

PREMCO WSTRN 18-1 FED
SE SE 18-37N-9W (906)

3-22-01

Rodney Rathcal calls.

Saw my article in OGT online

Has converted rig to drilling with air hammer.

Hole blowing dust & cuttings then @ 3000' to blowing air (Thanksgiving)

Started getting stuck -

Now @ 3200' & waiting to convert to mud drilling. (hope to resume by May)

2 Compressors - 900 cfm 350 psi in $6\frac{1}{4}$ " hole :: enough air

- blows air but no cuttings -

Was bailing cuttings off bottom & almost got stuck.

Was going in hole & hit hard bottom @ 1000'

Put cable tools on & broke through after ~ 10

Has 400' of 7" pipe set

Clair Adams est in top of Palcoo @ 3000'

Samples wet with connate wtr - too dense for reservoir rock

May encounter oil in next fracture.

Mapping shows fractures above 3000' filled with air.

Letter to Joey Peckal (Penco Western) indicates oil at least Devonian or Oldet.

= Same analysis by Palcoo (i.e. possible PE source)

Oil in Mississippian initiated acid reaction leading to breccia pipes.

Oil in seeps followed brecciation to surface.

Rumors around St. George

Old California well hit some oil @ 8150'

Plans to take hole down to 6000' - test through Cambrian.

Hope to resume by May 1 - Convert to mud circulation.

Have web site www.njprod.com/dutchman.

Plan to soon have own web site soon. pencowestern.com

new phone 435-652-1925

PO Box 1274, St. George 84771-1274

9-14-00 Rodney Ratheal called.

P/N 906

Drilling @ 2365'

Making ~40'/hr when drilling - Made 300' in 9 hr.

Had to shut down to get more drill pipe - then rained

Now shut down because hydraulic pump went out.

Using same rig but converted over to air hammer.

Has 45' mast - welded I-beam.

PTD 6000' - with 3 1/2" dp only ~60,000 lbs.

Using 2 900 cfm compressors.

1500# on air hammer (essentially top drive)

Thinks he just hit top of Pakoon - limestone

had several hundred feet of ss below Helmit shale
but has brought up some limestone

Surface casing to about 500'

hole cleans up in a few minutes when pipe picked up
off bottom. ∴ no lost circ zones below ~500'

Hope to make it to 3000 - 3500' to change bit.

Had some live oil shows.

Expects 1st 2nd ary target in about 500'

9-5-00 Becky Hammond has call.

Rodney Ratheal has a new rotary rig on the hole.
Is now down to about 2300'

Ken Shurtz (Surface Protection Specialist) following project.

Ken has been on fire duty the last couple of months.

Doesn't know if rotary is drilling contractor or Rodney's.

Rodney junked 1st 2 holes

This is his 3rd hole.

4-6-98 Rodney Rathel called.

Rigged up cable tools & drilled 3-5 ft last Friday
Witnessed by Ken @ BLM

4-16-98 Paul Buff, BLM. Rodney @ 30'. Set conductor pipe to 20'

5-19-98 Becky Hammond tpts Rodney ruined hole @ 35' in
hard Kaibab limestone/chert.

Old fellow is no longer assisting him - going slow.

Skidded a few feet and is making new hole
- learning as he goes.

6 years remain on current lease



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

DUTCHMAN 18-1 FEDERAL
(WELL NAME)

located 1,100' FSL & 900' FEL

Section 18 Township 37N Range 9W, MOHAVE County, Arizona.

The W 1/2 SE QTR 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 31 day of MARCH, 1998.

OIL AND GAS CONSERVATION COMMISSION

By Steven L. Raring

EXECUTIVE DIRECTOR
OIL & GAS PROGRAM ADMINISTRATOR

PERMIT 00206

RECEIPT NO. 3104

A.P.I. NO. 02-015-20030

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 *P.O. Box 1274*

City *St. George*

State *Utah*

Phone Number

*84771-1274
(801) 674-9702*

Drilling Contractor

Company owned

Address

DESCRIPTION OF WELL AND LEASE

Federal, State or Indian Lease Number, or if fee lease, name of lessor

AZA - 26138

Well number

Dutchman 18-1

Elevation (ground)

4,925'

Nearest distance from proposed location to property or lease line:

1100'

feet

Distance from proposed location to nearest drilling, completed or applied-for well on the same lease:

None

feet

Number of acres in lease

1,268.24

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

Name

Address

Well location (give footage from section lines)

1100' ESL + 900' FEL

Section - township - range or block and survey

18-37N-9W

Dedication [A.A.C. R12-7-104(A)(3)]

Field and reservoir (if wildcat, so state)

Wildcat

County

Mohave

Distance in miles and direction from nearest town or post office

50 miles SE of St. George, Utah

Proposed depth:

6,000'

Rotary or cable tools

Cable

Approximate date work will start

2/20/98

Bond status

Processing

Organization Report

Filing Fee of \$25.00

Amount

#10,000

On file

Or attached

Attached

Remarks

API # 02-015-20030

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.

Signature

Date

Permit Number: 906

Approval Date: 3/31/98

Approved By: *Steven L. Rantz*

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

Form No. 3

**STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION**

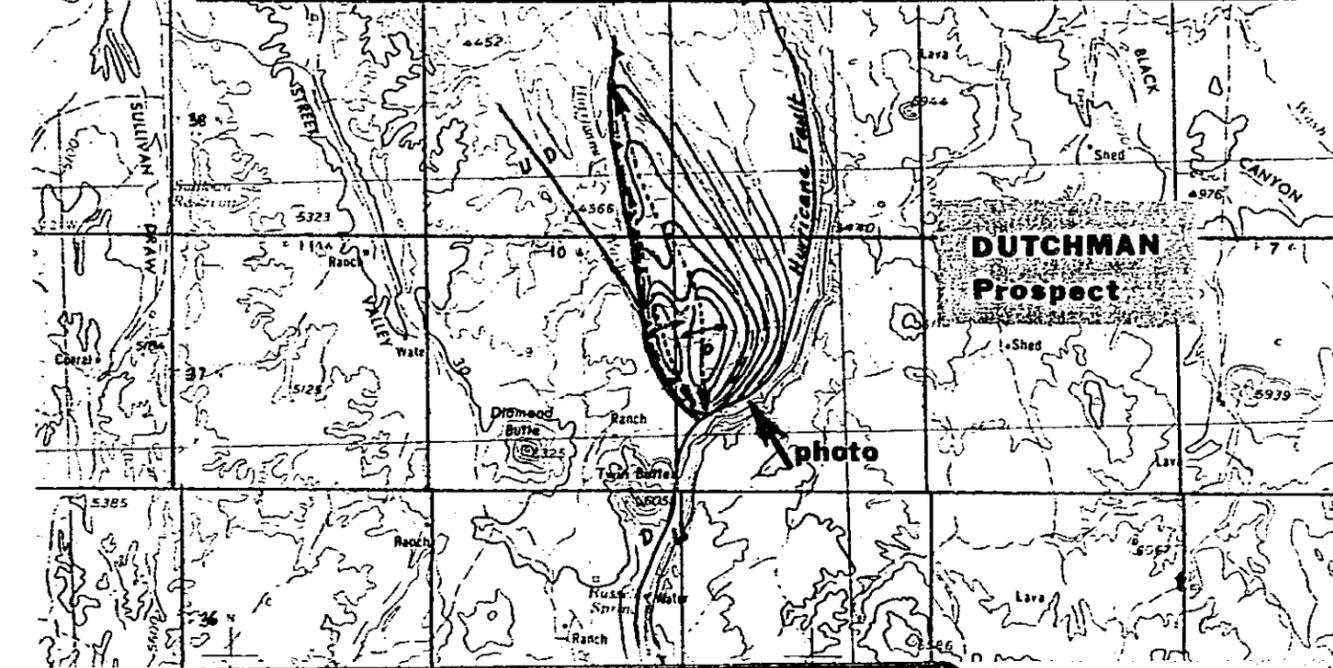
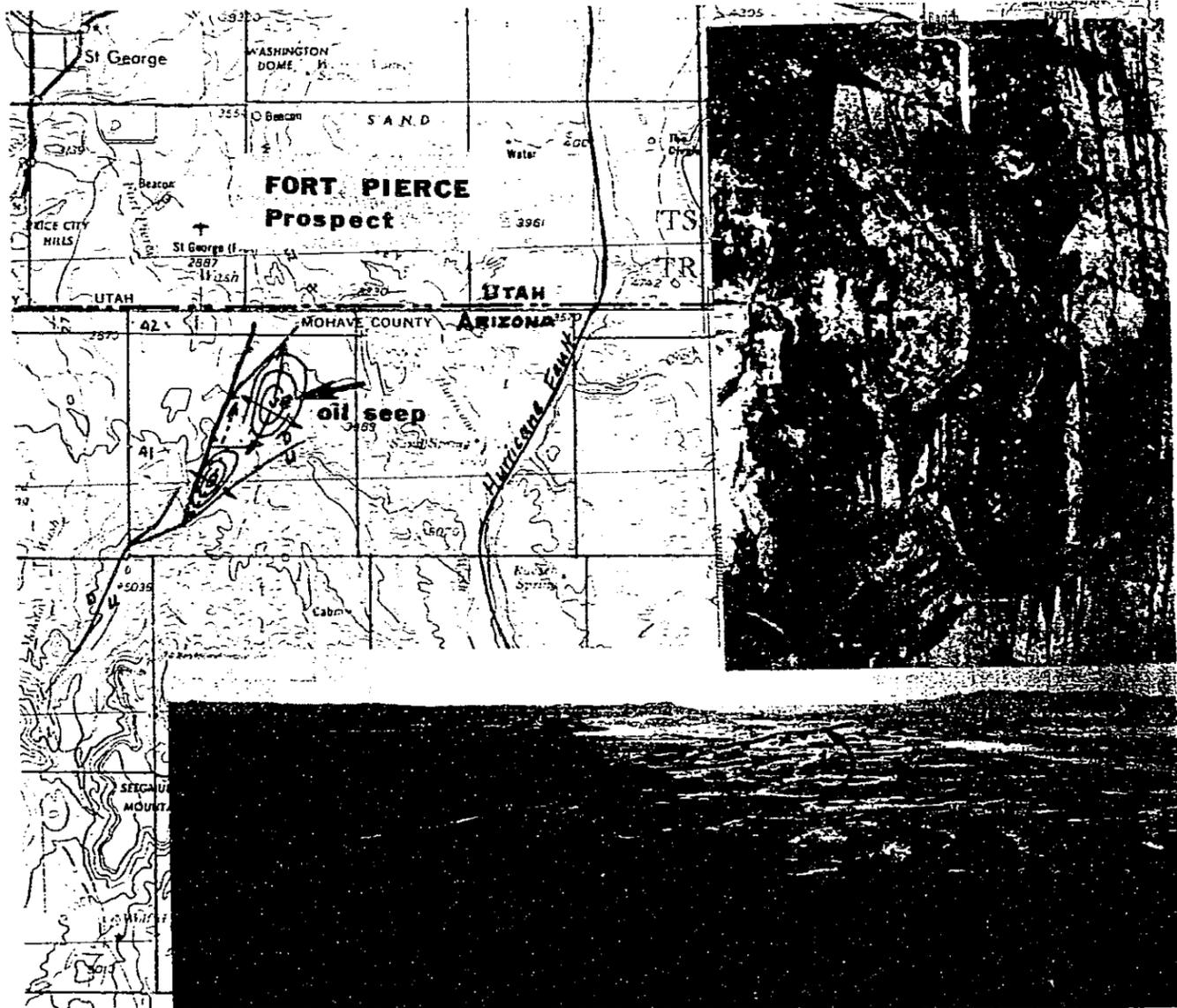
Application to Drill or Re-enter
File Two Copies

1. Operator shall outline on the plat the acreage dedicated to the well in compliance with A.A.C. R12-7-107. P/N 906
2. A registered surveyor shall show on the plat the location of the well and certify this information in the space provided.
3. ALL DISTANCES SHOWN ON THE PLAT MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.
4. Is the operator the only owner in the dedicated acreage outlined on the plat below? YES NO
5. If the answer to question four is "no", have the interests of all owners been consolidated by communitization agreement or otherwise? YES NO If answer is "yes", give type of consolidation _____
6. If the answer to question four is "no", list all the owners and their respective interests below:

Owner	Land Description
CERTIFICATION I hereby certify that the information above is true and complete to the best of my knowledge and belief.	
Name <i>Rodney Rathsal</i>	
Position <i>President</i>	
Company <i>Premco Western, Inc.</i>	
Date <i>2/6/98</i>	
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.	
Date Surveyed <i>12/11/97</i>	
Registered Land Surveyor <i>L. R. Pope</i>	
Certificate No.	

PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement	Type
<i>10 3/4 "</i>	<i>28.04/lb</i>	<i>A53 Grade B</i>	<i>0</i>	<i>600'</i>	<i>600' to surface</i>	<i>120</i>	<i>Class C</i>
<i>5 1/2 "</i>	<i>17#/ft.</i>	<i>J-55</i>	<i>0</i>	<i>6,000'</i>	<i>6,000' to surface</i>	<i>2,000 class B 500 BJ Lite</i>	<i>B + BJ Lite</i>



Fort Pierce and Dutchman Prospects
Mohave County, Arizona

The Fort Pierce and Dutchman Prospects are in the southwestern Colorado Plateau 35 to 60 miles north of the Grand Canyon. Each Prospect is based on a closed anticlinal fold formed in Late Cretaceous time along the east (upthrown) side of a high-angle reverse fault. The leading edge of the Western Overthrust Belt lies several miles to the west as does the Great Basin and Cordilleran Geosyncline.

An active oil seep exists on the Fort Pierce anticline overlying a seismic closure encompassing about 1,090 acres.

The Dutchman anticline is mapped in the field in Moenkopi and Kaibab rocks. The lowest-closing contour encompasses 8,620 acres and the vertical closure is about 450 to 500 feet. The Eocene Hurricane Fault literally wraps around the "preexisting" Dutchman anticline.

Source rocks exist in the Mississippian Chinaman and Devonian Pilot shales down the Paleozoic paleoslope to the northwest. Potential source rocks also exist in Mississippian, Devonian and Pennsylvanian rocks of the "Callville Platform" and in the Precambrian Chuar of the Grand Canyon to the southeast.

Excellent reservoir rocks exist in the Mississippian and Devonian intervals in wells both north and south of these Prospects. These reservoirs folded into an anticline closing over 8,600 acres could hold hydrocarbon reserves of giant proportions.

Premco Western owns 5,591 acres on Fort Pierce with expiration dates in 1995 and 1996. Last year 14,977 acres were obtained on Dutchman, mostly Federal leases with expiration dates in 2001. Premco is not set up to operate wells in the United States and desires an operating partner for the further evaluation of the Fort Pierce and Dutchman structures.

O. CLAIR ADAMS
GEOLOGICAL CONSULTANT

401 West Shepard Ridge Road
Farmington, Utah 84025
(801) 451-5890



Form 3160-3
(July 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE*
(Other instructions on
reverse side)

RECEIVED
ARIZONA FIELD OFFICE

DEC 12 1997
FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL DEEPEN

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

2. NAME OF OPERATOR
Premco Western, Inc.

3. ADDRESS AND TELEPHONE NO.
P.O. Box 1274, St. George, Utah 84771-1274

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface: 1100' FSL 900' FEL
At proposed prod. hole: Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
4.2 miles SSE of St. George, Utah

10. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit linc. if any)
1100'

15. NO. OF ACRES IN LEASE
1,248.24

17. NO. OF ACRES ASSIGNED TO THIS WELL
80

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

20. ROTARY OR CABLE TOOLS
Cable

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
Estimated: 4,925'

22. APPROX. DATE WORK WILL START*
Feb. 1, 1998

5. LEASE DESIGNATION AND SERIAL NO.
AZA 26138

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
Dutchman 18-1

9. API WELL NO.
02-015-20030

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. SEC., T., R., N., OR BLK. AND SURVEY OR AREA
SE SE Sec. 18 T37N R9W

12. COUNTY OR PARISH
Mohave

13. STATE
AZ

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/2"	A53-B 10 3/4"	28.04 #	0-600'	Class "C" to surface
9 1/2"	J55 5 1/2"	17 #	0-6,000'	2,000 sx class "B" + BJ Lite (500 sx)

Exhibits Attached:

- "A" Location Survey Plat
- "B" Drilling Program
- "C" Blowout Preventer
- "D" Surface Use Plan

- "E" Access Roads to Location
- "E-1-3" Details of Access Road
- "G" Drill Pad Layout, Cuts & Fills
- "H" Drill Rig Layout

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

SIGNED: Rodney Rother 11/21/98 TITLE: President DATE: 12/12/97

(This space for Federal or State office use)

PERMIT NO. _____

APPROVAL _____

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

APPROVED BY _____

TITLE _____

DATE _____

*See Instructions On Reverse Side

EXHIBIT A - SURVEY PLAT
SURVEYOR'S CERTIFICATE

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 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, PROFESSIONAL
ENGINEER & REGISTERED LAND SURVEYOR
NO. 15401

Lloyd Ried Pope
12-12-97

LOCATION OF SURVEY

SECTION 18, T 37 N, R 9 W, GILA & SALT RIVER BASE & MERIDIAN, MOHAVE COUNTY, AZ

DATE OF SURVEY

DEC 1997

NARRATIVE

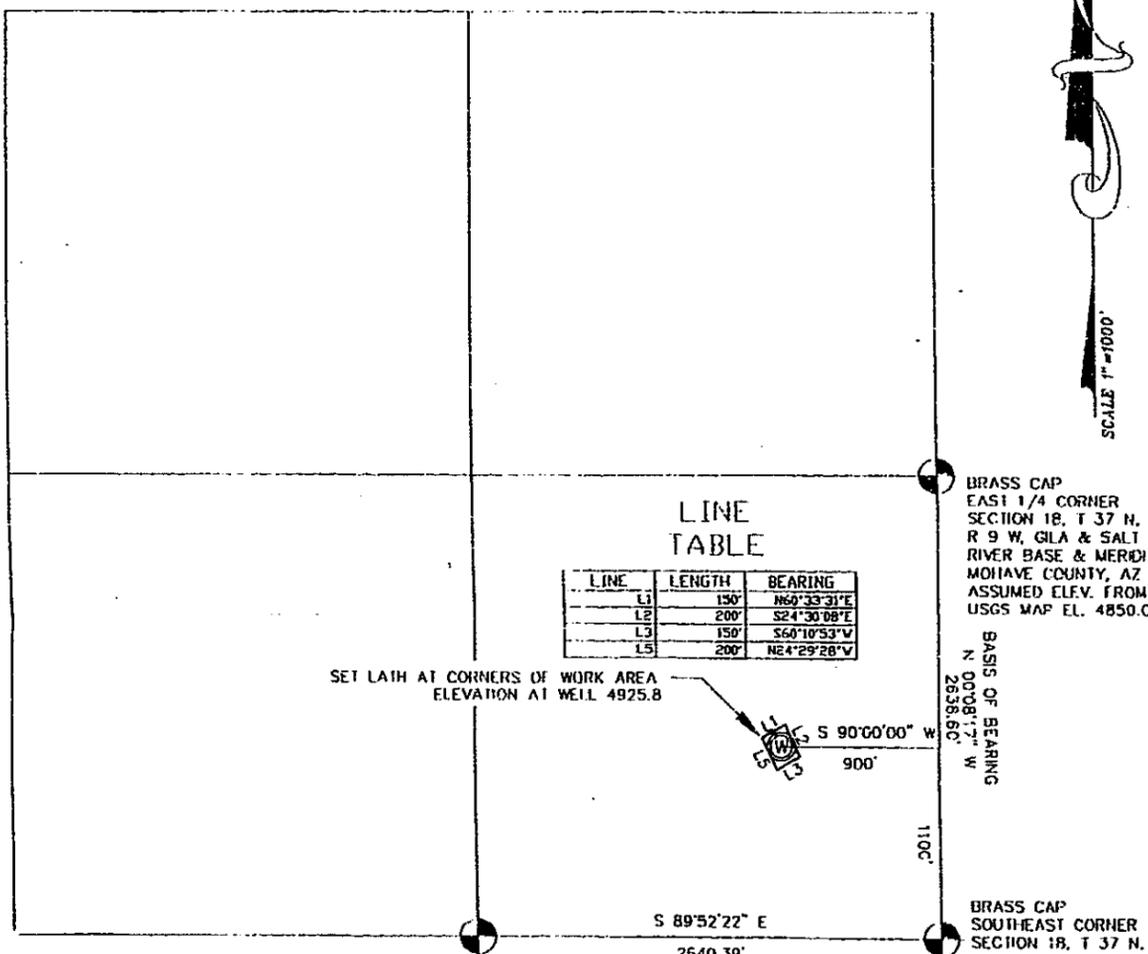
THE PURPOSE OF THIS SURVEY WAS TO ESTABLISH THE LOCATION OF THE WELL SITE FOR PREMCO WESTERN INC. THE BASIS OF BEARING WAS N 0°08'17" W ALONG THE SECTION LINE BETWEEN THE SE CORNER OF SECTION 18 AND THE EAST CORNER OF SECTION 18.

CLIENT

PREMCO WESTERN, INC.

LEGEND

- ⊙ OIL WELL SITE
- ⊙ RING & LID MONUMENT



SCALE 1" = 1000'

LRP L. R. POPE
ENGINEERS &
SURVEYORS

1086 SOUTH MAIN PLAZA STE. 102B, ST. GEORGE, UTAH 84770
(801) 628-1676

EXHIBIT B
DRILLING PROGRAM

Attached to Form 3160-3

Premco Western, Inc.
Dutchman 18-1
1100' FSL & 900' FEL
SE/4 SE/4 Sec. 18 T37N R9W
Mohave County, Arizona

1. The Geologic Surface Formation
Surface formation is Moenkopi.
Ground level is about 4,925'

2. Formation Tops

Formation	Depth	Thickness	Elevation
Moenkopi	Surface	140'+	+4,925'
Kaibab	140'	600'	+4,785'
Toroweap	740'	425'	+4,185'
Coconino	1,165'	100'	+3,760'
Hermit	1,265'	950'	+3,660'
Queantoweap	2,215'	400'	+2,710'
Pakoon	2,615'	830'	+2,310'
Callville	3,445'	1,700'	+1,480'
Redwall	4,145'	935'	+ 780'
Temple Butte	5,080'	550'	- 155'
Cambrian	5,630'	1,450'	- 705'
Precambrian	7,080'	220'+	-2,155'

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

Queantoweap	2,215'	Possible Water and/or Oil & Gas
Pakoon	2,615'	Possible Water and/or Oil & Gas
Callville	3,445'	Possible Water and/or Oil & Gas
Redwall	4,145'	Possible Water and/or Oil & Gas
Temple Butte	5,080'	Possible Water and/or Oil & Gas
Cambrian	5,630'	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	Section Length	Size (OD)	Weight, Grd & Joint	New, Used
12-1/2"	0 - 600'	600'	10-3/4"	28,04A53-B	New
9-1/2"	0 - 6,000'	6,000'	5-1/2"	17# J-55, LT	New

(An intermediate string of 7" casing may be necessary to seal off water from Coconino and/or Queantoweap, in which case 4-1/2" production casing would replace 5-1/2".)

Design Factors Tension: 1.80
 Collapse: 1.125
 Burst: 1.00

Cement Program

Surface Casing: Class "C" cement applied at the surface. WOC 20 hours. Test.

Production Casing: 2,000 sx Class "B" 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 time on cement 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 3,000# 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 rig floor. Manual controls will be handwheels.

Blowout preventers and associated equipment 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. Annular preventers will be functionally operated at least weekly. Such checks of BOP equipment will be noted on daily drilling reports.

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

The logging program will consist of the following:

Dual Induction Laterolog	Surface to TD
Compensated Gamma-Ray	Surface to TD
Neutron Porosity	Zones of interest
Dipmeter	Zones of interest

10' samples will be taken from surface to TD.

Completion program will be determined after evaluation of logs, and sundry notice will be submitted to BLM for approval.

7. Any Anticipated Abnormal Pressures or Temperatures

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

8. Anticipated Starting Date and Duration of the Operations

The anticipated starting date is February 1, 1998, or as soon as possible after approval of drilling application. Operations will cover 3 to 6 months for drilling and 60 to 90 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.

BOP CONTROL SYSTEM

EXHIBIT "C"

Blowout Preventer

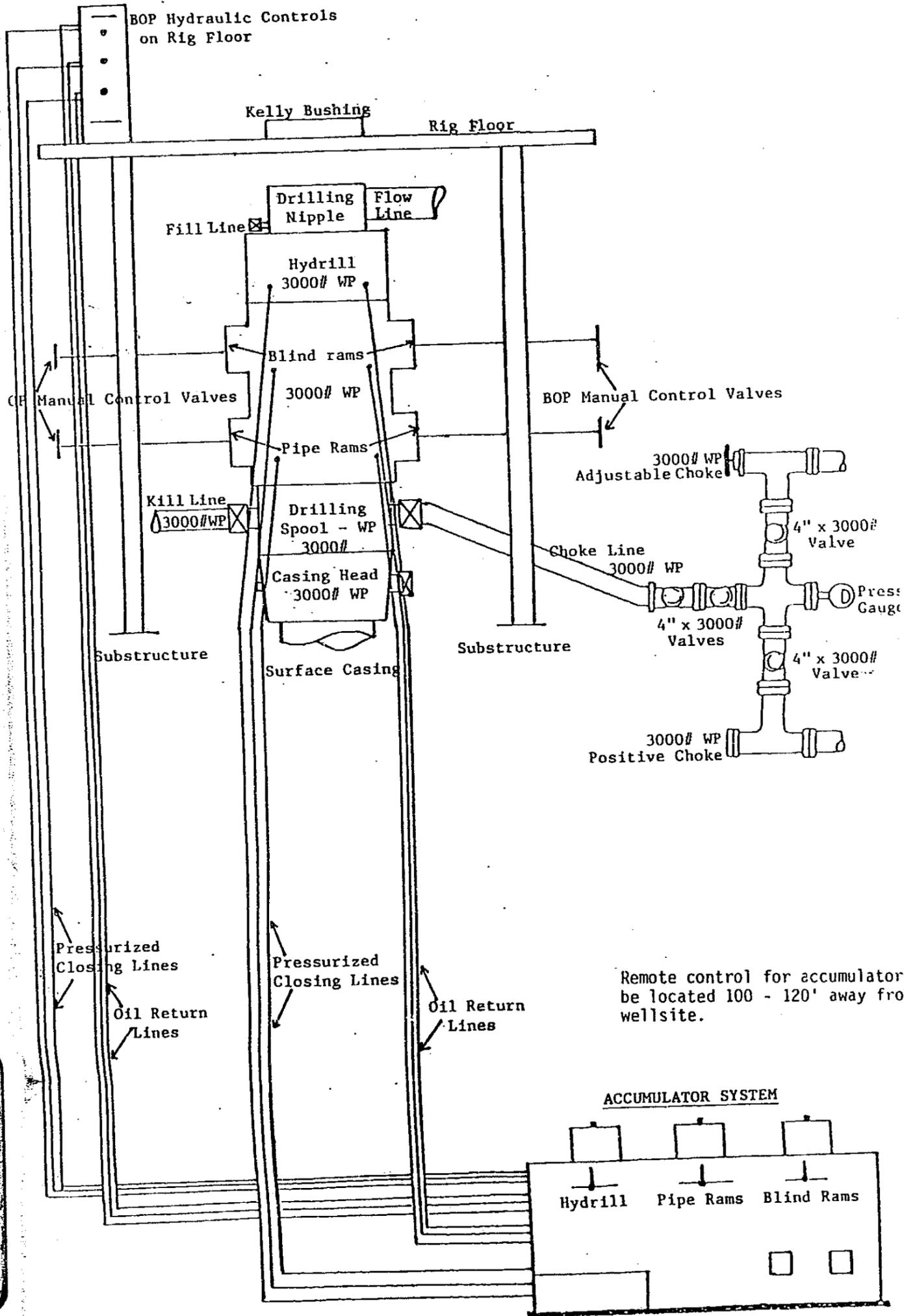


EXHIBIT "D"

SURFACE USE PROGRAM TO ACCOMPANY APD

Attached to Form 3160-3

Premco Western, Inc.
Dutchman 18-1
1100' FSL & 900' FEL
SE/4 SE/4 Sec. 18 T37N R9W
Mohave County, Arizona

1. Existing Roads

- a. The proposed well site and elevation plat are 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 42 miles SSE along the Hurricane Cliffs. Beginning at the Utah/Arizona border, continue south on BLM Road 1035. By this road description, the well location is 32.3 miles south of border. One half mile south is a Y in the road with a sign that says "Hurricane Valley 15", stay to the left. Other road markers are: bottom of Joe Blake Hill - 4.4 miles; cattleguards - 10.5 & 12.1 mi; pond on left - 12.4 mi; cattleguards - 14.4, 18.1, & 20.2 mi; Y in road at 22.3; crossroad at 23.6; gate at 25.4 mi; Y in road, stay left at 26 mi; Y in road at 26.6; corral at 28 mi, stay right of corral and fence; Y at 28.3, stay right; gate and Y at 29.5 mi; bad wash, dam & water pond at 29.6; Y at 30.8; gate at 31; white rock on right at 31.3, can't see road very well for about 30 or 40'; Y at 31.4; round metal tank at 31.9; new access road to well location at 32.3 miles.
- c. All roads to location are shown on EXHIBITS "E" & "E1". A new access road approximately .4 mile 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 6% 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 "E1" for the following:

a. Drilling Operations

- (1) The maximum width of the trail and access road required for drilling will be 20'.
- (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.

Butchman 18-1 APD

- (9) The new access road to be constructed was centerlined flagged during staking. This road crosses BLM lands, as shown on EXHIBITS "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 BLM 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 BLM, the exception being that the OSHA rules are to be complied with where special safety colors are required.
- d. 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 BLM. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.
- e. 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 has yet to be determined and may be hauled from City of St. George by company owned water truck over approved access roads, as shown on EXHIBITS "E".
- b. 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 off the location, which is on Federal land.
- b. 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 fluid 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 spill 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 the wind from 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 the 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. 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, 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 much 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.

Dutchman 18-1 APD

- b. The soil-banked material will be spread over the area. Revegetation will be accomplished by planting mixed grasses as per formula provided by BLM. 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 drilling 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 February, 1998.

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 EXHIBIT "E" & "E1" is as follows:

- Sections A - B County Roads
- Sections C - 1 Access roads across BLM 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

Dutchman 18-1 APD

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 APD Approval and Drilling Operations:
Premco Western, Inc.
Rodney Ratheal
P.O. Box 1274
St. George, Utah 84771-1274

14. Certification

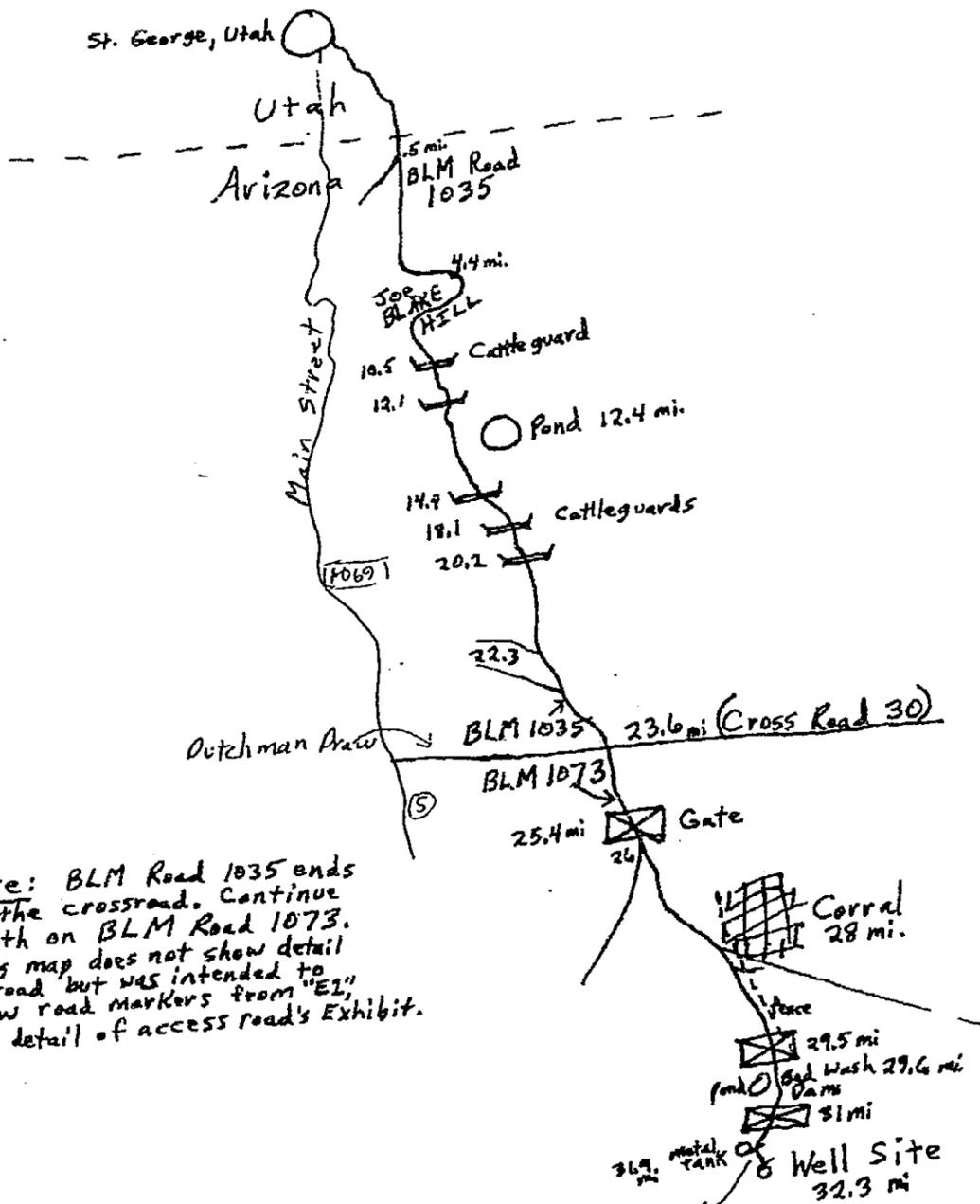
I hereby certify that I, or persons under my direct supervision have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by Premco 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.

12/12/97
Date


Rodney Ratheal, President
Premco Western, Inc.

EXHIBIT "E"
Access Roads To Location

Premco Western, Inc.
Dutchman 18-1
1100' FSL & 900' FEL
SE/4 SE/4 Sec. 18 T37N R9W
Mohave County, Arizona



Note: BLM Road 1035 ends at the crossroad. Continue South on BLM Road 1073. This map does not show detail of road but was intended to show road markers from "E1" the detail of access road's Exhibit.

A .4 mile access road will be built from tank to site.

Dutchman 18-1 APD

EXHIBIT "E1"
Detail of Access Road

Premco Western, Inc.
Dutchman 18-1
1100' FSL & 900' FEL
SE/4 SE/4 Sec. 18 T37N R9W
Mohave County, Arizona

The distance from St. George, Utah is 42 miles SSE along the Hurricane Cliffs. Beginning at the Utah/Arizona border, continue south on BLM Road 1035. By this road description, the well location is 32.3 miles south of border. One half mile south is a Y in the road with a sign that says "Hurricane Valley 15", stay to the left. Other road markers are: bottom of Joe Blake Hill - 4.4 miles; cattleguards - 10.5 & 12.1 mi; pond on left - 12.4 mi; cattleguards - 14.4, 18.1, & 20.2 mi; Y in road at 22.3; crossroad at 23.6; gate at 25.4 mi; Y in road, stay left at 26 mi; Y in road at 26.6; corral at 28 mi, stay right of corral and fence; Y at 28.3, stay right; gate and Y at 29.5 mi; bad wash, dam & water pond at 29.6; Y at 30.8; gate at 31; white rock on right at 31.3, can't see road very well for about 30 or 40'; Y at 31.4; round metal tank at 31.9; new access road to well location at 32.3 miles, (4 mile length).

Exhibit "E2"
Russell Spring 7.5 Minute Quadrangle



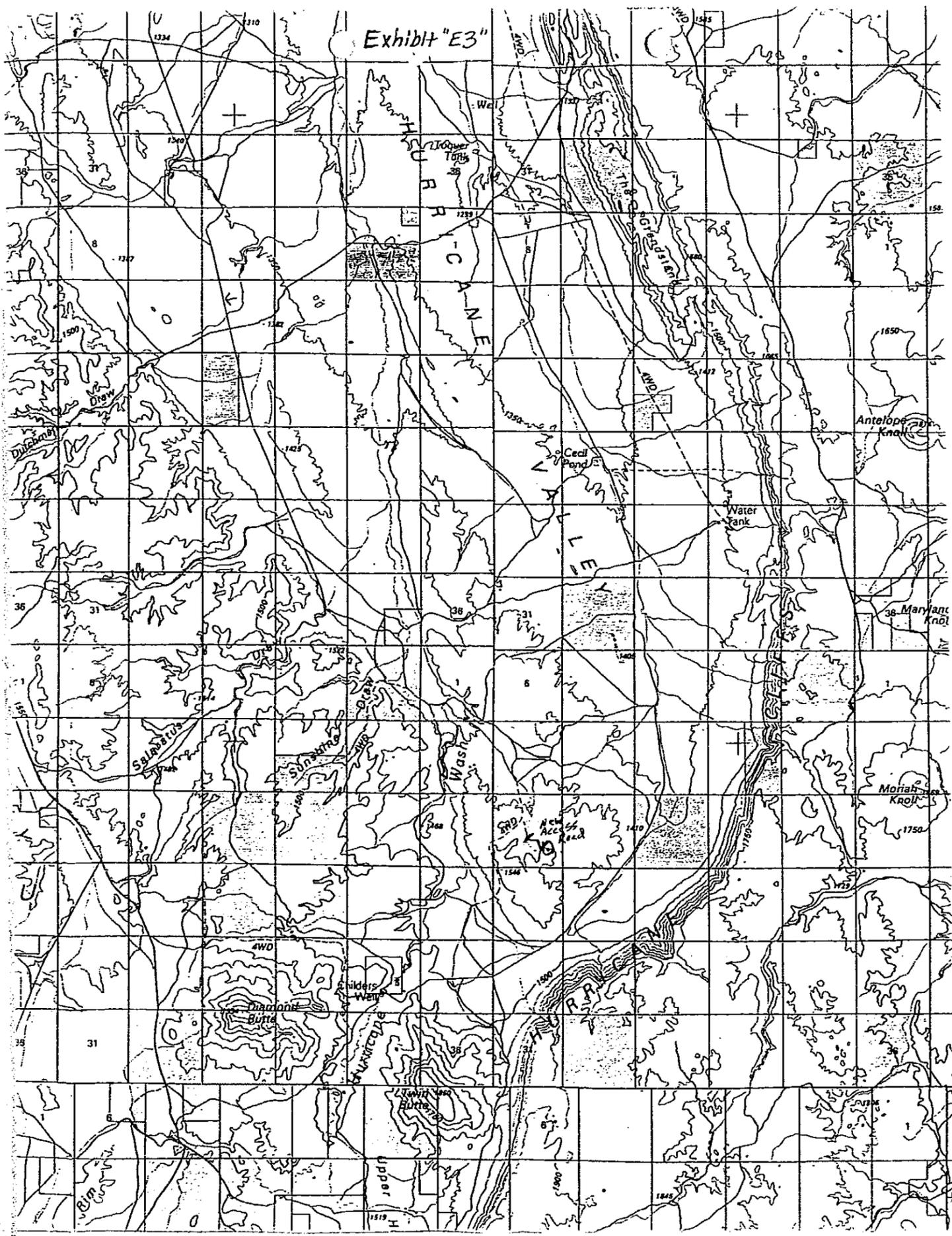


Exhibit "E3"

H. D. R. - C. A. N. E.

W. T. M.

Antelope Knoll

38 Moriah Knoll

Moriah Knoll

New Access Road

Childers

Upper H.

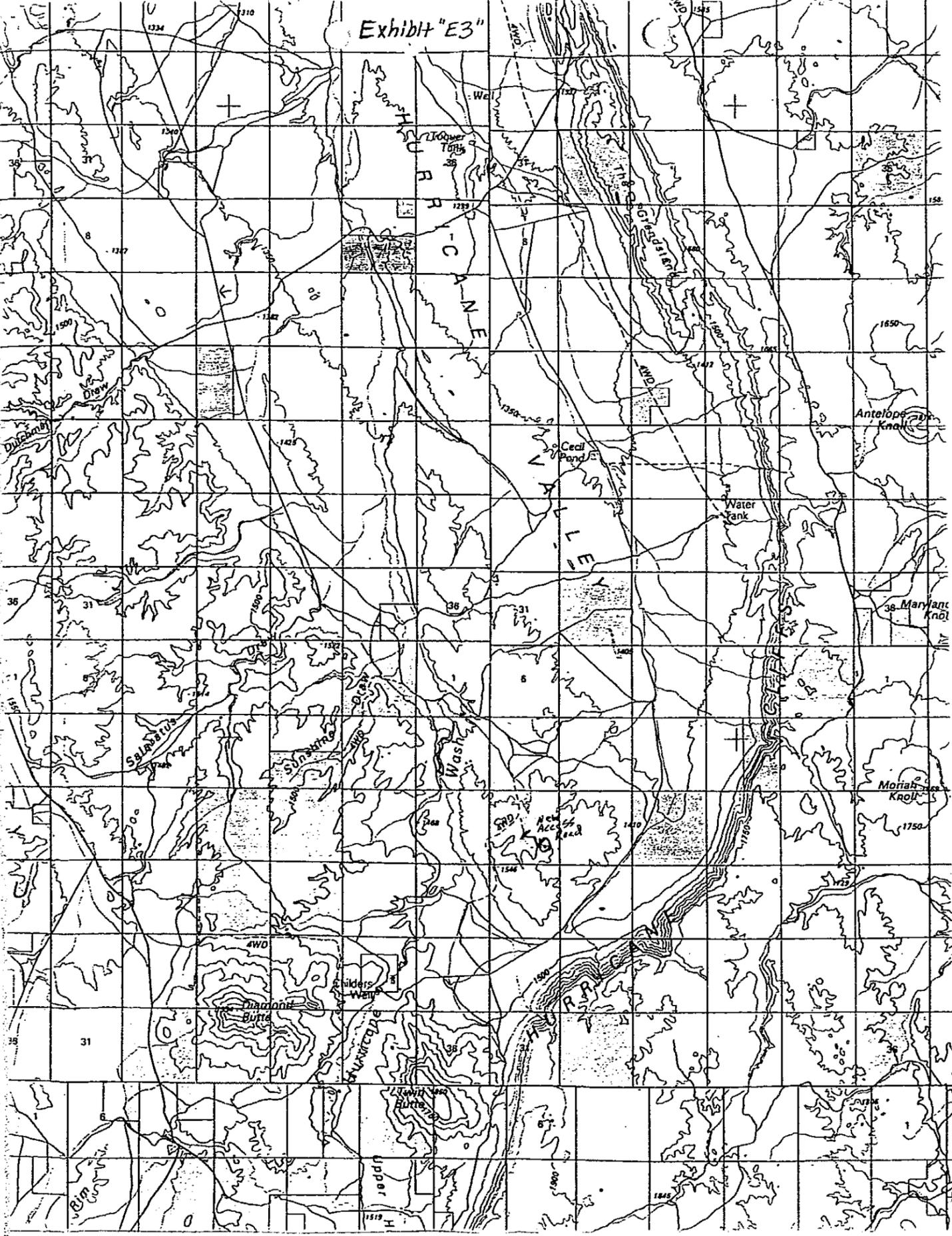


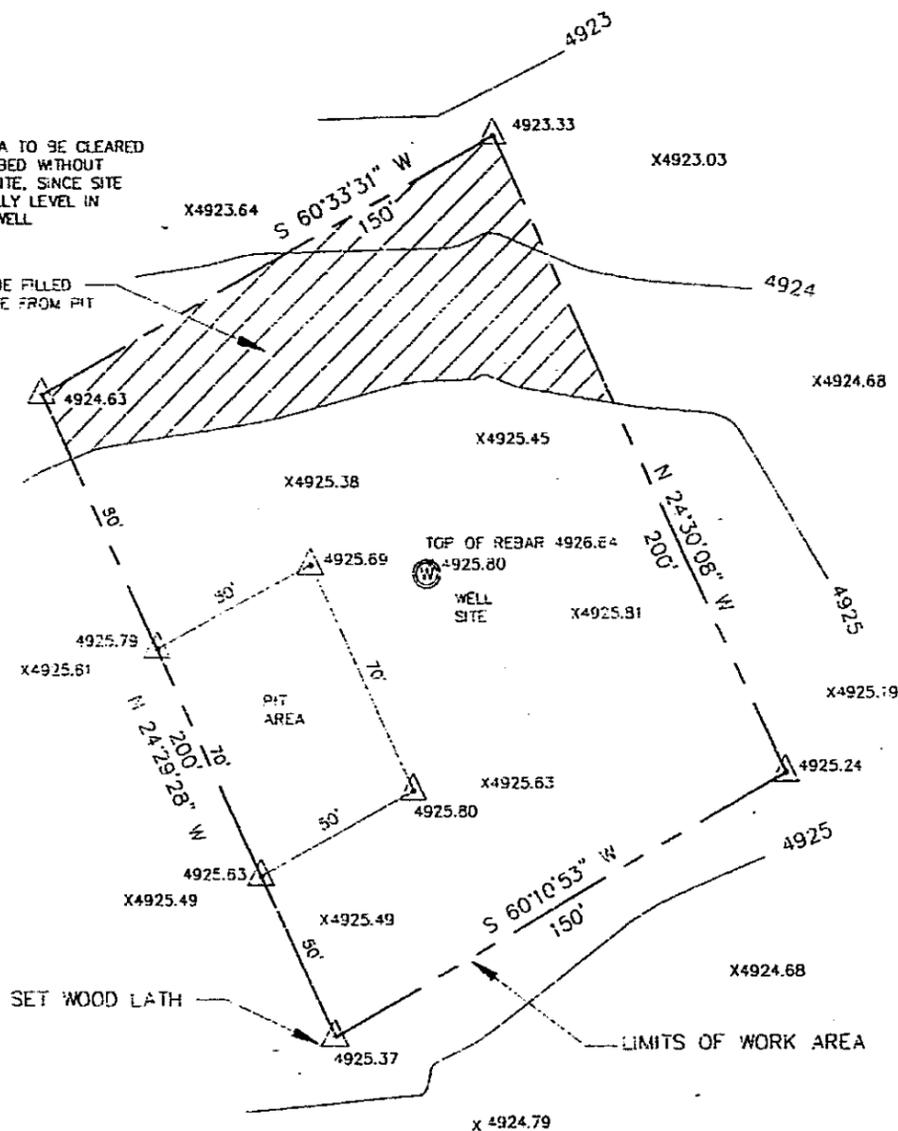
EXHIBIT 'G'
DRILL PAD LAYOUT

12-11-97

NOTE:

WORK AREA TO BE CLEARED
AND GRUBBED WITHOUT
GRADING SITE, SINCE SITE
IS BASICALLY LEVEL IN
AREA OF WELL

AREA TO BE FILLED
WITH WASTE FROM PIT



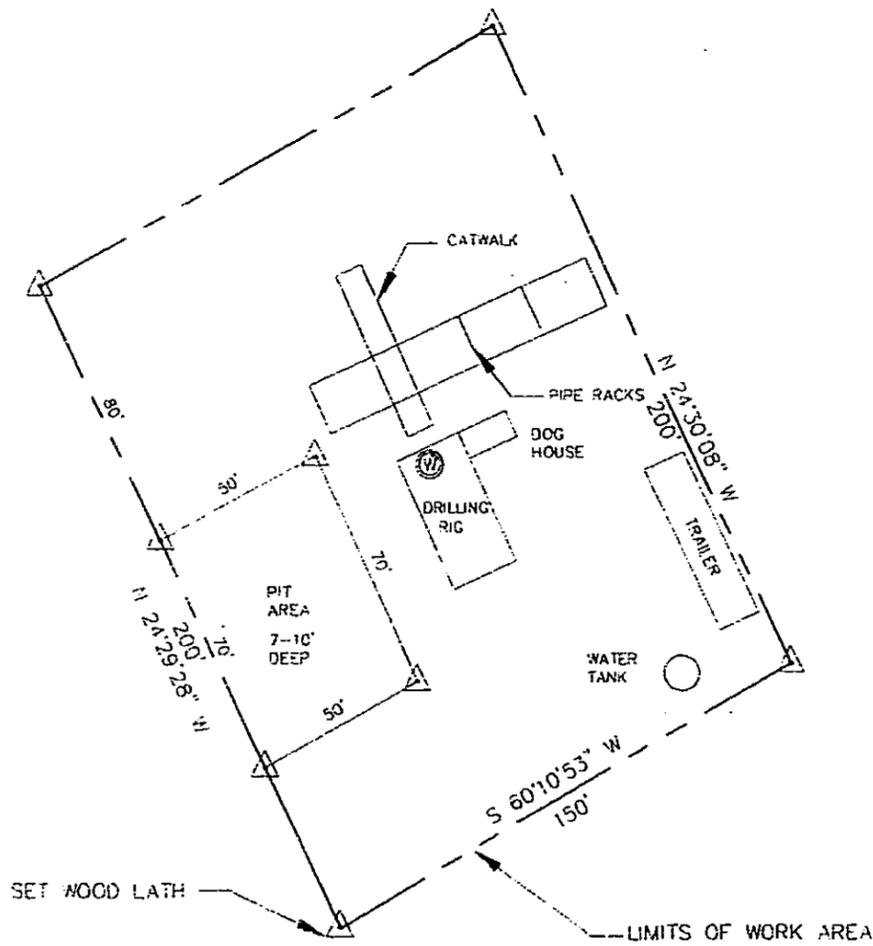
PREMCO WESTERN INC.
DUTCHMAN 18-1
1100' N AND 900' W
SE CORNER SEC. 18, T 37 N, R 9 W
MOHAVE, COUNTY

LRP L. R. POPE
ENGINEERS &
SURVEYORS

1086 SOUTH MAIN PLAZA STE. 102B, ST. GEORGE, UTAH 84770
(801) 628-1676

EXHIBIT 'H'
DRILL RIG LAYOUT

12-11-97



SCALE 1"=50'

PREMCO WESTERN INC.
DUTCHMAN 18-1
1100' N AND 900' W
SE CORNER SEC. 18, T 37 N, R 9 W
MOHAVE, COUNTY

LRP L. R. POPE
ENGINEERS &
SURVEYORS

1086 SOUTH MAIN PLAZA STE. 102B, ST. GEORGE, UTAH 84770
(801) 828-1676

ORGANIZATION REPORT

Full Name of the Company, Organization, or Individual
Premco Western, Inc.
 Mailing Address and Phone Number
P.O. Box 1274; St. George, Utah 84771-1274 (801)674-9702
 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

If a foreign corporation, give (1) State where incorporated <u>Texas</u>	(2) Name and mailing address of state agent <u>Arnold Rathel</u> <u>Rt 2 Box 98</u> <u>Floydada, TX 79235</u>	(3) Date of permit to do business in state <u>(on file)</u>
Principal Officers or Partners (if partnership) NAME <u>Rodney Rathel</u>	TITLE <u>President</u>	MAILING ADDRESS <u>P.O. Box 1274</u> <u>St. George, Utah 84771-1274</u>

DIRECTORS NAME <u>Rodney Rathel</u>	MAILING ADDRESS <u>same as above</u>

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 Rathel
 Signature
2/6/98
 Date

Mail completed form to:
 Oil and Gas Program Administrator
 Arizona Geological Survey
 416 W. Congress., #100
 Tucson, AZ 85701

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



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Arizona State Office
222 North Central Avenue
Phoenix, AZ 85004-2203

In reply refer to:

CERTIFIED MAIL RETURN RECEIPT REQUESTED

March 13, 1998

DECISION

Principal:	:	Surety Bond Number B7225
Premco Western, Inc.	:	
P.O. Box 1274	:	Bond Amount: \$25,000.00
St. George, Utah 84771-1274	:	
Surety:	:	
Underwriters Indemnity Company	:	
8 Greenway Plaza #400	:	
Houston, Texas 77046	:	

Statewide Oil and Gas Surety Bond Accepted

The bond described above has been examined and found satisfactory. It is accepted effective March 13, 1998.

The bond constitutes coverage of all operations conducted by or on behalf of the principal of Federal leases in the State of Arizona. The bond provides coverage of the principal where that principal has interest in, and/or responsibility for operations on, leases issued under the authority of any of the Acts cited on the bond form. Federal leases do not include Indian leases.

The bond will be maintained by this office. Termination of liability under the bond will be permitted only after this office is satisfied that there is no outstanding liability on the bond or satisfactory replacement bonding coverage is furnished.

Mary Jo Yoas

Mary Jo Yoas
Supervisor, Lands and Minerals Operations



Oil and Gas Conservation Commission Minutes

October 31, 1997

COMMISSION POLICY ON PUBLIC AND INDIAN LAND

Mr. Rauzi reported that the Commission holds bonds for companies drilling on public and Indian lands even though companies drilling on public land are required to post a bond with the federal government and companies drilling on Indian land are required to post a bond with the BIA. He reported that the bonds held by the Commission are duplicate bonds.

Mr. Lanshe moved, seconded by Dr. Clay:

THAT THE ADMINISTRATOR RELEASE DUPLICATE BONDS IF EVIDENCE OF
BONDS HELD WITH THE FEDERAL GOVERNMENT OR BIA IS OBTAINED

Motion carried unanimously.

No bond required for the Premco Western 18-1 Dutchman Federal. Evidence of bonding with the U.S. Bureau of Land Management is on file.

RECEIPT Date 3-31 1998 No. **3104**

Received From MY FATHERS OIL CO (PREMCO WESTERN)

Address PO BOX 1274, ST. GEORGE UT 84771-1274

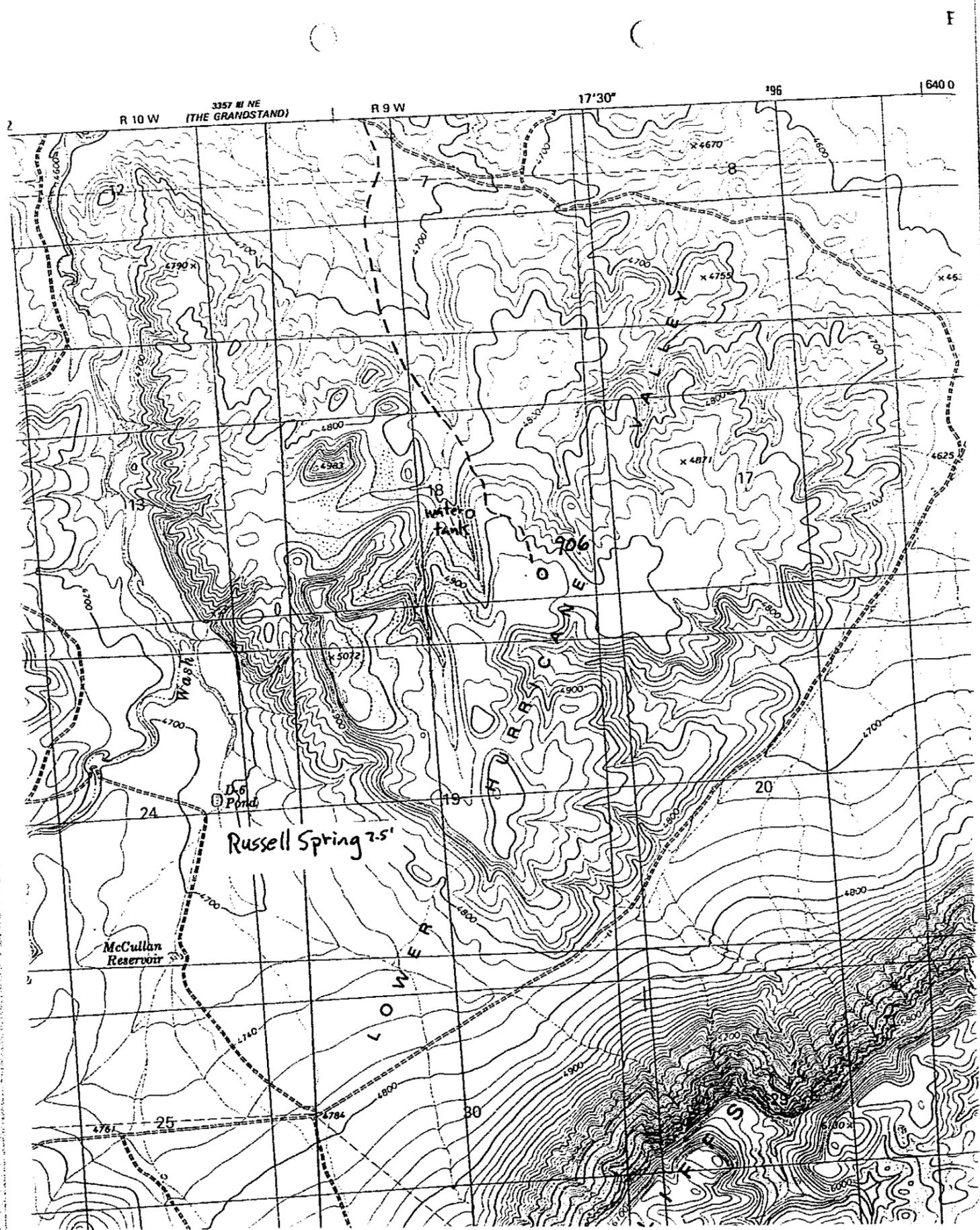
Twenty five and ⁰⁰/₁₀₀ Dollars \$25.00

For filings fee Dutchman 18-1 Federal (Permit # 906)

ACCOUNT		HOW PAID	
AMT. OF ACCOUNT		CASH	
AMT. PAID		CHECK	<u>25 00</u>
BALANCE DUE		MONEY ORDER	

By Stewart Rainey

BK806 Radiform



DUTCHMAN 18-1 FEDERAL

Operator: Premco Western, Inc.

Bond Company*: Underwriters Indemnity Company
(Public land, evidence of bond posted with BLM)

Amount: \$25,000

Bond No.: B7225

Date approved: 3/13/98

* Pursuant to commission motion of October 31, 1997, no bond required with State of Arizona upon evidence of bond posted with the BLM.

Permits covered by this bond posted with the BLM:

906



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

March 22, 2001

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

Dear Rodney,

It was good to hear from you today and learn the latest about your hole. It looks like you are now starting to penetrate the most likely range to encounter hydrocarbons. Oil is produced from both Mississippian and Devonian rocks in the Four Corners area. Don McCarthy reported petroliferous carbonate in Cambrian, Ordovician, Devonian, Pennsylvanian, and Permian rocks in Nevada, just west of the Arizona line, and Wenrich and Palacas reported faint similarities of breccia pipe bitumens on the Arizona Strip with Precambrian Chuar Group source rocks. The Bright Angel Shale makes a good seal for reservoirs in the Tapeats. The Ordovician rocks pinch out west of the Grand Wash cliffs.

I hope you run a gamma ray / neutron density curve in your hole to make sure you do not miss any under pressured gas reservoirs anywhere in the section. No shows were reported in wells drilled in the Pecos Slope Field north of Roswell, New Mexico. However, cross over on a neutron density log led to its discovery. There are now more than 900 producing wells in the Pecos Slope Field.

I've enclosed a few pages from the Wenrich and Palacas article I mentioned that points out the similarities between the hydrocarbon source rock in the Chuar Group and breccia pipe bitumens on the Arizona Strip.

Sincerely,

Steve

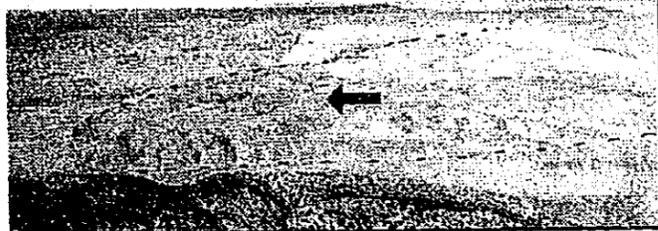
Steven L. Rauzi
Oil & Gas Administrator

Enclosure

EMAIL CONTACT US NON-DISCLOSURE AGREEMENT PRESS

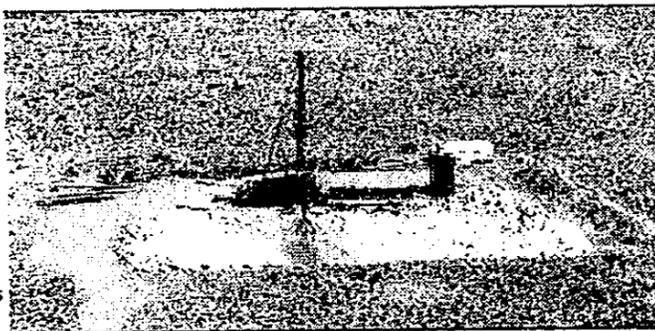


Premco Western, Inc. of Dallas, Texas has acquired oil and gas mineral leases in northwestern Arizona, specifically in Mojave County, Arizona and is currently drilling the Dutchman #18-1 well.

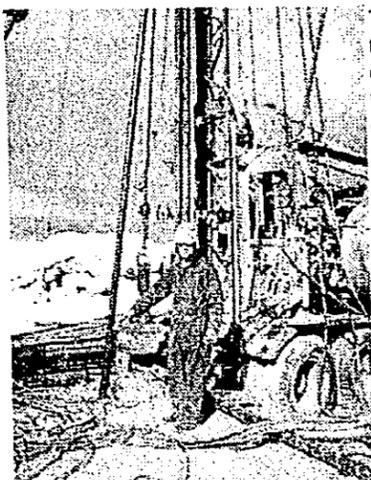


The Dutchman Prospect is located approximately 42 miles southeast of St. George, Utah. The Dutchman #18-1 well is at a depth of 3,230 feet, with a projected total depth of 6,000 feet, in an attempt to test five potentially prolific oil bearing formations.

Beginning at 3,034 feet, the first entrance of fluids into the wellbore was encountered. Basic oil exploration geology indicates that three important geological elements are necessary. First, a source rock that has generated oil. Second, a reservoir rock such as sandstone or limestone that has sufficient porosity to hold oil, and good



permeability which allows oil to move through pore spaces. And third, a trap or closure of the oil on all sides of the reservoir. This will include a top seal to prevent migration of oil into the atmosphere. The Dutchman Prospect has all three important geological elements. The source rock has been identified as the Precambrian formation located at approximately 7,000 feet. During 1991, a complete source rock evaluation was completed on the Precambrian formation by several geologists and published in the January 1992 issue of the "Explorer" magazine.

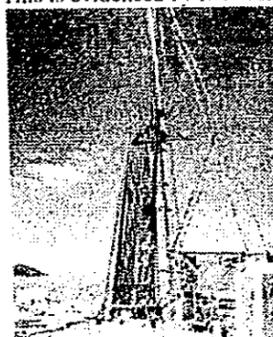


The article said that considerable interest has been given to the Precambrian formation in northern Arizona as a sequence of excellent source rock. The report further indicates that in the eastern Grand Canyon area, the Precambrian formation contains at least 2,685 feet of organic-rich gray to black mudstone and siltstone. The report indicates this source rock to be as thick as 7,000' in some places. Major oil fields throughout the world have resulted from sources as thin as 300 feet. The source is analogous to the Precambrian source rock in the Middle East, which generated over 12 billion barrels of recoverable oil in Oman alone. The "Explorer" report also indicated that the Precambrian group of source rock in northern Arizona is in the principal oil-generating window and that the hydrogen index values demonstrate that the rocks still have potential for generating sufficient amounts of gaseous and liquid hydrocarbons for commercial accumulations.

Other indications of an oil generating source rock is evidenced from an active oil seep approximately 20 miles to the north of the Dutchman #18-1 well. Many of the great oilfields of the world were discovered because of the presence of oil seeps at the surface. Oil seeps usually occur either along fractures that pierce the reservoir rock, or at spots where formations rise up to the surface. In this case, however, the oil seep is occurring in a breccia pipe which was formed when oil reacted with the Mississippian Redwall which is a limestone formation. A study of breccia pipes suggests that when oil began to migrate into the Mississippian Redwall, the oil and limestone reacted forming a sulphuric-type acid which began to form a vertical "pipe" usually 150-300 feet in diameter to the surface. Oil then followed behind this acid until it reached the surface, a process which undoubtedly took millions of years. It has been documented that the early Utah pioneers would use the oil seep during the summer months to provide lubrication for their wagons as they traveled to and from southern Utah.



Several reservoir quality formations have been proven to be present in the Dutchman Prospect area. This is evidenced by two wells already drilled in the area. The California Company #19-1 well is



located approximately 30 miles to the northwest of the Dutchman Prospect. The California well was drilled in 1957 to a total depth of 8,150 feet, and penetrated fair reservoir quality rock in the Queantowcap, Pakoon and Callville formations and discovered excellent reservoir quality rock in the Mississippian Redwall and Temple Butte formations. The second well is the Gulf #38-1 well drilled in 1980 to a depth of 5,961 feet. This well is located approximately 5 miles to the south of the Dutchman Prospect. The Gulf well confirmed the findings of the California well, which identified excellent reservoir quality rock in the Mississippian Redwall and Temple Butte formations. Both wells found the Precambrian source rock and the total depths (TD's) of each well marked the top of the Precambrian. The last critical geological element noticeable on the Dutchman Prospect is the trapping mechanism. The structure that

should be responsible for the trapping of oil on the Dutchman Prospect is referred to as an anticline. An anticlinal oil trap is formed when the rock layers that were originally laid down horizontally are folded upward into an arch or dome. Later, hydrocarbons migrated from the source rock, located at a greater depth, into porous reservoir rocks in the anticline or dome and accumulated in the top of the folded porous layers. Further upward movement of the oil is halted by the shape of the structure itself, and by a seal or caprock, which is a layer of impermeable rock above

the reservoir.

The Hermit Shale formation, found at approximately 1,100 feet, is impermeable red shale that acts as the main seal for the **Dutchman Prospect**. This formation is approximately 900 feet thick, and would prevent any further vertical migration of oil. The Queantowep of Permian age lies just below the Hermit Shale and has top seal characteristics as well.

Paul T. Walton of Salt Lake City, Utah was the chief geologist and the head of exploration in the Rocky Mountain division of J. Paul Getty's Pacific Western Oil Company, called Getty Oil. In 1974, Mr. Walton made an aerial overview of the Arizona strip, the area north of the Grand Canyon. Mr. Walton stated that "The large structural anomaly is sufficiently large to form a major oil field. The shelf-type Paleozoic formations are thick and porous so that a good reservoir for an oil or gas field could be present. The only unknown is the capacity of the strata to generate hydrocarbons. If two or more formations proved productive, there is an excellent possibility a giant oil and gas field is present with reserves in the 400,000,000 barrel range."

Mr. Walton is most famous for his multi-billion barrel oil field discovery in Saudi Arabia during 1953. As documented in the great oil book, "The Prize", by Daniel Yergin, Mr. Walton would analyze potential oil discoveries by surface geology. As stated in "The Prize", "during 1948, Mr. Walton was flying in a DC-3 over the Neutral Zone desert in Saudi Arabia, and could barely believe what he saw from the plane; a small mound rising up from the flat expanse. It looked almost exactly like the mound in Kuwait's Burgan field, then the largest known oil field in the world". After finalizing the Concession with the Saudi Arabian government, Getty Oil contracted with Aminoil to begin drilling wells in Saudi Arabia. Aminoil completely ignored the small mound spotted by Mr. Walton. After five dry holes, (not one of them being drilled on the mound identified by Mr. Walton), J. Paul Getty demanded the final well be drilled where indicated by Mr. Walton. As a result, in March of 1953, Getty Oil struck oil where Mr. Walton had thought all along that oil would be found." To call it a major discovery would prove an understatement. Fortune magazine described it as "somewhere between colossal and history-making." "The Prize" further documents: "This discovery, found by Mr. Walton had made J. Paul Getty not only the richest American, but also the richest private citizen in the world."

Many giant oil fields have been discovered by exposed surface structures. In November of 1970, the American Association of Petroleum Geologists compiled a report called the "Geology of Giant Petroleum Fields." This report indicated that there are 45 giant oil fields recognized in North America, which will exceed 500 million barrels of oil production. Twenty-three, or about half, of the North American giants, were discovered as a result of surface indications, or directly associated with surface oil seeps. The principal reservoir rocks, or "pay-zones", of two-thirds of North American giant oil fields are above 6,000 feet and nineteen of the giants are anticlinal traps similar to that of the Dutchman Prospect. The report concludes as follows: "Selecting the most commonly occurring parameters that might lead to a giant oil field discovery, exploration efforts should look for surface indications of anticlinal structure in Paleozoic sandstone on basin shelves with unconformities and evaporates." The Dutchman Prospect contains all of these.

Energy Exploration, Inc. of Houston, Texas identified further evidence of an accumulation of crude oil on the Dutchman Prospect. Energy Exploration is a surveying company which developed an exploration tool called Earth Radiation Analysis, or "ERA". "ERA" is a direct redox cell locator using state-of-the-art radiation detectors to locate and measure a certain component (proprietary information of Energy Exploration) found above all oil and gas fields. This method has been extremely successful. A survey of 102 pre-drill locations across the United States has provided a 60% accuracy on predicting commercial quality oil production, and a 96% accuracy on predicting dry holes, with the incorrect dry hole picks mostly producing only marginal wells. In the May 13, 1991

issue of "Oil & Gas Journal", thirteen geochemical exploration methods were tested in the Permian Basin of Texas on fourteen drilling projects. Out of the thirteen geochemical tools used, the "ERA" method used by Energy Exploration, proved to be the most effective, with an 88% success rate.

In December of 1991, Energy Exploration completed a geochemical survey over acreage held by Premco Western, Inc. In their findings report, Energy Exploration wrote the following: "We have surveyed in practically every state of the United States. Arizona has always been disappointing in that we have never recorded any commercial signals. That was why we were so amazed at the strength of the numbers we were recording on Premco's lease holdings. Our numbers are akin to the Richter Scale, so a one-half number change is significant. We recorded 6 1/2 ++ (which is a strong oil indication), with production indications of over 500 barrels per day. When we were off the indicated area, the numbers drop significantly."



Mr. Rodney Ratheal is the President of Premco Western, Inc. For well over five years Mr. Ratheal has poured his blood, sweat and tears into the Dutchman project. Acting as a lone wolf "wildcatter", he purchased an oil drilling rig and with certain additions has made it capable of initiating the drilling of the Dutchman well #18-1. For the last two years he has almost single handedly operated the rig to attain the depths and positive results stated in the first paragraph of this "overview". All this has been accomplished without the intrusion of the major oil companies, and with relatively little help from anyone except Mr. Ratheal himself.



Mr. Clair Adams is the consulting geologist for **Premco Western, Inc.** Mr. Adams (before his recent retirement) spent the past 10 years of his professional career as an independent geologist working primarily for Hunt Oil and Chevron in the Rocky Mountain region. Mr. Adams conducted a field study of the Dutchman Prospect in 1990, living in his motorhome. At that time, Mr. Adams worked for two weeks on an ATV measuring the structures' strikes and dips and confirmed by his findings that the Dutchman Prospect has closure on all sides. In this general area, it is typical to find anticlines without south dip or closure. Mr. Adams declares that south dip and closure is obvious and without mistake.

There is a strong probability that Mother Nature has created a treasure that could be classified as one of the giant oil fields of North America. The reward for finding this treasure has been conservatively estimated at 100 million barrels of oil. For well over one hundred years, the story of the "Lost Dutchman" gold mine has grown into a tale of legendary proportions. We feel perhaps, that the gold referred to in this Arizona desert legend is, in fact, "black gold". The "Lost Dutchman" has, in fact, been found. It is found at the **Dutchman Prospect**, specifically, at the **Dutchman #18-1** well.

Re: Reader question

Subject: Re: Reader question

Date: Wed, 28 Feb 2001 13:39:53 -0700

From: Steve Rauzi <Rauzi_Steve@pop.state.az.us>

To: Alan Petzet <alanp@PennWell.com>

Alan,

Yes. The Dutchman prospect is in northwestern Arizona in 18-37n-9w (about 42 mi south of St. George, Utah). It's mapped as an 8,600-ac surface anticline with 450 to 500 ft of closure. Premco Western bought a cable tool rig and spudded the 18-1 Dutchman Federal on the prospect in April 1998. Premco junked and abandoned 2 holes at shallow depths because of hard drilling and hole problems but has since converted its cable tools to rotary drilling. The word last month was waiting on new cable and the bailer was stuck at a depth of 2300 ft.

Steve

Alan Petzet wrote:

Hi Steve,

OGJ had an inquiry about the Dutchman Prospect in the Arizona Strip.

Do you know what this refers to?

Alan



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

September 5, 2000

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

Re: Dutchman 18-1 Federal

Dear Rodney,

It has been a long time since I have heard from you. What is the status of your well. How deep are you? What formation are you in? Have you had any shows? I hope you are making good progress.

The Oil and Gas Conservation Commission will meet in about 2 weeks on Friday, September 15, 2000. The Commission is interested in your project and I would like to give the Commissioners an update on your well. Would you please send me (or fax to 520-770-3505) a summary of your current operations.

Thank you. I am looking forward to hearing from you.

Sincerely,

Steve

Steven L. Rauzi
Oil & Gas Administrator

Ps Stop by and visit if you ever happen to be in or passing through Tucson.

PAGE 2

**PI/DWIGHTS PLUS DRILLING WIRE™
ROCKY MOUNTAIN REGION
Section II - 04/28/2000**

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. X=RE-ENTRY; R=RE-DRILL
LDIR - LAST DATE INFORMATION REPORTED OR CONFIRMED

ARIZONA / NEVADA

MOHAVE COUNTY

PREMCO WESTERN
18-1 DUTCHMAN
API 02-015-20030

18-37N-9W
NW SE SE
1100 FSL 900 FEL SEC

WILDCAT; 6000 PRE CAMBRIAN PERMIT: 906 (PMT APP'D 04/02/1998)
(FR:04/02/1998 FM KMS) LEASE TYPE:FEE; OPER ADD: BOX 496568,
GARLAND, TX 75049-6568, EL: 4925 GR LOCATION DATA: 34 MI SE
SAINT GEORGE, UT 44 MI SSW VIRGIN FLD, UT(MOENKOPI);

WF

CONTR: OWN DRILLING, SPUD:04/15/1998 CSG: 9 5/8 IN @ 378; **DRLG COMMENTS:** CABLETOOL RIG HAVING DIFFICULTY DRLG THRU THE,
KAIBAB@ SURFACE. HAS JUNKED TWO HOLES ON SAME, PAD, DRLG BEING DONE UNDER CASUAL CIRCUMSTANCES.;DRLG @ 1400 (LDIR:04/25/2000)

Article from The Spectrum Online

Subject: Article from The Spectrum Online

Date: Tue, 11 Apr 2000 14:37:30 -0600

From: amie.rose@thespectrum.com

To: rauzi_steve@pop.state.az.us

This message was sent to you from <http://www.thespectrum.com>

7/11/906

Black gold on the strip?

By Amie Rose amie.rose@thespectrum.com

ST. GEORGE - A man drilling for oil on the Arizona Strip says finding oil could impact St. George as well as the rest of the country.

"I think it'll be a pretty big impact on the local economy," said Rodney Ratheal, owner of Premco Western.

He said the well could also produce a lot of jobs, with many people hired out of St. George.

"We're looking at the base of a big development of oil and gas that could mean a lot of money going through St. George," Ratheal said.

He is drilling about 42 miles southeast of St. George and about 20 miles from the Grand Canyon-Parashant National Monument. He said the well, called Dutchman No. 18-1, will likely be finished in June or July.

Ratheal said the area could produce oil reserves valued in the billions of dollars.

The current well, he said, has a possible 400 million barrels of oil. And if he finds as much as he thinks is there, Ratheal said, there could be more oil in the surrounding area.

And, Ratheal said, if companies find enough oil in the area, an oil refinery could be built in the area to accommodate it.

"Nothing is a sure thing," he said. "It's like going on an Easter-egg hunt."

When looking for oil, Ratheal said, companies have to rely upon the credibility of the person who says it's there.

He said the area was first pointed out as a possible oil field by Paul Walton, who spotted the area while doing an aerial overview.

Walton also first spotted an oil field from the air in Saudi Arabia, which became one of the largest oil discoveries in the world, Ratheal said.

Premco has more than 7,000 acres of oil, gas and mineral leases in northwestern Arizona. The company leased the Dutchman Prospect, where Ratheal is now drilling, in the 1970s.

He said the United States imports more than 50 percent of its oil every day.

The area may be one of the biggest oil finds in the United States, Ratheal said, and so could have an impact on the national oil reserve, which would benefit the national economy.

Also, he said, the find could also be a source of natural gas.

"Oil fields are almost always associated with natural gas," Ratheal said.

Article from The Spectrum Online

The natural gas, he said, could also benefit the local economy if local utility companies buy it. Ratheal said natural gas is the cleanest and cheapest way to run an electric plant.

A local company, Capital Energy, is helping to finance the project.

Todd Vowell, president of the company, said it partners with oil and gas companies to find oil and gas.

The company, vice president Jason Vowell said, has a group of investors who help fund the joint projects. This is the first local project for the company, which currently has other projects in Texas and Louisiana.

According to Capital Energy, three geological elements can indicate a large oil field: a source rock that has generated or created oil or natural gas, a reservoir rock and a trap that will prevent the oil or gas from escaping.

The source rock for the area, the company said, is located 7,000 feet below the surface and has been identified by geologists. Another sign of a source rock is an oil seep, which means oil is coming through the surface. An oil seep is located about 15 miles north of the well.

Reservoir rocks have also been found in the area, the company said.

And the trapping mechanism, the company said, is the Hermit Shale formation. It is 900 feet thick, 700 feet below the surface and is a dome-like formation.

Walton was able to see the formation from the air because time has eroded it away so the top is visible.

According to Capital Energy, Walton reported the formation is large enough to make a major oil field.

Although Walton wrote the report in the 1970s and Premco started leasing the land around the same time, Ratheal said this is the first well drilled there.

He said for a long time the U.S. government encouraged companies to import oil. Also, he said, oil companies tend to drill where they know oil already is.

"They're reluctant because of the risk and expense," he said.

Jason Vowell said Capital Energy was part of an new oil well discovery in west Texas in 1996 that produced eight million barrels.

Ratheal started drilling the well in June 1998. It is now about 1,400 feet deep and will be drilled to 5,000 feet deep. He said he's been drilling the well himself to keep costs down.

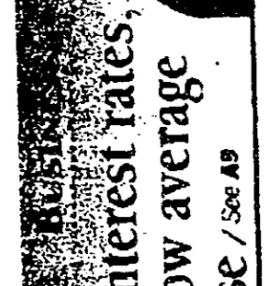
Ratheal said he had to get an environmental report to get a permit to drill the well, which is on federal land.

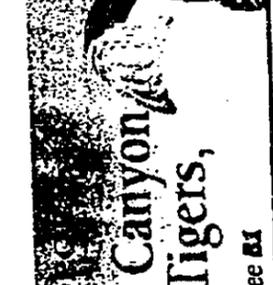
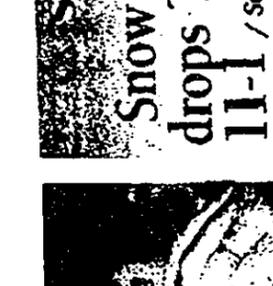
"There shouldn't be any negative environmental impact," Ratheal said.

He said all oil wells are required to have shut-off valves to prevent oil blow outs and to control production.

Capital Energy's website has more information on the well at www.capitalenergycorp.com.

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Interest rates, Dow average rise / See A9
 Snow Canyon drops Tigers, 11-1 / See B1
 Rules / See A9

THE COLOR COUNTRY
SPECTRUM
 To: Steve Ruzi
 From: Kim Shurtz
 website: thespectrum.com
 Wednesday, March 22, 2000

File Report No. 906
 6215735720

Black gold on the strip?
Businessman says project could mean jobs for local residents
 By AMIE ROSE
amie.rose@thespectrum.com
ST. GEORGE — A major drilling for oil on the Arizona Strip says flooding oil could impact St. George as well as the rest of the county.
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 He said the well could also produce a lot of jobs, with many people hired out of St. George.
 "We're looking at the base of a big development of oil and gas that could mean a lot of money.
 • See OIL on A8



A crew drills for oil on the Arizona Strip. Rodney Rathel, the owner of Permco Western, says the project could provide a lot of area jobs. Submitted photo

Critics span e-tax loopholes
 The wind 'n' the waves

Home Depot is... will meet at 5:30... to consider... with Home... agreement with... members will... revenue bond... principle... 8 million, and... total amount... proposing the... ce district and a... ning program... insider approv... consent for a... Canyon Golf... an association... ut on St... : almost six will

OIL

Continued from A1

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P. 2
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Capital Energy's website has more information on the well: at

P/W 906

NEW

PAGE

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

PAGE 7

DRILLING PROGRESS

INITIAL CLASS: WF=NEW FIELD WILDCAT; WD=DEEPER POOL WILDCAT; WS=SHALLOWER POOL WILDCAT; WP=NEW POOL WILDCAT;
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LDIR - LAST DATE INFORMATION REPORTED OR CONFIRMED

ARIZONA / NEVADA

APACHE COUNTY

RIDGEWAY ARIZONA OIL
COMPANY
10-16-31 RIDGEWAY
API 02-001-20311

16-10N-31E
NE SW
1980 FSL 1980 FWL SEC

WILDCAT; 2400 FORT APACHE PERMIT: 899 (PMT APP'D 03/13/1997)
(FR:03/17/1997 FM KMS) LEASE TYPE:STATE TARGET OBJ: GAS; OPER
ADD: P O BOX 1110, ST. JOHNS, AZ 85936, (520)337-3230 EL: 7259 KB 7246
GR LOCATION DATA: 13 MI SE UNNAMED FLD(FORT APACHE)CO2 DISC
3-11N-29E 16 MI NE SPRINGVILLE, AZ; VERTICAL;

WF

CONTR: AZTEC WELL SERVICING, RIG # 124; SPUD:04/08/1997 CSG: 8 5/8 IN @ 876 W/425 SACK, 5 1/2 IN @ 2453 W/260 SACK; DRLG COMMENTS:
LOST CIRC PROBLEMS WHILE DRLG. CO2 GTS @ TD.; LOG TYPES: GRNL, POR, CBND; LOG TOPS: FORT APACHE 2030; 2735 TD, (FORT APACHE) (TD
REACHED:04/17/1997) PROD TEST(S): # 001 PERF (FORT APACHE) 2453-2728 W/ 1 PF: FRACTURING (2453-2728) 75000 LB SAND GAS: 1256 MCFD GAS
CONT: CO2GAS CONTENT: 99.99% CO2, .005% HELIUM, .004% PROPANE. # 002 PERF (FORT APACHE) 2453-2728 ; GAS: 931 MCFD GAS CONT: CO2GAS
CONTENT: 99.996% CO2, .004% NITROGEN. 2735 DTDBHP @ 2453 = 558 PSI IN 1 HR/ 614 PSI IN 24 HR/ 614 PSI IN 168.3 HR, SI (LDIR:02/28/2000)

THOMPSON ENGINEERING &
PRODUCTION CORP
10 DRY MESA
API 02-001-20318

12-40N-28E
NW SE
1980 FSL 1980 FEL SEC
IC 020017000497

DRY MESA; 5140 BARKER CREEK PERMIT: 907 (PMT APP'D 11/05/1997)
(FR:11/05/1997 FM KMS) TARGET OBJ: GAS; OPER ADD: 7415 EAST MAIN,
FARMINGTON, NM 87402, (505)327-4892 EL: 5706 KB 5694 GR LOCATION
DATA: 6 1/2 MI SW TEEC NOS POS, AZ W/IN DRY MESA FLD(BARKER
CREEK); WELL ID CHANGES: WELL NAME CHGD FROM NAVAJO TR 138.

DG
GAS

CONTR: BIG A WELL SERVICE, RIG # 46; SPUD:12/17/1998 CSG: 8 5/8 IN @ 526 W/420 SACK, 4 1/2 IN @ 5170 W/1160 SACK.; LOG TOPS: CHINLE 930,
ORGAN ROCK 2440, HERMOSA 3764, ISMAY UPPER 4352, ISMAY LOWER 4408, AKAH 4635, MOLAS 5118; RIG REL: 12/31/1998 5170 TD, (MOLAS) (TD
REACHED:12/29/1998) PRODUCING INTERVALS DATA: # 001 PERF (PARADOX /SH); GAS: UG IP NOT RPTD. WELL PRODUCED 288 BC, 901 MCFG,
116 BW/ 24 DAYS - APR 1999; SI MAY 1999. 5170 DTD COMP:04/07/1999 # 001 IPF GAS: UG PROD ZONE: PERF (PARADOX /SH) INT NOT
RPTD COMMINGLED.; HOLDING FOR DATA(LDIR:02/28/2000)

COCONINO COUNTY

BERRY GUS
26-1 STATE
API 02-005-20033-0001

26-19N-13E
NE NW NE
467 FNL 3500 FWL SEC

WILDCAT; 3500 PRE CAMBRIAN (FR:12/16/1999 FARM KMS) LEASE
TYPE:STATE; OPER ADD: 703 BLUFF ST, WICHITA FALLS, TX 76301,
(817)767-2847 EL: 5262 KB 5250 GR LOCATION DATA: 18 MI W
WINSLOW, AZ 96 MI SSW OF PINTA DOME FLD (COCONINO 20N-26E);
VERTICAL; OLD INFO : 02-005-20033 FORMERLY TOWNSEND COMPANY
26-1 STATE PERMIT 886; EL: 5250 GR. SPUD:05/19/1995 CSG: 8 5/8 IN @ 500;
LOG TOPS: PENNSYLVANIAN 2910 ; OTD: 2960 COMP:06/15/1995 DRY &
ABANDONED

WFD

CONTR: KEY ENERGY SERVICES INC, RIG # 26; SPUD:10/15/1999 CSG: 4 1/2 IN @ 3900; 3900 TD, (PRE CAMBRIAN) (TD REACHED:10/21/1999) 3900
DTDWOCT (LDIR:03/01/2000)

MOHAVE COUNTY

PREMCO WESTERN
18-1 DUTCHMAN
API 02-015-20030

18-37N-9W
NW SE SE
1100 FSL 900 FEL SEC

WILDCAT; 6000 PRE CAMBRIAN PERMIT: 906 (PMT APP'D 04/02/1998)
(FR:04/02/1998 FM KMS) LEASE TYPE:FEE; OPER ADD: BOX 496568,
GARLAND, TX 75049-6568, EL: 4925 GR LOCATION DATA: 34 MI SE
SAINT GEORGE, UT 44 MI SSW VIRGIN FLD, UT(MOENKOPI);

WF

CONTR: OWN DRILLING, SPUD:04/15/1998 CSG: 9 5/8 IN @ 378; DRLG COMMENTS: CABLETOOL RIG HAVING DIFFICULTY DRLG THRU THE.
KAIBAB @ SURFACE. HAS JUNKED TWO HOLES ON SAME, PAD, DRLG BEING DONE UNDER CASUAL CIRCUMSTANCES.; @ 510, SI (LDIR:02/29/2000)

PI/DWIGHTS PLUS DRILLING WTM
ROCKY MOUNTAIN REGION
Section II - 02/25/2000

PAGE 3

DRILLING PROGRESS

P/N 906

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WO=WILDCAT OUTPOST; D=DEVELOPMENT, X=RE-ENTRY; R=RE-DRILL
LDIR - LAST DATE INFORMATION REPORTED OR CONFIRMED

ARIZONA / NEVADA

MOHAVE COUNTY

PREMCO WESTERN
18-1 DUTCHMAN
API 02-015-20030

18-37N-9W
NW SE SE
1100 FSL 900 FEL SEC

WILDCAT; 6000 PRE CAMBRIAN PERMIT: 906 (PMT APP'D 04/02/1998)
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GARLAND, TX 75049-6568, EL: 4925 GR **LOCATION DATA: 34 MI SE**
SAINT GEORGE, UT 44 MI SSW VIRGIN FLD, UT(MOENKOPI);

WF

CONTR: OWN DRILLING, SPUD:04/15/1998 CSG: 8 5/8 IN @ 378; DRLG COMMENTS: CABLETOOL RIG HAVING DIFFICULTY DRLG THRU THE,
KAIBAB @ SURFACE. HAS JUNKED TWO HOLES ON SAME, PAD, DRLG BEING DONE UNDER CASUAL CIRCUMSTANCES.; @ 453, SI (LDIR:02/22/2000)

2-8-00

Ben Gruner, Compression Leasing Services, Wyo.
Questions about Rodney Rathel leases, etc.
Rodney leased compressor, fell behind in payments.
Trying to recoup costs, etc. (165,000 machine, 7,000/mo + truck to + from)
Give Ben phone #'s in Phx BLM & St. George office.

Thursday, February 3, 2000

Munger Oilgram, Page 9

GWYDER BAY

BP Expl (Alaska) Inc. "West Gwyder" 1 50-029-22954
4-12N-12E UM, Fr SE cor 3509'N 5066'W(Surface)
32-13N-12E UM, Fr SE cor 929'N 4917'W(est.BHL)
S-aprx. -01/29/00(Nabors Drlg #9ES) Directional
????? Drilling, "no dope" hole. Map:AL-4 (NFW)

KUPARUK RIVER

ARCO Alaska Inc. "Kuparuk River Unit" 3H-32
12-12N-8E UM, Fr NW cor 1044'S 282'E(Surface)
33-13N-8E UM, Fr SW cor 244'N 1700'E(est.BHL)
16c.117 9-5/8c.4707 50-103-20322 Directional
S-01/17/00(Nabors Drlg #16E) Map:AL-4
13850 Drilled.

MILNE POINT

BP Expl (Alaska) Inc. "Milne Point Unit" J-08A
28-13N-10E UM, Fr SW cor 2576'N 1938'E(Surface)
21-13N-10E UM, Fr SE cor 2654'N 4655'W(BHL)
20-13N-10E UM, Fr SW cor 126'N 2626'E(est.BHL-RD)
?c.???? 50-029-22497-01 Rsm-01/25/00(Nabors #4ES)
(Nabors Drlg #22E) S-1:30am, 8/10/94 Rel-8/28/94
Directional Map:AL-4
8593 TVD4075 Resumed 1/25/00 for redrill #1.

BP Expl (Alaska) Inc. "Milne Point Unit" L-16A
8-13N-10E UM, Fr SE cor 3604'N 5148'W(Surface)
33-14N-10E UM, Fr SE cor 2479'N 1399'W(BHL)
33-14N-10E UM, Fr SW cor 444'N 342'E(BHL-RD)
?W.???? ?c.???? 50-029-22566-01 Directional
(Nabors Drlg #27E) S-6/4/95 Rig rel-6/24/95
Rsm-aprx. -10/18/99(Nordic Drlg #3) Map:AL-4
15910 RD13435 Recompleted Water/Gas Injection well
1/16/00.

PRUDHOE BAY

ARCO Alaska Inc. "Prudhoe Bay Unit" 16-10A Map:AL-4
24-10N-15E UM, Fr NW cor 2006'S 613'E(Surface)
23-10N-15E UM, Fr SE cor 1287'N 1893'W(BHL)
25-10N-15E UM, Fr NW cor 1891'S 487'E(est.BHL-RD)
20c.110 13-3/8c.2725 9-5/8W.???? 50-029-20506-01
(Rowan Drlg #26) S-10/5/80 Comp-11/20/80
Rsm-01/07/00(Nabors Drlg #9ES) Directional
10589 Pg9890 Resumed 1/7/00 for redrill #1.

ARCO Alaska Inc. "Prudhoe Bay Unit" 16-27A Map:AL-5
24-10N-15E UM, Fr NE cor 1856'S 3987'W(Surface)
24-10N-15E UM, Fr NE cor 186'S 862'W(BHL)
13-10N-15E UM, Fr NE cor 5225'S 2640'W(est.BHL-RD)
20c.110 10-3/4c.3750 7c.10217 50-029-22260-01
(Nabors Drlg #18E) S-1am, 4/10/92 Rig rel-4/28/92
Directional
10253 TVD9344 Issued permit #200-004 on 1/24/00
for redrill #1.

ARCO Alaska Inc. "Prudhoe Bay Unit" 17-15A Map:AL-4
22-10N-15E UM, Fr SW cor 2628'N 1016'E(Surface)
27-10N-15E UM, Fr NW cor 1239'S 1826'E(BHL)
22-10N-15E UM, Fr SE cor 787'N 2591'W(est.HL-RD)
20c.110 10-3/4c.3642 7-5/8c.10763 50-029-22292-01
(Nabors Drlg #18E) S-9pm, 10/4/92 Rig rel-10/19/92
Directional
10780 Pg10684 Issued permit #99-131 on 1/24/00 for
redrill #1 as a service well.

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" B-32A
31-11N-14E UM, Fr NE cor 2142'S 1609'W(Surface)
6-10N-14E UM, Fr NE cor 1695'S 2012'W(BHL)
6-10N-14E UM, Fr NE cor 1830'S 2340'W(BHL-RD)
20c.110 13-3/8c.2702 9-5/8W.???? ?c.???? Map:AL-4
50-029-22165-01 (Nordic Drlg) Directional
(Nabors Drlg #18E) S-7am, 5/16/91 Rig rel-6/8/91
11344 TVD9094 Redrilled. Deepened from 11000'.
Released rig, no details. Recompleted Water/Gas
Injection well 12/22/99.

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" C-18A
19-11N-14E UM, Fr NE cor 554'S 1521'W(Surface)
8-11N-14E UM, Fr SE cor 1168'N 1704'W(BHL)
17-11N-14E UM, Fr SE cor 4524'N 939'W(est.BHL-RD)

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" C-19B
19-11N-14E UM, Fr NE cor 664'S 1521'W(Surface)
17-11N-14E UM, Fr NW cor 1869'S 2651'E(BHL)
17-11N-14E UM, Fr NE cor 2521'S 1675'W(BHL-RD)
17-11N-14E UM, Fr SW cor 3991'N 882'E(est.BHL-RD2)
13-3/8c.2688 9-5/8W.???? ?c.???? 50-029-20735-02
(Unknown contractor drilled in February 1997)
(Anglo #26E) S-5/22/82 Rig rel-6/15/82 Map:AL-4
Directional
12821 TVD8858 Issued permit #200-005 on 1/27/00
for redrill #2.

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" C-36A
19-11N-14E UM, Fr NE cor 1146'S 879'W(Surface)
18-11N-14E UM, Fr NE cor 3295'S 1418'W(BHL)
17-11N-14E UM, Fr SW cor 916'N 215'E(est.BHL-RD)
20c.110 13-3/8c.2676 9-5/8c.9127 7c.8845-9994
50-029-21790-01 Directional Map:AL-4
(Nabors Drlg #18E) S-3/11/88 Rig rel-3/26/88
9994 Issued permit #200-002 on 1/24/00 for redrill
#1.

OTHER WESTERN STATES

SUNSHINE

*Gus Berry "State" 26-1 02-005-20033 elev:5250'GR
26-19N-13E, Fr NW cor 3500'E 467'S 3500'-est.td
8-5/8c.524 ?c.???? (State Lease #13-104416) (NFW)
(BJ Drlg Co) S-5/27/95 Rig rel-5/16/95 Map:AZ
(Key Energy)
3900 Will perforate and test.

DIAMOND BUTTE

*Premco Western, Inc. "Dutchman" 18-1 02-015-20030
18-37N-9W, Fr SE cor 1100'N 900'W elev:4925'GR
9-5/8c.375 (Federal Lease #A2A-26138) Map:AZ
6000'-est.td (NFW)
510+ Drilling

RYNDON

*Foreland Corp. "North Humboldt Federal" 1-2 Map:NV
2-36N-56E, Fr NE cor 450'S 450'W 27-007-05256
(Federal Lease N-58774) elev:5562'GR (NFW)
6500'-est.td
Issued permit #824 on 9/21/98.

BLACKBURN-EAST

*Cleary Exploration LLC "Bruffey Federal" 1-14 (NFW)
14-27N-52E, Fr NE cor 330'S 990'W Map:NV
Filed application for federal permit to drill.

NEWARK CANYON

*Foreland Corp. "Pine Valley Federal" 42-16 Map:NV
16-29N-52E, Fr NE cor 1825'S 1200'W elev:5217'GR
(Federal Lease #NVN-61504) Conf. (NFW)
Hope to start soon.

PINE VALLEY

*Foreland Corp. "Hot Creek" 2-7 27-011-05294 Map:NV
7-29N-52E, Fr SE cor 350'W 970'N elev:5224'GR
7000'-est.td (NFW)
Issued permit #825 on 9/25/98.

CAVE VALLEY WEST

*Conley P Smith Oper Co "Trough Springs Federal" 33-16
33-7N-63E, Fr SE cor 1000'N 750'W 27-017-05230
S-01/19/00(Caza Drlg #63) elev:5978'GR Map:NV
4100'-est.td (NFW)
2400+ Drilling.

HYDE WASH

*Falcon Energy LLC/Kriac Energy Inc. "Kriac" 3 (NFW)
18-8N-70E, Fr SE cor 5'W 316'N 27-017-05227 Map:NV
S-01/10/98(Sierra Drlg #3) elev:5712'GR
2800'-est.td
2800 Testing.

GHOST RANCH

*Makoll, Inc. "Ghost Ranch" 2-21X 27-023-05553
2-8N-57E, Fr NW cor 430'S 2310'E elev:4742'GR

STATE OF ARIZONA

COCONINO COUNTY

MOHAVE COUNTY

STATE OF NEVADA

ELKO COUNTY

EUREKA COUNTY

LINCOLN COUNTY

NYE COUNTY

P/N 906

Thursday, July 1, 1999

Munger Oilgram, Page 9

ARCO Alaska Inc. "Prudhoe Bay Unit" 18-24AL2
19-11N-15E UM, Fr SE cor 4293'N 4598'W(Surface)
24-11N-14E UM, Fr SE cor 2563'N 50'W(BHL)
24-11N-14E UM, Fr SE cor 2143'N 942'W(BHL-RD)
24-11N-14E UM, Fr SE cor 1922'N 1302'W(BHL-lat#1)
19-11N-15E UM, Fr NE cor 3680'S 4079'W(.BHL-lat#2)
10-3/4c.3506 7-5/8W.???? 7c.???? 50-029-21952-61
(Nabors Drlg 2ES)Rsm-11pm,4/9/95 Rig rel-5/1/95
(Nabors Drlg 28E)S-6/30/89 Rig rel-7/17/89
Rsm-05/08/99(Nabors CDR #1) Directional Map:AL-5
9977 RD10410 RD10489 (TVDB732') Drilled a second
lateral leg to 10489', no details. Released rig
5/25/99. Recompleted oil well 5/24/99. Status:OIL

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" A-32A
35-11N-13E UM, Fr SE cor 2426'N 1012'W(Surface)
36-11N-13E UM, Fr SE cor 832'N 2315'W(BHL)
1-10N-13E UM, Fr NE cor 899'S 1884'W(est.BHL-RD)
13-3/8c.2700 9-5/8c.10162 7c.10708 50-029-21395-01
(Nabors Drlg #18E) S-7/20/85 Rig rel-8/7/85
Directional Map:AL-4
10710 Pg10669 Resumed 6/19/99 for redrill with
Nabors Drlg #9ES.

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" B-13A
31-11N-14E UM, Fr NE cor 1740'S 1608'W(Surface)
36-11N-13E UM, Fr SE cor 1355'N 1157'W(BHL)
1-10N-13E UM, Fr SE cor 5211'N 356'W(est-BHL-RD)
13-3/8c.2686 9-5/8c.10364 7c.11032 50-029-20341-01
(Brinkerhoff #36)S-12/7/78 Rig rel-1/17/79
Directional Map:AL-4
11032 TVD9114 Permit #99-57 approved 6/24/99 for
redrill.

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" B-8
31-11N-14E UM, Fr NE cor 347'S 1595'W(Surface)
30-11N-14E UM, Fr SE cor 2442'N 717'W(BHL) Map:AL-4
13-3/8c.2681 9-5/8c.9937 7c.8724 50-029-20314-01
(Brinkerhoff Drlg #36) S-5/12/78 Rig rel-5/31/78
Rsm-06/14/99(Nabors Drlg #9ES) Directional
9945 RD???? Redrilled, no details. Released rig
6/19/99.

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" E-05A
6-11N-14E UM, Fr NE cor 1353'S 502'W(Surface)
5-11N-14E UM, Fr SE cor 2530'N 2563'W(BHL)
5-11N-14E UM, Fr NW cor 2616'S 3921'E(BHL-RD)
20c.100 13-3/8c.2844 9-5/8W.???? 7c.????? Map:AL-4
50-029-20197-01 (Brinkerhoff-Nabors #36)S-2/9/76
(Unknown contractor) Directional Status:OIL
11226 TVD8991 Redrilled and deepened from 10135'.
Recompleted oil well 5/19/99.

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" E-10A
6-11N-14E UM, Fr NE cor 353'S 500'W(Surface)
1-11N-13E UM, Fr NE cor 528'S 2106'W(BHL)
1-11N-13E UM, Fr NE cor 809'S 1334'W(.BHL-RD)
13-3/8c.2733 9-5/8c.10847 7c.11800 50-029-20623-01
(Nabors Drlg #22E) S-7/22/81 Rig rel-8/19/81
(Unknown contractor) Directional Map:AL-4
12784 TVD9027 Redrilled and deepened from 11800',
no details. Released rig 5/26/99. Recompleted oil
well. Status:OIL

OTHER WESTERN STATES

BLACK ROCK

Thompson Engineering & Prod Corp. "Dry Mesa" 10
12-40N-28E, Fr SE cor 1980'N 1980'W 02-001-20318
4-1/2c.5170 S-12/17/98(Key Drlg #46) elev:5694'GR
(Lease #14-20-603-4190) 5140'-est.td Directional
5170 Flow testing. Map:AZ

DIAMOND BUTTE

Premco Western, Inc. "Dutchman" 18-1 02-015-20030
18-37N-9W, Fr SE cor 1100'N 900'W elev:4925'GR
9-5/8c.375 (Federal Lease #AZA-26138) Map:AZ
6000'-est.td (NFW)
460 Drilling in Torowep formation. Cmtd 9-5/8"
csg at 375'.

STATE OF ARIZONA

APACHE COUNTY

MOHAVE COUNTY

STATE OF NEVADA

ELKO COUNTY

RYNDON

*Foreland Corp. "North Humboldt Federal" 1-2 Map:NV
2-36N-56E, Fr NE cor 450'S 450'W 27-007-05256
(Federal Lease N-58774) elev:5562'GR (NFW)
6500'-est.td
Issued permit #824 on 9/21/98.

TOMERA RANCH

*V.F. Neuhaus Properties "Ferdelford Canyon" 34-1
34-31N-52E, Fr NE cor 1100'S 4550'W 27-007-05251
(J.R. Bacon Drlg #5) S-8/28/93 Rig rel-9/10/93
(Federal Lease N-46547) elev:5461'GR Map:NV
???? Waiting on bond. Hope to start in late July
or early August. Conf. (NFW)

BLACKBURN-EAST

EUREKA COUNTY

*Cleary Exploration LLC "Bruffey Federal" 1-14 (NFW)
14-27N-52E, Fr NE cor 330'S 990'W Map:NV
Filed application for federal permit to drill.

PINE VALLEY

*Foreland Corp. "Hot Creek" 2-7 27-011-05294 Map:NV
7-28N-52E, Fr SE cor 350'W 970'N elev:5224'GR
7000'-est.td (NFW)
Issued permit #825 on 9/25/98.

HYDE WASH

LINCOLN COUNTY

*Falcon Energy LLC/Kriac Energy Inc. "Kriac" 3 (NFW)
18-8N-70E, Fr SE cor 5'W 316'N 27-017-05227 Map:NV
S-01/10/98(Sierra Drlg #3) elev:5712'GR
2800'-est.td
2800 Testing.

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+ Evaluating. May deepen. (EXT)

LITTLE SMOKY VALLEY

*Alpine Inc. "Needle Springs Federal" 1-35 Map:NV
35-11N-52E, Fr SW cor 660'N 660'E (NFW)
(Federal Lease N-61782)
Filed application to drill.

KYLE SPRING

PERSHING COUNTY

*Evans-Barton, Ltd "Kyle Spring" 11-14 27-027-05005
11-29N-36E, Fr SW cor 1033'N 769'E elev:4786.54'GR
4-1/2c.2500 S-11/06/96(Humboldt Drlg) Map:NV
(Federal lease N-58388) 2500'-est.td (NFW)
2622 Evaluating. May convert to disposal well.

*Evans-Barton, Ltd "Kyle Spring" 11-43 27-027-05008
11-29N-36E, Fr SE cor 1982'N 656'W elev:4412'GR
4-1/2c.738 S-09/23/98(Humboldt Drlg) 3000'-est.td
Federal lease N-58388 Map:NV (NFW)
865 Perforated an undisclosed interval. Testing.

STATE OF OREGON

COLUMBIA COUNTY

MIST

**Enerfin Res Northwest "Columbia County" 11-34-75
34-7N-5W, Fr NW cor 552'S 1012'E 36-009-00343
7c.???? S-06/11/99(Taylor Drlg) Map:OR (EXT)
(Stegasaur Prospect)
???? TD Drilled. Ran casing to an undisclosed
depth. Released rig 6/21/99.

**Enerfin Resources NW "Columbia County" 13-32-75
32-7N-5W, Fr SW cor 1492'N 1239'E(Surface)
32-7N-5W, Fr SW cor 1450'N 950'E(est BHL) Map:OR
36-009-00341 Directional (EXT)
Permit #522.

Enerfin Resources NW "John Hancock Ins" 43-26-64
26-6N-4W, Fr SE cor 1344'N 848'W 36-009-00342
S-06/23/99(Taylor Drlg) Map:OR
???? Drilling.

**IHS ENERGY GROUP
DAILY ACTIVITY REPORT
SECTION II - 06/24/99**

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

<p>PREMCO WESTERN 18-1 DUTCHMAN API 02-015-20030</p>	<p>18-37N-9W NW SE SE 1100 FSL 900 FEL</p>	<p>WILDCAT; PERMIT #906; 6000 PRECAMBRIAN, (FR 04/02/98FM) OPER WF ADD: BOX 1274, SAINT GEORGE, UT, 84771-1274 PHONE (801) 674-9702; EL: 4925 GR; LOCATION DATA: 44 MI SSW VIRGIN FLD, UT(MOENKOPI) 34 MI SE SAINT GEORGE, UT;</p>
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■ CONTR: OWN DRLG. SPUD: 04/15/98. CSG: 8 5/8 @ 378; DRLG COMMENTS: CABLE TOOL RIG HAVING DIFFICULTY DRLG THRU THE KAIBAB@ SURFACE. HAS JUNKED TWO HOLES ON SAME PAD, DRLG BEING DONE UNDER CASUAL CIRCUMSTANCES. . . . DRLG 450 (LDIR 06/23/99)

COLORADO

ADAMS COUNTY

<p>HS RESOURCES 15-8 HSR-SAUTER API 05-001-09393</p>	<p>8-1S-63W SE SW SE 600 FSL 1499 FEL IC 50017000199</p>	<p>BASE LINE; PERMIT #99-0350; 7700 J SAND, (FR 05/24/99DN) OPER ADD: WO 3939 CARSON AVE, EVANS, CO, 80620 PHONE (970) 330-0614; EL: 5042 GR; LOCATION DATA: 14 1/2 MI N BENNETT, CO 1/4 MI SSW OF FLD(D SAND/J SAND)TA;</p>
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■ CONTR: ASHBY DRLG. RIG #1; MIRT; (LDIR 06/23/99)

GARFIELD COUNTY

<p>BALLARD PET 33-5 BENNETT API 05-045-07254</p>	<p>33-6S-92W SE SW NW 2280 FNL 703 FWL</p>	<p>MAM CREEK; PERMIT #99-0338; 5900 WILLIAMS FORK, (FR 05/17/99DN) OPER ADD: D 845 12TH ST W, BILLINGS, MT, 59102 PHONE (406) 259-8790; EL: 5743 GR; LOCATION DATA: 4 1/2 MI S SILT, CO;</p>
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■ CONTR: SST ENERGY, RIG #3; SPUD: 06/21/99, . . . DRLG 3674 (LDIR 06/23/99)

<p>BALLARD PET 13-15 COUEY API 05-045-07377</p>	<p>13-7S-93W NW NW SE 2052 FSL 1998 FEL IC 50457001499</p>	<p>MAM CREEK; PERMIT #99-0340; 7550 WILLIAMS FORK, (FR 05/17/99DN) OPER ADD: D 845 12TH ST W, BILLINGS, MT, 59102 PHONE (406) 259-8790; EL: 6279 GR; LOCATION DATA: 7 MI SSE RIFLE, CO; TO BE DIRECTIONALLY DRILLED. PBHL: 1392 FT S 0 DEG 46 MIN 48 SEC E; 1392 S 19 E, 660 FSL 1980 FEL C SW SE 13-7S-93W;</p>
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■ CONTR: WOLVERINE DRLG, RIG #22; SPUD: 06/21/99, . . . DRLG 3111 (LDIR 06/23/99)

LAS ANIMAS COUNTY

<p>EVERGREEN OPERATING 32-15 JILL API 05-071-06732</p>	<p>15-32S-65W NE SW NE 1727 FNL 1843 FEL</p>	<p>SPANISH PEAK; PERMIT #990081; 1650 VERMEJO, (FR 02/23/99DN) OPER WO ADD: 1401 17TH ST STE 1200, DENVER, CO, 80202 PHONE (303) 298-8100; EL: 7375 GR; LOCATION DATA: 5 1/2 MI S DELAGUA, CO 2 MI NE OF FLD(VERMEJO/RATON);</p>
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■ CONTR: PENSE BROS DRLG, RIG #22; PREP TO SPUD(6/24/99); (LDIR 06/23/99)

WELD COUNTY

<p>SMITH OIL PROPERTIES 1 LOST CREEK API 05-123-19776</p>	<p>20-3N-62W S2 NW SW 1800 FSL 680 FWL</p>	<p>PEACOCK; PERMIT #99-0370; 7050 J SAND, (FR 06/07/99DN) OPER ADD: WO 518 17TH ST STE 380, DENVER, CO, 80202 PHONE (303) 825-7405; EL: 4868 GR; LOCATION DATA: 11 MI NE KEENESBURG, CO 1/2 MI SE OF FLD(D SAND);</p>
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■ CONTR: ASHBY DRLG, RIG #1; SPUD: 06/18/99, CSG: RAN PROD CSG; 6934 TD, (TD REACHED: 06/ 22/99); . . . 6934 TD, WOCT (LDIR 06/23/99)

MONTANA

FALLON COUNTY

<p>WILLISTON BASIN 2102 FEE API 25-025-21803</p>	<p>27-5N-61E SE NW SE 1327 FSL 1568 FEL</p>	<p>CEDAR CREEK; PERMIT #15769; 1900 EAGLE, (FR 12/01/98CA) OPER D ADD: BOX 131, GLENDALE, MT, 59330-0131 PHONE (406) 359-7200; EL: 3027 GR; LOCATION DATA: 12 MI SW MARMARTH, ND; PERMIT REISSUED: 05/28/99</p>
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■ CONTR: ELENBURG EXPL, RIG #2; SPUD: 08/22/99, . . . DRLG 1800 (LDIR 06/23/99)

<p>WILLISTON BASIN 2050 FEDERAL API 25-025-21839</p>	<p>4-6N-60E NE SW NE 1518 FNL 1420 FEL</p>	<p>CEDAR CREEK; PERMIT #15616; 1900 EAGLE, (FR 03/25/99CA) OPER D ADD: BOX 131, GLENDALE, MT, 59330-0131 PHONE (406) 359-7200; EL: 3113 GR; LOCATION DATA: 5 1/4 MI SE BAKER, MT;</p>
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■ CONTR: ELENBURG EXPL, RIG #2; SPUD: 06/15/99, 1900 TD, (EAGLE) (TD REACHED: 06/ 15/99); RIG REL: 06/15/99; . . . 1900 TD, WOCT (LDIR 06/23/99)

<p>WILLISTON BASIN 2095 FEE API 25-025-21807</p>	<p>29-6N-61E SE NW SW 1393 FSL 1295 FWL</p>	<p>CEDAR CREEK; PERMIT #15773; 1900 EAGLE, (FR 12/01/98CA) OPER D ADD: BOX 131, GLENDALE, MT, 59330-0131 PHONE (406) 359-7200; EL: 2983 GR; LOCATION DATA: 9 1/2 MI WSW MARMARTH, ND; PERMIT REISSUED: 05/28/99</p>
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■ CONTR: ELENBURG EXPL, RIG #2; SPUD: 06/15/99, 1900 TD, (EAGLE) (TD REACHED: 06/ 20/99); RIG REL: 06/20/99; . . . 1900 TD, WOCT (LDIR 06/23/99)

**PETROLEUM INFORMATION/DWIGHTS
DAILY ACTIVITY REPORT
SECTION II - 02/02/99**

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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.

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● DENOTES A FINAL STATUS HAS BEEN ADDED TO THE WELL.

ARIZONA

MOHAVE COUNTY

<p>PREMCO WESTERN 18-1 DUTCHMAN API 02-015-20030</p>	<p>18-37N-9W NW SE SE 1100 FSL 900 FEL</p>	<p>WILDCAT; PERMIT #906; 6000 PRECAMBRIAN, (FR 04/02/98FM) OPER ADD: BOX 1274, SAINT GEORGE, UT, 84771-1274 PHONE (801) 674-9702; EL: 4925 GR; LOCATION DATA: 44 MI SSW VIRGIN FLD, UT(MOENKOPI) 34 MI SE SAINT GEORGE, UT;</p>	<p>WF</p>
<p>■ CONTR: OWN DRLG; SPUD: 04/15/98, DRLG COMMENTS: CABLE TOOL RIG HAVING DIFFICULTY DRLG THRU THE KAIBAB@ SURFACE. HAS JUNKED TWO HOLES ON SAME PAD, DRLG BEING DONE UNDER CASUAL CIRCUMSTANCES. 300 TD, (TD REACHED: 12/ 18/98); ... @ 300 (APPROX),SI (LDIR 02/01/99)</p>			

MONTANA

PHILLIPS COUNTY

<p>DECKER OPERATING 1 WASSON RANCH INC 0930 API 25-071-22504</p>	<p>9-33N-30E SW SE NE 2087 FNL 1198 FEL</p>	<p>WILDCAT; PERMIT #15466; 2600 MUDDY, (FR 11/23/98DN) OPER ADD: 1706 SEAMIST STE 590, HOUSTON, TX, 77005 PHONE (713) 880-4343; EL: 2725 GR; LOCATION DATA: 5 MI W BOWDOIN FLD(BOWDOIN/PHILLIPS/GREENHORN) 20 MI N MALTA, MT;</p>	<p>WF</p>
<p>■ CONTR: ELENBURG EXPL, RIG #8,SPUD: 12/05/98, 2600 TD, (TD REACHED: 12/ 07/98); ... 2600 TD(APPROX), DATA NOT RELEASED BY OPR (LDIR 02/01/99)</p>			

WYOMING

BIG HORN COUNTY

<p>SNYDER OIL 1-5 OTTO UNIT API 49-003-21053</p>	<p>5-49N-94W SW NE NE 1142 FNL 1160 FEL IC 490037001098</p>	<p>WILDCAT; 11300 MUDDY, (FR 11/11/98DN) OPER ADD: 1625 BROADWAY STE 2200, DENVER, CO, 80202 PHONE (303) 592-4643; EL: 4635 GR; LOCATION DATA: 1 1/4 MI NW UNNAMED FLD DISC(FRONTIER) 19 3/4 MI NW WORLAND, WY; WELL ID CHANGES: FTG CHGD FROM 1100 FNL 1100 FEL</p>	<p>WF</p>
<p>■ CONTR: SST ENERGY, RIG #53,SPUD: 01/24/99, ... DRLG 7854 (LDIR 02/01/99)</p>			

CAMPBELL COUNTY

<p>DEVON ENERGY 18-4 HOUSE CREEK API 49-005-33472</p>	<p>19-45N-73W SW SE SW 95 FSL 1401 FWL IC 490057101098</p>	<p>HOUSE CREEK; 8300 SUSSEX, (FR 09/24/98FM) OPER ADD: 20 N BROADWAY STE 1500, OKLAHOMA CITY, OK, 73102-8260 PHONE (405) 552-4594; EL: 4934 KB; LOCATION DATA: LOT 18; 12 MI NW WRIGHT, WY;</p>	<p>D</p>
<p>■ CONTR: CYCLONE DRLG, RIG #2 RIG SUB:12; SPUD: 11/18/98 CSG: 8 5/8 @ 1335; LOG TYPES: CNL 5980-8183, CWL 30-8193, DENL 5980-8183, IL 30-8193; 8205 TD, (TD REACHED: 11/ 26/98) BHT: 155F, ... 8205 TD, WOCT (LDIR 02/01/99)</p>			
<p>PENNACO ENERGY 3-6-48-71 ROURKE IC 49-005-71393-9B</p>	<p>6-48N-71W SW NE NW 674 FNL 1908 FWL</p>	<p>UNNAMED; 452 FORT UNION, (FR 11/24/98DN) OPER ADD: 1050 17TH ST STE 700, DENVER, CO, 80285 PHONE (303) 628-6700; EL: 4646 GR; LOCATION DATA: LOT 10; 9 MI SSE GILLETTE, WY;</p>	<p>D</p>
<p>■ CONTR: CBM DRLG; SPUD: 01/18/99, 452 TD, (TD REACHED: 01/ 19/99); ... 452 TD(APPROX), SI (LDIR 02/01/99)</p>			
<p>YATES PET 12 CABALLO CS STATE API 49-005-33816</p>	<p>36-48N-73W E2 SE NW 1980 FNL 2040 FWL IC 490057134698</p>	<p>CABALLO-FORT UNION; 960 FORT UNION, (FR 11/17/98FM) OPER ADD: 105 S 4TH ST, ARTESIA, NM, 88210 PHONE (505) 748-1471; EL: 4729 GR; LOCATION DATA: 14 MI SW GILLETTE, WY;</p>	<p>D</p>
<p>■ CONTR: WESTON ENGINEERING, RIG #11;SPUD: 01/21/99, 960 TD, (FORT UNION) (TD REACHED: 01/ 25/99); ... 960 TD(APPROX), SI (LDIR 02/01/99)</p>			
<p>YATES PET 13 CABALLO CS STATE API 49-005-33817</p>	<p>36-48N-73W C NE SW 1980 FSL 1980 FWL IC 490057134798</p>	<p>CABALLO-FORT UNION; 820 FORT UNION, (FR 11/17/98FM) OPER ADD: 105 S 4TH ST, ARTESIA, NM, 88210 PHONE (505) 748-1471; EL: 4681 GR; LOCATION DATA: 14 1/2 MI SSW GILLETTE, WY;</p>	<p>D</p>
<p>■ CONTR: WESTON ENGINEERING, RIG #11;SPUD: 01/29/99, ... DRLG, NO DEPTH RPTD (LDIR 02/01/99)</p>			
<p>YATES PET 14 CABALLO CS STATE API 49-005-33818</p>	<p>36-48N-73W C NW SW 1980 FSL 660 FWL IC 490057134898</p>	<p>CABALLO-FORT UNION; 1000 FORT UNION, (FR 11/17/98FM) OPER ADD: 105 S 4TH ST, ARTESIA, NM, 88210 PHONE (505) 748-1471; EL: 4726 GR; LOCATION DATA: 14 1/2 MI SSW GILLETTE, WY;</p>	<p>D</p>
<p>■ CONTR: TYVO DRLG; SPUD: 01/29/99, ... DRLG, NO DEPTH RPTD (LDIR 02/01/99)</p>			
<p>YATES PET 15 CABALLO CS STATE API 49-005-33819</p>	<p>36-48N-73W SE SW SW 560 FSL 700 FWL IC 490057134998</p>	<p>CABALLO-FORT UNION; 940 FORT UNION, (FR 11/17/98FM) OPER ADD: 105 S 4TH ST, ARTESIA, NM, 88210 PHONE (505) 748-1471; EL: 4657 GR; LOCATION DATA: 14 1/2 MI SSW GILLETTE, WY;</p>	<p>D</p>
<p>■ CONTR: TYVO DRLG, RIG #1;SPUD: 01/26/99, 940 TD, (FORT UNION) (TD REACHED: 01/ 28/99); ... 940 TD(APPROX), SI (LDIR 02/01/99)</p>			

SST ENERGY

**PETROLEUM INFORMATION/DWIG'S
DAILY ACTIVITY REPORT
SECTION II - 01/19/99**

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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

✓ PREMCO WESTERN 18-1 DUTCHMAN API 02-015-20030	18-37N-9W NW SE SE 1100 FSL 900 FEL	WILDCAT; PERMIT #906; 6000 PRECAMBRIAN, (FR 04/02/98FM) OPER ADD: BOX 1274, SAINT GEORGE, UT, 84771-1274 PHONE (801) 674-9702; EL: 4925 GR; LOCATION DATA: 44 MI SSW VIRGIN FLD, UT(MOENKOP) 34 MI SE SAINT GEORGE, UT; ■ CONTR: OWN DRLG; SPUD: 04/15/98, DRLG COMMENTS: CABLE TOOL RIG HAVING DIFFICULTY DRLG THRU THE KAIBAB@ SURFACE. HAS JUNKED TWO HOLES ON SAME PAD, DRLG BEING DONE UNDER CASUAL CIRCUMSTANCES. . . . @ 300 (APPROX), SI (LDIR 01/18/99)	WF
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COLORADO

BACA COUNTY

BONNEVILLE FUELS 1 BFC E&B FARMS API 05-009-06583	17-33S-41W NE NE 660 FNL 660 FEL	GREENWOOD; PERMIT #98-737; 5250 KEYES, (FR 08/19/98FM) OPER ADD: 1660 LINCOLN ST STE 2200, DENVER, CO, 80264 PHONE (303) 863-1555; EL: 3692 GR; LOCATION DATA: IRREG SEC; 19 MI SE WALSH, CO FLD PRODUCES FROM(TOPEKA/LANSING); ■ CONTR: CHEYENNE DRLG; SPUD: 08/19/98, CSG: 8 5/8 @ 1474 W/635 SX, RAN PROD CSG; DRLG COMMENTS: OPR REPORTED KEYES WET. 5220 TD, (TD REACHED: 08/ 26/98); . . . 5220 TD, WOPLC (LDIR 01/18/99)	WD
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LA PLATA COUNTY

HUBER J M CORP 3-9 TINKER API 05-067-08172	9-34N-8W SW NE SW 1560 FSL 1585 FWL	IGNACIO-BLANCO; PERMIT #98-917; 3000 FRUITLAND COAL, (FR 10/18/98FM) OPER ADD: 1900 W LOOP SOUTH STE 1600, HOUSTON, TX, 77027 PHONE (713) 871-4554; EL: 6770 KB; LOCATION DATA: N OF UTE LINE; 8 MI SE DURANGO, CO; ■ CONTR: BIG A WELL SRVC, RIG #44 RIG SUB:12; SPUD: 12/02/98 CSG: 5 1/2 @ 2345; 2345 TD, (TD REACHED: 12/ 07/98); . . . 2345 TD, MICT (LDIR 01/18/99)	D
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YUMA COUNTY

J-W OPERATING 35-11 KELLER API 05-125-08143	11-2S-46W S2 SE NW 1980 FNL 1930 FWL	MILDRED; PERMIT #98-900; 2400 NIOBRARA, (FR 10/09/98DN) OPER ADD: D BOX 305, WRAY, CO, 80758 PHONE (970) 332-3151; EL: 4037 GR; LOCATION DATA: 14 MI S ECKLEY, CO; ■ CONTR: EXCELL DRLG, RIG #2; SPUD: 01/11/99, CSG: RAN PROD CSG; 2411 TD, (TD REACHED: 01/ 12/99); . . . 2411 TD, WOCT (LDIR 01/18/99)	D
J-W OPERATING 4-6 HENIK API 05-125-08142	6-3N-47W C SE NE 1980 FNL 660 FEL	WHISPER; PERMIT #98-880; 2850 NIOBRARA, (FR 09/29/98DN) OPER ADD: WO BOX 305, WRAY, CO, 80758 PHONE (970) 332-3151; EL: 4033 GR; LOCATION DATA: 10 MI NNE YUMA, CO 3/4 MI N OF FLD(NIOBRARA); ■ CONTR: EXCELL DRLG, RIG #2; SPUD: 01/18/99, . . . DRLG (LDIR 01/18/99)	WO

NEW MEXICO

RIO ARRIBA COUNTY

BURLINGTON RES O&G 139A SAN JUAN 27-4 UNIT API 30-039-25968	9-27N-4W NE NW NE 610 FNL 1560 FEL IC 300397013298	BASIN; 8600 DAKOTA, (FR 05/29/98FM) OPER ADD: BOX 4289, D FARMINGTON, NM, 87499-4289 PHONE (505) 326-9700; EL: 7166 KB; LOCATION DATA: 9 1/2 MI SE GOBERNADOR, NM TO COMMINGLE BLANCO FLD(MESAVERDE)W/BASIN FLD(DAKOTA); ■ CONTR: WALTERS DRLG, RIG #4 RIG SUB:12; SPUD: 10/17/98 CSG: 9 5/8 @ 547 W/470 SX, 7 @ 4235 W/484 SX, 4 1/2 @ 8482 W/527 SX; 8490 TD, (TD REACHED: 10/ 24/98), RIG REL: 10/25/98; . . . 8490 TD, WOCT (LDIR 01/18/99)	D
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SAN JUAN COUNTY

CROSS TIMBERS OPERATING 7E CANYON API 30-045-29710	15-25N-11W NE SW NE 1500 FNL 1500 FEL IC 300457016698	BASIN; 6200 DAKOTA, (FR 08/07/98FM) OPER ADD: 6001 HWY 64, D FARMINGTON, NM, 87401 PHONE (505) 632-5200; EL: 8355 KB; LOCATION DATA: 20 1/2 MI S BLOOMFIELD, NM; WELL ID CHANGES: SPOT CHGD FROM NW SE NW, FTG CHGD FROM 1500 FNL 1500 FWL. ■ CONTR: AZTEC WELL SRVCG, RIG #184 RIG SUB:13; SPUD: 11/09/98 CSG: 8 5/8 @ 331 W/225 SX, 4 1/2 @ 6143 W/1415 SX; LOG TYPES: CNL 1000-6136, CWL 327-6146, DENL 1000-6136, DI 327-6146, LITH 1000-6136; 6154 TD, (TD REACHED: 11/ 17/98) BHT: 141F; . . . 6154 LTD, DTD 6150, WOCT (LDIR 01/18/99)	D
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**PETROLEUM INFORMATION/DWIGHTS
DAILY ACTIVITY REPORT
SECTION II - 12/17/98**

PAGE 7

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

PLAN 906

PREMCO WESTERN 18-1 DUTCHMAN API 02-015-20030	18-37N-9W NW SE SE 1100 FSL 900 FEL	WILDCAT; PERMIT #906; 6000 PRECAMBRIAN, (FR 04/02/98FM) OPER ADD: BOX 1274, SAINT GEORGE, UT, 84771-1274 PHONE (801) 674-9702; EL: 4925 GR; LOCATION DATA: 44 MI SSW VIRGIN FLD, UT(MOENKOPI) 34 MI SE SAINT GEORGE, UT;	WF
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■ CONTR: OWN DRLG; SPUD: 04/15/98, DRLG COMMENTS: CABLE TOOL RIG HAVING DIFFICULTY DRLG THRU THE KAIBAB@ SURFACE. HAS JUNKED TWO HOLES ON SAME PAD, DRLG BEING DONE UNDER CASUAL CIRCUMSTANCES. . . . DRLG 280 (LDIR 12/16/98)

COLORADO

CHEYENNE COUNTY

ANSCHUTZ EXPL CORP 9-20 MCKEEVER API 05-045-07325	20-12S-47W SE NE SE 1450 FSL 600 FEL	WILDCAT; PERMIT #98-1053; 5900 MORROW, (FR 11/25/98DN) OPER ADD: 555 17TH ST STE 2400, DENVER, CO, 80202 PHONE (303) 299-1344; EL: 4631 GR; LOCATION DATA: 7 MI E FARMSIDE FLD DISC(MORROW) 5 MI N EUREKA CREEK FLD DISC(MARMATON) 16 1/2 MI NNE KIT CARSON, CO;	WF
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■ CONTR: MURFIN DRLG, RIG #14; SPUD: 12/08/98. . . . DRLG -TITE (LDIR 12/16/98)

GARFIELD COUNTY

BARRETT RESOURCES RMV 94-21 CLOUGH API 05-045-07342	21-6S-94W SW SW SW 489 FSL 593 FWL	RULISON; PERMIT #98-765; 7250 WILLIAMS FORK, (FR 08/24/98FM) OPER ADD: 1515 ARAPAHOE ST, TWR 3 STE 1000, DENVER, CO, 80202 PHONE (303) 572-3900; EL: 5262 GR; LOCATION DATA: 6 1/2 MI WSW RIFLE, CO;	D
BARRETT RESOURCES RMV 112-27 CLOUGH API 05-045-07327	27-6S-94W NW NE SW 2429 FSL 1920 FWL	RULISON; PERMIT #98-823; 7150 WILLIAMS FORK, (FR 09/08/98FM) OPER ADD: 1515 ARAPAHOE ST TWR 3 STE 1000, DENVER, CO, 80202 PHONE (303) 572-3900; EL: 5206 GR; LOCATION DATA: LOT 5; 5 1/2 MI SW RIFLE, CO; WELL ID CHANGES: FTG CHGD FROM 2634 FSL 1510 FWL CSG: 9 5/8 @ 1063 W/550 SX; . . . DRLG 3480 (LDIR 12/16/98)	D
MESA HYDROCARBONS INC 8-6 CHRISTNER API 05-045-07342	8-7S-92W SW SE NW 2237 FNL 1743 FWL	MAM CREEK; PERMIT #98-973; 6175 WILLIAMS FORK, (FR 11/02/98DN) OPER ADD: 621 17TH ST STE 1050, DENVER, CO, 80293 PHONE (303) 293-3178; EL: 5990 GR; LOCATION DATA: 6 1/2 MI SSW SILT, CO;	D

■ CONTR: NABORS DRLG USA, RIG #457; SPUD: 12/01/98, CSG: 10 3/4 @ 1120 W/450 SX; . . . DRLG 4884 (LDIR 12/16/98)

■ CONTR: NABORS DRLG USA, RIG #488; SPUD: 12/07/98, CSG: 9 5/8 @ 1063 W/550 SX; . . . DRLG 3480 (LDIR 12/16/98)

■ CONTR: CAZA DRLG, RIG #16; SPUD: 11/25/98 (EST), CSG: RAN PROD CSG; 6175 TD, (TD REACHED: 12/ 08/98); . . . 6175 TD(APPROX), WOCT (LDIR 12/16/98)

MESA HYDROCARBONS INC 8-3 COUEY API 05-045-07341	8-7S-92W NW NE NW 604 FNL 1783 FWL	MAM CREEK; PERMIT #98-974; 6185 WILLIAMS FORK, (FR 11/02/98DN) OPER ADD: 621 17TH ST STE 1050, DENVER, CO, 80293 PHONE (303) 293-3178; EL: 5970 GR; LOCATION DATA: 6 MI SSW SILT, CO;	D
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■ CONTR: CAZA DRLG, RIG #16; SPUD: 12/10/98 (EST), . . . DRLG 2000 (LDIR 12/16/98)

LAS ANIMAS COUNTY

STROUD OIL PROPERTIES 21-14A PRIMERO API 05-071-06708	21-33S-66W SE SE SW 341 FSL 2256 FWL	SPANISH PEAK; PERMIT #98-1032; 2450 VERMEJO, (FR 11/24/98DN) OPER ADD: BOX 9, WESTON, CO, 81091 PHONE (719) 868-2703; EL: 6910 GR; LOCATION DATA: 3 1/2 MI ENE WESTON, CO;	D
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■ CONTR: PENSE BROS DRL; SPUD: 12/15/98, . . . DRLG 220 (LDIR 12/16/98)

MOFFAT COUNTY

BARRETT RESOURCES 32-17 SUGARLOAF BUTTE API 05-081-06929	17-11N-101W SE SW NE 2028 FNL 1375 FEL	WILDCAT; PERMIT #98-920; 6100 MESAVERDE, (FR 08/06/97FM) OPER ADD: 1515 ARAPAHOE ST TWR 3 STE 100, DENVER, CO, 80202 PHONE (303) 572-3900; EL: 6849 GR; LOCATION DATA: LOT 18, TRACT 40; 1 MI SSW SUGAR LOAF FLD(FORT UNION/MESAVERDE)8-11N101W 9 MI SW HIAWATHA, CO; PERMIT REISSUED: 10/15/98	WF
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■ CONTR: NABORS DRLG USA, RIG #414; SPUD: 11/28/98 (EST), . . . DRLG, DEPTH NOT RPTD (LDIR 12/16/98)

RIO BLANCO COUNTY

EXXON CORP 1 LOVE RANCH API 05-103-09915	9-2S-97W SW SE NW 2457 FNL 1407 FWL	WILDCAT; PERMIT #98-857; 12200 MESAVERDE, (FR 09/25/98FM) OPER ADD: BOX 4358, HOUSTON, TX, 77210 PHONE (713) 431-1010; EL: 6130 GR; LOCATION DATA: 2 MI W PICEANCE CREEK FLD(WASATCH/MESAVERDE) 3 MI NE SULPHUR CREEK FLD(WASATCH/MESAVERDE/GREEN RIVER) 30 MI SE RANGELY, CO;	WF
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■ CONTR: NABORS DRLG USA, RIG #268; SPUD: 12/03/98, CSG: 13 3/8 @ 2210; . . . @ 2210, DOC (LDIR 12/16/98)

file 906

October 29, 1998

Munger Oilgram, Page 9

ARCO Alaska Inc. "West Beach" WB-05B Directional
 25-12N-14E UM, Fr SE cor 104'N 3219W (Surface)
 20-12N-15E UM, Fr SE cor 192'N 1998'W (est. BHL)
 20-12N-15E UM, Fr SE cor 426'N 1285'W (est. BHL-RD)
 19-12N-15E UM, Fr SE cor 4'N 147'W (est. BHL-RD2)
 7c.???? 50-029-22817-02 Map:AL-4
 (Pool Arctic #6) S-10/16/97 Rig rel-1/15/98
 Rsm-10/09/98 (Pool Arctic #7)
 ????? RD???? Resumed 10/9/98 for redrill #2.

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" E-04A
 6-11N-14E UM, Fr SE cor 4125'N 502'W (Surface)
 31-12N-14E UM, Fr SE cor 411'N 3418'W (BHL)
 31-12N-14E UM, Fr SE cor 1921'N 2092'W (est. BHL-RD)
 20c.104 13-3/8c.2840 9-5/8W.???? 7c.???? Map:AL-4
 50-029-20184-01 Rsm-10/16/98 (Doyon Drlg #14)
 (Brinkerhoff #36) S-1/5/76 Rig rel-2/6/76
 Directional
 10195 RD???? Redrilled, no details. Released rig
 10/27/98.

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" M-12A
 1-11N-12E UM, Fr NE cor 2047'S 605'W (Surface)
 6-11N-13E UM, Fr NW cor 51'S 2556'E (BHL)
 5-11N-13E UM, Fr NW cor 3219'S 405'E (est. BHL-RD)
 13-3/8c.2669 9-5/8c.9642 7c.10611 50-029-20593-01
 (Brinkerhoff Drlg #36) S-7/13/81 Rig rel-8/5/81
 Rsm-10/22/98 (Nabors Drlg #2ES) Directional
 10615 Pgl0570 Resumed 10/22/98 for redrill #1.
 Map:AL-4

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" R-17A
 32-12N-13E UM, Fr SE cor 1767'N 3590'W (Surface)
 29-12N-13E UM, Fr SE cor 343'N 681'W (BHL)
 32-12N-13E UM, Fr SE cor 3898'N 3898'W (BHL-RD)
 13-3/8c.2681 9-5/8W.???? 7c.???? 50-029-20677-01
 (Nabors Drlg #18E) S-12/14/81 Rig rel-1/6/82
 Rsm-08/25/98 (Nabors Drlg #2ES) Directional
 15320 TVD8814 Recompleted oil well 9/23/98.
 Map:AL-4 Status:OIL-09/23/98

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" R-40
 32-12N-13E UM, Fr SE cor 790'N 3594'W (Surface)
 31-12N-13E UM, Fr SE cor 4193'N 476'W (est. BHL)
 50-029-22926 S-10/12/98 (Nabors Drlg #2ES)
 Directional Map:AL-4
 ????? Drilling ahead, no details.

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" S-31A
 35-12N-12E UM, Fr NE cor 1639'S 3828'W (Surface)
 27-12N-12E UM, Fr NE cor 2377'S 2153'W (BHL)
 27-12N-12E UM, Fr NE cor 4479'S 1450'W (est. BHL-RD)
 20c.110 13-3/8c.2707 9-5/8c.10783 7c.10534-11428
 50-029-22109-1 Directional Map:AL-4
 (Nabors Drlg #18E) S-3pm, 11/27/90 Rig rel-12/20/90
 11430 Pgl1385 Issued permit #98-220 on 10/21/98
 for redrill #1.

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" W-12A
 21-11N-12E UM, Fr NE cor 1542'S 1196'W (Surface)
 33-11N-12E UM, Fr NE cor 859'S 2000'W (BHL)
 34-11N-12E UM, Fr SE cor 218'N 4070'W (est. BHL-RD)
 13-3/8c.3029 9-5/8W.???? 50-029-22023-01 Map:AL-4
 (Alaska United #3) S-2:30am, 4/3/90 Rig rel-5/6/90
 Rsm-09/30/98 (Nabors Drlg #18E) Directional
 14075 Pgl3593 Resumed 9/30/98 for redrill #1.

OTHER WESTERN STATES **STATE OF ARIZONA**
BLACK ROCK **APACHE COUNTY**
 Thompson Engineering & Prod Corp. "Dry Mesa" 10
 12-40N-28E, Fr SE cor 1980'N 1980'W 02-001-20318
 (Lease #14-20-603-4190) elev:5694'GR Directional
 5140'-est.td Map:AZ
 Issued permit #907, on 7/10/98.

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

DIAMOND BUTTE **MOHAVE COUNTY**
 *Premco Western, Inc. "Dutchman" 18-1 02-015-20030
 18-37N-9W, Fr SE cor 1100'N 900'W elev:4925'GR
 (Federal Lease #AZA-26138) 6000'-est.td Map:AZ
 172 Changing bit on cable tool rig. (NFW)

RYNDON **STATE OF NEVADA**
BLKQ COUNTY
 *Foreland Corp. "North Humboldt Federal" 1-2 Map:NV
 2-36N-56E, Fr NE cor 450'S 450'W 27-007-05256
 (Federal Lease N-58774) elev:5562'GR (NFW)
 6500'-est.td
 Issued permit #824 on 9/21/98.

PINE VALLEY **KUBERKA COUNTY**
 *Foreland Corp. "Hot Creek" 2-7 27-011-05294 Map:NV
 7-28N-52E, Fr SE cor 350'W 970'N elev:5224'GR
 7000'-est.td (NFW)
 Issued permit #825 on 9/25/98.

*Foreland Corp. "North Pine Creek" 1-6 27-011-05293
 6-28N-52E, Fr SE cor 1975'N 1725'W elev:5322'KB
 S-10/13/98 (True Drlg Co #10) 6000'-est.td Map:NV
 1000+ Drilling. (NFW)

HYDE WASH **LINCOLN COUNTY**
 *Falcon Energy LLC/Kriac Energy Inc. "Kriac" 3 (NFW)
 18-8N-70E, Fr SE cor 5'W 316'N 27-017-05227 Map:NV
 S-01/10/98 (Sierra Drlg #3) elev:5712'GR
 2800'-est.td
 2800 Released rig aprx.2/12/98. Testing.

GHOST RANCH **NYE COUNTY**
 **Makoll, 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 (Makoll rig #286)
 (Federal Lease N-42341) 5000'-est.td Map:NV
 4600+ Evaluating. May deepen. (EXT)

LITTLE SMOKY VALLEY
 *Alpine Inc. "Needle Springs Federal" 1-35 Map:NV
 35-11N-52E, Fr SW cor 660'N 660'E (NFW)
 (Federal Lease N-61782)
 Filed application to drill.

TRAP SPRINGS-NORTH
 *Eagle Exploration, Inc. "Meteor Federal" 1 Map:NV
 34-10N-56E, Fr NW cor 1980'S 660'E 27-023-05563
 S-08/24/98 (Caza Drlg #63) (Federal Lease N-62678)
 5300'-est.td elev:4980'GR Status:DRY-10/04/98
 7354 Temporarily abandoned 10/4/98. (NFW) Conf.

KYLE SPRING **PERSHING COUNTY**
 *Evans-Barton, Ltd "Kyle Spring" 11-14 27-027-05005
 11-29N-36E, Fr SW cor 1033'N 769'E elev:4786.54'GR
 4-1/2c.2500 S-11/06/96 (Humboldt Drlg) Map:NV
 (Federal lease N-58388) 2500'-est.td (NFW)
 2622 Evaluating. May use for water disposal.

*Evans-Barton, Ltd "Kyle Spring" 11-43 27-027-05008
 11-29N-36E, Fr SE cor 1982'N 656'W elev:4412'GR
 4-1/2c.738 S-09/23/98 (Humboldt Drlg) 3000'-est.td
 Federal lease N-58388 Map:NV (NFW)
 865 Preparing to perforate.

STATE OF OREGON
COLUMBIA COUNTY
MIST
 Enerfin Resources Northwest "Columbia County"
 41-6-65
 5-6N-5W, Fr NE cor 450'S 500'W 36-009-00340 Map:OR
 2750' Clark&Wilson-est.td elev:860'KB
 First of five planned wells.

ALBANY **LINN COUNTY**
 *Jefferson Gas, LLC "Clayton" 1 36-043-00019 Map:OR
 58-10S-3W, Fr SW cor 2235'E 2466'N 1520'-est.td
 S-09/22/98 (Taylor Drlg #7) elev:207'GR (NFW)

Sept. 3, 1998

ARCO Alaska Inc. "Prudhoe Bay Unit" 16-14A Map:AL-5
 24-10N-15E UM, Fr NW cor 1534'S 527'E(Surface)
 13-10N-15E UM, Fr SW cor 1679'N 1786'E(BHL)
 14-10N-15E UM, Fr SE cor 4001'N 18'W(BHL-RD)
 20c.110 13-3/8W.???? ?c.???? 50-029-20570-01
 (Rowan Drlg #26) S-6/17/81 Rig rel-7/9/81
 Rsm-03/12/98 (Nabors Drlg #2ES) Directional
 15175 TVD9027 Recompleted Water Injector 4/13/98.

ARCO Alaska Inc. "Prudhoe Bay Unit" 18-29B Map:AL-5
 24-11N-14E UM, Fr SE cor 3805'N 86'W(Surface)
 25-11N-14E UM, Fr NE cor 4162'S 2856'W(BHL)
 24-11N-14E UM, Fr SE cor 2345'N 2135'W(BHL-RD)
 24-11N-14E UM, Fr SE cor 2345'N 2135'W(est.BHL-RD2)
 20c.100 13-3/8c.3704 9-5/8W.8000 7c.7850-9372
 4-1/2Ld.9171-9670 50-029-22316-02 Directional
 (Doyon Drlg #9) S-8pm,12/5/92 Rig rel-12/28/92
 (Nabors #2ES) Rsm-3am,4/22/93 Rig rel-5/9/93
 Rsm-08/24/98 (Nabors Drlg #3S)
 9970 RD9670 Resumed 8/24/98 for redrill #2

**ARCO Alaska Inc. "Prudhoe Bay Unit Nia" NK-11/4
 36-12N-15E UM, Fr SE cor 1311'N 1021'W(Surface)
 15-12N-15E UM, Fr SE cor 403'N 1565'W(est.top prod
 zone)
 15-12N-15E UM, Fr SE cor 1167'N 4581'W(est.BHL)
 50-029-22789 Rsm-07/21/98 (Pool Arctic #7) (EXT)
 (Pool Arctic #7) S-11/3/97 Rig rel-1/3/98
 ??? Resumed 7/21/98. Drilling, no details.
 Map:AL-5

ARCO Alaska Inc. "Prudhoe Bay Unit PBU" L2-08A
 18-11N-15E UM, Fr SW cor 1379'N 1308'E(Surface)
 20-11N-15E UM, Fr NW cor 1381'S 1655'E(BHL)
 21-11N-15E UM, Fr NW cor 894'S 312'E(est.BHL-RD)
 20c.112 10-3/4c.4134 7-5/8W.???? ?c.???? Map:AL-5
 50-029-21761-01 Rsm-07/30/98 (Doyon Drlg #9)
 (Nabors Drlg #28E) S-11/1/87 Rig rel-11/29/87
 Directional
 11520 RD???? Redrilled, no details. Released rig
 9/2/98.

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" G-26A
 12-11N-13E UM, Fr NE cor 2583'S 1974'W(Surface)
 18-11N-14E UM, Fr NE cor 50'S 3492'W(BHL)
 18-11N-14E UM, Fr SE cor 4984'N 4543'W(est.BHL-RD)
 20c.120 13-3/8c.2691 9-5/8W.???? 50-029-21661-01
 (Alaska United #2) S-10/31/86 Rig rel-11/17/86
 Rsm-08/15/98 (Doyon Drlg #14) Directional
 10650 Pgl0605 Resumed 9/15/98 for redrill #1.
 Map:AL-4

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" K-19A
 4-11N-14E UM, Fr SE cor 3100'N 4766'W(Surface)
 5-11N-14E UM, Fr NE cor 2100'S 1210'W(est.BHL)
 5-11N-14E UM, Fr SE cor 3279'N 2679'W(est.BHL-RD)
 20c.80 9-5/8c.3703 7c.2945 4-1/2Ld.9100-10630
 50-029-22531-01 Rsm-08/29/98 (Doyon Drlg #16)
 (Doyon Drlg #9) S-12/14/94 Rig rel-1/4/95
 Directional Map:AL-4
 10630 Resumed 8/29/98 for redrill #1.

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" K-20A
 4-11N-14E UM, Fr NE cor 2027'S 4070'W(Surface)
 9-11N-14E UM, Fr NE cor 1774'S 4080'W(BHL)
 9-11N-14E UM, Fr SE cor 3297'N 2679'W(est.BHL-RD)
 20c.110 10-3/4c.3716 7-5/8W.???? ?c.???? Map:AL-4
 50-029-22555-01 Rsm-08/07/98 (Doyon Drlg #16)
 (Doyon Drlg #9) S-4pm,5/4/95 Rig rel-6/3/95
 Directional
 11635 RD????? Released rig 8/29/98.

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" R-17A
 32-12N-13E UM, Fr SE cor 1767'N 3590'W(Surface)
 29-12N-13E UM, Fr SE cor 343'N 681'W(BHL)
 32-12N-13E UM, Fr SE cor 3884'N 3872'W(est.BHL-RD)
 13-3/8c.2681 9-5/8W.???? 50-029-20677-01 Map:AL-4
 (Nabors Drlg #18E) S-12/14/81 Rig rel-1/6/82
 Rsm-08/25/98 (Nabors Drlg #2ES) Directional
 11230 TVD9548 Resumed 8/25/98 for redrill #1

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" Z-35
 19-11N-12E UM, Fr SE cor 4309'N 3481'W(Surface)
 13-11N-11E UM, Fr SE cor 4481'N 3568'W(est.BHL)
 ?c.???? 50-029-22884 S-07/01/98 (Nabors Drlg #18E)
 Directional Map:AL-4
 ??? Drilled, no details. Released rig 8/28/98.

BP Expl (Alaska) Inc. "Prudhoe Bay Unit" Z-38
 19-11N-12E UM, Fr SE cor 4309'N 3948'W(Surface)
 14-11N-11E UM, Fr SE cor 3827'N 4025'W(BHL)
 ?c.???? 50-029-22873 S-04/16/98 (Nabors Drlg #18E)
 Directional Map:AL-4 Status:OIL-06/30/98
 17029 TVD8985 Completed oil well 6/30/98.

**BP Expl (Alaska) Inc. "Prudhoe Bay Unit SHB" SB-2
 21-11N-12E UM, Fr SE cor 4793'N 1178'W(Surface)
 21-11N-12E UM, Fr SE cor 4387'N 877'W(BHL) Map:AL-4
 ?c.???? 50-029-22831 Directional (EXT)
 (Nabors Drlg #18E) S-11/25/97 Rig rel-12/26/97
 Rsm-06/28/98 (Nabors Drlg #18E)
 5519 TVD5415 Resumed 8/28/98 with Nabors #18E.

OTHER WESTERN STATES
BLACK ROCK

Thompson Engineering & Prod Corp. "Dry Mesa" 10
 12-40N-28E, Fr SE cor 1980'N 1980'W 02-001-20318
 (Lease #14-20-603-4190) elev:5694'GR Directional
 5140'-est.td Map:AZ
 Issued permit #907 on 7/10/98.

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
 Renewed permit.

DIAMOND BUTTE

Premco Western, Inc. "Dutchman" 18-1 02-015-20030
 18-37N-9W, Fr SE cor 1100'N 900'W elev:4925'GR
 (Federal Lease #AZA-26138) 6000'-est.td Map:AZ
 80 Sporadically drilling with cable tool rig.

BRADY HOT SPRINGS

Brady Power Partners "1" BCH-8 27-001-90279 Map:NV
 25-22N-26E, NE-1/4 NE-1/4 S-08/21/98 (Tonto Drlg)
 900'-est.td
 ??? Drilled, no details. Released rig 8/28/98.

PINE VALLEY

Foreland Corp. "North Pine Creek" 1-6 27-011-05293
 6-28N-52E, Fr SE cor 1975'N 1725'W elev:5322'KB
 6000'-est.td Map:NV (NFW)
 Issued permit. #823 on 8/10/98.

HYDE WASH

Falcon Energy LLC/Kriac Energy Inc. "Kriac" 3 (NFW)
 18-8N-70E, Fr SE cor 5'W 316'N 27-017-05227 Map:NV
 S-01/10/98 (Sierra Drlg #3) elev:5712'GR
 2800'-est.td
 2800 Released rig aprx.2/12/98. Testing.

GHOST RANCH

Eagle Springs Prod LLC "Sand Dune" 58-15R Map:NV
 35-9N-57E, Fr SE cor 345'N 2100'W 27-023-05544
 7W.4609 Rsm-07/29/98 (Caza Drlg #63) elev:4746'GR
 (Originally drld to 4782'. Cmtd 7" csg at 4710'.
 Tested. Plugged and ABANDONED 11/14/96.) (EXT)
 (Cardinal Drlg Co #12) S-10/10/96 Rig rel-10/30/96
 7500'est redrill-est.td (Federal lse N-42341)
 ??? Plugged and ABANDONED. (Note changed name
 from "Ghost Ranch Federal" #58-35.)

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 #285)
 (Federal Lease N-42341) 5000'-est.td Map:NV

**PETROLEUM INFORMATION/DWIG'S
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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

PREMCO WESTERN
18-1 DUTCHMAN
API 02-015-20030

18-37N-9W
NW SE SE
1100 FSL 900 FEL

WILDCAT; PERMIT #906; 6000 PRECAMBRIAN, (FR 04/02/98FM) OPER ADD: BOX 1274, SAINT GEORGE, UT, 84771-1274 PHONE (801) 674-9702; EL: 4925 GR; LOCATION DATA: 44 MI SSW VIRGIN FLD, UT(MOENKOPI) 34 MI SE SAINT GEORGE, UT; WF

■ CONTR: OWN DRLG; SPUD: 04/15/98. DRLG COMMENTS: CABLE TOOL RIG HAVING DIFFICULTY DRLG THRU THE KAIBAB@ SURFACE. HAS JUNKED TWO HOLES ON SAME PAD. . . . DRLG 70 (LDIR 08/11/98)

COLORADO

LA PLATA COUNTY

VASTAR RESOURCES
17-5 SOUTHERN UTE 32-8
API 05-067-08152

17-32N-8W
NE SW SE
814 FSL 1409 FEL

IGNACIO-BLANCO; PERMIT #98-591; 4100 FRUITLAND COAL, (FR 06/23/98FM) OPER ADD: 1816 E MOJAVE, FARMINGTON, NM, 87040 PHONE (505) 599-4323; EL: 7056 GR; LOCATION DATA: 13 3/4 MI SW IGNACIO, CO; D

■ CONTR: BIG A WELL SRVC. RIG #41; SPUD: 08/07/98. CSG: 8 5/8 @ 423; 3000 TD, (TD REACHED: 08/ 11/98); . . . 3000 TD(APPROX), RDRT (LDIR 08/11/98)

VASTAR RESOURCES
16-4 32-9 SOUTHERN UTE
API 05-067-08140

16-32N-9W
NE SW NW
1360 FNL 1305 FWL

IGNACIO-BLANCO; PERMIT #98-484; 3600 FRUITLAND COAL, (FR 05/27/98FM) OPER ADD: 1816 E MOJAVE, FARMINGTON, NM, 87401 PHONE (505) 599-4323; EL: 6628 GR; LOCATION DATA: 13 MI SW IGNACIO, CO; D

■ CONTR: BIG A WELL SRVC. RIG #41; SPUD: 07/07/98. CSG: 9 5/8 @ 455 W/250 SX; 3010 TD, (TD REACHED: 07/ 10/98); . . . 3010 TD, COMPLETING (LDIR 08/11/98)

WILLIAMS PROD
7A IGNACIO 33-7
API 05-067-08129

7-33N-7W
SE NW NE
1110 FNL 1645 FEL

IGNACIO-BLANCO; PERMIT #98-307; 5695 MESAVERDE, (FR 03/30/98FM) OPER ADD: % WALSH ENGR & PROD, 7415 E MAIN, FARMINGTON, NM, 87402 PHONE (505) 327-4892; EL: 6515 KB; LOCATION DATA: 1 MI SW IGNACIO, CO; D

■ CONTR: AZTEC WELL SRVCG. RIG #124 RIG SUB:13; SPUD: 08/02/98 CSG: 9 5/8 @ 284, RAN PROD CSG: 5700 TD, (TD REACHED: 08/ 08/98); . . . 5700 TD(APPROX), WCCT (LDIR 08/11/98)

WILLIAMS PROD
28 IGNACIO 33-8
API 05-067-08122

11-33N-8W
NE SW NE
1440 FNL 1615 FEL

IGNACIO-BLANCO; PERMIT #98-225; 5980 MESAVERDE, (FR 03/04/98FM) OPER ADD: % WALSH ENGR & PROD, 7415 E MAIN, FARMINGTON, NM, 87402 PHONE (505) 327-4892; EL: 6662 KB; LOCATION DATA: 2 3/4 MI W IGNACIO, CO; D

■ CONTR: AZTEC WELL SRVCG. RIG #124 RIG SUB:13; SPUD: 08/10/98 . . . DRLG 913 (LDIR 08/11/98)

MOFFAT COUNTY

MCELVAIN T H O&G PROP
5-9 SAND HILLS FEDERAL
API 05-081-06959

5-11N-91W
E2 NE SE
1906 FSL 660 FEL

WEST SIDE CANAL; PERMIT #98-588; 6257 ALMOND, (FR 06/23/98FM) OPER ADD: 1050 17TH ST STE 710, DENVER, CO, 80265 PHONE (303) 893-0933; EL: 6420 GR; LOCATION DATA: 7 1/4 MI SSE BAGGS, WY; D

■ CONTR: ELENBURG EXPL. RIG #14; SPUD: 08/08/98. . . . DRLG 2500 (LDIR 08/11/98)

MONTANA

PHILLIPS COUNTY

ANSCHUTZ EXPL LTD
2-1 SLEEPING BUFFALO
API 25-071-22463

1-32N-32E
NW NE
1320 FNL 1760 FEL

WILDCAT; PERMIT #15267; 6700 NISKU, (FR 07/15/98DN) OPER ADD: 555 17TH ST STE 2400, DENVER, CO, 80202 PHONE (303) 299-1398; EL: 2275 GR; LOCATION DATA: IREG SEC. LOT 2; W/IN BODOIN FLD(BODOIN/PHILLIPS/GREENHORN/EAGLE) 22 1/2 MI NE MALTA, MT; WF

■ CONTR: CYCLONE DRLG. RIG #5; RURT; (LDIR 08/11/98)

NEBRASKA

KIMBALL COUNTY

ADVANTAGE RESOURCES
13-36 DOE STATE
API 26-105-22576

36-13N-56W
SW SW SW
600 FSL 550 FWL

WILDCAT; 8500 VIRGIL, (FR 07/31/98DN) OPER ADD: 1775 SHERMAN ST STE 1900, DENVER, CO, 80203 PHONE (303) 831-1912; EL: 4895 GR; LOCATION DATA: 1/4 MI W MINTKEN FLD(J SAND)ABND 13 MI S KIMBALL, NE; WF

■ CONTR: ASHBY DRLG. RIG #2; SPUD: 03/09/98. . . . DRLG 700 (LDIR 08/11/98)

**PETROLEUM INFORMATION/DWIGHT
DAILY ACTIVITY REPORT
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DRILLING ACTIVITY

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- DENOTES NEW INFORMATION ADDED THIS WEEK. LDIR - LAST DATE INFORMATION REPORTED OR CONFIRMED.
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ARIZONA

MOHAVE COUNTY

PREMCO WESTERN 18-37N-9W WILDCAT; PERMIT #906; 8000 PRECAMBRIAN, (FR 04/02/98FM) OPER WF
 18-1 DUTCHMAN NW SE SE ADD: BOX 1274, SAINT GEORGE, UT, 84771-1274 PHONE (801) 674-9702; EL:
 API 02-015-20030 1100 FSL 900 FEL 4925 GR; LOCATION DATA: 44 MI SSW VIRGIN FLD, UT(MOENKOPI) 34 MI
 SE SAINT GEORGE, UT;
 ■ CONTR: OWN DRLG; SPUD: 04/15/98, ... DRLG, NO DEPTH RPTD (LDIR 06/18/98)

COLORADO

ADAMS COUNTY

SNYDER OIL 18-1S-64W WATTENBERG; PERMIT #94-1310; 8030 DAKOTA, (FR 09/18/94DN) OPER D
 18-12M4 WAGNER NW SW ADD: 1625 BROADWAY STE 2200, DENVER, CO, 80202 PHONE (303)
 API 05-001-09265 1640 FSL 1000 FWL 5925-8500; EL: 5184 KB; LOCATION DATA: 11 MI E-SE BRIGHTON, CO; TO
 BE VERTICALLY DRILLED.
 ■ CONTR: KENTING APOLLO DRL RIG #9; SPUD: 12/06/94, CSG: 7 @ 1487 W/380 SX, 4 1/2 @ 7872 W/130 SX; LOG TYPES: CAL, CBL, CDL, CNL, GR,
 VD; 8030 TD, (DAKOTA) (TD REACHED: 12/ 12/94) 7986 PBDT : PROD TEST(S): PERF (J SAND), 7878-7884, 7899-7901, 7907-7922, SWFR, ... 8030
 TD, TSTG (LDIR 06/16/98)

GARFIELD COUNTY

BARRETT RESOURCES 20-6S-94W RULISON; PERMIT #98-266; 7450 WILLIAMS FORK, (FR 03/18/98FM) OPER D
 RMV 211-20 CLOUGH SE NW SE ADD: 1515 ARAPAHOE ST TWR 3 STE 1000, DENVER, CO, 80202 PHONE
 API 05-045-07295 1450 FSL 1450 FEL (303) 572-3900; EL: 5337 GR; LOCATION DATA: 7 MI WSW RIFLE, CO;
 ■ CONTR: NABORS DRLG USA, RIG #457; SPUD: 05/21/98, CSG: 9 5/8 @ 892 W/500 SX, 4 1/2 @ 7344 W/720 SX; 7350 TD, (TD REACHED: 06/ 08/98); ...
 7350 TD, WOCT (LDIR 06/16/98)

BARRETT RESOURCES 21-6S-94W RULISON; PERMIT #98-268; 7600 WILLIAMS FORK, (FR 03/18/98FM) OPER D
 RMV 214-21 CLOUGH NE SW NW ADD: 1515 ARAPAHOE ST TWR 3 STE 1000, DENVER, CO, 80202 PHONE
 API 05-045-07297 1550 FNL 1150 FWL (303) 572-3900; EL: 5410 GR; LOCATION DATA: 6 1/2 MI WSW RIFLE, CO;
 ■ CONTR: NABORS DRLG USA, RIG #457; SPUD: 06/12/98, ... DRLG 1060 (LDIR 06/18/98)

BARRETT RESOURCES 27-6S-94W RULISON; PERMIT #98-257; 7050 WILLIAMS FORK, (FR 04/08/97FM) OPER D
 RMV 76-27 SAVAGE SE NW SE ADD: 1515 ARAPAHOE ST TWR 3 STE 1000, DENVER, CO, 80202 PHONE
 API 05-045-07168 1567 FSL 1953 FEL (303) 572-3900; EL: 5282 GR; LOCATION DATA: 5 MI SW RIFLE, CO; TO
 BE VERTICALLY DRILLED. PERMIT REISSUED: 03/16/98
 ■ CONTR: NABORS DRLG USA, RIG #488; RURT; (LDIR 06/16/98)

BARRETT RESOURCES 33-6S-94W RULISON; PERMIT #98-234; 7600 WILLIAMS FORK, (FR 03/05/98FM) OPER D
 RMV 110-33 BERNKLAU NE SW SE ADD: 1515 ARAPAHOE ST TWR 3 STE 1000, DENVER, CO, 80202 PHONE
 API 05-045-07288 961 FSL 1912 FEL (303) 572-3900; EL: 5775 GR; LOCATION DATA: 7 MI SW RIFLE, CO;
 ■ CONTR: NABORS DRLG USA, RIG #488; SPUD: 05/14/98, CSG: 9 5/8 @ 1096 W/700 SX, 4 1/2 @ 7459 W/1235 SX; 7466 TD, (TD REACHED: 06/ 11/98); ...
 7466 TD, WOCT (LDIR 06/16/98)

BARRETT RESOURCES 34-6S-96W GRAND VALLEY; PERMIT #98-531; 6425 WILLIAMS FORK, (FR 08/08/98FM) D
 GM 231-34 UNOCAL SW SW SW OPER ADD: 1515 ARAPAHOE ST, TOWER 3 STE 1000, DENVER, CO, 80202
 API 05-045-07308 213 FSL 394 FWL PHONE (303) 572-3900; EL: 5442 GR; LOCATION DATA: 3 MI NW
 PARACHUTE, CO;
 ■ CONTR: NABORS DRLG USA, RIG #414; SPUD: 06/11/98, CSG: 9 5/8 @ 642 W/325 SX; ... DRLG 3200 (LDIR 06/18/98)

BARRETT RESOURCES 1-7S-96W RULISON; PERMIT #97-924; 6300 WILLIAMS FORK, (FR 12/08/97FM) OPER D
 GM 24-1 EXXON SE SW ADD: 1515 ARAPAHOE ST TWR 3 STE 1000, DENVER, CO, 80202 PHONE
 API 05-045-07259 400 FSL 1825 FWL (303) 572-3900; EL: 5183 GR; LOCATION DATA: 3/4 MI NW PARACHUTE,
 CO;
 ■ CONTR: NABORS DRLG USA, RIG #414; SPUD: 05/24/98, CSG: 9 5/8 @ 631 W/350 SX, 4 1/2 @ 6293 W/885 SX; 6315 TD, (TD REACHED: 06/ 08/98); ...
 6315 TD, WOCT (LDIR 06/16/98)

EXPLORATION

Gulf of Mexico 3D data licensing takes new twist

The cost to license Gulf of Mexico seismic data is taking on a new dimension.

The development falls under the heading of cost reduction evidenced by companies' efforts to manage prospect kill costs in exchange for equity interests in oil and gas prospects.

Two long time explorationists have formed a Houston company designed to purchase and contribute the license to existing Gulf of Mexico 3D seismic data in return for equity interests in exploration and development projects.

The concept

Ocean Exploration LLC, (OEX), formed this year, executed a multiyear agreement with Western Geophysical in which OEX may access Western's speculative 3D data on the Outer Continental Shelf consisting of about 5,000 blocks of data acquired with Western's proprietary Ocean Bottom Cable or conventional or solid streamers.

By virtue of OEX's volume obligation to Western, it

can deliver a discounted primary seismic exploration license of the Western data to the joint venture partner in exchange for equity participation.

OEX seeks partial reimbursement for data up front, and the cost is perhaps as much as 40-60% of the price an E&P company would pay—absent a large monetary commitment—to license the data directly from Western.

Through the joint venture partner's interpretation of the data, OEX retains a working or overriding royalty interest in any leads that mature into prospects.

Such agreements could reduce an operator's seismic cost by \$800,000 to \$1.2 million in a 25 block agreement, said Randall D. Jones, who formed OEX with David W. Reinkemeyer.

Jones, with a land and business background, was most recently with a drilling contractor that offered a full range of engineering services, including leveraging rigs for equity interests. Be-

fore that he was with Mobil, ARCO, and Norcen. Reinkemeyer, with 20 years in the industry, is an explorationist who was with Southwestern Energy Production Co., most recently as exploration manager.

OEX is not related to Ocean Energy Inc., a large Houston independent recently merged with United Meridian Corp.

Spreading risks, costs

Pursuant to strictly enforced master license agreements, prohibitions against the sharing of licensed seismic data by licensees takes on significant cost implications as operators and partners combine into large groups and take smaller interests in exploration projects.

Jones views the OEX-Western deal as being similar to larger service/supply companies trading a portion of their anticipated profit margins in large E&D projects for minority equity interests in the development of oil and gas fields. This has

been occurring in the North Sea, off West Africa, and elsewhere.

The OEX approach may be attractive to companies that have either avoided making the large financial commitment needed to secure a volume discount or wish to preserve their funds/commitment for strategic data selection.

Jones said OEX's working interest costs in such projects could start before or after its partner controls a lease or obtains a farmout. The joint venture partner's risk is limited to income, if any, attributable to OEX's working interest in the event of a significant discovery.

History has shown exploratory drilling success rates of ±30%, and success rates have improved with the use of 3D seismic, Reinkemeyer pointed out.

For Western the agreement with OEX represents a way to broaden sales of its data, although the large geophysical company doesn't participate in taking equity interests.

Arizona

Premco Western, St. George, Utah, spudded a wildcat Apr. 3 in the Arizona strip.

Hole is being made at the 1 Dutchman, in 18-37n-9w, Mohave County, with company tools, a 48L Bucyrus Erie cable tool rig. Projected TD is 6,000 ft in Precambrian. Nearest production, Virgin oil field, is 45 miles north in Utah. Premco drilled the 1 Mohave County, in 10-41n-11w, to 1,100 ft in 1995 before abandonment, Petroleum Information/Dwrights LLC reported.

Illinois

Sharon Energy Ltd., Englewood, Colo., agreed to

pay Dunlap Oil Co., Terra Haute, Ind., \$90,000 by May 15 for Elbridge field, Edgar County.

An abandoned storage reservoir in Devonian Geneva dolomite might contain as much as 6 bcf of gas. Sharon will evaluate returning the storage field to operations and horizontal redevelopment of Mississippian McClosky limestone at 900 ft, which has produced 1.5 million bbl of oil from 30 wells since 1949.

Louisiana

National Energy Group, Dallas, was initiating sales from an exploratory well 2 miles west of Thibodeaux field, Lafourche Parish.

The 1 Tregre flowed 1,680

b/d of oil and 1.3 MMcf/d of gas with 1,370 psi FTP from 28 ft of perforations of 74 ft of pay in Rob 3 sand. TD is 15,193 ft. Several more intervals contain proved pay behind pipe.

Working interests are NEG 34.75%, Forcenergy Inc. 37.5%, and Carrizo Oil & Gas 10.93375%.

North Dakota

Westport Oil & Gas Co., Denver, completed an exploratory test in Golden Valley County.

The 24-15 Beaver Creek, in 15-143n-103w, flowed 390 b/d of oil with 130 Mcfd of gas and 67 b/d of water from Devonian Duperow at 10,856-878 ft.

Logs and DSTs indicate as

many as three other zones may be productive.

Equity Oil Co., Salt Lake City, holds 32.5% working interest and Westport holds the rest.

Pennsylvania

Somerset Oil & Gas Co., Buffalo, N.Y., plans further development on properties acquired from Columbia Natural Resources Inc., Charleston, W.Va.

The properties, in Armstrong, Butler, Clarion, Elk, Indiana, Jefferson, and Lawrence counties, contain 123 producing wells and 40,000 acres of leases and fee lands.

OIL AND

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**PETROLEUM INFORMATION/DWIGHTS
DAILY ACTIVITY REPORT
SECTION II - 04/22/98**

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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.

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ARIZONA

MOHAVE COUNTY

<p>PREMCO WESTERN 18-1 DUTCHMAN API 02-015-20030</p>	<p>18-37N-9W NW SE SE 1100 FSL 900 FEL</p>	<p>WILDCAT; PERMIT #806: 6000 PRECAMBRIAN. (FR 04/02/98FM) OPER ADD: BOX 1274, SAINT GEORGE, UT, 84771-1274 PHONE (801) 674-9702; EL: 4925 GR; LOCATION DATA: 44 MI SSW VIRGIN FLD, UT(MOENKOPI) 34 MI SE SAINT GEORGE, UT;</p>	<p>WF</p>
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■ CONTR: OWN DRLG; SPUD: 04/15/98. . . . DRLG SURFACE (LDIR 04/21/98)

COLORADO

GARFIELD COUNTY

<p>BARRETT RESOURCES RMV 44-28 VASSAR/HEATH API 05-045-07240</p>	<p>28-6S-94W SE SE 400 FSL 480 FEL</p>	<p>RULISON; PERMIT #97-880: 7150 WILLIAMS FORK. (FR 11/26/97FM) OPER ADD: 1515 ARAPAHOE ST TWR 3 STE 1000, DENVER, CO, 80202 PHONE (303) 572-3900; EL: 5318 GR; LOCATION DATA: 6 MI SW RIFLE, CO;</p>	<p>D</p>
<p>■ CONTR: NABORS DRLG USA, RIG #457; SPUD: 04/02/98, CSG: 9 5/8 @ 1098 W/525 SX; . . . DRLG 6740 (LDIR 04/21/98)</p>			
<p>BARRETT RESOURCES RMV 85-34 MACKLEY API 05-045-07255</p>	<p>34-6S-94W SW SW 879 FSL 459 FWL</p>	<p>RULISON; PERMIT #97-919: 7250 WILLIAMS FORK. (FR 12/08/97FM) OPER ADD: 1515 ARAPAHOE ST TWR 3 STE 1000, DENVER, CO, 80202 PHONE (303) 572-3900; EL: 5556 GR; LOCATION DATA: 6 1/2 MI SW RIFLE, CO;</p>	<p>D</p>
<p>■ CONTR: NABORS DRLG USA, RIG #488; SPUD: 04/10/98. . . . DRLG 3365 (LDIR 04/21/98)</p>			
<p>BARRETT RESOURCES 14-36 PA API 05-045-07196</p>	<p>36-6S-95W SW SW 793 FSL 452 FWL</p>	<p>PARACHUTE; PERMIT #97-469: 7500 WILLIAMS FORK. (FR 06/24/97FM) OPER ADD: 1515 ARAPAHOE ST TWR 3 STE 100, DENVER, CO, 80202 PHONE (303) 572-3900; EL: 5279 KB; LOCATION DATA: 5 1/2 MI ENE PARACHUTE, CO;</p>	<p>D</p>
<p>■ CONTR: NABORS DRLG USA, RIG #414; SPUD: 12/17/97, CSG: 9 5/8 @ 783 W/375 SX, 5 1/2 @ 7508 W/1390 SX; LOG TYPES: CBND, DENL, DI, DSN, SPCT; LOG TOPS: MESAVERDE 3964, CAMEO 6708, ROLLINS 7400, 7518 TD, (TD REACHED: 01/ 12/98) 7200 PBTD 7518 TD, PBTD 7200, WOCT (LDIR 04/21/98)</p>			
<p>BARRETT RESOURCES GM 11-1 UNOCAL API 05-045-07271</p>	<p>1-7S-96W NW NW 419 FNL 529 FWL</p>	<p>GRAND VALLEY; PERMIT #98-058: 6850 WILLIAMS FORK. (FR 01/27/98FM) OPER ADD: 1515 ARAPAHOE ST TWR 3 STE 1000, DENVER, CO, 80202 PHONE (303) 572-3800; EL: 5543 GR; LOCATION DATA: 1 1/2 MI NW PARACHUTE, CO;</p>	<p>D</p>
<p>■ CONTR: NABORS DRLG USA, RIG #414; SPUD: 04/08/98, CSG: 9 5/8 @ 676 W/375 SX; . . . DRLG 5250 (LDIR 04/21/98)</p>			

LA PLATA COUNTY

<p>WILLIAMS PROD 29 IGNACIO 33-7 API 05-067-08109</p>	<p>17-33N-7W NW SW 1745 FSL 1125 FWL</p>	<p>IGNACIO-BLANCO; PERMIT #97-758: 5555 MESAVERDE. (FR 10/08/97FM) OPER ADD: % WALSH ENGR & PROD, 7415 E MAIN, FARMINGTON, NM, 87402 PHONE (505) 327-4892; EL: 6587 KB; LOCATION DATA: 1 MI S IGNACIO, CO; WELL ID CHANGES: FTG CHGD FROM 1745 FSL 1125 FWL</p>	<p>D</p>
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■ CONTR: AZTEC WELL SRVCG, RIG #124 RIG SUB:13; SPUD: 04/20/98 . . . DRLG 1346 (LDIR 04/21/98)

NEVADA

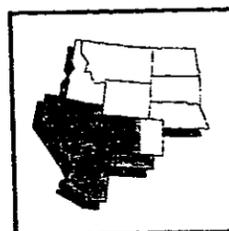
NYE COUNTY

<p>EAGLE SPRINGS PROD 88-35 SAND DUNE FEDERAL API 27-023-05561</p>	<p>35-9N-57E SE SE 527 FSL 477 FEL IC 270237000198</p>	<p>GHOST RANCH; PERMIT #816: 6500 DEVONIAN, (FR 01/22/98DN) OPER ADD: 2561 S 1560 W STE 200, WOODS CROSS, UT, 84087 PHONE (801) 298-9868; EL: 4753 GR; LOCATION DATA: 11 MI SSW CURRANT, NV 1/4 MI E OF FLD(DEVONIAN);</p>	<p>WO</p>
--	--	--	-----------

■ CONTR: CAZA DRLG, RIG #63; SPUD: 04/16/98. . . . DRLG 2950 (LDIR 04/21/98)



ROCKY MOUNTAIN REGION REPORT



FOUR CORNERS EDITION

Vol. 71, No. 78
4-22-98

P/W 906

Western North Dakota's Beaver Creek Field Gains Second Duperow Producer

WESTPORT OIL & Gas Co., Denver, has completed a Williston Basin exploratory test about 22 miles northwest of Medora in western North Dakota initially producing 390 bbls of oil, 130,000 cu ft of gas and 67 bbls of water per day.

The 24-15 Beaver Creek, se sw 15-143n-103w, Golden Valley County, is producing from Duperow at 10,856-10,878 ft, according to Salt Lake City-based Equity Oil Co, which owns a 32.5 percent working interest in the well. Westport operates the 12,550-ft discovery and holds the remaining 67.5 percent working interest. Equity said well logs and drillstem tests indicate the well contains up to three more potentially productive zones.

It's within three quarters of a mile northwest of deeper Red River oil

production at a Beaver Creek field well in sw ne 22-143n-103w. Two and a quarter miles to the southeast is Summit Resources Inc's 42-26R Williamson-Federal in se ne 26-143n-103w, a Duperow discovery

completed earlier this year producing 160 bbls of 36° oil and 270 bbls of water per day from 11,057-11,063 and 11,070-11,076 ft (RMRR 3-4-

(Please see North Dakota, Page 3)

Remote Northwestern Arizona Wildcat Under Way

ST. GEORGE, Utah-based Premco Western has spudded a remote wildcat in northwestern Arizona's Mohave County approximately 34 miles southeast of St. George, Utah.

The 18-1 Dutchman, se se 18-37n-9w, is being drilled by a company-owned rig toward an objective of 6000 ft in Precambrian (RMRR 4-3-98). It's 44 miles south-southwest of Virgin field, a non-commercial Moenkopi oil pool in southern Utah's Washington County. Ground elevation at the site is 4925 ft.

The Dutchman venture is Premco's second wildcat in Mohave County. In 1995, the company drilled the 1-10 Mohave County, ne se 10-41n-11w, approximately 27 miles north-northwest of the Dutchman wildcat. Set up as an 8500-ft test to Precambrian on the western end of the Mogollon Plateau, the 1-10 Mohave County venture was plagued with drilling problems and only reached a depth of about 1100 ft.

NEWSLETTER
DAILY ACTIVITY REPORT
WESTERN COLORADO
UTAH
NEW MEXICO
ARIZONA & NEVADA

SECTION I
SECTION II
SECTION III
SECTION IV
SECTION V
SECTION VI



Petroleum Information/
Dwights LLC

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April 16, 1998

*BP Expl (Alaska) Inc. "Prudhoe Bay Unit NWE" 02-01
19-12N-11E UM, Fr SW cor 453'N 4553'E(Surface)
20-12N-11E UM, Fr SW cor 2683'N 908'E(est.BHL)
50-029-22866 S-03/10/98(Pool Arctic Drlg #8)
Directional Map:AL-4 (EXPLORATORY)
???? Drilling, "no dope" hole.

BP Expl (Alaska) Inc. "Prudhoe Bay Unit NIA" NK-65
36-12N-15E UM, Fr SE cor 1428'N 823'W(Surface)
30-12N-16E UM, Fr SE cor 4578'N 2150'W(est.BHL)
50-029-22869 (Pool Arctic #7) Directional
???? Drilling, no details. Map:AL-5

ARCO Alaska Inc. "Kuparuk River Unit TRN" 2N-323
3-9N-7E UM, Fr NE cor 68'S 792'W(Surface)
33-10N-7E UM, Fr NW cor 1830'S 2290'E(est.BHL)
50-103-20258 Directional Map:AL-4
Issue permit #98-071 on 4/8/98.

OTHER WESTERN STATES STATE OF ARIZONA
EAST BOUNDARY BUTTE 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
Renewed permit.

DIAMOND BUTTE MOHAVE COUNTY
Premco Western, Inc. "Dutchman" 18-1 02-015-20030
18-37N-9W, Fr SE cor 1100'N 900'W elev:4925'GR
(Federal Lease #AZA-26138) 6000'-est.td Map:AZ
Moved in cable tool equipment 4/3/98. (NFW)

CAVE VALLEY WEST LINCOLN COUNTY
Conley P Smith Oper Co "Flat Top Federal" 27-15
27-7N-63E, Fr SE cor 330'N 800'W 27-017-05228
elev:5987'GR 7500'-est.td Map:NV (NFW)
Issued permit #811 on 1/15/98.

Conley P Smith Oper Co "Trough Springs Fed" 33-16
33-7N-63E, Fr SE cor 1000'N 750'W 27-017-05229
elev:5978'GR 3000'-est.td Map:NV (NFW)
Issued permit #812 on 1/15/98.

HYDE WASH
Falcon Energy LLC/Kriac Energy Inc. "Kriac" 3 (NFW)
18-8N-70E, Fr SE cor 5'W 316'N 27-017-05227 Map:NV
S-01/10/98(Sierra Drlg #3) elev:5712'GR
2800'-est.td
2800 Released rig aprx.2/12/98. Testing.

EAGLE SPRINGS NYE COUNTY
Eagle Springs Prod LLC "Eagle Springs Federal" 14-35
35-9N-57E, Fr NW cor 2217'S 499'E 27-023-05559
S-2am-03/26/98(Caza Drlg #63) elev:4745'GR
(Federal Lease #N-12321) 7500'-est.td Map:NV
7298 TD. Drilled. Logged. Plugged and ABANDONED
4/13/98. Status:DRY-04/13/98

Eagle Springs Prod LLC "Eagle Springs Federal" 33-36
36-9N-57E, Fr NW cor 1600'S 1820'E 27-023-05560
(Federal Lease N-42341) elev:4780'GR Map:NV
7000'-est.td
Issued permit #815 on 4/9/98. (Note API number, ETD
and corrected lease name.)

Eagle Springs Prod LLC "Eagle Springs Federal" 44-35
35-9N-57E, Fr NW cor 2103'S 2619'E 27-023-05558
5-1/2c.6850 S-02/16/98(Caza Drlg #63) Map:NV
(Federal Lease N-12321) elev:4750'GR
7000'-est.td
6925 RD6850 Released rig 3/19/98. Hooking up pump.

**Eagle Springs Prod LLC "Eagle Springs Federal" 88-35
35-9N-57E, Fr SE cor 527'N 477'W 27-023-05561
(Federal Lease #N-42341) (Caza Drlg #63) Map:NV
elev:4753'GR 6500'-est.td (SEMI-DEV)
Issued permit #816 on 4/9/98. (Note API number, ETD
and corrected lease name from "Sand Dune Federal".)
Rigging up.

GHOST RANCH
Makoll, 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.4600apr S-07/25/97(Makoll rig #286)
(Federal Lease N-42341) 5000'-est.td Map:NV
4600+ Tested. Will run a blank liner and
perforate. (EXT)

KYLE SPRING PERSHING COUNTY
Evans-Barton, Ltd "Kyle Spring" 11-14 27-027-05005
11-29N-36E, Fr SW cor 1033'N 769'E elev:4786.54'GR
4-1/2c.2500 S-11/06/96(Humboldt Drlg) Map:NV
(Federal lease N-58388) 2500'-est.td (NFW)
2622 Testing and evaluating.

LONG VALLEY WHITE PINE COUNTY
Paleozoic Prospects Inc. "PPI Bugs" 1 27-033-05309
33-22N-59E, Fr NW cor 650'S 2300'E elev:6185'GR
7500'-est.td Map:NV (NFW)
40 Spud well on 11/30/97 to set surface pipe. Will
move in drilling rig later.

Munger Oilgram Resume

***** COMPLETIONS *****
SAN JOAQUIN VALLEY STATE OF CALIFORNIA
KERN COUNTY KERN COUNTY

Oxy USA Inc. "Section 2" 2-3B 04-030-09691 Map:67
2-28S-27E MD, Fr SE cor 1679'N 2249'W elev:836'KD
7c.1370 S-04/11/98(Gary Drlg Co #3) Status:OIL
1554 TD. Drilled. Logged. Cmtd 7" csg at 1370'.
Ran 5-1/2" nr to 1554'. Released rig 4/15/98.

MIDWAY SUNSET
ARCO Western Energy "Anderson-Goodwin" J108 Map:102
21-31S-22E MD, Fr NW cor 1352'E 838'S 04-030-10529
10-3/4c.53 7c.1357 S-04/08/98(Western Drlg #48)
elev:1713'KB Status:oil
1357 TD. Drilled. Logged. Cmtd 7" csg at 1357'.
Released rig 4/11/98.

ARCO Western Energy "Anderson-Goodwin" J114 Map:102
21-31S-22E MD, Fr NW cor 2339'E 941'S 04-030-10528
10-3/4c.53 7c.1403 S-04/12/98(Western Drlg #48)
elev:1693'KB Status:OIL
1403 TD. Drilled. Logged. Cmtd 7" csg at 1403'.
Released rig 4/14/98.

ARCO Western Energy "Maxwell" X-53 04-030-10466
27-31S-22E MD, Fr NE cor 187'S 1533'W elev:1512'GR
10-3/4c.53 7c.1504 S-1/2Ld.1815 Map:102-1
S-04/06/98(Western Drlg #68) Int:1504-1815'
1817 TD. Drilled. Logged. Cmtd 7" csg at 1504'.
Ran 5-1/2" lnr to 1815'. Released rig 4/10/98.

LOS ANGELES BASIN LOS ANGELES COUNTY
WILMINGTON
THUMS Long Beach Company "7" A-539 04-237-25046
7-5S-12W SB, LGZ VII: X-4, 232, 972'E; Y-4, 024, 672'N
9-5/8c.1077 7c.3956 3-1/2Ld.3849-5210 Directional
S-aprx-12/30/97(Company rig #T-9) elev:45'KB
5279'-Ranger Blk.6-est.td Map:194 Int:3956-5210'
5210 Cmtd 9-5/8" csg at 1077'. Drilled 8-3/4"
hole to TD. Cmtd 7" csg at 3956'. Drilled 6-1/8"
hole to TD. Ran 3-1/2" lnr 3849-5210'. Released rig
11:59pm, 1/19/98. PP 4/11/98 938 B/D gross. 387 B/D
net. 594 cut. 140/15# S-2709'GR

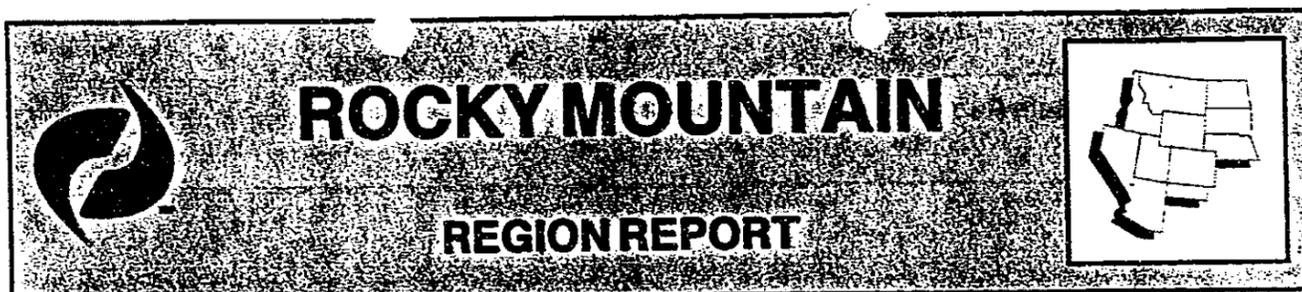
MILNE POINT STATE OF ALASKA
UNIAI MERIDIAN

BP Expl (Alaska) Inc. "Milne Point Unit" G-12
27-13N-10E UM, Fr SE cor 1784'N 3365'W(Surface)
27-13N-10E UM, Fr SE cor 2958'N 4021'W(BHL)
7c.???? 50-029-22792 S-01/08/98(Nabors Drlg #4ES)
Directional Map:AL-4 Status:OIL-01/21/98
7452 TVD7302 Drilled, no details. Released rig
1/27/98. Completed oil well 1/21/98.

BP Expl (Alaska) Inc. "Milne Point Unit" H-09
34-13N-10E UM, Fr SE cor 2805'N 4175'W(Surface)
2-12N-10E UM, Fr NE cor 2993'S 4487'W(BHL) Map:AL-4
7c.???? 50-029-22804 S-09/07/97(Nabors Drlg #22E)
Directional Status:OIL-02/08/98
7915 TVD4312 Drilled, no details. Released rig
9/14/97. Completed oil well 2/8/98.

***** ABANDONMENTS *****

OTHER WESTERN STATES STATE OF NEVADA
EAGLE SPRINGS NYE COUNTY
Eagle Springs Prod LLC "Eagle Springs Federal" 14-35
35-9N-57E, Fr NW cor 2217'S 499'E 27-023-05559
S-2am-03/26/98(Caza Drlg #63) elev:4745'GR
(Federal Lease #N-12321) 7500'-est.td Map:NV
7298 TD. Drilled. Logged. Plugged and ABANDONED
4/13/98. Status:DRY-04/13/98



NEWSLETTER EDITION

Vol. 71, No. 66
4-3-98

file PIN 906

Utah Operator Schedules Remote Arizona Wildcat

A REMOTE wildcat staked by Premco Western in northwestern Arizona's Mohave County approximately 34 miles southeast of St. George, Utah, will be drilled to a depth of about 6000 ft in Precambrian.

The 18-1 Dutchman, se se 18-37n-9w, will be drilled by a company-owned rig approximately 44 miles south-southwest of Virgin field, a non-commercial Moenkopi oil pool in southern Utah's Washington County. Ground elevation at the site is 4925 ft.

Eight miles to the south, Gulf Oil in 1980 completed a 5961-ft dry hole at the 1 Federal-BJ in ne sw 30-36n-9w. At that wildcat, seven cores were cut in Pakoon (Permian) and Callville (Pennsylvanian); no shows were reported. Log tops, measured from a 6348-ft kelly bushing elevation, include Coconino at 1015 ft, Hermit 1070, Pakoon 2495, Callville 2940,

Cambrian 4550 and Precambrian at 5930 ft.

The Dutchman venture will be St. George-based Premco's second wildcat in Mohave County. In 1995, the company drilled the 1-10 Mohave County, ne se 10-41n-11w, approxi-

mately 27 miles north-northwest of the Dutchman wildcat. Set up as an 8500-ft test to Precambrian on the western end of the Mogollon Plateau, the 1-10 Mohave County venture was plagued with drilling problems and only reached a depth of about 1100 ft.

Pipeline System to Tap CO₂ Reserves in Arizona & New Mexico

RIDGEWAY PETROLEUM Corp, Calgary, said it has reached an agreement with Petro Source Corp to develop a pipeline system to deliver Ridgeway's CO₂ reserves to enhanced oil recovery projects and to market the associated helium (RMRR 3-12-98). The project will be developed by Petro Source and a subsidiary of MCN Energy Group Inc.

PSCO₂ L.P., an alliance formed by Petro Source and MCN last year to jointly develop CO₂ projects (RMRR 9-26-97, *This Week*), is the majority owner and manager of the Val Verde CO₂ Pipeline currently under construction to bring new CO₂ supplies into the Permian Basin of West Texas.

Ridgeway Petroleum's Ridgeway Arizona Oil Co subsidiary has been carrying out a CO₂/helium exploration program in eastern Arizona and western New Mexico since 1995.

NEWSLETTER
DAILY ACTIVITY REPORT

SECTION I
SECTION II



Petroleum Information/
Dwights LLC

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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

March 31, 1998

Paul McIntosh
Mohave County Manager
P. O. Box 7000
Kingman, AZ 86402-7000

Re: Premco Western #18-1 Dutchman Federal; State Permit #906

Dear Mr. McIntosh:

I have enclosed a copy of the approved drilling application for the referenced well. It is the policy of the Arizona Oil and Gas Conservation Commission to keep County Government informed about proposed exploration drilling for oil and gas.

The Commission issues its Drilling Permit pursuant to A.R.S. § 27-516. Applications are approved upon determination that the well is in compliance with applicable rules and that public health and safety, correlative rights, and subsurface resources are not compromised.

Please advise if we may be of further assistance.

Sincerely,

Steven L. Rauzi
Oil and Gas Program Administrator

Enclosure



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

March 31, 1998

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

Re: Premco Western #18-1 Dutchman Federal; State Permit #906

Dear Mr. Ratheal:

The referenced well has been approved. An approved application to drill; State Permit #906, and filing fee receipt #3104 are enclosed for your file.

This permit is issued on the condition that you (1) conduct operations in compliance with applicable rules; (2) file samples and copies of all tests and logs pursuant to A.A.C. R12-7-121; (3) copy this office with all Sundry Notices submitted to the BLM, and (4) *notify this office at least 48 hours before drilling operations commence.*

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator

Enclosures



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Arizona Strip Field Office
345 E. Riverside Drive
St. George, Utah 84790
Phone (801)688-3200 • Fax (801)688-3258

IN REPLY REFER TO:
3100 (010)

January 16, 1998

Dear Interested Party:

Premco Western, Inc., of Garland, Texas, has submitted an Application for a Permit to Drill (APD) to the Bureau of Land Management (BLM).

Attached for your review is an Environmental Assessment addressing possible impacts of the proposed APD.

The proposed wildcat site is located in Lower Hurricane Valley in Mohave County, Arizona. The legal description of the proposed well is T37N, R9W, Section 18, SESE, Gila and Salt River Meridian. The proposed drill site is approximately 32 miles southeast of St. George, Utah, and would be on Lease No. A-26138 held by Premco Western, Inc., issued in 1992.

Due to regulatory time frames, BLM is required to issue a decision within 30 days of receipt of any such application. Therefore, BLM will make the final decision on this proposal on February 10.

If you have any comments or concerns, please provide those to us prior to that date. You will be notified of the final decision and be given 30 days during which to file an appeal if you wish.

If you have any comments or questions on this proposal, please send them to: Ken Shurtz, Surface Protection Specialist, Bureau of Land Management, Arizona Strip Field Office, 345 E. Riverside Dr., St George, Utah 84790.

Sincerely,

Dennis Curtis
Program Manager

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

EA-AZ-010-98-05

PREMCO WESTERN, INC. DUTCHMAN WELL No. 18-1 MOHAVE COUNTY
APPLICATION FOR PERMIT TO DRILL

PURPOSE AND NEED

Premco Western, Inc., of Garland, Texas, has submitted an Application for a Permit to Drill (APD) to the Bureau of Land Management (BLM).

Conformance with Land Use Plan

The RMP provides the following 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 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.

The following RMP decisions¹ pertain to this project:

CL05 Surface disturbing activities on public land will be reviewed for cultural values by a cultural resource specialist or a permitted archeologist hired by an applicant.

MI04 Reclamation stipulations would be added to exploration and development plans directed toward maintaining naturalness and unique features and/or remoteness on the Strip. These stipulations would be applied to site-specific proposals.

TE02 Prior to surface disturbing activities on public land a special status species review will be conducted by a qualified specialist.

The proposed action is in conformance with the Arizona Strip District Resource Management Plan (1992).

Relationship to Laws, Regulations, Other Plans

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.

Issues

- Impacts to threatened or endangered plant or wildlife species.
- Impacts to cultural resources.
- Impacts to livestock grazing operations.
- Impacts to visual resources.

¹ Decision numbers refer to the Shivwits RMP Implementation Plan

-Impacts to water and air quality.

PROPOSED ACTION AND 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 T37N, R9W, Section 18, in Mohave County, Arizona (map 1 & 2). Drilling would begin in February of 1998. 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 BLM authorization of production.

Existing BLM and county maintained roads would be utilized to access the drill site (Exhibit 'H'). Final access to the proposed site would be to upgrade an existing .4 mile two-track road. The existing roads would be maintained as necessary in accordance with BLM standards. Initially, all access roads would be subjected to about 30 round trips (from St. George to drill site) by vehicles transporting drill equipment, casing, cement, trailer & tool shed, fuel and other supplies needed to establish the drill operation. Thereafter, one or two round trips per day for crew shuttle, etc. may be necessary.

Duration of set-up and drilling is anticipated to be approximately 280 days. A 150' X 200' pad site would be constructed that would contain all drilling facilities (Appendix A well site plan). In areas where blading or excavation is necessary, 4-6 inches of surface soils would be stockpiled for later use in reclamation. Soils beneath the surface layer would be kept separate and used for fill and recontouring of the drill pad.

A 50' X 70' reserve pit would be excavated on the drill pad. This pit would be about 8 feet deep and used to hold drill cuttings and drilling water, and mud until they are dry. No additives would be used in the fresh water drilling plan, therefore the pit would not need to 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 would 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. One to three trailers may be moved on site and would be used by the mudlogger, tool pusher or geologist/engineer.

Premco Western proposes to use a cable-tool drill rig and penetrate to approximately 6000'. The well would be drilled with special percussion drills as long as hole conditions permit, then a rotary setup may be used. Proper sundry/APD notices and approvals would be required for any deviations from the original authorization. Baling water would be utilized from a 10,000 gallon storage tank on site. Water would be hauled from town by a 3000 gallon truck. Casing and cementing would be used to protect 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 that 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 in accordance with Appendix 2 of the Shivwits Implementation Plan (attached).

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 1999. 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 Field Office. The proposed action includes the incorporation of BLM's Conditions of Approval, which are included as Appendix C of the Application for Permit to Drill (attached). Premco Western, Inc., will be required to submit a lease bond to guarantee performance of reclamation.

The following portions of the proposed action are included by BLM as necessary to minimize impacts and remain in conformance with the RMP and applicable laws:

- Surface disturbing activities on public land would be reviewed for cultural values by a cultural resource specialist or a permitted archeologist hired by an applicant.
- Reclamation stipulations would be added to exploration and development plans directed toward maintaining naturalness and unique features and/or remoteness on the Strip. These stipulations would be applied to site-specific proposals.
- Prior to surface disturbing activities on public land a special status species review would be conducted by a qualified specialist.
- 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 approved APD requires prior approval from the 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.
- 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 would require a new application be filed for approval.
- The Arizona Strip 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.
- The operator is responsible for informing all persons in the area who are associated with this project that they would 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 would inform the operator of the mitigation measures the operator would 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 litigation and/or delays associated with this process, the AO would assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator would be responsible for mitigation costs. The AO would provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator would then be allowed to resume construction.
- Burning trash would 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.
- 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.
- The stockpiled surface soil shall be signed and identified.
- The reserve pit would be surrounded with a wire fence. At the first indication of oil or other noxious fluids, the reserve pit would be covered with wire mesh screen to prevent wildlife from entering the pit.
- Reclamation of all disturbed areas is required. After the stockpiled soil is spread across the reclaimed drill site and access road, it would be scarified and seeded. Revegetation of all disturbed areas except in the wash, which would naturally return to its pre-drilling condition, is required. The seed mixture to be used would 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 weedfree specifications.
- The lessee is responsible for damage to roads caused by operations and would repair them to BLM standards.
- Soils with a rocky surface would 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.
- Within 30 days of completion of drilling, the location would be cleared of all equipment, debris and materials not required for production.

No Action

Under this alternative, the APD would be denied and the operator would not be allowed to drill at this location.

AFFECTED ENVIRONMENT

This section provides a description of the potentially-affected natural and human environments that could affect or be affected by the alternatives. For a more detailed description of the affected environment, refer the Arizona Strip District RMP.

There are thirteen critical elements of the human environment that are specifically required by statute, regulation, or executive order that must be considered in all EAs. These are: Air Quality, ACECs, Cultural Resources, Prime or Unique Farmlands, Floodplains, Native American Religious Concerns, Environmental Justice, T&E Species, Hazardous or Solid Wastes, Drinking and groundwater Quality, Wetlands and Riparian Zones, Wild & Scenic Rivers, and Wilderness.

The following critical elements of the human environment are not present or are not affected by the proposed action or alternatives in this EA: ACECs, Prime or Unique Farmlands, Floodplains, Native American Religious Concerns, Environmental Justice, Wetlands and Riparian Zones, Wild & Scenic Rivers, and Wilderness.

The proposed wildcat site is located in Lower Hurricane Valley in Mohave County, Arizona. The legal description of the proposed well is T37N, R9W, Section 18, SESE, Gila and Salt River Meridian. The proposed drill site is approximately 32 miles southeast of St. George, Utah, and would be on Lease No. A-26138 held by Premco Western, Inc., issued in 1992.

Elevations in the immediate vicinity of these tracts range from 4600 to 4900 feet.

Geology

The 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. The Permian Kaibab Formation is exposed at the surface. The Kaibab Formation contains bedded gypsum and massive fossiliferous limestone. 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 on the Arizona Strip.

No mining claims are located in the area.

Hydrology

Surface waters from storm runoff flow through Lower Hurricane Wash, located several miles West of the site. The proposed drill site is located on bedrock, and groundwater in this area exists only at great depth. Ground water may occur in the Mississippian Redwall Limestone.

The only soil type in the allotment is derived from the Harrisburg Member of the Kaibab Limestone & mapped as the Hobog-Tidwell complex. This soil type usually occurs on 8 to 35 percent slopes and consists of very gravelly or very cobbly sandy loam. Available water capacity is 0.5 to 2.0 inches. Average annual precipitation is less than 10 inches. The low available water capacity in this soil makes it very droughty during periods of below average precipitation. The soil has a low potential for successful revegetation. The permeability is moderate to moderately rapid.

Livestock Grazing

The site is on a hill in the center of Childers Well allotment held by Clayton/Brent Atkin. Various grass species are scattered from the valley floor up to the higher elevations such as galleta, Indian ricegrass, sand dropseed and grama (blue & black). Other vegetation is comprised of four-wing saltbush, ephedra, yucca, and a variety of cactus species such as cholla, *Coryphantha vivipara*, *Cylindropuntia Whipplei*, and *Echinocactus Englemanni*.

T&E Species / Wildlife

Wildlife species commonly found in the area include mule deer, antelope, coyote, ground squirrels, jack rabbits, red-tailed hawks and non-game migratory birds. Golden eagles sometimes inhabit the area and are protected by the Bald Eagle Protection Act of 1940, as amended. Several non-listed varieties of lizards, snakes, and other reptiles are common. No other listed threatened or endangered wildlife

species are known to occur in the area.

Recreation

Some hunting and recreational/OHV use occur. The area is classified as Semi-primitive Motorized in the Remote Opportunity Spectrum Class.

Visual Resources

The proposed site is classified as a Class IV Visual Resource Management Area. The objective of this class is to provide for management activities that 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.

Cultural Resources

Knowledge of cultural resources in the area are based on limited Class II and III inventories, but no cultural resources were found near the proposed site. A cultural survey was completed on January 8, 98'

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. Class II applies to any area in which air quality deterioration normally associated with moderate, well controlled growth would be considered insignificant. 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.

PROPOSED ACTION

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 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.

Hydrology

Historically the area has a low potential for surface or groundwater resources. Precipitation for the area ranges from .06 to .11 inches per annum.

T&E Species / Wildlife

A clearance for special status species was conducted on December 31, 1997 and none were found.

Overall, the outright mortality of small mammals, reptiles and birds caused from construction activity would be low. The largest effects on these animals would be from the loss of a small amount of habitat used for

feeding, cover and nesting/ reproduction, and from any noise and light coming from the site. 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 attract 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.

Livestock Grazing

There would be no change to the season of use or number of grazing preference. The largest effect on would be from the temporary loss of a small amount of vegetation used for feeding.

Visual Resources

The attainment of visual resource management objectives would not be impacted by the proposed action based on the VRM objective Class IV: The proposed drill rig would be seen from the north on the southern end of BLM Road #1073 & the east edge of #1042.

Cultural Resources

The cultural survey on January 8, 1998, determined that no historic or prehistoric properties would be impacted by the proposed action. There would no impact on any culturally significant properties.

Recreation

The APD would have little effect on recreation activities. A potential impact would be the disturbance of big-game species during the Arizona Game Management Unit 13B mule deer/antelope hunts.

Air Quality

Air quality would be decreased in the short term by fugitive dust and motor emissions. 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 mitigated through the use of standard pollution control and reclamation measures. 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. The attainment of air quality objectives would not be impacted by the proposed action Class II guidelines.

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 that may underlie the tracts would not be developed at this time.

CUMULATIVE EFFECTS

Impacts of human activities within the area were analyzed in the Arizona Strip RMP. Activities in the area have included: livestock grazing; recreational use and mineral exploration that have resulted in changes in vegetation and in erosion.

Approximately 45 oil/gas wells have been drilled within the Arizona Strip District since the early 1900's resulting in almost 345 acres of disturbance. All but approximately six acres of this disturbance has been

reclaimed. East of Fredonia, Arizona, 14 wells have been drilled in the last ten years. Medallion Oil 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 anticipated. 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 that 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 EIS (1992).

Livestock grazing and recreation are the primary human uses in the area of the proposed action. Use of access roads by persons engaged in recreation activities and/or livestock grazing in addition to the proposed action would cause minimal degradation of roads and reduced air quality from fugitive dust. Degradation to roads would be minimized by routine BLM, county and Premco Western maintenance. Poor air quality caused by fugitive dust would be short term and would not be significantly reduced.

CONSULTATION AND COORDINATION

This EA was prepared by the Arizona Strip Field Office of the Bureau of Land Management, 345 E. Riverside Drive, St. George, Utah 84790. Phone (435) 688-3200.

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The following groups, agencies, or individuals have been consulted with, or provided recommendations to this EA:

Arizona Game and Fish Department, Region II
Arizona Geological Survey
Mohave County Public Land Use Committee
Southern Utah Wilderness Alliance
Arizona Department of Environmental Quality
Clayton/Brent Atkin
Grand Canyon Trust

Public Participation

A copy of Premco's Application for a Permit to Drill (APD) was posted in the Information Center at the Arizona Strip Field Office at 345 East Riverside Drive in St. George on January 12, 1998.

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.

Exhibit "E3"

MAP I

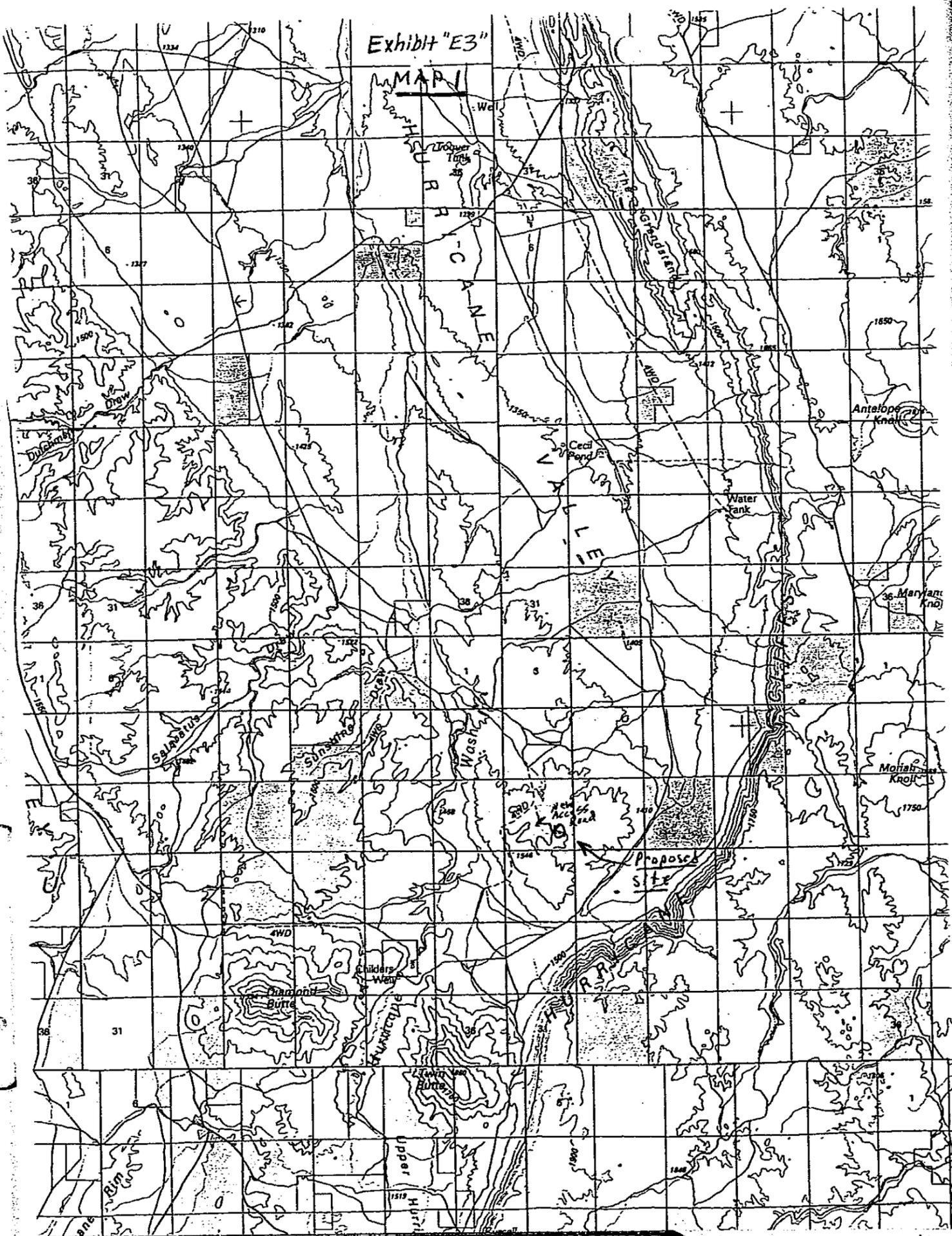


Exhibit "E2"

Russell Spring 7.5 Minute Quadrangle
(Location Map)

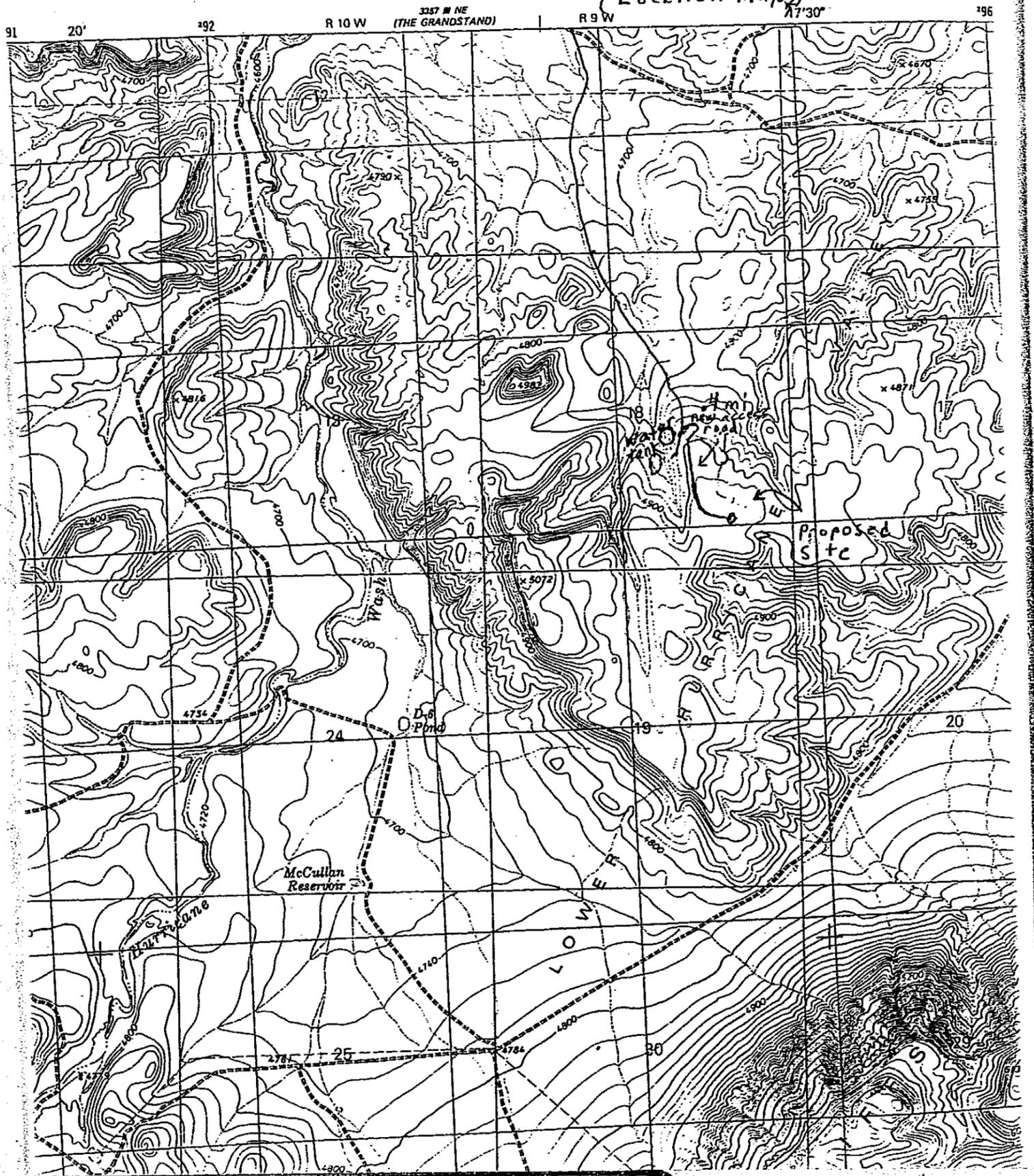
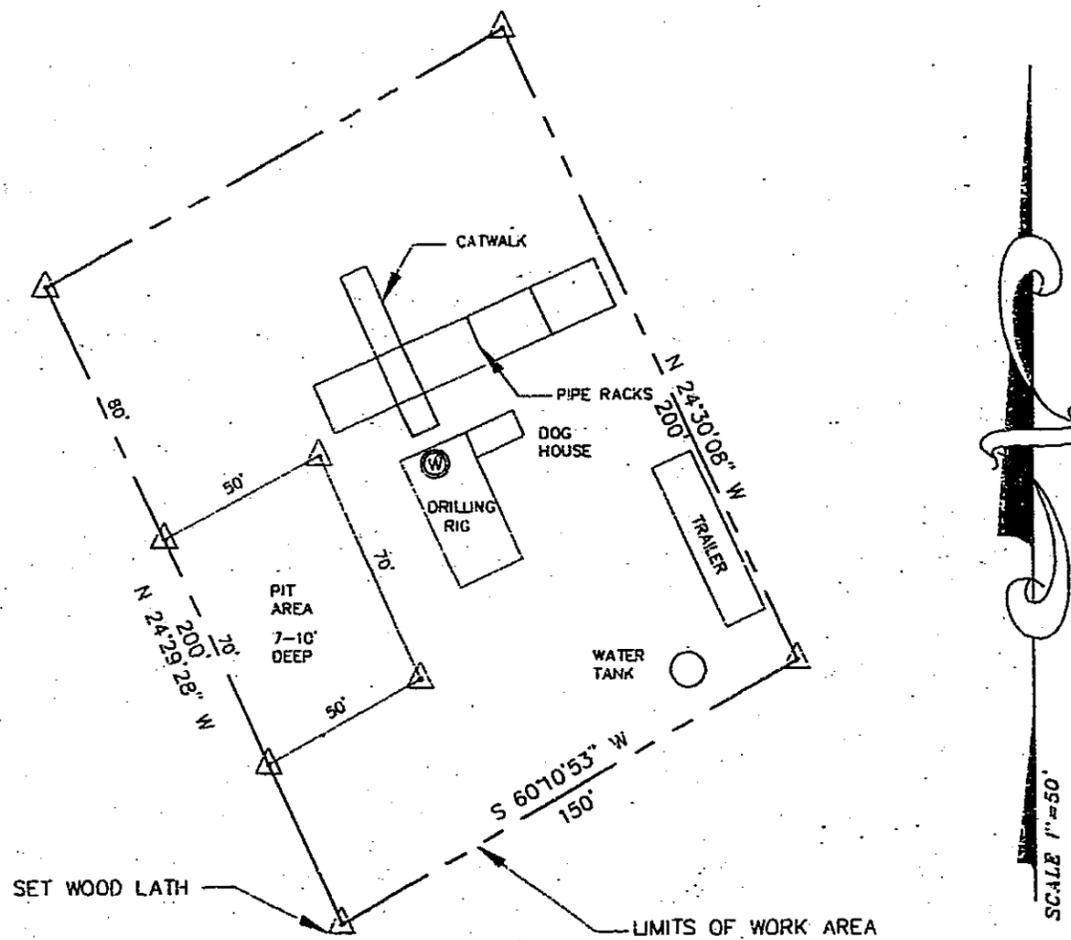


EXHIBIT 'A'
DRILL RIG LAYOUT

12-11-97



PREMCO WESTERN INC.
DUTCHMAN 18-1
1100' N AND 900' W
SE CORNER SEC. 18, T 37 N, R 9 W
MOHAVE. COUNTY

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