

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ELECTRIC LOGS FILE **X** WATER SANDS LOCATION INSPECTED SUB REPORT/abd

Application recorded 11.5.85

DATE FILED **9-13-84**
 LAND: FEE & PATENTED STATE LEASE NO. PUBLIC LEASE NO. **U-49091** INDIAN

DRILLING APPROVED: **9-17-84 - OIL**

SPUDED IN
 COMPLETED: PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION: **6145' GR**

DATE ABANDONED: **LA 11.5.85**

FIELD: **UNDESIGNATED 3/16**

UNIT:

COUNTY: **DUCHESNE**

WELL NO. **FEDERAL #13-11**

API #43-013-30998

LOCATION **1873' FSL** FT. FROM (N) (S) LINE. **550' FWL** FT. FROM (E) (W) LINE. **NWSW** 1/4 - 1/4 SEC. **11**

TWP.	RGE	SEC.	OPERATOR	TWP.	RGE	SEC.	OPERATOR
9S	15E	11	DAMSON OIL CORP.				



POWERS ELEVATION

OIL WELL ELEVATIONS - LOCATIONS
ENVIRONMENTAL-ARCHAEOLOGICAL SERVICES
600 SOUTH CHERRY STREET, SUITE 1201
DENVER, COLORADO 80222-1767
PHONE NO. 303/321-2217

RECEIVED

SEP 13 1984

DIVISION OF OIL
GAS & MINING

September 11, 1984

State of Utah
Division of Oil, Gas and Mining
4241 State Office Building
Salt Lake City, Utah 84114

RE: Filing Application for Permit to Drill
Damson Oil Corp.
#13-11 Federal
NW SW Sec. 11 T9S R15E
1873'FSL & 550'FWL
Duchesne County, Utah

Gentlemen:

Enclosed are three copies each of the Federal A.P.D. Form 3160-3, the Location and Elevation Plat, the Drilling Program and the Blowout Preventer Diagram for the above-referenced well location.

Please return the approved copies to:

Mr. Bobby Smith
Damson Oil Corp.
P.O. Box 4391
Houston, Texas 77210

Very truly yours,

POWERS ELEVATION

Connie L. Frailey
Vice President, Environmental Services

CLF/cw
Enclosure

cc: Bobby Smith

12

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1A. TYPE OF WORK
DRILL DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
Danson Oil Corp. (Attn: Botby Smith) **RECEIVED**

3. ADDRESS OF OPERATOR
P.O. Box 4391, Houston, Texas 77210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface: 1873' FSL & 550' FWL
At proposed prod. zone: same
SEP 13 1984
DIVISION OF OIL GAS & MINING
Antelope

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
Location is 12.9 miles southeast of Jct. of Hwy 40 & Canyon Rd.

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
550'

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

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6145' GR

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8" New	24# J-55 ST&C	500'	360 sx Class "A"
7 7/8"	5 1/2" New	15.5&17# J-55 LT&C	8300'	60 sx Hi-Lift followed by 450 sx RFC

1. Drill 12 1/4" hole and set 8 5/8" surface casing to 500' with good returns.
2. Log B.O.P. checks in daily drill reports and drill 7 7/8" hole to 8300'.
3. Run tests if warranted and run 5 1/2" casing if productive.
4. Run logs, as needed, and perforate and stimulate as needed.

EXHIBITS ATTACHED:

- "A" Location & Elevation Plat
- "B" Drilling Program to Accompany A.P.D.
- "C" The Blowout Preventer Diagram
- "D" Surface Use Program to Accompany A.P.D.
- "E" & "E₁" Access Road Maps to Location
- "F" Radius Map of Field
- "G" & "G₁" Drill Pad Layout, Production Facilities & Cut-Fill Cross Section
- "H" Drill Rig Layout

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

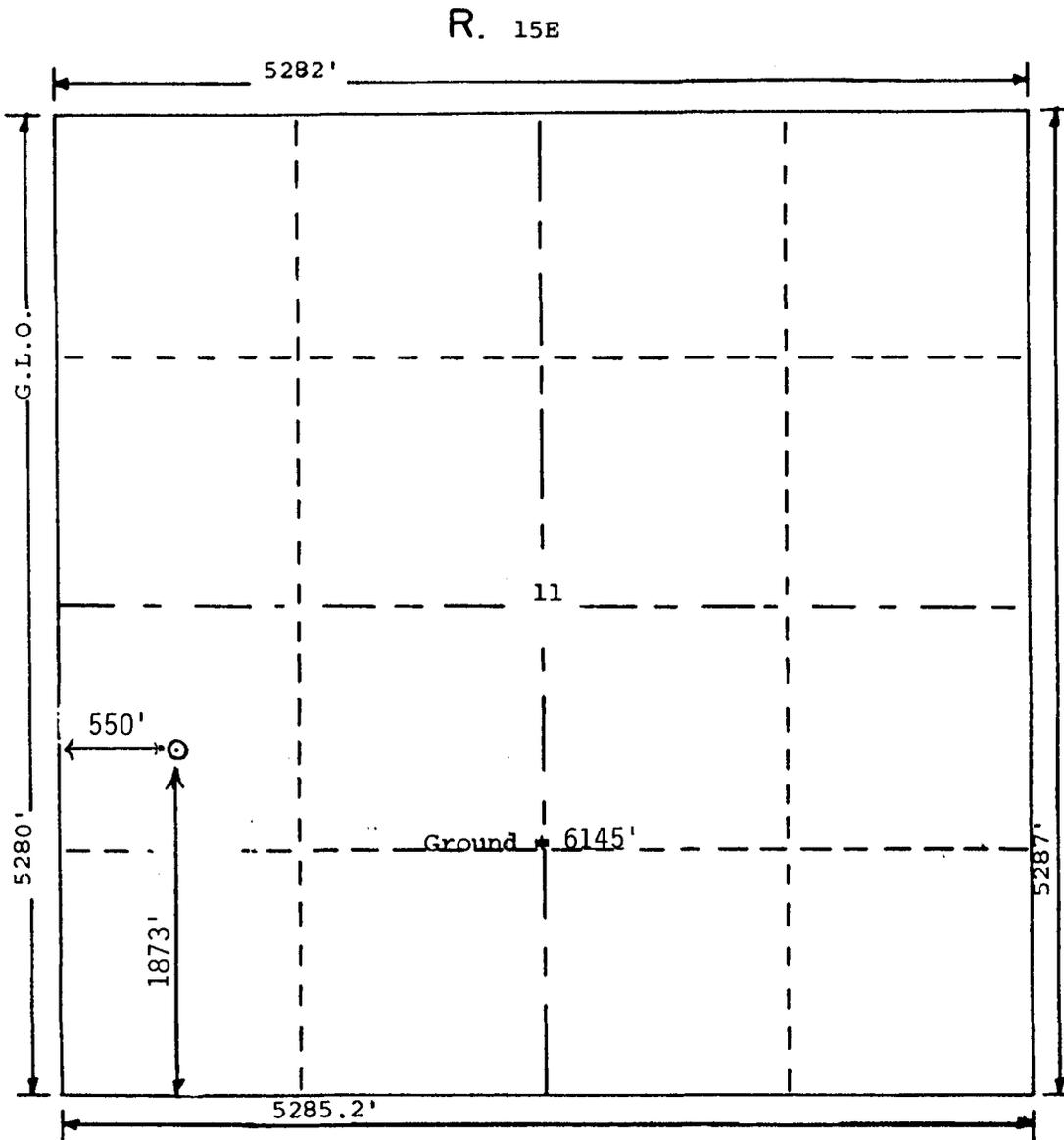
24.  Supervisor
Drilling Business & Const. DATE 9/11/84

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY _____ TITLE _____
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 9/17/84
BY: John R. Baya

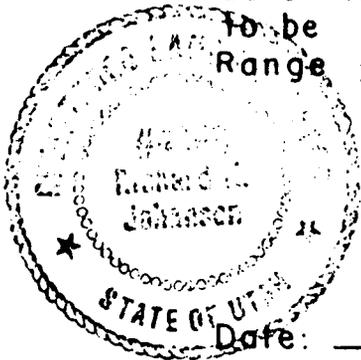
*See Instructions On Reverse Side



Scale... 1" = 1000'

Powers Elevation of Denver, Colorado
 has in accordance with a request from Bobby Smith
 for Damson Oil Corp.
 determined the location of 13-11 Federal
 to be 1873' FSL & 550' FWL
 Range 15E S.L.B. & M Section 11 Township 9S
 Duchesne County, Utah Meridian

I hereby certify that this plat is an
 accurate representation of a correct
 survey showing the location of
 13-11 Federal



Date: Aug. 11, 1984

Richard K. Johnson
 Licensed Land Surveyor No. 4386
 State of Utah

EXHIBIT "B"
DRILLING PROGRAM TO
ACCOMPANY A.P.D. FORM 3160-3

Attached to Form 3160-3
 Damson Oil Corp.
 #13-11 Federal
 NW SW Sec. 11 T9S R15E
 1873' FSL & 550' FWL
 Duchesne County, Utah

1. The Geologic Surface Formation

The surface formation is the Uintah.

2. Estimated Tops of Important Geologic Markers

Green River	1470'
Parachute Creek, member	1962'
Upper Douglas Creek, member	4600'
Lower Douglas Creek, member	5302'
Wasatch Tongue	6337'
Wasatch	8000'
Total Depth	8300'

3. Estimated Depths (tops&bottoms) of Anticipated Water, Oil, Gas or Minerals and Lessee's or Operators Plans for Protection of Such Resources

	300' - 400'	water
Upper Douglas Creek, member	4600' - 4982'	oil
Lower Douglas Creek, member	5302' - 6056'	oil
Wasatch Tongue	6337' - 7000'	oil
Wasatch	8000' - 8300'	oil

Fresh water will be protected with sufficient surface casing. Set production casing and cement through productive zones.

4. The Proposed Casing Program

<u>HOLE SIZE</u>	<u>SETTING DEPTH (INTERVAL)</u>	<u>SECTION LENGTH</u>	<u>SIZE (OD)</u>	<u>WEIGHT, GRADE & JOINT</u>	<u>NEW OR USED</u>
12 1/4"	0 - 500'	500'	8 5/8"	24# J-55 ST&C	New
7 7/8"	0 - 5000'	5000'	5 1/2"	15.5# J-55 LT&C	New
	5000' - 8300'	3300'		17# J-55 LT&C	New

Cement Program:

Surface Casing: 360 sx Class "A" + 2% CaCl₂.

Production Casing: 60 sx Hi-Lift + 3% salt followed by 450 sx RFC + 5#/sx Kolite.

5. The Operator's Minimum Specifications for Pressure Control

EXHIBIT "C" is a schematic diagram of the blowout preventer equipment. The BOP's will be hydraulically tested to half of working pressure after nipping up and after any use under pressure. Pipe rams will be operationally checked each 24-hour period, as will blind rams each time pipe is pulled out of the hole. Such checks of BOP will be noted on daily drilling reports.

Accessories to BOP will include a lower kelly cock, floor safety valve, drill string BOP and choke manifold with pressure rating equivalent to the BOP stack.

6. The Type and Characteristics of the Proposed Circulating Muds

Mud system will be gel-chemical with adequate stocks of sorptive agents on site to handle possible spills of fuel and oil on the surface. Heavier muds will be on location to be added if pressure requires.

<u>DEPTH</u>	<u>TYPE</u>	<u>WEIGHT#/gal.</u>	<u>VISCOSITY-sec./qt.</u>	<u>FLUID LOSScc</u>	<u>Ph</u>
0-500'	native, gel, caustic	8.6-8.8	30 - 36	N/C	9.0
500'-TD	native, gel, caustic soda ash, lime	8.8-9.2	32 - 38	25 - 12	9.5-10.5

7. The Auxiliary Equipment to be Used

- (a) A lower kelly cock will be kept in the string.
- (b) A float will not be used at the bit.
- (c) A mud logging unit, gas detecting device and flow sensor will be monitoring the system.
- (d) A stabbing valve will be on the floor to be stabbed into the drill pipe when kelly is not in the string.

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

- (a) Drill Stem Tests will be run in the following formations:
Douglas Creek (5366'), Wasatch Tongue (6377'), Wasatch (8000').
- (b) The logging program will consist of the following:

DIL-BHC-PWA	bottom of surface to TD
EPT	bottom of surface to TD
LDT/CNL	bottom of surface to TD
Volan	1000' minimum, over selected zones
- (c) No coring is anticipated.
- (d) Stimulation procedures will be determined after evaluation of logs. If treatment is indicated, appropriate Sundry Notice will be submitted for approval.

9. Any Anticipated Abnormal Pressures or Temperatures

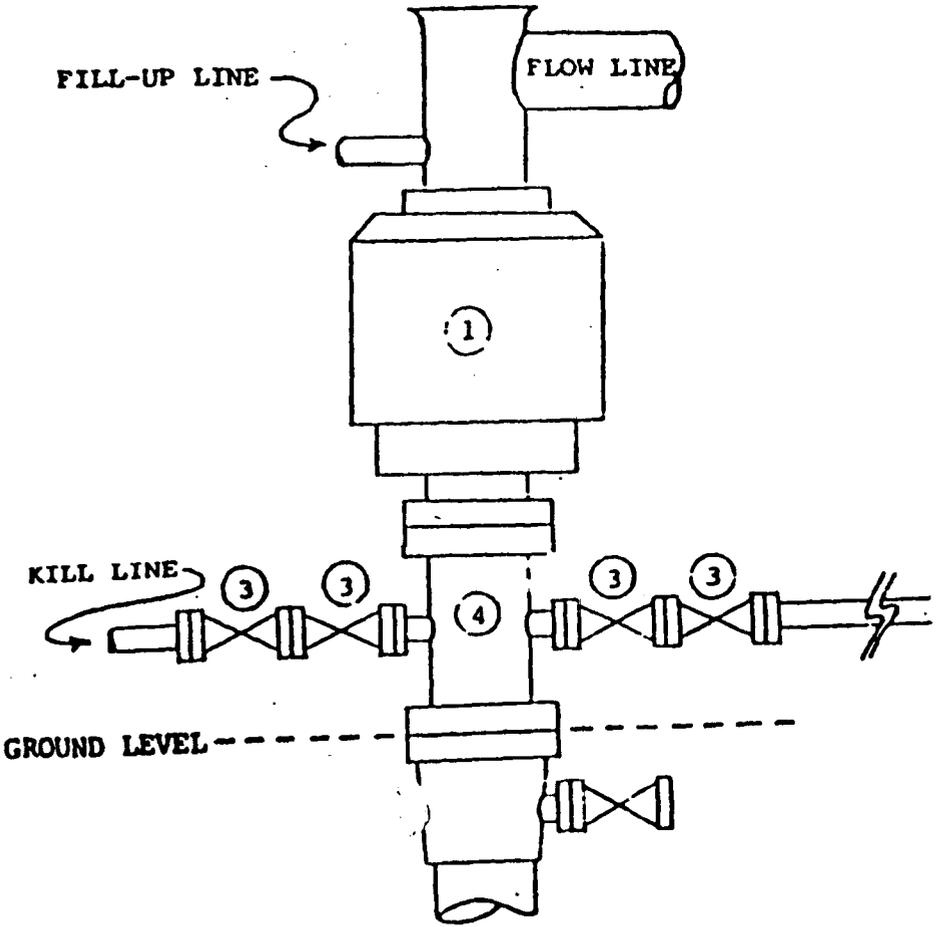
No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is 2200 psi.

No hydrogen sulfide or other hazardous fluids or gases have been found, reported or known to exist at these depths in the area.

10. Anticipated Starting Date and Duration of the Operations

The anticipated starting date is set for September 30, 1984, or as soon as possible after examination and approval of drilling requirements. Operations will cover 15 days for drilling and 15 days for completion; up to six months for clean-up depending on weather.

EXHIBIT "C"
The Blowout Preventer
Diagram



- 1. HYDRIL-GK 10" - 3000 lb.
- 3. WKM VALVE 2" - 3000 lb.
- 4. DRILLING SPOOL 10" - 3000 lb.
w/2-2"-3000 lb. OUTLETS



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dianne R. Nielson, Ph.D., Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

September 17, 1984

OIL & GAS OPERATORS
STATE OF UTAH

RE: REPORTS AND APPLICATIONS

In order to help assure that reports and applications submitted to the Division are accurate and complete, please utilize the following information:

APPLICATION FOR PERMIT TO DRILL

1. Include the telephone number of the person to contact if additional information is needed.
2. Properly identify the lease as Indian, Fee, State or Federal.
3. Ensure that the data on the survey plat corresponds with data on the Application for Permit to Drill. The survey plat should be 1" = 1000' scale to facilitate consistency of review. For directional wells, both surface and bottomhole locations should be marked.
4. Investigate the possibility of special well spacing considerations for the proposed well site and if uncertain as to any well spacing requirements, please contact the Division prior to submitting the application.
5. If the well is part of a State or Federal Unit Agreement, identify the Unit on the application submittal.
6. If drilling operations are not commenced within six (6) months following approval of an application, please advise the Division of your future drilling intentions.
7. A drilling program should be submitted with each application. At least the following information is to be included:
 - a. Estimated tops of important geologic markers.
 - b. Estimated depths at which the top and the bottom of anticipated water, oil, gas or other mineral-bearing formations are expected to be encountered and the lessee's or operator's plans for protecting such resources.

- c. Lessee's or operator's minimum specifications for pressure control equipment to be used and a schematic diagram thereof showing sizes, pressure ratings (or API series), and the testing procedures and testing frequency.
- d. Any supplementary information more completely describing the drilling equipment and casing program as set forth on Form OGC-1a.
- e. Type and characteristics of the proposed circulating medium or mediums to be employed in drilling, the quantities and types of mud and weighting material to be maintained, and the monitoring equipment to be used on the mud system.
- f. The anticipated type and amount of testing, logging, and coring.
- g. The expected bottomhole pressure and any anticipated abnormal pressures or temperatures or potential hazards, such as hydrogen sulfide, expected to be encountered, along with contingency plans for mitigating such identified hazards.
- h. Any other facets of the proposed operation which the lessee or operator wishes to point out for the Division's consideration of the application.

OPERATING AGREEMENTS

If there is more than one working interest in the drilling unit, the remarks section of the Application for Permit to Drill shall include a statement that an AFE or other suitable notification of intent to drill has been directed to each working interest in the drilling unit, and that an operating agreement is being considered.

ADEQUATE AND APPROVED SOURCE OF WATER

Spudding shall not commence until the operator has provided this office a copy of the Utah Division of Water Rights (Telephone 801-533-6071) approval for use of water at the drilling site.

BONDING REQUIREMENTS

The operator, as identified on the Application for Permit to Drill, must provide an appropriate bond prior to receiving final approval to drill. If you are uncertain as to the bonding requirements for a particular lease, please contact the Division prior to submitting an application to drill.

REPORTS

There are field reporting responsibilities associated with an approved permit to drill, and one of the reasons for posting bond is to ensure that the reports are submitted as required:

SPUDDING REPORT - Telephonically within 24 hours and a written follow-up within 30 days.

MONTHLY DRILLING AND PRODUCTION REPORTS - Not later than the 30th day of each succeeding month, starting with spud date.

COMPLETION REPORT - Not later than 90 days after completion, including copies of electric logs, formation tops, etc.

CHANGE OF PLANS - Any change of approved plans must receive prior approval by this agency. In emergency situations, verbal approval may be given, but written request (for the record) must follow within 30 days.

There are other reporting requirements, and you will want to study current regulations published by the Agency.

API NUMBERS

Once an Application for Permit to Drill has been approved and has received an API Number, all reports and correspondence referring to the well or its location must include the number.

USE OF A SINGLE FORM TO REPORT INFORMATION FOR MORE THAN ONE WELL

1. Since physical files are maintained for each well, please send a copy for each well file.
2. Do not mix information which is classified as "Confidential" with other reported information.

THE OIL AND GAS CONSERVATION
GENERAL RULES AND REGULATIONS
AND
RULES AND PRACTICE AND PROCEDURE
(Amended to January 1, 1982)

By Order of:
BOARD OF OIL, GAS AND MINING

RULE C-27 - ASSOCIATED GAS FLARING - Within twenty (20) days following the completion or recompletion of an oil well, the operator shall file with the Board the results of a stabilized production test of at least 72 hours duration showing the average daily oil production and average daily gas production during the test period. If the average daily gas production exceeds 25 MCFG and the operator intends to flare or otherwise waste the associated gas, the well may not produce more than an average of 100 MCFG per day for one calendar month or until such time as further relief may be granted by the Board. If the operator wishes to flare more than an average of 100 MCFG per day after one calendar month, the operator must submit with the production test results, a statement justifying the need to flare or otherwise waste more than that amount. The statement should include such information as a gas analysis, estimated gas reserves, proximity of the well to a market, estimated gas price at the nearest market, estimated cost of marketing the gas, reinjection potential or other conservation-oriented disposition alternatives, amount of gas used in lease operations and any other information pertinent to a determination of whether marketing or not marketing or otherwise conserving the associated gas is economically feasible.

The Board will review the justification statement at its next regularly scheduled meeting. The Board may elect to: (1) docket a hearing for the operator to show further cause why it should be allowed to flare or otherwise waste more than an average of 100 MCFG per day for one calendar month, (2) restrict production until the gas is marketed or otherwise beneficially utilized in which case the operator may docket a hearing on its own behalf to seek further relief, or (3) take any other action the Board deems appropriate in the circumstances.

RULE C-27

Interpretation approved by the Board of Oil, Gas and Mining,
March 22, 1984:

- a) Flaring of an average of 0-25 MCF/day - Operator need not obtain Board approval for flaring at this level.
- b) Flaring of an average of 26-100 MCF/day - Operator may continue to flare at this level without Board approval for one (1) month, (e.g. from the 12th day of March to the 12th day of April) subsequent to the completion of the seventy-two (72) hour test. At the end of the one (1) month period, no more than an average of 25 MCF/day may be flared without Board approval.
- c) Flaring of an average of more than 100 MCF/day - Operator must first obtain Board approval for flaring at this level.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
4241 State Office Building
Salt Lake City, UT 84114

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well Name & Number _____

Operator _____ Address _____

Contractor _____ Address _____

Location _____ 1/4 _____ 1/4 Sec. _____ T. _____ R. _____ County _____

Water Sands

<u>Depth</u>		<u>Volume</u>	<u>Quality</u>
From	To	Flow Rate or Head	Fresh or Salty
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____

(Continue on reverse side if necessary)

Formation Tops

Remarks

- NOTE: (a) Report on this form as provided for in Rule C-20, General Rules and Regulations and Rules of Practice and Procedure.
- (b) If a water analysis has been made of the above reported zone, please forward a copy along with this form.

OPERATOR Stemson Oil Corp. DATE 9-17-84
WELL NAME Federal #13-11
SEC NW SW 11 T 9S R 15E COUNTY Duchene

43-013-30998
API NUMBER

Fed.
TYPE OF LEASE

POSTING CHECK OFF:

INDEX MAP HL
 NID PI

PROCESSING COMMENTS:

No other wells within 1000'
Water & - Jc Shields # 47-1710 (T 59561)

CHIEF PETROLEUM ENGINEER REVIEW:

APPROVAL LETTER:

SPACING: A-3 _____ UNIT c-3-a _____ CAUSE NO. & DATE
 c-3-b c-3-c

SPECIAL LANGUAGE:

1 - BOP - 5000 psi - 8 5/8 casing

RECONCILE WELL NAME AND LOCATION ON APD AGAINST SAME DATA ON PLAT MAP.

AUTHENTICATE LEASE AND OPERATOR INFORMATION

VERIFY ADEQUATE AND PROPER BONDING

AUTHENTICATE IF SITE IS IN A NAMED FIELD, ETC.

APPLY SPACING CONSIDERATION

ORDER _____

UNIT _____

c-3-b

c-3-c

CHECK DISTANCE TO NEAREST WELL.

CHECK OUTSTANDING OR OVERDUE REPORTS FOR OPERATOR'S OTHER WELLS.

IF POTASH DESIGNATED AREA, SPECIAL LANGUAGE ON APPROVAL LETTER

IF IN OIL SHALE DESIGNATED AREA, SPECIAL APPROVAL LANGUAGE.

VERIFY LEGAL AND SUFFICIENT DRILLING WATER



September 17, 1984

Damson Oil Corporation
P. O. Box 4391
Houston, Texas 77210

Gentlemen:

Re: Well No. Federal #13-11 - NWSW Sec. 11, T. 9S, R. 15E
1873' FSL, 550' FWL - Duchesne County Utah

Approval to drill the above referenced oil well is hereby granted in accordance with Rule C-3 (b), General Rules and Regulations and Rules of Practice and Procedure, subject to the following stipulations:

- ~~1. Blowout prevention equipment with a minimum of 5000 psi working pressure should be used after drilling out of 8 5/8" casing.~~

3000 PSI
BOP OK
JRB
11/2/84

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 533-5771, (Home) 298-7695 or R. J. Firth, Associate Director, (Home) 571-6068.
4. Compliance with the requirements and regulations of Rule C-27, Associated Gas Flaring, General Rules and Regulations, Oil and Gas Conservation.

Page 2
Danson Oil Corporation
Well No. Federal #13-11
September 17, 1984

5. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-013-30998.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

as
Enclosures
cc: Branch of Fluid Minerals

damson
OIL CORPORATION

RECEIVED October 2nd, 1984

OCT 4 1984

**DIVISION OF OIL
GAS & MINING**

STATE OF UTAH
NATURAL RESOURCES, OIL, GAS & MINING
4241 State Office Building
Salt Lake City, Utah 84114

Re: Well No. Fed #13-11
Sec 11, T9S, R15E
Duchesne County
API# 43-013-30998

Mr. R. J. Firth,

Please find attached to a copy of the approved permit listed above a copy of the Utah Division of Water Rights approval for use of water for the above site.

If any additional information is needed, please feel free to contact me.

Respectfully,



Robert J. Smith
Drilling Business & Construction
Supervisor

Attachments:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1A. TYPE OF WORK

DRILL DEEPEN PLUG BACK

b. TYPE OF WELL

OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR

Damson Oil Corp.

3. ADDRESS OF OPERATOR

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4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface 1873' FSL & 550' FWL

At proposed prod. zone same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

Location is 12.9 miles southeast of Jct. of Hwy 40 & Canyon Rd. Antelope

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

550'

16. NO. OF ACRES IN LEASE

1869

17. NO. OF ACRES ASSIGNED TO THIS WELL

80

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

19. PROPOSED DEPTH

8300'

20. ROTARY OR CABLE TOOLS

Rotary

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

6145' GR

22. APPROX. DATE WORK WILL START*

September 30, 1984

5. LEASE DESIGNATION AND SERIAL NO.

U-49091

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

N/A

7. UNIT AGREEMENT NAME

N/A

8. FARM OR LEASE NAME

Federal

9. WELL NO.

#13-11

10. FIELD AND POOL, OR WILDCAT

Antelope Creek

11. SEC., T., R., M., OR B.L.K. AND SURVEY OR AREA

Sec. 11 T9S R15E

12. COUNTY OR PARISH

Duchesne

13. STATE

Utah

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
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24. SIGNED [Signature] TITLE Supervisor Drilling Business & Const. DATE 9/11/84

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY [Signature] TITLE ASSOCIATE DISTRICT MANAGER DATE 10-29-84

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

NOTICE OF APPROVAL

UT-080-4-M-294

*See Instructions On Reverse Side

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Company Danson Oil Corporation Well No. 13-11 Federal

Location Sec. 11 T 9S R 15E Lease No. U-49091

Onsite Inspection Date 09/26/84

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 subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

A. DRILLING PROGRAM

All fresh water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

1. Pressure Control Equipment

In accordance with API RP53, 3000 psi working pressure BOP stacks shall be equipped with an Annular Bag-type Preventer, a Blind Ram as well as a Pipe Ram. Prior to drilling out the surface casing shoe, the Ram-type Preventers shall be tested to 2000 psi, and the Annular-type Preventer shall be tested to 1500 psi.

BOP systems will be consistent with API RP53. 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 casing plug and 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, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location during pressure testing.

2. Casing Program and Auxiliary Equipment

The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.

3. Mud Program and Circulating Medium

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

4. Coring, Logging and Testing Program

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after 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 analyses, well-test data, geologic summaries, sample description, 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 authorized officer (AO).

5. Anticipated Starting Dates and Notifications of Operations

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.

The spud date will be reported orally to the AO 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.

In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed, in duplicate, to the Vernal BLM District Office, 170 South 500 East, Vernal, Utah 84078.

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.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

Should the well be successfully completed for production, 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, not later than 5 days following the date on which the well is placed on production.

Pursuant to NTL-2B, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

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 District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.

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 43 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.

A first production conference will be scheduled within 15 days after receipt of the first production notice.

No well abandonment operations will be commenced 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. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This 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 APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

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.

Daily drilling reports shall be submitted to this office on a weekly basis.

B. THIRTEEN POINT SURFACE USE PLAN

Planned Access Roads:

- a. Width: 1/2 mile new access road, 30' ROW - 18' running surface,

1. Location of Tank Batteries and Production Facilities:

All permanent (on site for six months or longer) structures constructed or installed (including oil well pumpjacks) will be painted a flat, non-reflective, earthtone color to match the standard environmental colors, as determined by the Rocky Mountain 5 State Interagency Committee. All facilities will be painted within 6 months of installation. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1-1/2 times the storage capacity of the battery.

All loading lines will be placed inside the berm surrounding the tank battery.

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 written approval from the AO.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.

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 at least 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 Vernal District Office. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

Tank batteries will be placed on the southwest part of the location between points C and C.

2. Source of Construction Material:

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

Construction material will be located on lease.

3. Methods of Handling Waste Disposal

The reserve pit will be lined with bentonite.

Burning will not be allowed. All trash must be contained and disposed of by trash cage and hauled to an approved sanitary landfill.

Produced waste water will be confined to a lined 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 required water analysis, will be submitted for the AO'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.

4. Well Site Layout

The reserve pit will be located on the northeast corner between points A and B.

The stockpiled topsoil will be stored on the southeast corner of the location between/near point C.

Access to the well pad will be from the southwest corner of location near point C.

Reserve pits will be fenced with a wire mesh fence and topped with at least one strand of barbed wire.

5. Plans for Restoration of Surface

Immediately upon completion of drilling, the location and surrounding area will be cleared of all debris, materials, trash and junk not required for production.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry and all cans, barrels, pipe, etc. will be removed.

All disturbed areas will be recontoured to the approximate natural contours.

The stockpiled topsoil will be evenly distributed over the disturbed areas.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

Seed will be broadcast or drilled at a time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage. Also, if broadcast, the seed mixture will be proportionately larger to total 14 lbs/acre.

The following seed mixture will be used:

Stipa Comata (Needle and Thread)	1 lb/Acre
Agropyrom Cristatum(Crested Wheat Grass)	1 lb/Acre
Poa Secunda (Sandberg Bluegrass)	1 lb/Acre
Atriplex Confertifolia (Shadscale)	2 lbs/Acre
Ceratoides Lamata (Winterfat)	2 lbs/Acre
Kochia Prostrata (Prostrate Summer Cyprus)	2 lbs/Acre
	<u>9 lbs/Acre</u>

The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed within 90 days of well completion.

6. Surface and Mineral Ownership

BLM Surface - Federal Minerals

7. Other Information

Diversion ditch to be constructed on east and west sides of location. Access road changed and pad to be built up with fill.

There will be no deviation from the proposed drilling and/or work-over program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.2.

"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.

The dirt contractor will be provided with an approved copy of the surface use plan.

A cultural resource clearance will be required before any construction begins. If any cultural resources are found during construction, all work will stop and the AO will be notified.

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.



STATE OF UTAH
NATURAL RESOURCES & ENERGY
Water Rights

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dee C. Hansen, State Engineer

23 East Main Street • P.O. Box 879 • Vernal, UT 84073 • 801-789-3714

September 24, 1985

TO WHOM IT MAY CONCERN:

This is to verify that Joe Shields of Myton, Utah has on file with the State Engineer's Office Filing No. 47-1674 (A57708) to divert .015 cfs. of water from a drain located: West 900 ft. South 1100 ft. from E $\frac{1}{4}$ Cor. Sec. 15, T4S, R2W, USB&M. The uses for this application are: Irrigation of 1/4 acre, stockwatering of 320 cattle, and oil field use in the Myton Oil Field in Pleasant Valley. Oil Field use includes Hauling water for any Oil field use to any Oil well drilled within that area.

Lawella Nielson, Secretary
Division of Water Rights
Eastern Area Office

APPLICATION TO APPROPRIATE WATER
STATE OF UTAH

47-1674

NOTE:—The information given in the following blanks should be free from explanatory matter, but when necessary, a complete supplementary statement should be made on the following page under the heading "Explanatory."

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, for uses indicated by (X) in the proper box or boxes, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of the Laws of Utah.

1. Irrigation Domestic Stockwatering Municipal Power Mining Other Uses

2. The name of the applicant is Joe Shields 646-3189

3. The Post Office address of the applicant is Myton, Utah 84052

4. The quantity of water to be appropriated .015 second-feet and/or _____ acre-feet

5. The water is to be used for Stockwatering & Other from 1 to 12 31

(Major Purpose) (Month) (Day) (Month) (Day)
other use period Irrigation from Apr. 1 to Oct. 31

(Minor Purpose) (Month) (Day) (Month) (Day)
and stored each year (if stored) from _____ to _____

6. The drainage area to which the direct source of supply belongs is _____

(Leave Blank)

7. The direct source of supply is* Drain

(Name of stream or other source)

which is tributary to _____, tributary to _____

*Note.—Where water is to be diverted from a well, a tunnel, or drain, the source should be designated as "Underground Water" in the first space and the remaining spaces should be left blank. If the source is a stream, a spring, a spring area, or a drain, so indicate in the first space, giving its name, if named, and in the remaining spaces, designate the stream channels to which it is tributary, even though the water may sink, evaporate, or be diverted before reaching said channels. If water from a spring flows in a natural surface channel before being diverted, the direct source should be designated as a stream and not a spring.

8. The point of diversion from the source is in Duchesne County, situated at a point*
West 900 ft. South 1100ft. from E $\frac{1}{2}$ Cor. Sec. 15, T4S, R2W, USB&M
(3 $\frac{1}{2}$ Miles SW of Myton)

Myton Ditch

*Note.—The point of diversion must be located definitely by course and distance or by giving the distances north or south, and east or west with reference to a United States land survey corner or United States mineral monument, if within a distance of six miles of either, or if at a greater distance, to some prominent and permanent natural object. No application will be received for filing in which the point of diversion is not defined definitely.

9. The diverting and carrying works will consist of a collection ditch to place of use

10. If water is to be stored, give capacity of reservoir in acre-feet _____ height of dam _____
area inundated in acres _____ legal subdivision of area inundated _____

11. If application is for irrigation purposes, the legal subdivisions of the area irrigated are as follows:
NE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 15, T4S, R2W, USB&M

Total .25 Acres

12. Is the land owned by the applicant? Yes x, No _____ If "No," explain on page 2.

13. Is this water to be used supplementally with other water rights? Yes _____ No x

If "yes," identify other water rights on page 2.

14. If application is for power purposes, describe type of plant, size and rated capacity. _____

15. If application is for mining, the water will be used in _____ Mining District at
the _____ mine, where the following ores are mined _____

16. If application is for stockwatering purposes, number and kind of stock watered 320 Cattle
in NE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 15, T4S, R2W, USB&M

17. If application is for domestic purposes, number of persons _____, or families _____

18. If application is for municipal purposes, name of municipality _____

19. If application is for other uses, include general description of proposed uses Oil Field use

20. Give place of use by legal subdivision of the United States Land Survey for all uses described in paragraphs 14 to 19, incl. Myton Oil Field in Pleasant Valley

21. The use of water as set forth in this application will consume .015 second-feet and/or acre-feet of water and None second feet and/ or acre feet will be returned to the natural stream or source at a point described as follows: _____

FEEES FOR APPLICATIONS TO APPROPRIATE WATER IN UTAH

Flow rate — c.f.s.	Cost	
0.0 to 0.1	\$ 15.00	
over 0.1 to 0.5	30.00	
over 0.5 to 1.0	45.00	
over 1.0 to 15.0	45.00	plus \$7.50 for each cfs above the first cubic
over 15.0	150.00	foot per second.
 Storage — acre-feet		
0 to 20	22.50	
over 20 to 500	45.00	
over 500 to 7500	45.00	plus \$7.50 for each 500 a.f. above the first
over 7500	150.00	500 acre feet.

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

STATE ENGINEER'S ENDORSEMENTS

1. 5-10-83 Application received by mail over counter in State Engineer's office by TMB
2. Priority of Application brought down to, on account of
3. Application fee, \$....., received by Rec. No.....
4. Application microfilmed by Roll No.
5. Indexed by Platted by
6. 5-10-83 Application examined by TMB
7. Application returned, or corrected by office
8. Corrected Application resubmitted by mail over counter to State Engineer's office.
9. 5-10-83 Application approved for advertisement by TMB
10. Notice to water users prepared by
11. Publication began; was completed
- Notice published in
12. Proof slips checked by
13. Application protested by
14. Publisher paid by M.E.V. No.
15. Hearing held by
16. Field examination by
17. Application designated for approval rejection
18. Application copied or photostated by proofread by
19. 9-10-83 Application approved rejected
20. Conditions:
 This Application is approved, subject to prior rights, as follows:
 - a. Actual construction work shall be diligently prosecuted to completion.
 - b. Proof of Appropriation shall be submitted to the State Engineer's office by 6-30-85
 - c.
21. Time for making Proof of Appropriation extended to
22. Proof of Appropriation submitted.
23. Certificate of Appropriation, No., issued

State Engineer

Application No.....

**Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, Utah 84078**

3152.35
U-820
U-49091

November 5, 1985

Danson Oil Corp.
P. O. Box 4391
Houston, Texas 77210

RE: Rescind Application for Permit to Drill
Well No. 13-11
Section 11, T9S, R15E
Duchesne County, Utah
Lease No. U-49091

The Application for Permit to Drill the referenced well was approved on October 29, 1984. Since that date, no known activity has transpired at the approved location. Under current District policy, Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is rescinding the approval of the referenced application without prejudice. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,


Craig M. Hansen
ADM for Minerals

lah

bcc: State Div. O G & M
well file
U-922/943



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

November 21, 1985

Damson Oil Corporation
P.O. Box 4391
Houston, Texas 77210

Gentlemen:

Re: Well No. Federal 13-11 - Sec. 11, T. 9S., R. 15E.,
Duchesne County, Utah - API #43-013-30998

In concert with action taken by the Bureau of Land Management, November 5, 1985, approval to drill the above referenced well is hereby rescinded.

A new "Application for Permit to Drill" must be filed with this office, for approval, prior to future drilling of the subject location.

Sincerely,

A handwritten signature in cursive script that reads "John R. Baza".

John R. Baza
Petroleum Engineer

pk
cc: Dianne R. Nielson
Ronald J. Firth
File

0170S/51