drilled last year in 10-28n-58e in the field, is producing 232 b/d of oil from Red River, and a twin well is being completed in Nisku.

St. Mary Land & Exploration Co., Denver, holds 75% working interest in the 4-15 well and two offset locations, and Nance Petroleum Corp., Billings, has 25%.

TEXAS

West

Ray E. Bradshaw, Tyler, is drilling a remote wildcat that could set an Edwards County drilling depth record.

The 1 Essman-Herrold Ranch, 5 miles north of Carta Valley, was spud in late August toward 17,000 ft. The county depth record is 14,321 ft, PI reported.

UTAH

Texaco Exploration & Production Inc. staked a Uinta basin coalbed methane wildcat in Emery County.

The 27-9 Jensen, in 27-21s-6e, 6 miles southwest of Ferron gas field, is projected to 2,100 ft, PI reported.

WYOMING

Exploration may return to the far northwestern portion of Fremont County.

Equitable Resources Energy Co.'s Balcron Oil Division, Billings, plans to drill the 1 Lava Mountain Unit, in 36-43n-110w, 20 miles northwest of Dubois.

Main objective is Mississippian Madison at 15,000 ft measured depth, 13,900 ft true vertical depth.

Conoco Inc. was to have drilled this location, 14 miles east of Exxon Co., U.S.A.'s shut-in 1981 Sohare field discovery well in Teton County, in 1992 but could not secure partners, reports Rocky Mountain Oil Journal, Denver.

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Lease # A-21068
Well # Mohave Co. 1-10

Mr. Rodney Ratheal
Premco Western, Inc.
P.O. Box 496568
Garland, TX 75049-6568

SEP 22 1995

Dear Mr. Ratheal:

We received your Application for a Permit to Drill (APD) for Well # Mohave County 1-10, Lease A-21068, on September 1, 1995. The APD has been reviewed and is deficient in the following areas:

Drilling Program

- On Form 3160-3 it is indicated that 2800 sacks of Class B cement will be used to cement the 5 1/2" casing. However, item 4 of Exhibit B, Drilling program states that 2800 sacks of Class C cement shall be used. Please verify the type of cement to be used. Also, do you have an estimated fill-up height of the cement?

- It appears the tension design safety factor of 1.8 is not achieved with the proposed 5 1/2" casing. Please verify your structural calculation or indicate the tensile strength used for this grade of casing.

- Since an air drilling operation is planned, the following equipment should be in place:

Rotating Head

Spark arrestors on engine or watercooled exhaust

Straight run blooie line discharged 100' minimum from well bore and securely anchored

Automatic ignitor or continuous pilot light on the blooie line

Compressors located in the opposite direction from the blooie line, a minimum of 100' from the well bore

Surface Use Program

- 2.a.(9) A road will not be constructed as the wash will be used for access.
- 2.b. An all-weather access road may be constructed if production is realized.
- 7.e. A trash cage will be used, and all trash will be hauled to an approved landfill. There will be no burning or burying of trash. The reserve pit will not need to be lined. Drill cuttings and mud left in the pit may be buried when dry.
- 9.c. A pit liner will not be used.
- 10.a. All trash will be removed from the pad site and hauled to an approved landfill.
- 10.b. Seeding will be done only on the recontoured pad site and from where the access leaves the wash.
- 10.d. Any oil must be removed immediately or the pit covered with a wire mesh screen.
- Exhibit E-1. Show the access as the wash.
- Exhibit G. Access will be no wider than 18'.

Bond is required

Although not related to the APD, we are still in need of a change of address notification and your Articles of Incorporation for Premco Western, Inc.

Your APD is being processed. Please submit the above requested information as soon as possible to avoid a delay in processing.

Sincerely,

/s/ Beck J. Hammond

Beck Roger G. Taylor
District Manager

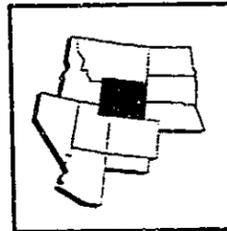
BLM Arizona Strip District

cc: AZ-933



ROCKY MOUNTAIN

REGION REPORT



WYOMING EDITION

Vol. 68, No. 122
9-12-95

Remote Northwestern Arizona Wildcat Projected to Precambrian

GARLAND, TEXAS-BASED PREMCO Western has staked an 8500-ft test to Precambrian on the western end of the Mogollon Plateau approximately 120 miles northwest of Flagstaff in northwestern Arizona.

The northern Mohave County venture, the 1-10 Mohave County in nese 10-41n-11w, will be drilled from a ground elevation of 3090 ft about 24 miles southwest of the closest previous production, in Washington County, Utah's Virgin field, an inactive Timpoweap (Moenkopi) oil pool. The nearest current production is more than 100 miles to the northeast, in Utah's Upper Valley field, a Kaibab pool on the northern end of the Kaiparowits Basin.

California Co (Chevron) in 1951 drilled a 6347-ft dry hole in southwestern Utah nearly eight miles

northwest of the new PREMCO probe at the 1 St. George Unit in nw ne 19-43s-15w, Washington County. That wildcat encountered two fault zones at 5325-40 and 6195-6252 ft. Log tops, measured from a derrick floor elevation of 2929 ft, include Toroweap at 505 ft, Coconino 1054,

Pakoon (Lower Permian) 2943, Upper Callville 3690, Lower Supai 4021, Lower Callville 4260, Redwall (Mississippian) 4325 and 5340 and Devonian at 5260 and 6252 ft. Drillstem tests taken in Mississippian at 4690-4728 and 5832-65 ft recovered no shows.

Vastar Closes Acquisition of Ignacio-Blanco Properties

VASTAR RESOURCES Inc has closed its acquisition of producing San Juan Basin properties from a subsidiary of Houston-based Destec Energy Inc effective June 1. After adjustment for exercised preferential rights, Vastar will pay \$22.4 million for the properties, located in Ignacio-Blanco Fruitland field in southwestern Colorado, adjacent to the company's operated properties (PI 8-24-95). Net reserves are estimated at approximately 33 billion cu ft of gas; current production is averaging eight million cu ft per day.

As part of the acquisition, Houston-based Vastar also obtained ownership of approximately 71 percent of the Paltec partnership, which owns gathering, compression and related facilities in the area.

NEWSLETTER
DAILY ACTIVITY REPORT
WYOMING

SECTION I
SECTION II
SECTION III



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Fife Symington
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

August 29, 1995

Mr. Rodney Ratheal
Premco Western
P.O. Box 496568
Garland, Texas 75049-6568

*Called 8-29-95: advised JH advised to get state permit.
Plan to drill by 11-30-95 8500-8700 feet
3-4 lease terminate in may, thought about unitization
30-day waiting period for fed APD, inspected loc w/ JH
214-240-0376
fax 240-9783*

Dear Mr. Ratheal:

You will need the first three of the following forms to permit and drill an oil or gas well in Arizona.

- 1) Organization Report, Form 1. [see A.A.C. R12-7-194]
- 2) Performance Bond, Form 2 (or cash alternative, see below). [see A.A.C. R12-7-103]
- 3) Application for Permit to Drill or Reenter, Form 3. [see A.A.C. R12-7-104]
- 4) Completion Report, Form 4. [see A.A.C. R12-7-121]
- 5) Application to Plug and Abandon, Form 9. [see A.A.C. R12-7-126]
- 6) Plugging Record, Form 10. [see A.A.C. R12-7-127]
- 7) Sundry Report, Form 25 (BLM Form 3160-5 may be substituted for Form 25).

Submit Forms 1, 2 (or cash alternative), 3 (include drilling prognosis and surveyed location plat), and a \$25 application fee to my attention. A Permit to Drill is issued on approval. Forms 4, 9, and 10 are submitted upon completion of the well as a producer or dry hole. Form 25 is for sundry notices.

Alternatives for surety include cash (cashiers check) or a certificate of deposit payable to **Arizona Oil and Gas Conservation Commission**, which must be automatically renewable, drawn on a federally insured bank doing business in Arizona, and sent to this office with the enclosed assignment form properly filled out. Irrevocable letters of credit are not accepted.

I recommend that you obtain a copy of the oil and gas rules (*Arizona Administrative Code* Title 12, Chapter 7). These are available from the Secretary of State for \$4.00 (see enclosed order form).

Finally, let me know if I may be of further assistance.

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator

Enclosures: Forms 1, 2, 3, and 25