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COLO. OIL & GAS COMS. COMM.

ONSHORE OIL & GAS ORDER NO. 1;

Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

GOVERNMENT #2-10

255' FSL and 1865' FEL

Sec. 10, T1N - R102W

Rio Blanco County, Colorado
(Surface Location)

340' FSL and 1980' FEL

Sec. 3, T1N - R102W

(Bottom Hole Location)

Prepared For:

POLFAM EXPLORATION CO.

By:

PERMITCO INC.

1020-15th Street, Suite 22-E
Denver, Colorado 80202

Copies Sent To:

- 4 - BLM - Craig, CO (District Office)
- 1 - BLM - Craig, CO (Resource Area Office)
- 1 - BLM - Meeker, CO
- 1 - Colorado Oil & Gas Commission - Denver, CO
- 2 - Polfam Exploration Company - Denver, CO
- 1 - Matt Rohrett - Lakewood, CO

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March 10, 1986

Bureau of Land Management
P.O. Box 928
Meeker, CO 81641

Re: Government #2-10
255' FNL and 1865' FEL
(Surface Location)
Sec. 10, T1N - R102W
Rio Blanco County, Colorado

Gentlemen:

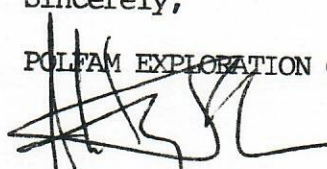
This letter is to inform you that Permitco Inc. is authorized to act as Agent and to sign documents on behalf of Polfam Exploration Company when necessary for filing county, state and federal permits including Onshore Order No. 1, Right-Of-Way applications, etc., for the above mentioned well.

It should be understood that Permitco Inc. is acting as Agent only in those matters stated above and is not responsible for drilling, completion, production or compliance with regulations.

Polfam Exploration Company agrees to accept full responsibility for operations conducted in order to drill, complete and produce the above-mentioned well.

Sincerely,

POLFAM EXPLORATION COMPANY


J. Anthony Polumbus
Partner

JAP/llg

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COLORADO OIL & GAS BOYS CO. AM

DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
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All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractor. A copy of these conditions will be furnished to the field representative to ensure compliance.

1. The surface formation and estimated formation tops to be encountered are as follows:

<u>Formation</u>	<u>Depth</u>
Mancos Shale	0-3652'
Dakota	3744'
Weber	6076'
T.D.	7000'

2. a. The estimated depths at which oil, gas, water or other mineral bearing zones are expected to be encountered are as follows:

<u>Substance</u>	<u>Formation</u>	<u>Anticipated Depth</u>
Oil	Weber	6076' - 6450'

All shows of fresh water and minerals will be reported and adequately protected. If requested a sample will be taken of any water flows and furnished to the BLM in Craig, Colorado for analysis. All oil and gas shows will be tested to determine commercial potential.

- b. Polfam Exploration Company plans to protect all surface fresh water zones by running a sufficient amount of surface casing. Prior approval will be obtained to extend the surface casing below 650 feet.

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3. Polfam Exploration Company's minimum specifications for pressure control equipment are as follows:

Pressure control equipment will consist of a Double Gate Annular, Series 900, 3000# W.P. (minimum) BOP from 400' to T.D. (See BOP Diagram attached.)

BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface shoe and prior to starting workover or completion operations. Preventers will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order. Preventers and choke manifold will be pressure tested to 70% of the internal yield of the casing or to the working pressure before drilling out from below each casing string. All BOP pressure tests must be recorded on the daily drilling report.

4. a. Casing

The proposed casing program is as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D.</u>	<u>Wt.</u>	<u>Grade</u>	<u>Type</u>	<u>New or Used</u>
Surface	0-650'	12-1/4"	8-5/8"	24#	J-55	ST&C	New
Production	0-7000'	7-7/8"	5-1/2"	15.5	K-55	LT&C	New

All casing strings will be tested to 0.2 psi/ft. or 1000 psi, whichever is greater.

- b. Cement

The cementing program will be as follows:

Surface

Type and Amount

300 sx Class "G" or sufficient to circulate to surface.

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4. b. Production

Type and Amount

280 sx Class H or sufficient to cover
zones of interest by at least 200 feet
above.

c. Auxiliary Equipment will be as follows:

1. Kelly cock.
2. A full opening safety valve will be on the floor in the
open position with cross overs to all drill collars.

5. Drilling fluid will be as follows:

<u>Interval</u>	<u>Mud Type</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>F/L</u>	<u>PH</u>
0-3000'	Gel Lime	8.8-9.2	40-50	N/C	Neutral
3000-7000'	Gel Ben Ex	9.2-9.5	38-42	7-10	

There will be sufficient weighted material on location to control a
blowout should one occur.

If chromate additives will be used in the mud system, prior BLM
approval will be required to ensure adequate protection of fresh
water aquifers.

Monitoring of the system will be done visually.

6. Coring, logging and testing programs are as follows:

- a. No cores will be run.
- b. The logging program will consist of a Dual Induction log from
base of surface casing to T.D. A Neutron Density log will be
run over the zones of interest.
- c. No drill stem tests will be run.

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Whether the well is completed as a dry hole or as a producer, "Well Completion or Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analysis, well-test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the District Manager.

7. Abnormal conditions, bottom hole pressures and potential hazards.
 - a. The maximum bottom hole pressure to be expected is 2772 psi.
 - b. Polfam Exploration Company plans to spud the Government #2-10 on approximately May 1, 1986 and intends to complete the well within approximately one month after the well has reached T.D.
8. Other Information
 - a. The Rangely Weber Sand Unit Order was approved October 1, 1957. Cause Order #2-31 states that no well drilled in a 40 acre buffer zone around the perimeter of the above unit will reach a total depth less than 600' from the Unit boundary.

It has been determined that at a point 600' FEL of Section 3, T1N - R102W, the southern Unit boundary is located 943' FSL of Section 3. Therefore, this well must reach a total depth of 343' or less from the south line of Section 3 in order to comply with Cause Order #2-31 regulations.

This well is to be drilled in an area of strong dips with wellbores deviating due North. In order to take advantage of this natural drift, the Government #2-10 will be offset 598' south of the intended bottom hole location at total depth. This well will also be monitored closely throughout the entire duration of drilling activities by Eastman Whipstock, a directional drilling company that specializes in direction drilling and controlled deviation.

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DRILLING PROGRAM

8. Other Information (cont.)

The basic drilling plan will be to drill a 7-7/8" pilot hole to 650' and then ream this hole to 12-1/4" and set surface pipe. The maximum deviation for surface pipe will be 2 degrees. The rest of the well will be drilled with a packed hole assembly which allows little, if any drift to occur. However, it is anticipated that over the course of the well, this wellbore will deviate 4 degrees from vertical in the due North direction, resulting in a bottom hole location approximately 598' North of the surface location.

The bottom hole location will be monitored throughout the drilling operations by use of a non-magnetic drill collar and a single shot survey tool which records both deviation and direction. If any corrective action needs to be taken in order to insure a proper bottom hole location, that correction will be made as a normal part of drilling operations and will be performed under the supervision of trained Eastman Whipstock company personnel.

- b. Location construction is planned to commence immediately upon approval of this application.
- c. It is anticipated the duration of drilling will be 25 days.
- d. The anticipated completion program is as follows:
If productive, 5-1/2" casing will be run and cemented. The rotary rig will move out and a completion rig will move in. The zones of interest will be perforated and stimulated as necessary and the well placed on production.
- e. The operator will contact the Bureau of Land Management in Craig, Colorado (303/824/8261), at least 48 hours prior to beginning any dirt work on this location.
- f. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

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DRILLING PROGRAM

8. Other Information (cont.)

- g. The spud date will be reported orally to the AO (Craig District Office) within 48 hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the following regular work day. The oral report will be followed up with a Sundry Notice.
- h. In accordance with NTL-1, this well must be reported on Form 3160.6, "Monthly Report of Operations," starting with the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report should be filed in duplicate directly with the BLM, Craig District Office.
- i. Immediate Report: Spills, blowouts, fires, leaks, accidents or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.
- j. If the well is successfully completed for production, then the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, no later than 5 days following the date on which the well is placed on production. Such notification may be provided orally if confirmed in writing, and must be received in this office not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following information items:
 1. Operator Name
 2. Well name, number and location
 3. Date well was placed on production
 4. The lease, or communitized tract, or unit participating area to which the well's production is attributable.

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8. Other Information (cont.)

- k. Pursuant to NTL-2B requirements regarding disposal facilities for new wells, this is authorization for unlined pit disposal of the water produced from this well for a period of 90 days from the date of initial production for sales purposes. During this period, an application for approval for permanent disposal method, along with the required water analysis and other information, must be submitted for the AO's approval. Failure to timely file an application with the time allowed will be considered an incident of non-compliance, and will be grounds for issuing a shut-in order until the application is submitted.
- l. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the AO and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.
- m. A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3 and 3162.7-4 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 42 CFR 3162.7 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.
- n. Final abandonment will not be approved until surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the BLM in Craig, Colorado or the appropriate Surface Managing Agency.
- o. No well abandonment operations will begin without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO.

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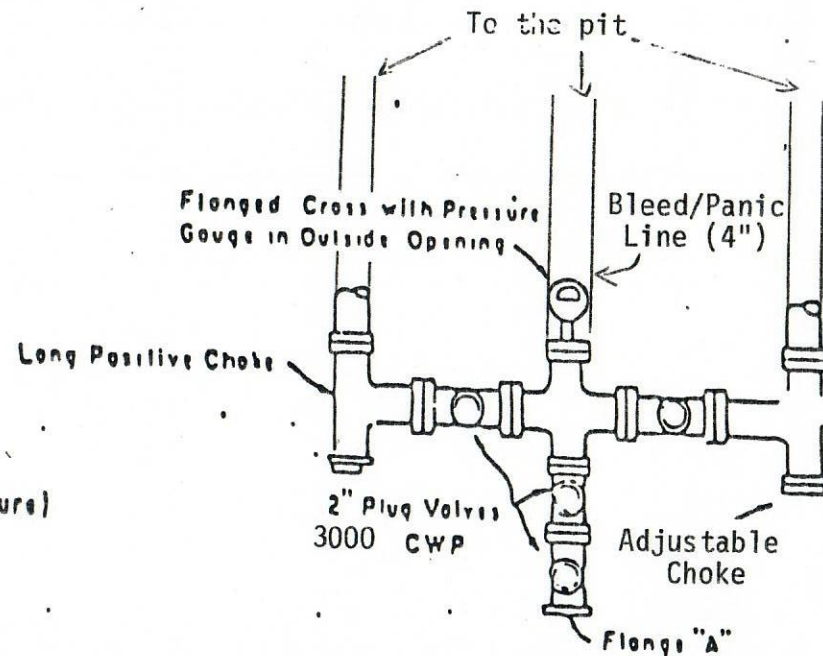
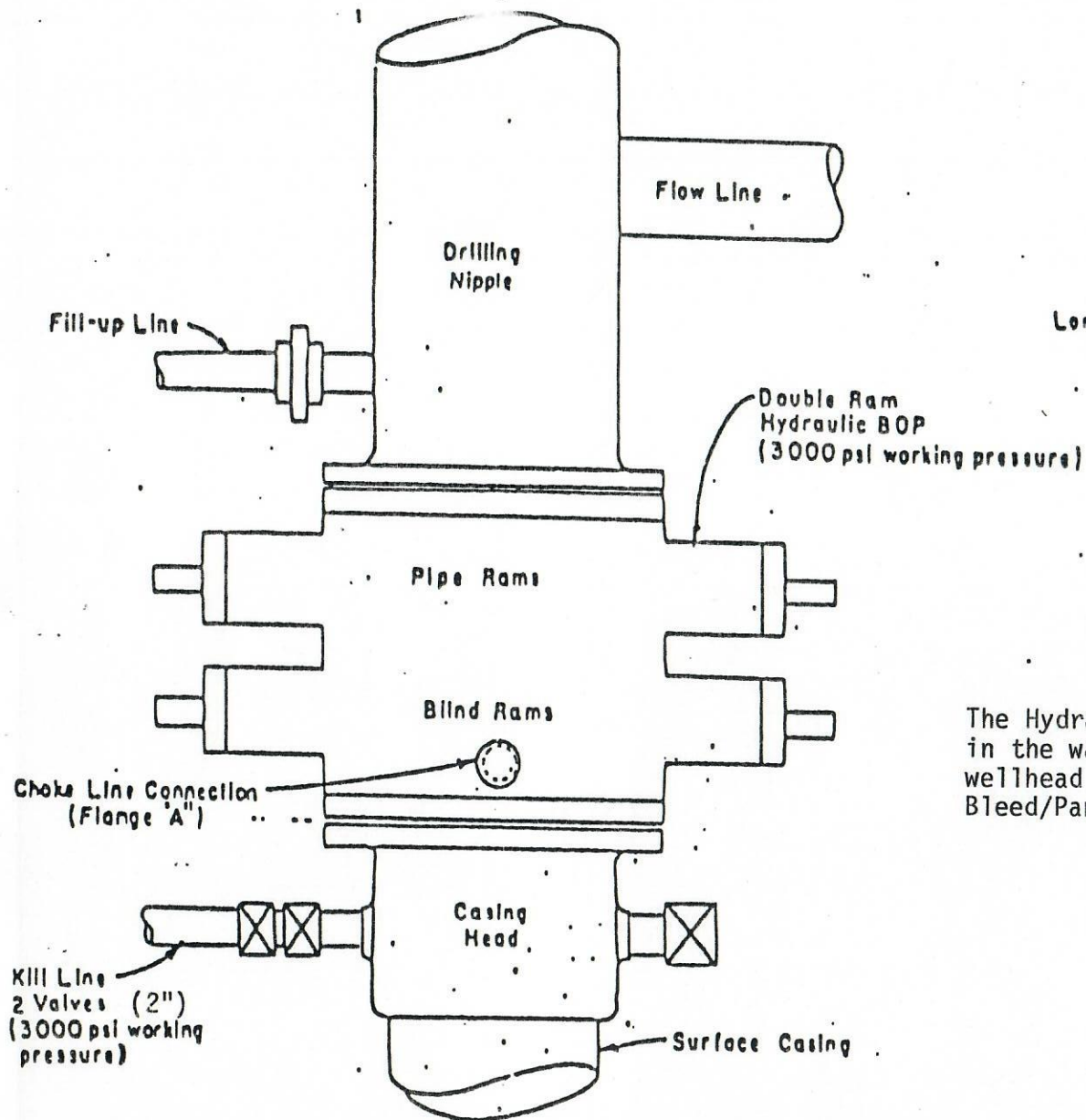
8. Other Information (cont.)

SUBMITTAL OF THE THREE ABANDONMENT SUNDRY NOTICES
(FORM 3160-5) AS PER ONSHORE ORDER NO. 1 WILL BE:

1. Request for Approval to Abandon
 - a. Proposed plugging procedures, or
 - b. Confirmation of verbal plugging procedures (prompt confirmation required)
2. Subsequent Report of Abandonment
 - a. "Other" category marked - executed plugging procedures (within 30 days following completion of abandonment)
3. Subsequent Report of Abandonment
 - a. "Other" category marked - final abandonment after surface rehabilitation completion.
- p. Subsequent report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate surface managing agency.
- q. Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian lands.
- r. There will be no air drilling.

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PLAN VIEW-CHOKE MANIFOLD

The Hydraulic Closing Unit will be located in the water tank housing, 15' from the wellhead on the rotary table end. Choke & Bleed/Panic Lines will go to the pit.

NOTE: There will be an accumulator system on the BOP.

**Blowout Preventer
Diagram**

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GOLD, OIL & GAS CORP., CORP.

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SURFACE USE PLAN

ONSHORE OIL & GAS ORDER NO. 1

Thirteen Point Surface Use Plan

1. Existing Roads

- a. The proposed well site is located 2 miles southwest of Rangely, Colorado.
- b. Directions to the location from Rangely, Colorado are as follows:

From the Mini-Mart go South 0.4 miles. Turn west and proceed to the second road left (0.8 miles). Turn south and proceed along an existing oilfield road for 0.2 miles. Turn east and follow new access (flagged) for approximately 500 feet to the location.

- c. For location of access roads within a 2-Mile radius, see Map #1.
- d. Improvement to the existing access will not be necessary.
- e. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.
- f. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.

2. Planned Access Roads

- a. The maximum total disturbed width will be 35 feet. The new access road shall be crowned and ditched to the location, prior to use for moving the drill rig onto the site.
- b. The maximum grade will be 5%.

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SURFACE USE PLAN

2. Planned Access Roads (cont.)
 - c. No turnouts are planned.
 - d. The access to the location and was centerline flagged at the time of staking.
 - e. One 12" - 18" culvert will be installed along the new access route as discussed at the on-site inspection. Additional drainage will be installed as deemed necessary by the dirt contractor.
 - f. No cattleguards or fence cuts will be necessary.
 - g. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.
 - h. Surfacing material may be utilized along the access roads at the discretion of the operator and in accordance with the Colorado State Land Board.
 - i. The maximum cut on location is 4.0 feet. The maximum fill is 8.0 feet.
3. Location of Existing Wells Within a 1-Mile Radius of the Proposed Location. (See Map #2).
 - a. Water Wells -none
 - b. Injection or disposal wells -none
 - c. Producing Wells - 46
 - d. Drilling Wells -none

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SURFACE USE PLAN

4. Location of Tank Batteries and Production Facilities.

- a. All permanent facilities placed on the location will be painted Cypress Gray (Komac Colorizer 11-M-38 or equivalent) to blend with the natural environment. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.
- b. A dike will be constructed around any permanent storage tank, of sufficient height to contain one and one-half times the capacity of the tank.
- c. If commercial production is established, a Sundry Notice with a production facility layout will be submitted.
- d. Any necessary pits will be fenced with sheep-tight woven wire to prevent any wildlife entry.. Fences shall be kept in a functional condition at all times. The production pit will be flagged overhead.
- e. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.
- f. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.
- g. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.
- h. The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and if proven accurate, quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Craig District Office, BLM. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard ~~for natural gas~~ measurement.

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SURFACE USE PLAN

4. Production Facilities (cont.)
 - i. All access roads will be upgraded and maintained as necessary to prevent erosion and accomodate year-round traffic. Reshape areas unnecessary to operations, distribute topsoil, disk and seed all disturbed areas outside the work area according to the prescribed seed mixture. Perennial vegetation must be established. Additional work will be required in case of seeding failures, etc.
5. Location and Type of Water Supply
 - a. All water needed for drilling purposes will be obtained from the White River, 3/4 miles north of the proposed location. Directions to the water source are shown on Map #1.
 - b. Water will be trucked to location over the roads marked on Map #1.
 - c. No water well is to be drilled on this lease.
6. Source of Construction Material
 - a. Surface and subsoil materials in the immediate area will be utilized.
 - b. Road surfacing and pad construction material will be obtained from a commercial source.
 - c. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2.3. Construction material will not be located on lease.
 - d. No construction materials will be removed from Federal land.

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SURFACE USE PLAN

7. Methods of Handling Waste Disposal

- a. The reserve pit will be not be lined. At least one half of the capacity will be in cut.
- b. Trash shall be confined in a covered container and hauled to an approved landfill.
- c. Produced waste water will be confined to a unlined pit for a period not to exceed 90 days after initial production. During the 90-day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance, and will be grounds for issuing a shut-in order.
- d. Drill cuttings are to be contained and buried in the reserve pit.
- e. Any salts and/or chemicals which are an integral part of the drilling system will be disposed of in the same manner as the drilling fluid.
- f. A chemical porta-toilet shall be furnished with the drilling rig. If the use of drilled sewer/water disposal holes for the mud trailer and other trailers is approved by the Colorado State Land Board as part of their surface use agreement, written documentatin from the Board or its representative shall be submitted to the Bureau prior to construction of the pad.
- g. The produced fluids will be produced into a sealable test tank until such time as construction of production facilities is completed. Any spills of oil, gas salt water or other produced fluids will be cleaned up and removed.

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SURFACE USE PLAN

8. Ancillary Facilities

- a. There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

9. Well Site Layout

- a. See Diagram #1 for rig layout. See Diagram #2 for cross section of drill pad. See Diagram #3 for cuts and fills.
- b. The location of mud tanks; reserve pit, trash cage; pipe racks; living facilities and soil stockpiles will be shown on Diagrams #1 and #3.
- c. Topsoil shall be stripped to a depth of 6 inches and stockpiled south and east of the location as shown on Diagram #3.
- d. The reserve pit and all other pits shall be fenced with sheep-tight woven wire. The fourth side of the reserve pit will be fenced as soon as the drilling is completed. The fence will be kept in good repair while the pit is drying.
- e. The backslope will be constructed no steeper than 3:1.
- f. The backslope of the proposed access road will be constructed no steeper than 3:1.
- g. All construction activity shall cease when soils or road surfaces become saturated to a depth of three inches, unless otherwise approved by the Authorized Officer.
- h. The surface location has been moved 15 feet south and 15 feet east from the stake in the field. (New footages are shown above). This has been done to accommodate a larger reserve pit and to keep the northwest corner of the wellpad out of the drain.

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SURFACE USE PLAN

10. Reclamation

- a. Immediately upon completion of drilling, all trash and debris will be collected from the location and surrounding area. All trash and debris will be disposed of in the trash cage and will then be hauled to an approved landfill.
- b. Before any dirt work to restore the location takes place, the reserve pit must be completely dry.
- c. All disturbed areas will be recontoured to blend as nearly as possible with the natural topography to the satisfaction of the authorized officer... This includes removing all berms and refilling all cuts.
- d. The stockpiled topsoil will be spread evenly over the disturbed area.
- e. The reserve pit and that portion of the location and access road not needed for production and production facilities will be reclaimed as described in the reclamation section. Enough topsoil will be kept to reclaim the remainder of the location at a future date. This remaining stockpile of topsoil will be seeded in place using the prescribed seed mixture.
- f. Waste materials will be disposed of as stated in #7 of this Surface Use Plan.
- g. Seed mixture will be as follows:

<u>Species</u>	<u>Lbs. Pure Live Seed</u>
Siberian Wheatgrass (P-27)	3
Russian wildrye (Vinall)	2
Crested wheatgrass (Nordan)	3

Prepare seedbed by disking following the natural contour. Drill seed on contour at a depth no greater than 1/2 inch. In areas than cannot be drilled, broadcast at double the seeding rate and harrow seed into soil. Certified seed is recommended.

Fall seeding must be completed after September 1st and prior to prolonged ground frost.

Permitco inc.

A Petroleum Permitting Company

ONSHORE ORDER NO. 1
Polfam Exploration Company
Government 9 -10
255' FNL and 1865' FEL (Surface)
Sec. 10, T1N - R102W
355' FSL and 1980' FEL (Btm. Hole)
Sec. 3, T1N - R102W
Rio Blanco County, Colorado

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SURFACE USE PLAN

10. Reclamation of Surface (cont.)

- h. The access road and location will be restored to its approximate contours. During reclamation of the site, push the fill material into cuts and up over the backslope. Leave no depressions that will trap water or form ponds. Distribute topsoil evenly over the location, and seed according to the prescribed seed mix. The access road and location will be disked prior to seeding. Perennial vegetation must be established. Additional work will be required in case of seeding failures, etc.
- i. The upper edges of all cut banks on the access road and well pad will be rounded.

- 11. a. Surface Ownership
State of Colorado - State Land Board
- b. Mineral Ownership
Federal

12. Other Information

- a. There will be no change from the proposed drilling and/or workover program without prior approval from the District Manager. Safe drilling and operating practices must be used. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.2.
- b. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3164.
- c. The dirt contractor will be provided with an approved copy of the surface use plan and will keep a copy on-site during the construction and reclamation operations.

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ONSHORE ORDER NO. 1
Polfam Exploration Company
Government 10-10
255' FNL and 1865' FEL (Surface)
Sec. 10, T1N - R102W
355' FSL and 1980' FEL (Btm. Hole)
Sec. 3, T1N - R102W
Rio Blanco County, Colorado

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SURFACE USE PLAN

12. Other Information (cont.)

- d. A Class III (100% pedestrian) cultural resource inventory shall be completed prior to disturbance by a qualified professional archaeologist in the following areas: Access road and well location. A report of the inventory will be submitted and approved by the State Historic Preservation Officer with stipulations as appropriate in order to comply with State Historic Preservation regulations. A copy of the report shall also be submitted to the White River Resource Area.
- e. If, in its operations, the holder discovers any cultural remains, monuments or sites, or any object of antiquity subject to the Antiquities Act of June 8, 1906 (34 Stat. 225; 16 U.S.C. secs. 431-433) the Archeological Resources Protection Act of 1979 (Public Law 96-95), and 43 CFR, Part 3, the holder shall immediately cease activity and report directly to the Area Manager. The Bureau shall then take such action as required under the acts and regulations thereunder. The holder shall follow the mitigation requirements set forth by BLM concerning protection, preservation or disposition of any sites or material discovered. In cases where salvage excavation is necessary, the cost of such excavation shall be borne by the holder, unless otherwise stated. This condition may be waived upon written recommendation from the State Historic Preservation Officer.
- f. This permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.
- g. A Class III survey was conducted by LaPlata Archeological Consultants. No significant cultural resources were found and clearance is recommended. A copy of this report is attached.
- h. The White River Resource Area Manager will be contacted at least 24 hours prior to commencing construction of the access road and well pad. (303/878-3601)

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ONSHORE ORDER NO. 1
Polfam Exploration Company
Government 11-10

255' FNL and 1865' FEL (Surface)
Sec. 10, T1N - R102W
355' FSL and 1980' FEL (Btm. Hole)
Sec. 3, T1N - R102W
Rio Blanco County, Colorado

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SURFACE USE PLAN

12. Other Information (cont.)

- i. The operator shall comply with all applicable State laws and regulations for occupancy and use of Colorado State Land Board administered lands.
- j. All surface disturbance, use, and reclamation shall be done in accordance with a surface use agreement between the operator and the Colorado State Land Board.

13. Lessee's or Operator's Representative and Certification

Permit Matters

PERMITCO INC.
Lisa L. Green
1020-15th Street
Suite 22-E
Denver, CO 80202
303/595-4051

Drilling & Completion Matters


POLFAM EXPLORATION CO.
1380 Lawrence Street
Suite 1450
Denver, CO 80204
303/534-0714 (W)
303/985-5426 (H) Matt Rohret

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 Polfam Exploration Company and its contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

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

March 12, 1986
Date: _____



Lisa L. Green - PERMITCO INC.
Authorized Agent for:
POLFAM EXPLORATION COMPANY

Permitco inc.

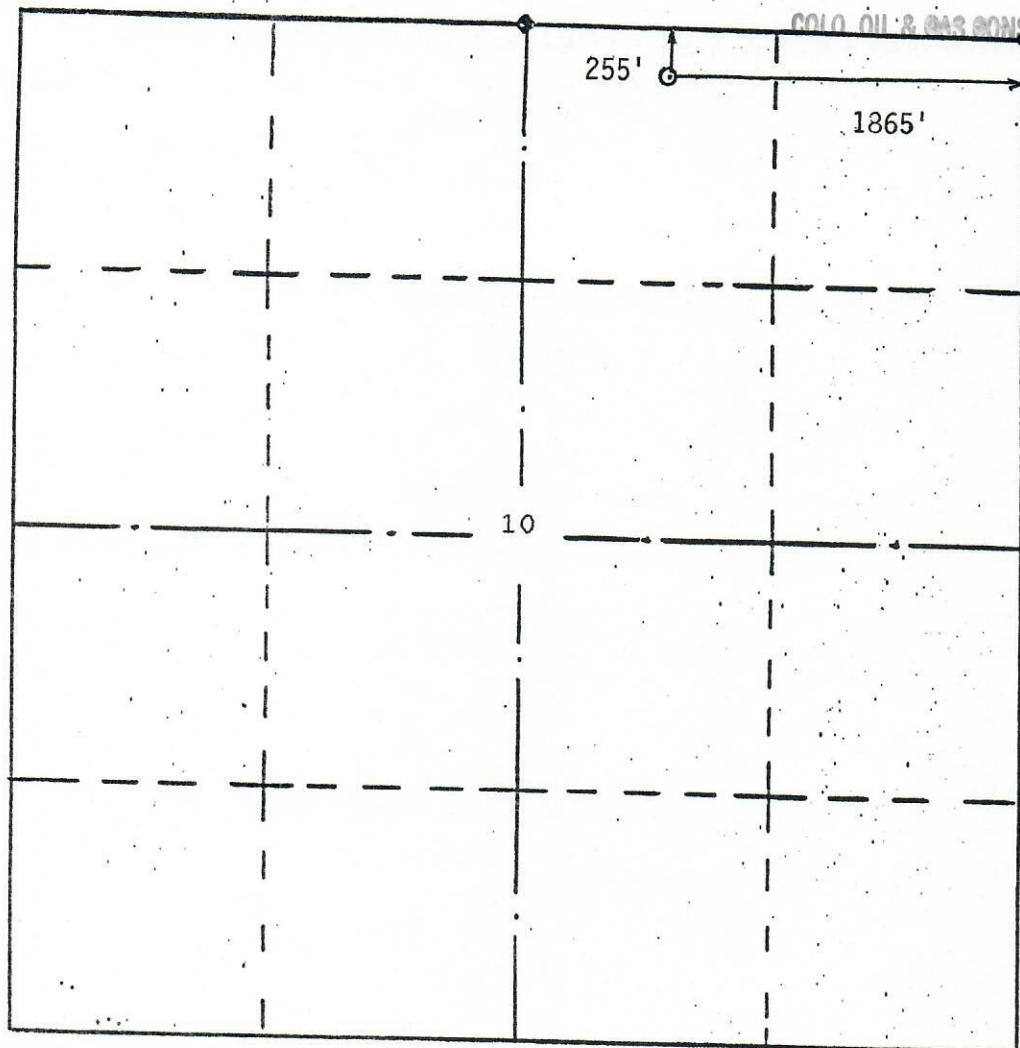
A Petroleum Permitting Company

WELL LOCATION AND ACREAGE DEDICATION PLAT

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WELL LOCATION DESCRIPTION:

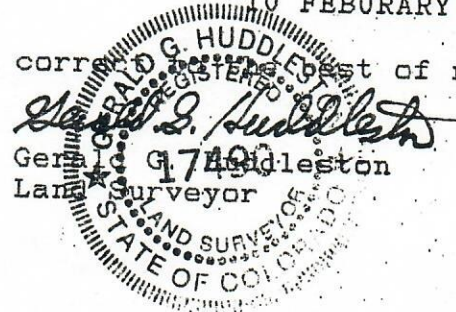
POLFAM EXPLORATION CO.
GOVERNMENT #2-10
255' FN & 1865' FE
SECTION 10, T.1 N., R.102 W., SPM
RIO BLANCO COUNTY, CO
5268' GROUND ELEVATION

REFERENCES:

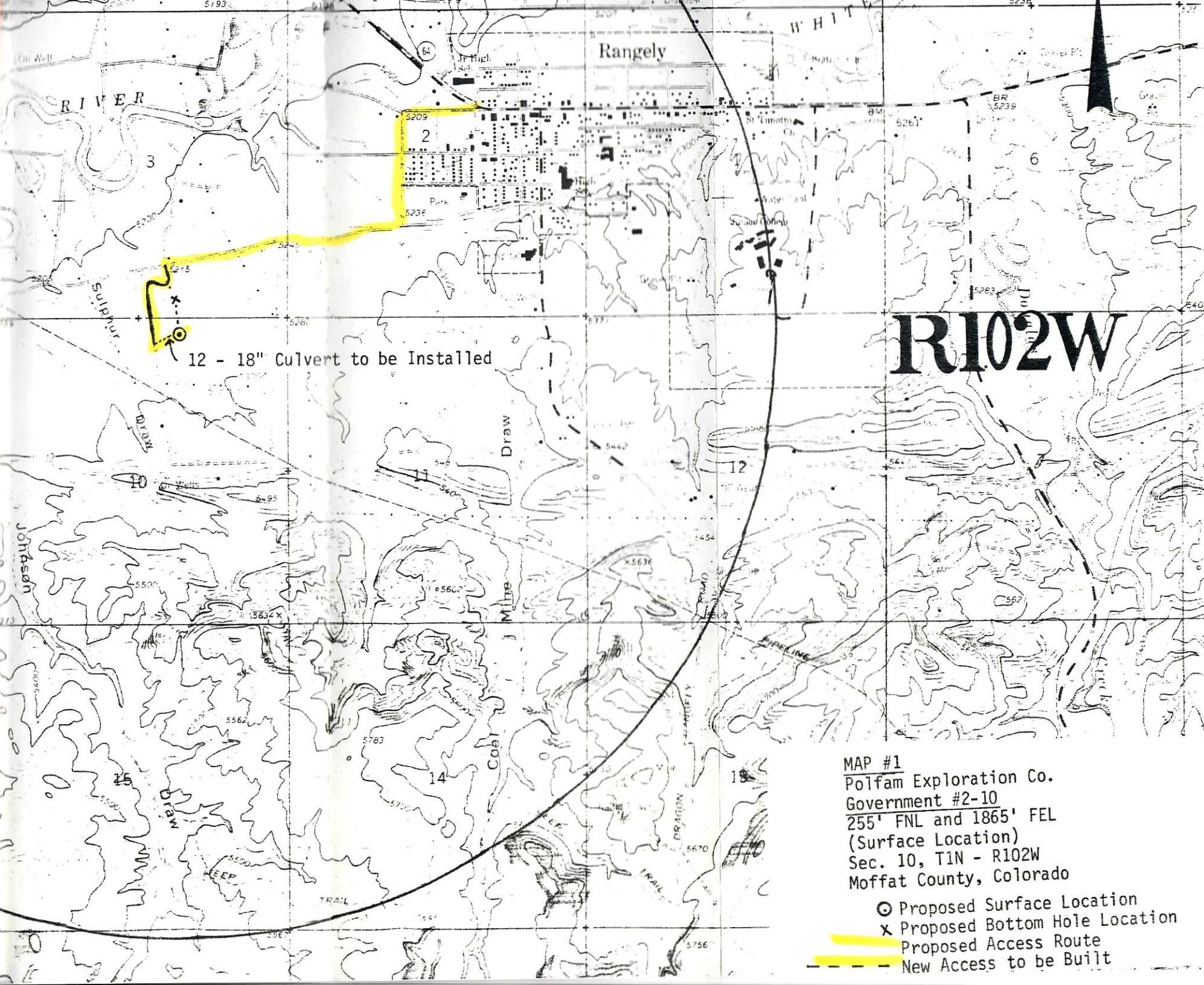
200' EAST 5268'
200' SOUTH 5270'

10 FEBRUARY 1986

The above plat is true and correct to the best of my knowledge and belief.

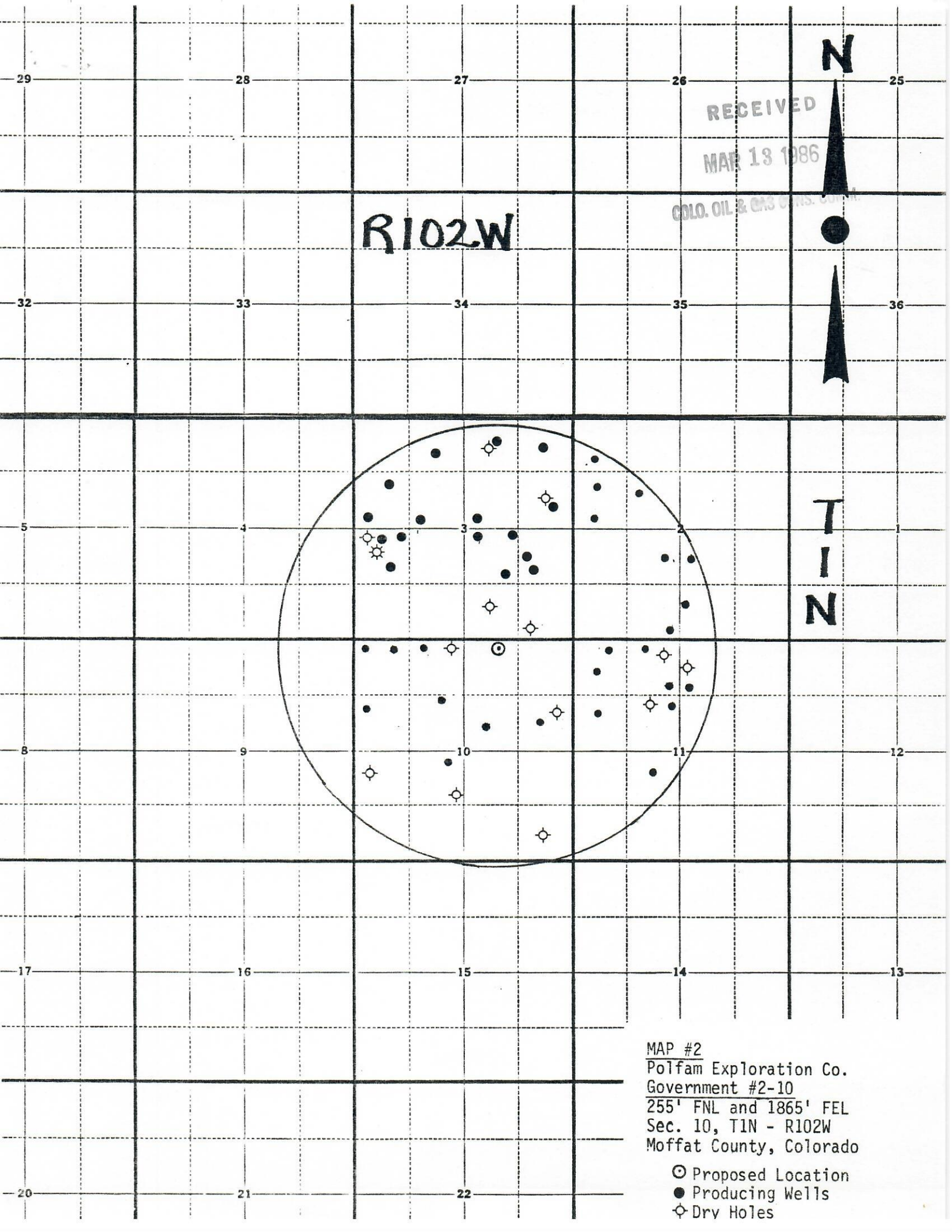


original footages: 240' FNL and 1880' FEL
Footages above reflect new location.



MAP #1
Polfam Exploration Co.
Government #2-10
255' FNL and 1865' FEL
(Surface Location)
Sec. 10, T1N - R102W
Moffat County, Colorado

- Proposed Surface Location
- X Proposed Bottom Hole Location
- Proposed Access Route
- - - New Access to be Built



R102W

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COLO. OIL & GAS COM. DIV.

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1
N

MAP #2

Polfam Exploration Co.

Government #2-10

255' FNL and 1865' FEL

Sec. 10, T1N - R102W

Moffat County, Colorado

⊙ Proposed Location

● Producing Wells

⊕ Dry Holes

Scale: 1" = 50'

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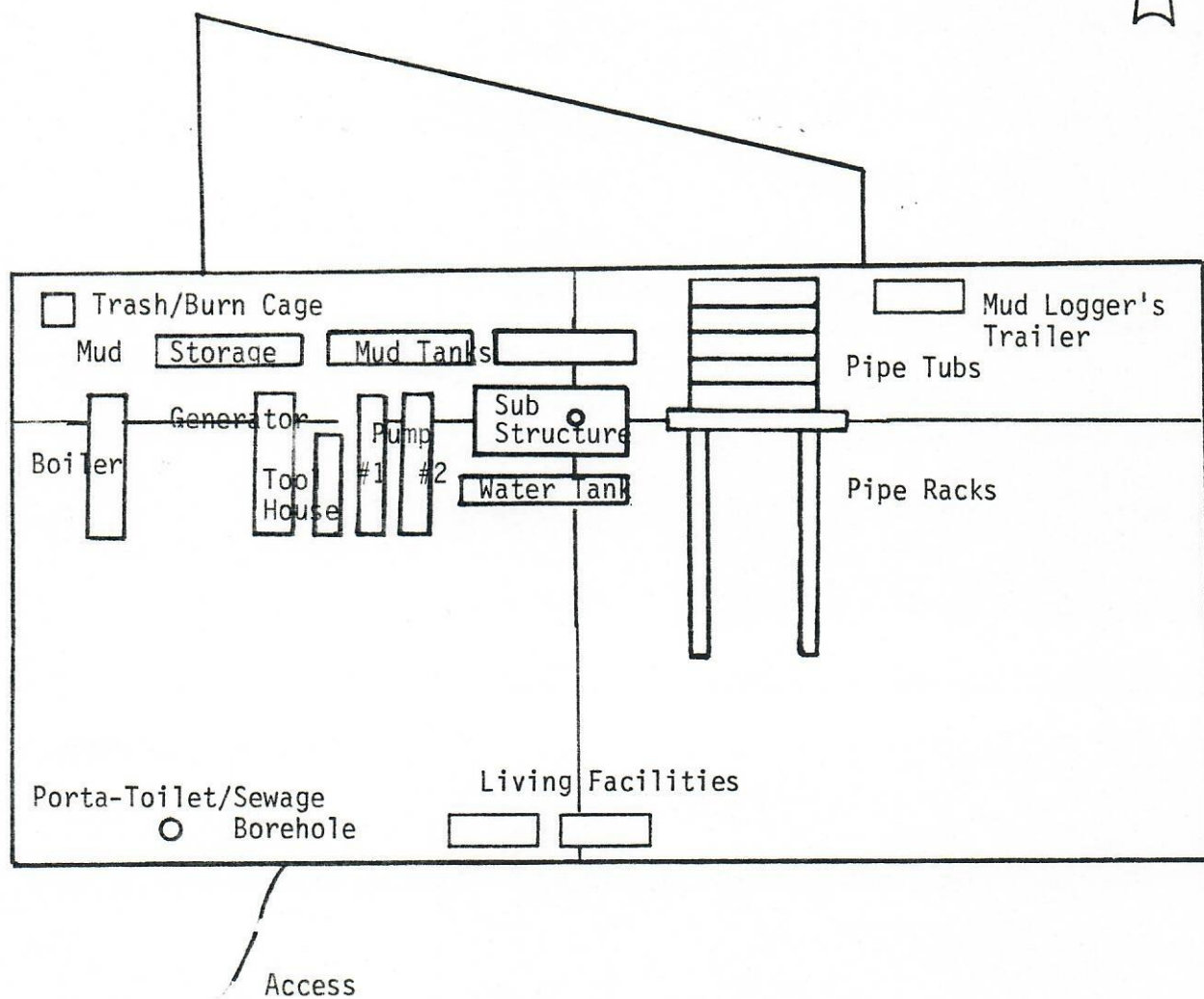
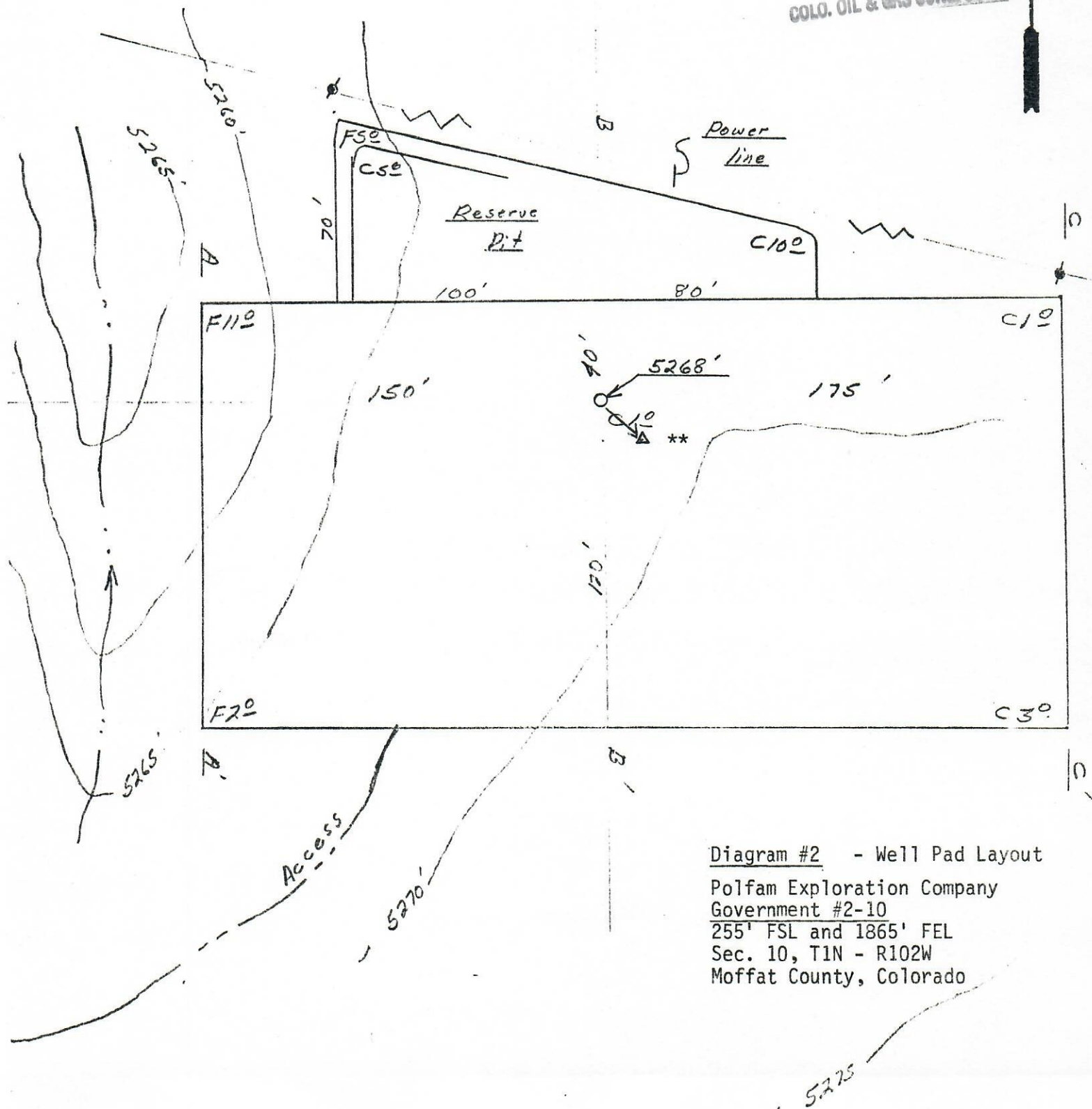


Diagram #1

Rig Layout
Polfam Exploration Company
Government #2-10
255' FNL and 1865' FEL
Sec. 10, T1N - R102W
Moffat County, Colorado

Well ~~GOVERNMENT #2-10~~

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WELL PAD CROSS-SECTION

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Well GOVERNMENT #2-10
COLO. OIL & GAS CONS. COMM.

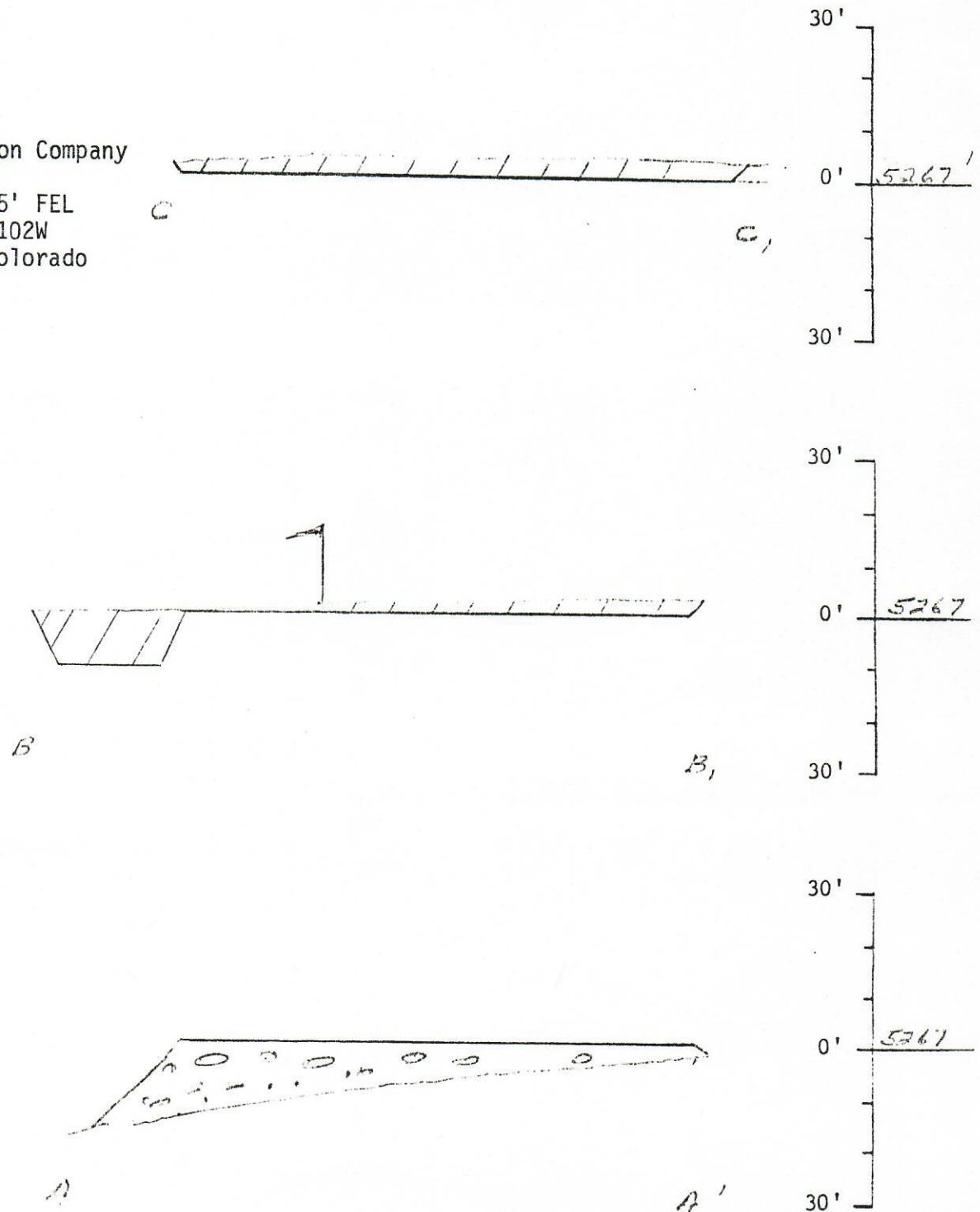
Cut /////
Fill

Scales: 1"=50' H.
1"=30' V.

1.7 Vertical Exaggeration

Diagram #3
Cross Sections

Polfam Exploration Company
Government #2-10
255' FNL and 1865' FEL
Sec. 10, T1N - R102W
Moffat County, Colorado



BUREAU OF LAND MANAGEMENT
COLORADO
REPORT OF EXAMINATION FOR CULTURAL RESOURCES

2.b. Case File # _____
Oil & Gas Lease
Coal: _____ Explor.: _____
Lease: _____ Right-of-way
Other _____

1. Abstract: Tolfam Exploration Company's Government 2-10 well pad; 660 X 660' area surveyed;
no cultural resources found; archeological clearance recommended

2.a. Resource Area: White River
Location: T 1N R 102W Sec. 10

Planning Unit: _____
USGS Quad: Ranglely

3. Project Description: well pad Size: 325 X 275'; plus 450' of access road

Topography: bench on southeast side of White River floodplain; prominent arroyo on south side of bench

Vegetation: saltbush, cheat grass, snakeweed, prickley pear, sagebrush, greasewood

4. Examination Procedure: series of transects spaced 15m apart walked over 660 X 660' area surrounding the pad center stake; pad staked and flagged prior to survey; also, 100' wide corridor along ca. 450' of access route walked via two parallel transects; access will join an improved dirt road to the west of the well pad

5. Findings: no cultural resources found

6. Recommendations: archeological clearance recommended

Permit # C-39461
(BLM work-job code)

I certify that this examination complies with EO 11593.

2/25/86
Date(s) of Examination

Pat L. Hawley
Archaeologist/Historian

This report meets (does not meet) applicable standards of acceptability.
A 106 statement _____ is _____ is not required for this project.

Date

BLM Reviewing Archaeologist/Historian

A clear copy of (or an original of) the USGS Topographic Map of the project and the area surveyed must be attached.

