

UTAH OIL AND GAS CONSERVATION COMMISSION

3

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

DATE FILED **8-20-83**

LAND: FEE & PATENTED STATE LEASE NO PUBLIC LEASE NO **U-43778** INDIAN

DRILLING APPROVED **8-31-83 - OIL**

SPUDDED IN

COMPLETED: PUT TO PRODUCING:

INITIAL PRODUCTION

GRAVITY A.P.I.

GOR.

PRODUCING ZONES

TOTAL DEPTH

WELL ELEVATION

DATE ABANDONED **VA. Application Rescinded 4-29-84**

FIELD **UNDESIGNATED**

UNIT

COUNTY: **EMERY**

WELL NO **FEDERAL 11-32** API #**43-015-30176**

LOCATION **1944' FNL** FT. FROM (N) (S) LINE. **2076' FEL** FT. FROM (E) (W) LINE **SWNE** 1/4 - 1/4 SEC **11**

TWP	RGE	SEC	OPERATOR	TWP	RGE	SEC	OPERATOR
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				16S	12E	11	Texas Eastern SKYLINE OIL COMPANY
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SKYLINE 
Oil Company

A TEXAS EASTERN COMPANY

August 26, 1983

RECEIVED
AUG 30 1983

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

**DIVISION OF
OIL, GAS & MINING**

Re Application for Permit to Drill Skyline Oil Company's
Proposed Federal #11-32 Well, SW $\frac{1}{4}$ NE $\frac{1}{4}$, Sec. 11,
T. 16 S., R. 12 E., SLM, Emery County, Utah.
Federal Lease U-43778

Gentlemen:

Enclosed herewith are duplicate copies of our Application for Permit to Drill with attached exhibits for the proposed well. We have included copies of the surveyors plat, topo maps, archeological report and other exhibits. Any other information that is required will be furnished gladly.

We have filed and will be drilling this well under the Designation of Operator from B. K. Seeley, Jr., Lessee of Record under Lease U-43778.

Very truly yours,

Clifford E. Selin

Clifford E. Selin
Senior Engineer

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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
SKYLINE OIL COMPANY

3. ADDRESS OF OPERATOR
2000 University Club Bldg., S.L.C., Utah

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface 1944' FNL, 2076' FEL, SW $\frac{1}{2}$ NE $\frac{1}{2}$ Sec. 11, T. 16 S., R. 12 E., SLM
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
17 miles South East of Wellington, Utah

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
1944' FNL-Lease Line

16. NO. OF ACRES IN LEASE
2320

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
1400' from Fed. #11-22

19. PROPOSED DEPTH
3990'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
O.G. EL. 5338'

22. APPROX. DATE WORK WILL START*
Nov. 1, 1982

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
24"	16"	65#/F	30'	6 cu yds Redi Mix
14-3/4"	10-3/4"	40.5#/F	460'	450 sx Circ to Surface
9-7/8"	7-5/8"	26.40#/F	3490'	400 sx Class H

See Attachments.

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. SIGNED Clifford Selvin TITLE Senior Engineer DATE Aug. 17, 1983

(This space for Federal or State office use)

PERMIT NO. 43-015-30176 APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

SKYLINE OIL COMPANY
 GRASSY TRAIL FIELD
 FEDERAL #11-32
 SW NE SEC. 11, T. 16 S., R. 12 E.,
 EMERY COUNTY, UTAH

1. The Geologic Name of the Surface Formation:

Cedar Mountain Fm. (Cretaceous)

2. Estimated Tops of Important Geologic Markers:

Morrison	345'
Curtis	1,145'
Entrada	1,265'
Carmel	1,635'
Navajo	1,905'
Wingate	2,415'
Chinle	2,790'
Moenkopi	3,035'
Sinbad	3,685'
TD	3,990'

3. The Estimated Depths At Which Anticipated Water, Oil or Other Mineral Bearing Formations Are Expected To Be Encountered:

Water	Navajo	1,905'
Water	Wingate	2,415'
Oil	Moenkopi	3,035'

4. Proposed Casing Program:

<u>String</u>	<u>Size/Weight/Grade</u>	<u>Condition</u>	<u>Depth Interval</u>
Conductor	16" 65# H-40	New	0-30' ±
Surface	10-3/4" 40.5# K-55	New	0-500' ±
Intermediate	7-5/8" 26.40# K-55	New	0-3490'

5. Minimum Specifications for Pressure Control Equipment:

A. Casinghead Equipment:

Lowermost Head:	10-3/4" LT&C X 10" 3000 PSI
Tubinghead:	10" 3000 PSI X 8" 3000 PSI
Adapter & Tree:	8" 3000 PSI X 2 1/2" 3000 PSI
Valves:	1 - 2 1/2" 3000 PSI & 2 - 2" 3000 PSI

B. Blowout Preventers:

Refer to attached drawing "BOP Requirements".
 (Exhibits "G" & "H")

C. Testing:

Stack will be tested to 2000 PSI prior to drilling under surface and prior to drilling under intermediate casing. Operational checks will be made periodically.

6. Drilling Program:

A. Air will be used as drilling medium from surface to TD of 3990'. Foaming agent will be used as necessary should water be encountered.

7. Auxiliary Control Equipment:

A. Kelly cocks will be used.

B. A full opening safety valve with drill pipe threads, in the open position, will be on the rig floor at all times.

C. A bit float will not be used unless conditions dictate.

8. Testing, Coring and Logging Programs:

A. Drill stem tests.

Moenkopi if warranted.

B. Cores.

None anticipated.

C. Logs.

Dual induction Laterolog and Compensated Neutron-Density. 3490' ± to TD. Gamma Ray will be run from surface to TD.

9. No abnormal pressures, temperatures or hazards are anticipated.

10. It is anticipated that drilling operations will commence November 1, 1983, with approximately 18 days of drilling and coring to reach TD. Completion operations will require an additional 15 - 30 days. Well will be completed open hole with lateral drain hole technology. All well information will be reported in the completion report (Form 9-330) and will be confidential.

GOVERNMENT DIRECTED MULTIPOINT PROGRAM
TO ACCOMPANY APPLICATION FOR PERMIT TO DRILL
PROPOSED EXPLORATORY WELL
SKYLINE OIL COMPANY
FEDERAL #11-32, SW NE Sec. 11, T. 16 S., R. 12 E.,
EMERY COUNTY, UTAH

1. Existing Roads - Exhibits "A" and "B"

- A. Topo Maps "A" and "B" show the well site as staked and its position relative to existing towns, roads and topography.
- B. To reach drill site, turn south off U. S. Route 6, approximately 6.1 miles east of Wellington Park on Farnham Dome Road. Go across cattle guard and take Farnham Dome Road to the south for approximately 7.5 miles to D&RG crossing. Then travel approximately 4.5 miles east and turn to the right on access road and travel .3 miles south east to Skyline Oil Company's Federal #11-32 well.
- C. Existing and proposed roads are shown on Exhibits "A" and "B".
- D. The county roads are maintained and are considered all weather roads.
- E. Maintenance to existing roads will be maintained. Grading and watering down will be done when necessary.

2. Planned Access Road - Exhibit "B"

Access road will be 16' wide and approximately 1500' long with one turnout planned. One grade cut is required. If a permanent road is required, surface will be elevated, crowned, ditched and drainage installed as needed. Gravel will be used as surfacing material.

3. Location of Existing Wells - Exhibit "B"

All existing wells and our proposed wells within a two-mile radius of proposed location are shown on Exhibit "B".

4. Location of Existing and/or Proposed Facilities - Exhibit "B"

- A. Lessee has existing facilities within a one-mile radius of the proposed location as shown on Exhibit "B". They are production facilities at Fed. #11-33, Fed. #11-13, Fed. #11-11, Fed. #12-13, Fed. #13-11, Fed. #11-41, Fed. #11-42, Fed. #14-11, Fed. #14-31, Fed. #11-22, Fed. #11-23 and Fed. #11-43.

- B. The proposed production layout for this well is detailed in Exhibit "D" at a 1" = 50' scale. Production and mud pits will be fenced with top flagging over production pit. Three 500 barrel tanks will be placed inside a 40' x 20' x 4.5' retaining wall to prevent contamination in the unlikely event of a tank rupture. This retaining wall will be fenced. Flow lines will be buried and have a working pressure greater than the pressure to be applied.

5. Location and Type of Water Supply

Water is to be hauled from Price River Water Improvement District where it is purchased. Application to the State for water permit has been received. The water will be hauled from Price some 25 miles north and west of site and on State and County roads.

6. Source of Construction Materials

- A. No outside construction materials will be required during drilling operations other than gravel. Gravel purchased or obtained from an approved source will be used in making the well site and access road serviceable under all weather conditions.
- B. Materials will not be obtained from Federal or Indian lands.
- C. No access road will be needed other than that leading from the county road to the drill site as shown on Exhibits "A" and "B".

7. Methods of Waste Disposal

- A. All waste material created by drilling operations, garbage, and trash will be placed in trash containers and is to be collected daily and hauled to the Carbon County land fill or a private land fill. Containers will be built or fenced with small mesh wire to prevent wind from scattering debris. Other waste material -- cuttings, water, drilling fluids, etc. -- created by drilling operations will be placed in mud pit and pit will be fenced at rig moveout. Fluids produced while completing well will be stored in tanks or mud pit as material dictates.
- B. When sufficient time has lapsed for liquid wastes in pits to dry, they will be backfilled as close to original contour as practicable, topsoil spread and re-seeded as per Bureau of Land Management requirements.
- C. Sewage disposal will be by means of self-contained chemical toilets.

D. Provisions for excess water produced from the well will be established.

8. Ancillary Facilities

None.

9. Well Site Layout - Exhibit "E"

A. Exhibit "E" shows the well site plan and cross-sections showing amount of cut and fill required. Mud pits will be in at least 4' of cut material. Embankments will be placed in lifts and compacted. Soil or rock will not be pushed over ledge into creek beds.

10. Plans for Restoration of Surface

A. Unused surface will be restored to its present condition and contour as nearly as is practicable, with all waste materials buried or burned (with proper permits) and with all pits filled.

B. All disturbed lands will be covered by stockpiled top soil and re-seeded according to the season and to Bureau of Land Management instructions.

C. At the time of rig release, all pits will be fenced and so maintained until pits are back-filled.

D. Any oil on pits will be removed and pits will be overhead flagged.

E. Rehabilitation will begin as soon as practicable after rig move out and will be completed when pits have dried and the season allows re-seeding.

11. Other Information

A. The location and road will be along areas consisting of rock and wash material. Most of the area to be disturbed has little soil development. There are no trees in the area to be disturbed.

B. Vegetation includes sagebrush, locoweed and a few native grasses. Fauna consists of antelope, rabbits, ground squirrels, lizards of various types not exceeding 12 inches in length, and assorted flying and crawling insects.

C. Grazing is the only surface use activity in the immediate area of the location.

D. No dwellings of any kind exist in the area and no archeological, historical or cultural sites are apparently

present. An archeological inspection report is included as Exhibit "I".

- E. The leasehold acreage is Federal with surface administered by the Bureau of Land Management. The well is located on Lease U-43778 with Skyline Oil Company, Operator, conducting operations under Designation of Operator from B. K. Seeley, Jr., lessee of record. The well site access road traverses only land under Lease U-43778.
- F. Surface disturbance and vehicular travel will be limited to the approved location and approved access route.
- G. If subsurface cultural or paleontological material is exposed during construction, work will stop immediately and the Price River Resource Area office contacted.
- H. The BLM representative (Mr. Dan Cressy, 801-637-4584) will be notified 48 hours prior to initiation of any surface disturbance associated with a new access road or drilling pad location.
- I. Upon completion of drilling operations, the BLM's representative will be notified of production and/or restoration plans.
- J. Any production facilities will be painted a single, low gloss, pastel color that blends in with the surrounding soil, rock, and/or vegetation. Color will be approved by the BLM prior to application.

12. Lessee's or Operator's Representative

Skyline Oil Company's representative is Clifford E. Selin, 2000 University Club Building, Salt Lake City, Utah 84111, telephone (801) 521-3500.

13. Certification

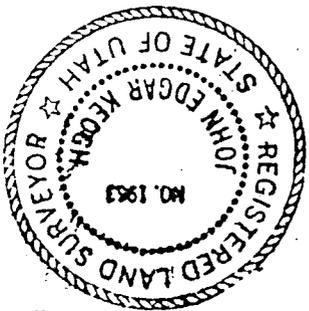
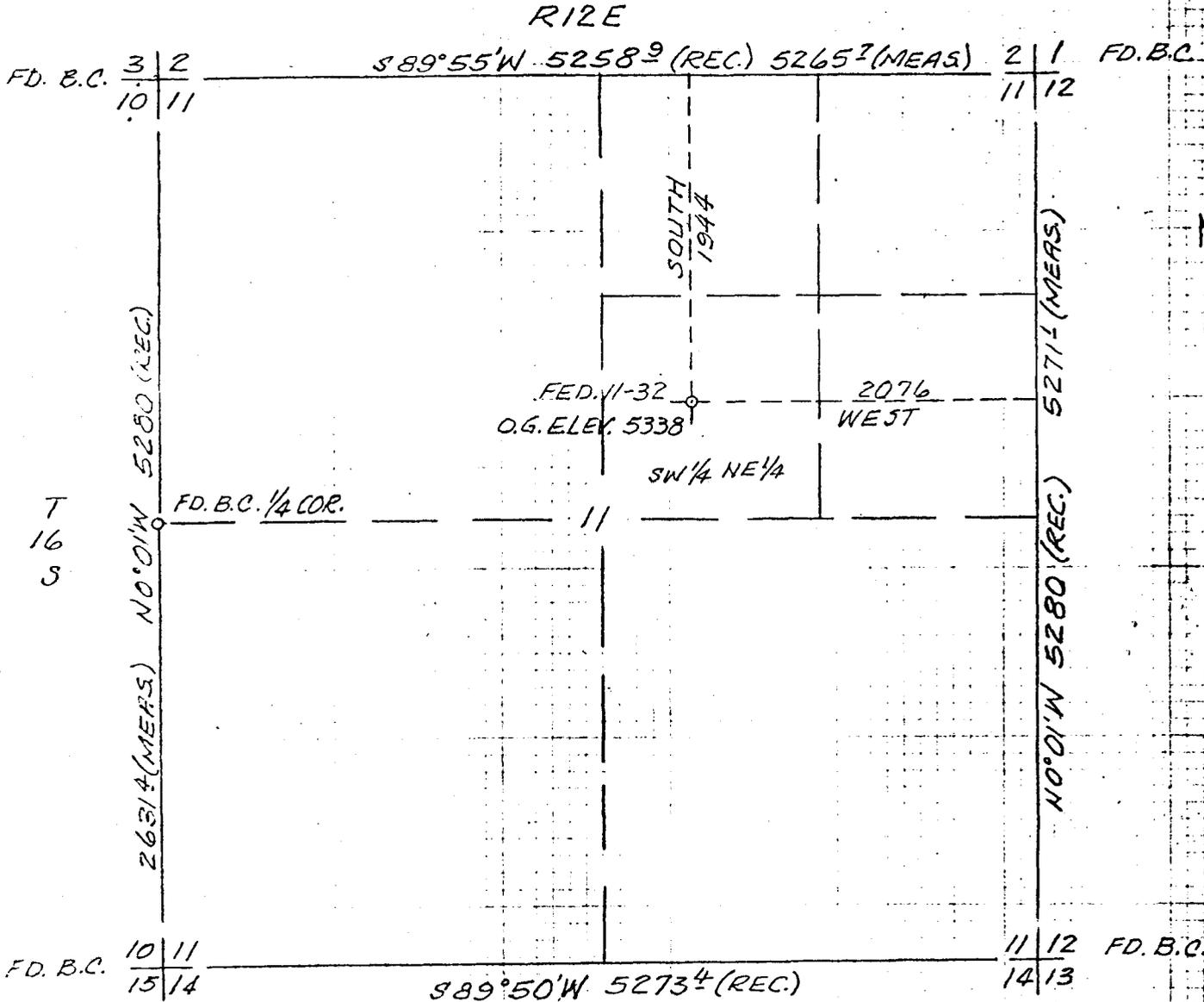
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated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

Aug 24, 1983
Date

Clifford Selin
Senior Engineer

SKYLINE OIL COMPANY
 FEDERAL # 11-32
 SW NE Section 11
 T.16S., R.12E., SLB&M
 Emery County, Utah

EXHIBIT "C"

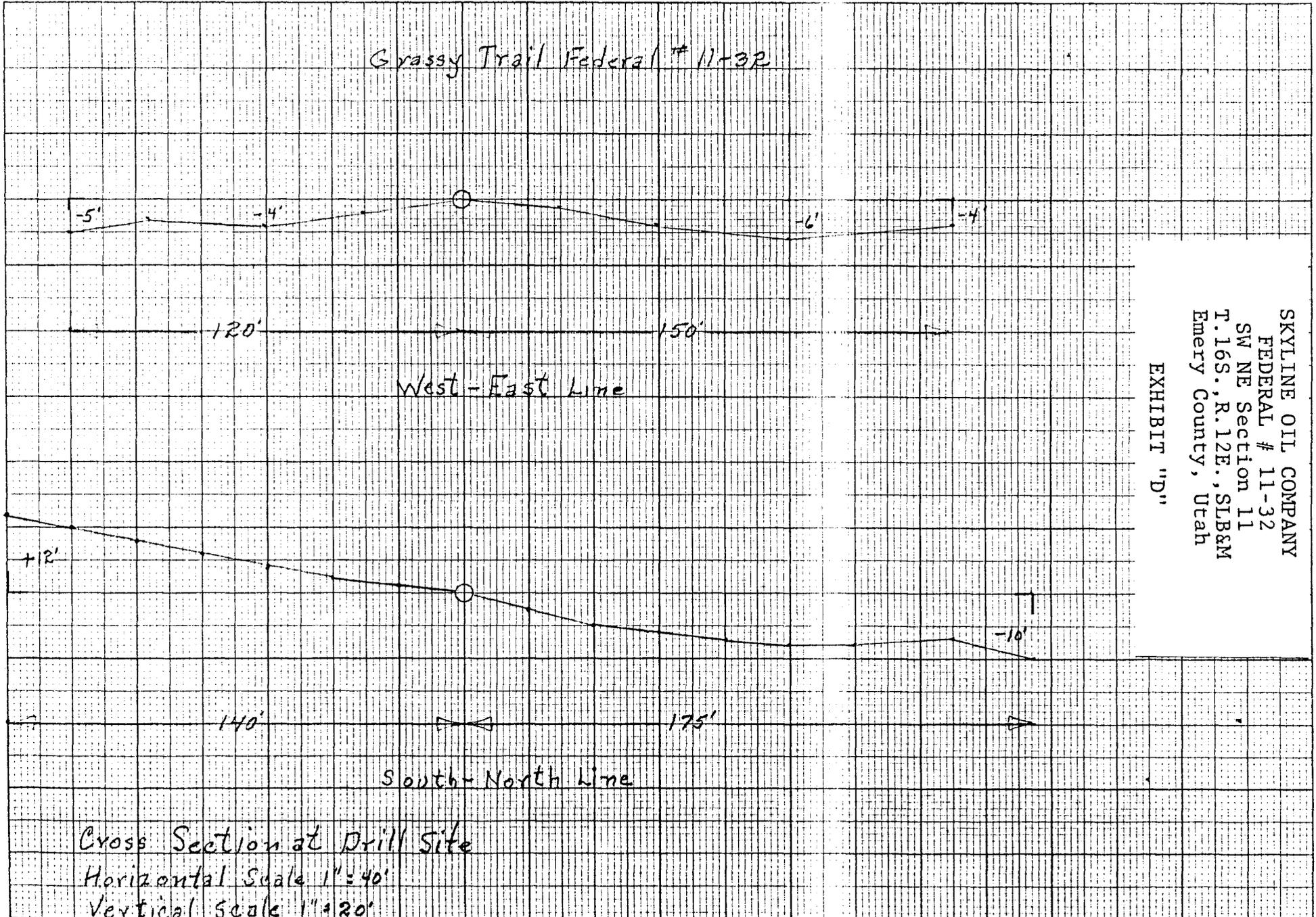


John E. Keogh
 UTAH R.L.S. N° 1963

WELL LOCATION PLAT OF
 FEDERAL 11-32 IN
 S.W. 1/4 N.E. 1/4, SEC. 11, T16S, R12E, S.L.B.&M.
 EMERY COUNTY, UTAH
 TRANSIT & E.D.M. SURVEY
 FOR: SKYLINE OIL CO.
 SCALE: 1" = 1000' JULY 27, 1983

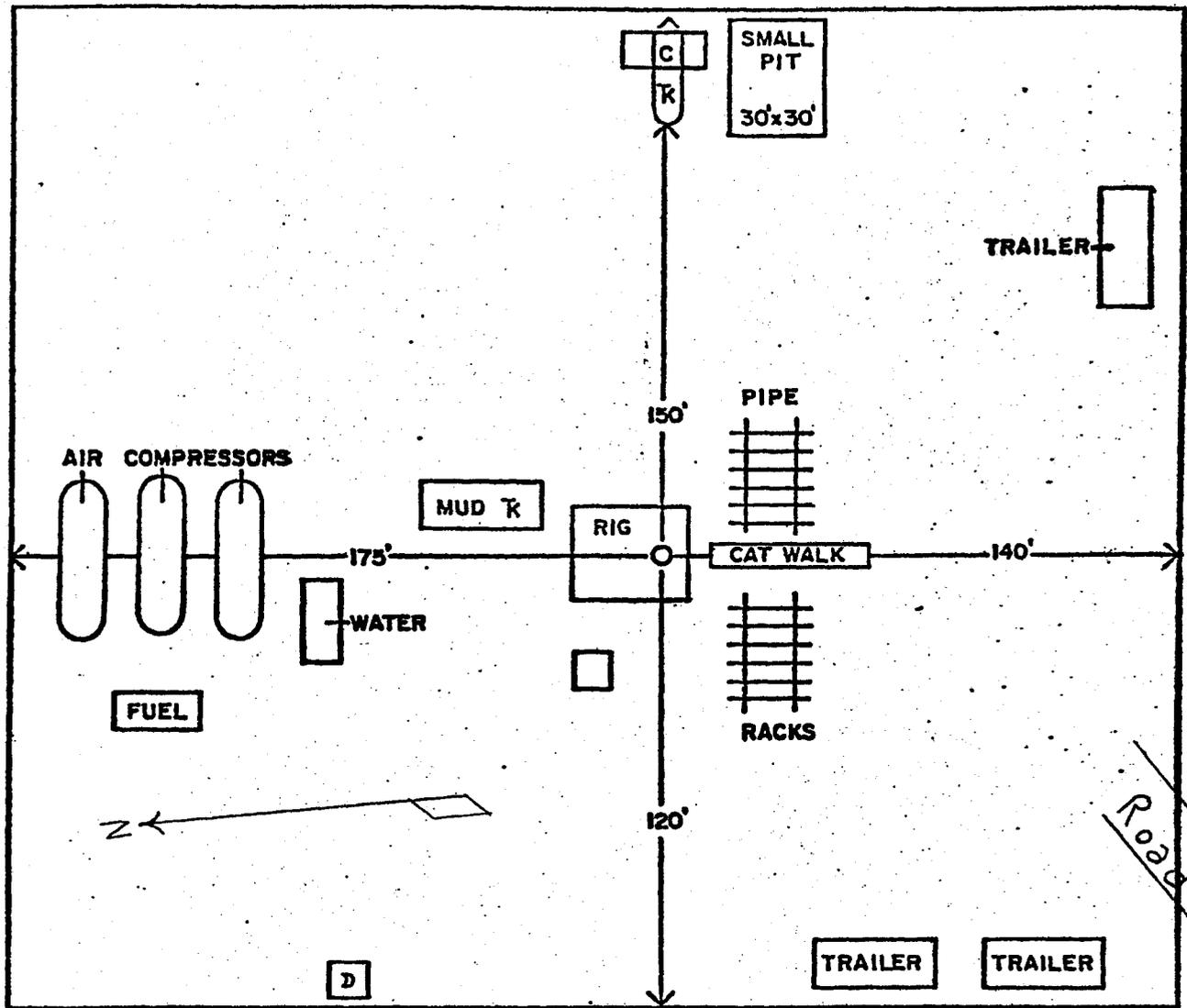
ELEV. BY VER. ANGLES FROM U.S.G.S. TOPO.
 QUAD. "MOUNDS, UTAH" 1969 (N.W. COR.,
 SEC. 11 = 5360)

Grassy Trail Federal # 11-32



SKYLINE OIL COMPANY
FEDERAL # 11-32
SW NE Section 11
T. 16S., R. 12E., S1B&M
Emery County, Utah
EXHIBIT "D"

Top Soil



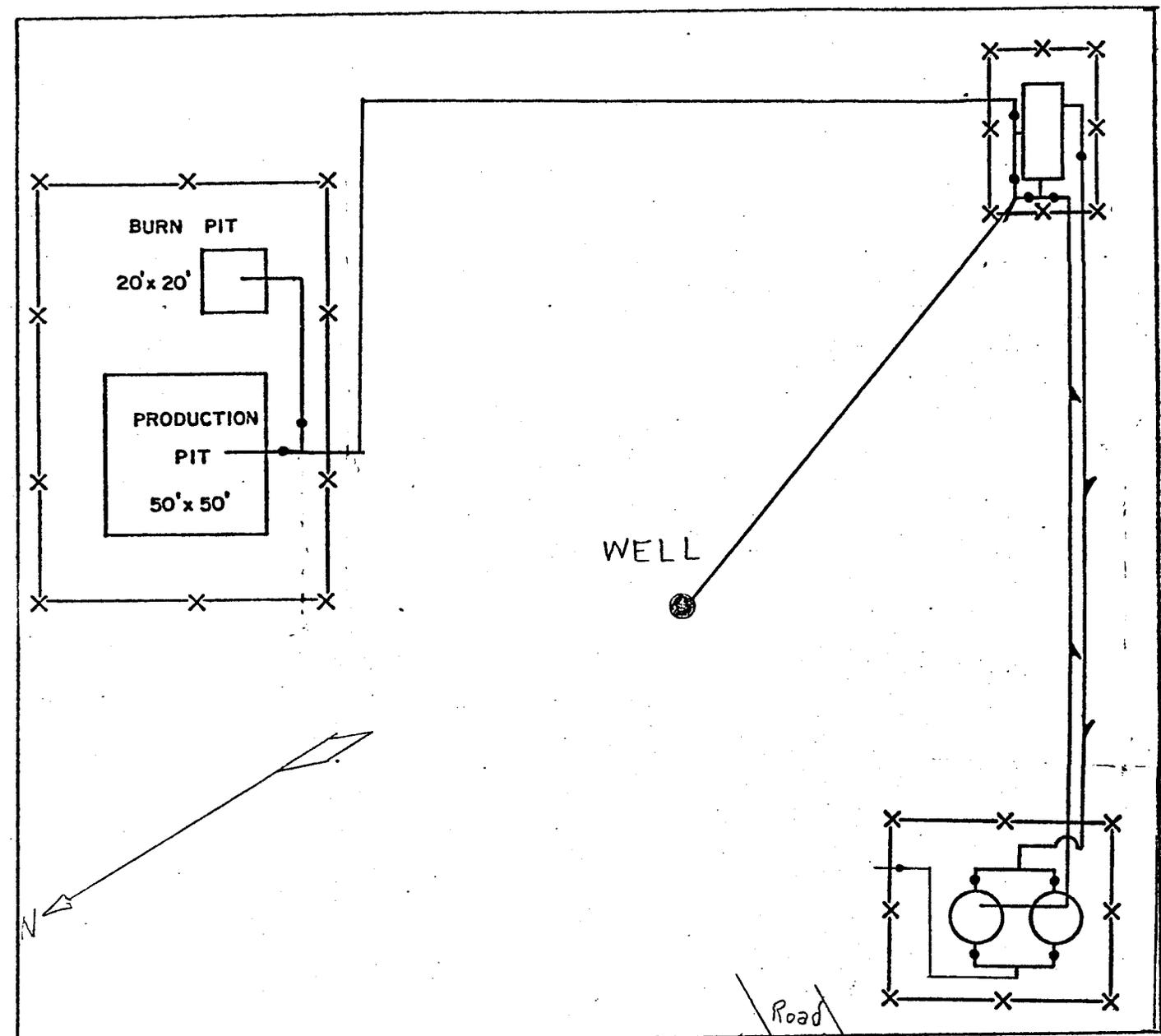
Top Soil

DRILL SITE PLAN

SKYLINE OIL COMPANY
FEDERAL # 11-32
SW NE Section 11
T.16S., R.12E., SLB&M
Emery County, Utah

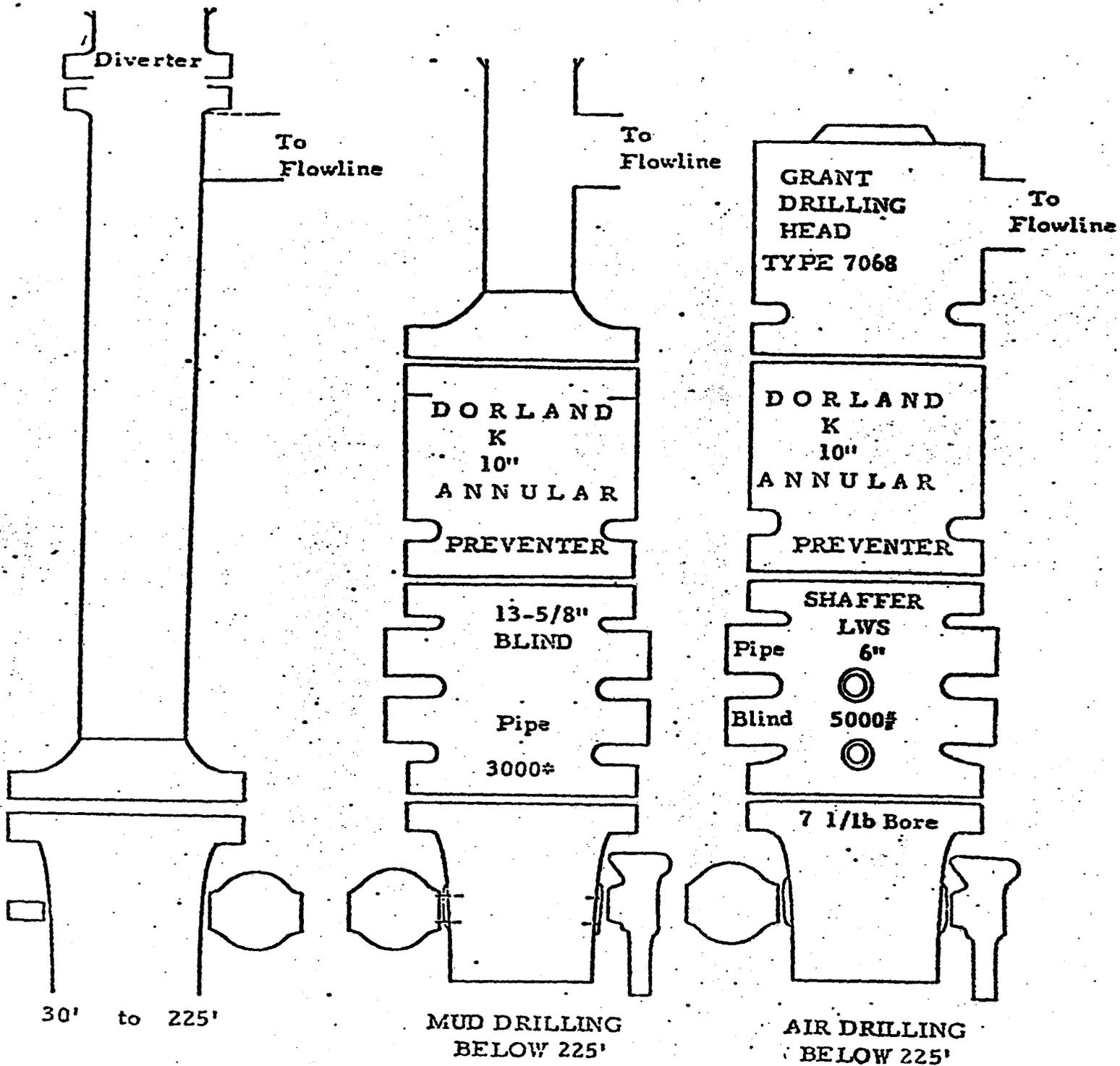
UT

EXHIBIT "E"



SKYLINE OIL COMPANY
 FEDERAL # 11-32
 SW NE Section 11
 T.16S., R.12E., SLB&M
 Emery County, Utah

EXHIBIT "F"



SKYLINE OIL COMPANY
 FEDERAL # 11-32
 SW NE Section 11
 T.16S., R.12E., SLB&M
 Emery County, Utah

EXHIBIT "G"

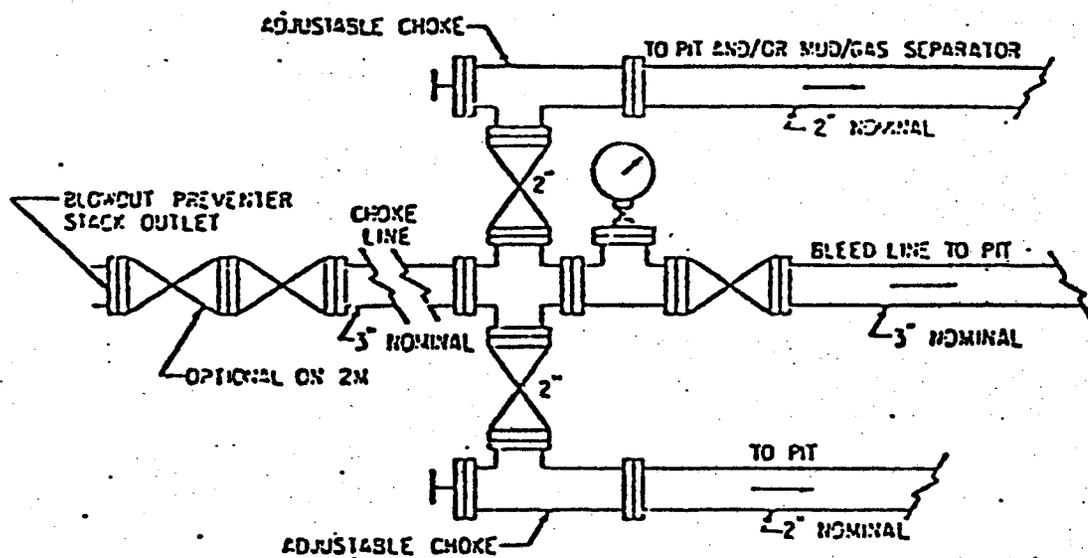


FIG. 3.A.1
 TYPICAL CHOKE MANIFOLD ASSEMBLY
 FOR 2M AND 3M RATED WORKING
 PRESSURE SERVICE - SURFACE INSTALLATION

SKYLINE OIL COMPANY
 FEDERAL # 11-32
 SW NE Section 11
 T.16S., R.12E., SLB&M
 Emery County, Utah

EXHIBIT "H"



ARCHEOLOGICAL - ENVIRONMENTAL RESEARCH CORPORATION

588 West 800 South Bountiful, Utah 84010
Tel: (801) 292-7061 or 292-9668

August 1, 1983

Subject: Cultural Resource Evaluation of Two
Proposed Well Locations - Grassy Trail
No. 11-32 and 11-34 in the Mounds Locality
of Emery County, Utah

Project: Skyline Oil Company

Project No.: SKOC-83-3

Permit: Dept. of Interior 81-Ut-179

To: ✓ Mr. Clifford Selin, Skyline Oil Company,
2000 University Club Building, 136 East
South Temple, Salt Lake City, Utah 84111

Mr. Leon Berggren, Area Manager, Bureau of
Land Management, P.O. Box AB, Price, Utah
84501

Info: Mr. Rich Fike, BLM State Archeologist,
Bureau of Land Management, University Club
Building, 136 East South Temple, Salt Lake
City, Utah 84111

Dr. David Madsen, State Archeologist,
Antiquities Section, Division of State
History, 300 Rio Grande, Salt Lake City,
Utah 84101

SKYLINE OIL COMPANY
FEDERAL # 11-32
SW NE Section 11
T.16S., R.12E., SLB&M
Emery County, Utah

EXHIBIT "I"

Summary Report of
Inspection for Cultural Resources

Report Title MOUNTAINS LOCALITY EVALUATIONS

Development Company Skyline Oil Company, Grassy Trail Units 11-32 and 11-34

Report Date 08 1 1983 4. Antiquities Permit No. 81-Ut-179

Responsible Institution AERC SKOC-831 County Emery

Fieldwork Location: TWN 16S Range 12E Section(s) 11

TWN 78 Range 82 Section(s) 86 87 88 89 90 91 92 93

Resource Area PR TWN 94 Range 98 Section(s) 102 103 104 105 106 107 108 109

PO= PONY EXPRESS, BR= BEAR RIVER, PR= PRICE RIVER, WS= WARM SPRINGS
BC= BOOK CLIFFS, HR= HOUSE RANGE, SE= SEVIER RIVER
HM= HENRY MOUNTAINS, BE= BEAVER RIVER, DX= DIXIE
KA= KANAB, ES= ESCALANTE, SJ= SAN JUAN, GR= GRAND
SR= SAN RAFAEL, DM= DIAMOND MOUNTAIN

Fill in spaces 65, 69, 81, 85, 97, 101 Only if:
V= Vernal Meridian
H= Half Township

Description of Examination Procedures:
The archeologist, F.R. Hauck, walked a series of 10 to 15 meter wide transects covering a ten acre parcel around each flagged well location. Corridors of 15 meters in width were also evaluated on the access routes.

Linear Miles Surveyed and/or 1.5
Definable Acres Surveyed and/or 118
Legally Undefinable Acres Surveyed 210

10. Inventory Type I
R= Reconnaissance
I= Intensive
S= Statistical Sample

(*A parcel hard to cadastrally locate i.e., center of section)
Description of Findings (attach appendices, if appropriate) 12. Number Sites Found: 1
One prehistoric cultural resource site (AERC 816/1) No sites = 0 131 136
was identified and recorded. This site, 42Em 1657
is a non significant surface quarry location which 13. Collection: n Y=Yes, N=No
is situated within the flagged location for Unit 11-32. 136
Because of the non-significance of the site, its lack of depth potential,
lack of artifacts, and lack of occupational debris, AERC recommends that
the proposed well location be allowed to be constructed as proposed for the
terrain restrictions preclude avoidance of the site through shifting the
position of the location.

Actual/Potential National Register Properties Affected:
The National Register has been consulted and no registered properties will be affected by the proposed operation.

Literature Search, Location/Date: Price Area Office-7/27/83

Conclusion/Recommendations:
AERC recommends that a cultural resource clearance be granted to
SKYLINE OIL COMPANY
based upon adherence to the stipulations noted on the reverse:

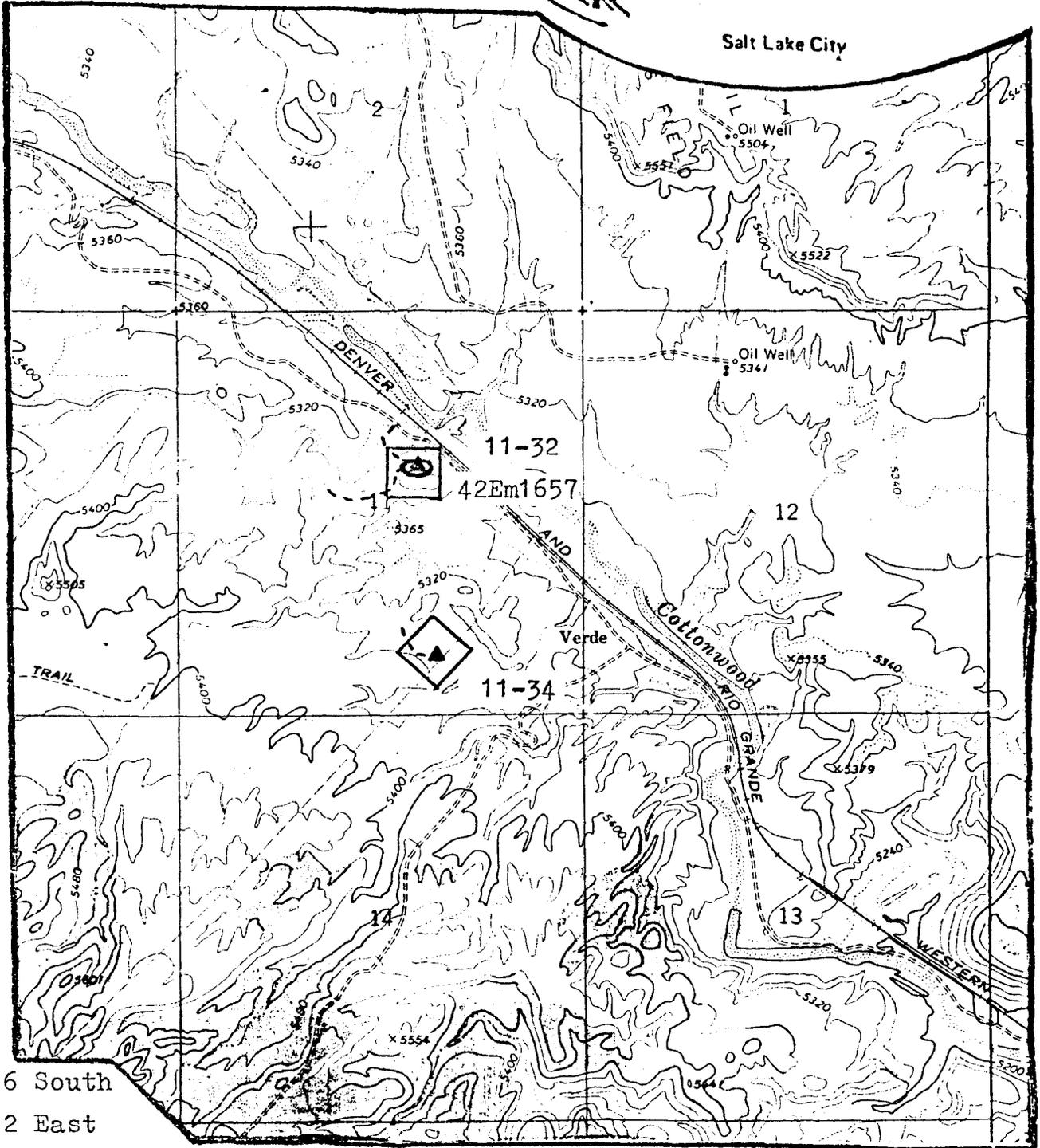
Signature F.R. Hauck

16. CONTINUED:

1. All vehicular traffic, personnel movement, and construction be confined to the locations examined and to the evaluated access roads.
2. All personnel refrain from collecting artifacts or from disturbing any cultural resources in the area.
3. A qualified archeologist be consulted should cultural remains from subsurface deposits be exposed during construction work or if the need arises to relocate or otherwise alter the construction area.



Salt Lake City



T. 16 South

R. 12 East

Meridian: Salt Lake B. & M.

Quad:

Mounds, Utah

7.5 minute-USGS

Project: SKOC-83-3

Series: Price Basin

Date: 8-1-83

Cultural Resource Survey
of the Grassy Trail Units
11-32 and 11-34 in the
Mounds Locality of Emery
County, Utah

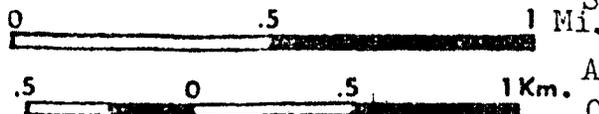
Legend:

Well Location

Survey Area

Access Route

Cultural Site



Fed/ Skyline Oil
11-32

STIPULATIONS

1. _____ shall insure that all individuals working at or near the location are aware of and comply with all applicable stipulations.

2. The BLM's representative (Sid Vogelwohl, 801-637-4584) will be notified at least 48 hours prior to any surface disturbing activities associated with new access roads or drill pad location. A pre-construction on-site shall be arranged by _____ at which representatives of the BLM, _____ and the dirt contractor shall be present.

3. Roads shall be constructed where flagging was located during the on-site inspection. Driving surface width of the road is to be limited to 16 feet with turnouts at least every 1,000 feet or less as determined by terrain. Roads will be crowned and ditched or sloped with water bars and water turnouts where feasible. (Refer to BLM/USGS Surface Operating Standards, Figures 1 through 7). Changes in finished road design may be required by the BLM.

4. Six to 8 inches of topsoil on the entire pad site shall be removed and stockpiled in a manner to minimize soil loss to wind and water erosion. Stockpiles shall be rounded off and located so that soil is not contaminated or compacted. In the event that the well is a producer, soil stockpiles shall be seeded. A seed mix list will be provided by the BLM.

5. Littering of access roads or pad area by personnel involved in the drilling operation or construction shall be prevented or corrected by _____. Litter pickup along access roads or in the pad area may be required. Collected garbage and trash will be disposed of at an authorized landfill. Drained equipment oil will be disposed of in pits at drill sites or at a landfill. Sanitation facilities will be provided as required by the State of Utah.

6. The completed road shall be maintained so that the travel surface is free of excessive ruts, holes, soft spots, slides and washboards. The road, drainages and shoulders shall be free of large rocks, vegetative debris and slides. Drainage ditches shall be relatively free of sediments and not excessively eroded. Low water crossings shall be maintained.

7. During periods of weather when activity would result in deep rutting (6 inches or more) of the driving surface or excessive disturbance on the right-of-way, a stop work order may be verbally issued by the Authorized Officer with a follow-up written order. An authorization to resume work will be required.

8. Residues and contaminated earth in mud pits may be required to be completely removed if, with reclamation, same would be near or exposed at the surface.

9. Upon completion of drilling operations, the BLM's representative shall be notified by _____ of production and/or reclamation plans so that an inspection may be conducted to determine if mitigating measures in addition to those included in the surface use plan or presented hereby are necessary.

10. Any production facilities will be painted in a single, low gloss, pastel color that will blend with the color of soils, rock or vegetation. Color will be approved by the BLM's representative.

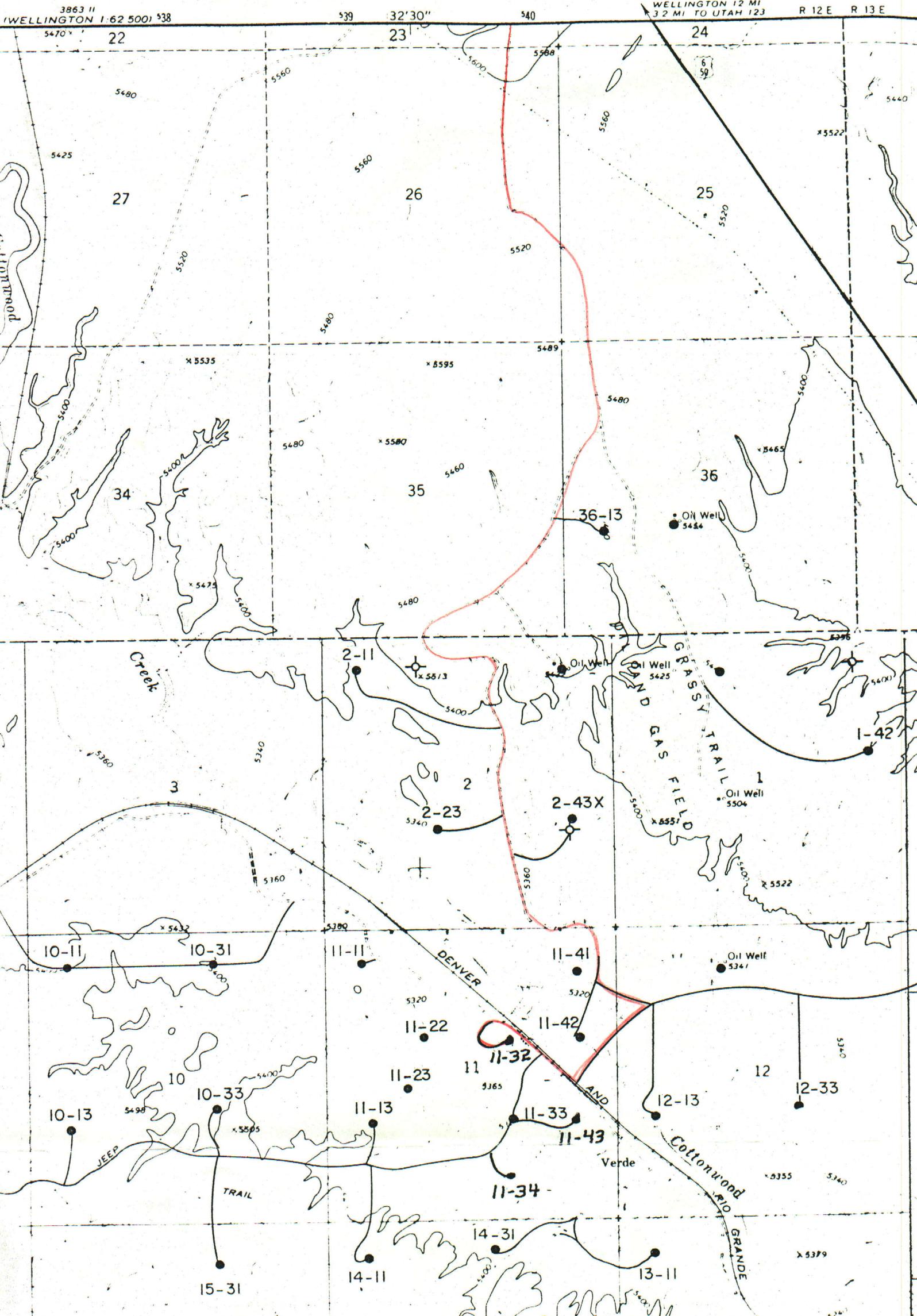
11. Reclamation will occur as soon as feasible as determined by the BLM and will return all disturbed areas to a color and topographic form that blends with the surroundings. Any topsoil stockpiled will be redistributed and the area seeded as specified by the BLM at the time of reclamation. Erosion control devices will be required as determined by the BLM.

12. Dirt will not be pushed over ledge leading down to Cottonwood Ck.



SKYLINE OIL COMPANY
FEDERAL # 11-32
SW NE Section 11
T.16S., R.12E., SLB&M
Emery County, Utah

EXHIBIT "A"



SKYLINE OIL COMPANY
FEDERAL # 11-32
SW NE Section 11
T.16S., R.12E., SLB&M
Emery County, Utah

EXHIBIT "B"

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

M

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

12. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
 SKYLINE OIL COMPANY

3. ADDRESS OF OPERATOR
 2000 University Club Bldg., S.L.C., Utah 84111

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 1944' FNL, 2076' FEL, SW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 11, T. 16 S., R. 12 E., SLM
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 17 miles South East of Wellington, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 1944' FNL-Lease Line

16. NO. OF ACRES IN LEASE
 2320

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 1400' from Fed. #11-22

19. PROPOSED DEPTH
 3990'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 O.G. EL. 5338'

22. APPROX. DATE WORK WILL START*
 Nov. 1, 1982

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
24"	16"	65#/F	30'	6 cu yds Redi Mix
14-3/4"	10-3/4"	40.5#/F	460'	450 sx Circ to Surface
9-7/8"	7-5/8"	26.40#/F	3490'	400 sx Class H

See Attachments.

RECEIVED
SEP 19 1983

DIVISION OF
OIL, GAS & MINING

MINERAL INVESTMENT
SERVICES
OIL & GAS OPERATIONS
RECEIVED
SALT LAKE CITY UTAH
AUG 29 1983

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. SIGNED Clifford Schier TITLE Senior Engineer DATE Aug. 17, 1983

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY Diane Poline TITLE District Mgr. DATE 9/16/83

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED

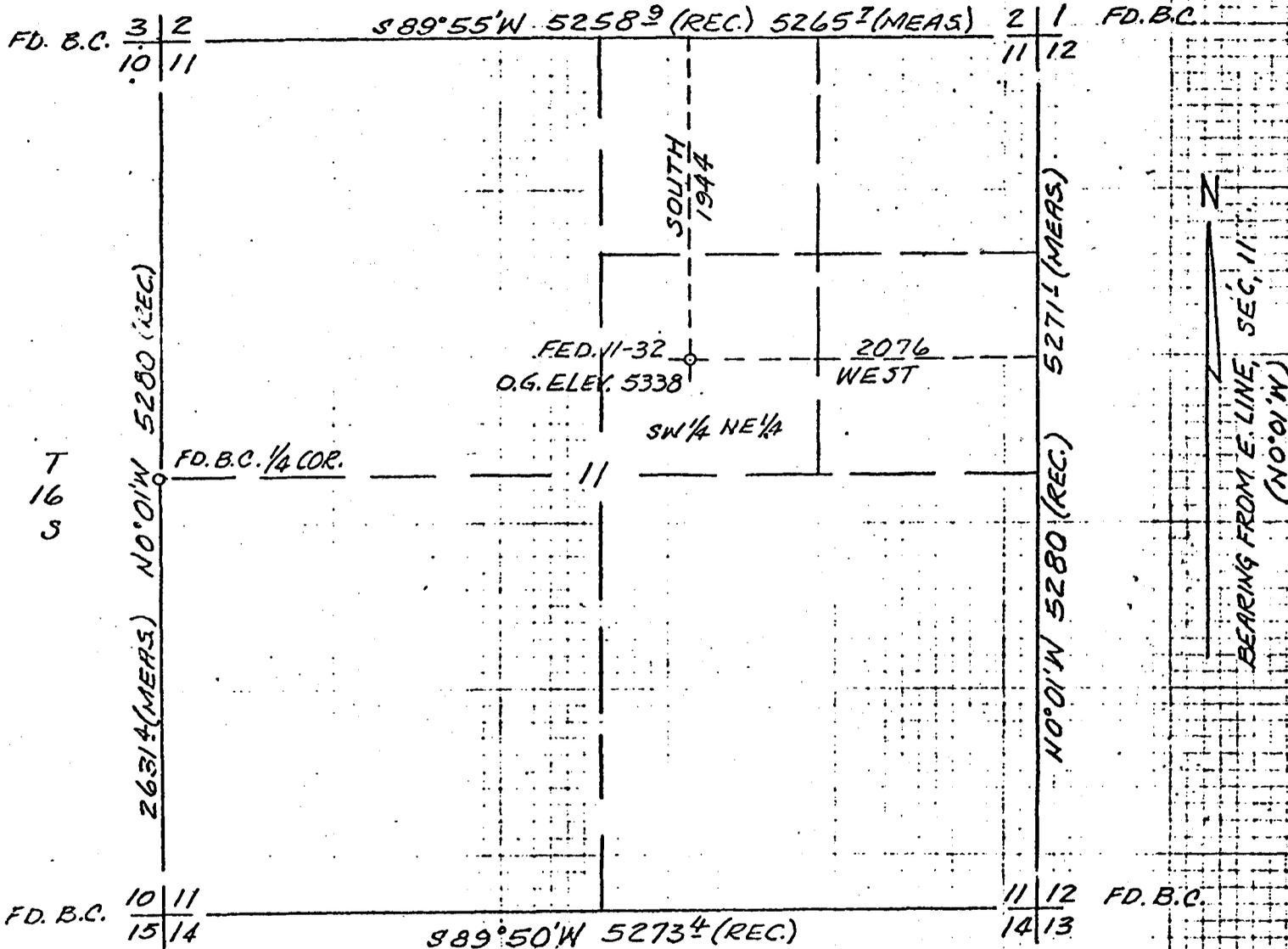
FLARING OR VENTING OF
GAS IS SUBJECT OF NTL 4-A
DATED 1/1/80

*See Instructions On Reverse Side

SKYLINE OIL COMPANY
 FEDERAL # 11-32
 SW NE Section 11
 T.16S., R.12E., SLB&M
 Emery County, Utah

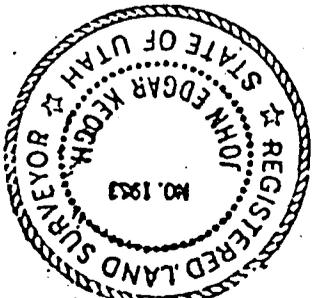
EXHIBIT "C"

R12E



T
16
S

BEARING FROM E. LINE, SEC. 11
($N0^{\circ}01'W$)



John E. Keogh
 UTAH R.L.S. No. 1963

WELL LOCATION PLAT OF
 FEDERAL 11-32 IN
 S.W. 1/4 N.E. 1/4, SEC. 11, T16S, R12E, S.L.B.&M.
 EMERY COUNTY, UTAH
 TRANSIT & E.D.M. SURVEY
 FOR: SKYLINE OIL CO.
 SCALE: 1" = 1000' JULY 27, 1983
 ELEV. BY VER. ANGLES FROM U.S.G.S. TOPO.
 QUAD. "MOUNDS, UTAH" 1969 (N.W. COR.,
 SEC. 11 = 5360)

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Company Skyline Oil Company Well No. Federal 11-32
Location Sec. 11, T. 16 S., R. 12 E. Lease No. U-43778

**A COPY OF THESE CONDITIONS SHOULD BE FURNISHED YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (30 CFR 221), and the approved plan of operations. The operator is considered fully responsible for the actions of his subcontractors. The following items are emphasized:

1. There shall be no deviation from the proposed drilling and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling producing, suspended, or abandoned shall be identified in accordance with 30 CFR 221.22. Any changes in operations must have prior approval of this office. Pressure tests are required before drilling out from under all casing strings set and cemented in place. Blowout preventer controls must 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 insure good mechanical working order, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs. All BOP pressure tests must be recorded on the daily drilling report.
2. All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and furnished this office for analysis. All oil and gas shows will be adequately tested for commercial possibilities, reported and protected.
3. 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 this office. If operations are to be suspended, prior approval of this office must be obtained and notification given before resumption of operations.

In the event abandonment of the hole is desired, an oral request may be granted by this office, but must be timely followed within 15 days with a "Notice of Intention to Abandon" (Form 9-331). Unless the plugging is to take place immediately upon receipt of oral approval, the District Manager must be notified at least 48 hours in advance of the plugging of the well in order that a representative may witness plugging operation. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form 9-331) must be submitted within 15 days after the actual plugging of the well bore, reporting where the plugs were placed, and the current status of the surface restoration. If surface restoration has not been completed at that time, a follow-up report on form 9-331 should be filed when all surface restoration has been completed and the location is considered ready for final inspection.

4. The spud date will be reported orally to the respective District Manager's office within 48 hours after spudding. If the spudding occurs on a week-end or holiday, wait until the following regular workday to make this report.

Periodic drilling progress reports must be filed directly with the District Manager's office on a frequency and form or method as may be acceptable to the District Manager.

In accordance with NTL-1, this well must be reported on Form 9-329 "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 should be filed, in duplicate, directly with Royalty Management Accounting Center, Minerals Management Service, P. O. Box 2859, Casper, Wyoming 82602.

Any change in the program must be approved by the District Manager. "Sundry Notices and Reports on Wells" (form 9-331) must be filed for all changes of plans and other operations in accordance with 30 CFR 221.58. Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alteration of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground will require the filing of a suitable plan pursuant to NTL-6, and prior approval by the District Manager.

5. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (form 9-330) will be submitted not later than 15 days after completion of the well or after completion of operations being performed, in accordance with 30 CFR 221.59. Two copies of all logs run, core descriptions, core analyses, 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 9-330. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by this office.
6. Significant surface values (are) (are not) involved at this location. Accordingly, you (must) (need not) notify at least (24) (48) hours prior to commencing field operations to allow this office to have personnel present for consultation during the construction of roads and locations.

Your contact with the District Office is: Tom Hare

Office Phone: 801-259-6111 Ext 235 Home Phone: 801-259-7965

City: Moab State: Utah

Resource Area Manager's Address and contacts are:

Address: 900 North 700 East, P. O. Box AB, Price, Utah 84501

Your contact is: Daniel C. Cressy

Office Phone: 801-637-4584 Home Phone: 801-637-9077

7. SURFACE OPERATING STANDARDS

Unless otherwise specified herein, construction and maintenance of surface facilities approved under this plan shall be in accordance with the guidelines set forth in the BLM/FS/GS Oil and Gas Brochure entitled, "Surface Operating Standards for Oil and Gas Exploration and Development". This includes but is not limited to such items as road construction and maintenance, handling of top soil and rehabilitation.

8. If a replacement rig is contemplated for completion operations, a "Sundry Notice" to that effect must be filed, for prior approval of the District Manager, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
9. 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 of the permanent disposal method, along with the required water analysis and other information must be submitted for the District Manager's approval. Failure to timely file an application within the time allowed will be considered an incident of noncompliance, and will be grounds for issuing a shut-in order until the application is submitted.
10. This permit is valid for a period of one year from the date of approval. If construction does not commence within 90 days from approval, the operator must contact this 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 application must be rehabilitated in accordance with the approved plan. After termination, it is required that a new application be filed for approval for any future operations.
11. If a tank battery is constructed on this lease, it must be surrounded by a fire wall of sufficient capacity to adequately contain the storage capacity of the battery.
12. This Application for Permit to Drill is approved subject to the requirement that, should the well be successfully completed for production, this office must be notified when it is placed in a producing status. Such notification will be by telegram or other written communication, and must be received in this office by not later than the first business day next following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - a. Operator name, address and telephone number.
 - b. Well name and number.
 - c. Well location (1/4, 1/4, Section, Township, Range and Prime Meridian).
 - d. Date was placed in a producing status.
 - e. The nature of the well's production, i.e. crude oil, or crude oil and casinghead gas, or natural gas and entrained liquid hydrocarbons.

- f. The OCS, Federal or Indian lease prefix and number on which the well is located. Otherwise, the non-Federal or non-Indian land category, i.e. State or private.
- g. If appropriate, the unit agreement name, number and participating area name.
- h. If appropriate, the communitization agreement number.

13.

SUPPLEMENTAL STIPULATIONS OF APPROVAL ATTACHED

Skyline Oil Company
Well No. Federal #11-32
Sec. 11, T. 16 S., R. 12 E.
Emery County
Lease U-43778

Supplemental Stipulations:

1. Adequate and sufficient electric/radioactive logs will be run to locate and identify anticipated coal beds in the Ferron formation. Casing and cementing programs will be adjusted to eliminate any potential influence of the well bore or productive hydrocarbon zones on the coal resource.
2. Cement around the long string should protect water in Navajo and Wingate formations.

ADDITIO N L STIPULATIONS FOR PRODUCTION FACILITIES

Your Application for Permit to Drill also included a submittal for production facilities. These production facilities are approved for the lessee and his designated operator under Section 1 of the Oil and Gas Lease with the following conditions:

- (1) The oil and gas measurement facilities must be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy are to be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. Please provide this office with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports are to be submitted to the Salt Lake City District Oil and Gas Supervisor. Royalty payments will be made on all production volume as determined by the meter measurements or the tank measurements. All measurement facilities must conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.
- (2) 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 must be housed and/or fenced.
- (3) All disturbed areas not required for operations will be rehabilitated.
- (4) All produced liquids must be contained including the dehydrator vent/condensate line effluent. All production pits must be fenced.
- (5) The well activity, the well status and the date the well is placed on production must be reported on Lessee's Monthly Report of Operations, Form 9-329.
- (6) All off-lease storage, off-lease measurement, or commingling on lease or off-lease must have written approval.
- (7) All product lines entering and leaving hydrocarbon storage tanks must be locked/sealed.
- (8) You are reminded of the requirements for handling, storing, or disposing of water produced from oil and gas wells under NTL-2B.
- (9) All materials, trash, junk, debris, etc. not required for production must be removed from the well site and production facility site at the completion of these operations.
- (10) A copy of the Gas Sales Contract will be provided to this office and the Royalty Accounting Department as directed.
- (11) Construction and maintenance for surface use approved under this plan should be in accordance with the surface use standards as set forth in the BLM/GS Oil and Gas Brochure entitled, "Surface Operating Standards for Oil and Gas Exploration and Development." This includes, but is not limited to, such items as road construction and maintenance, handling of top soil and rehabilitation.
- (12) "Sundry Notice and Reports on Wells" (form 9-331) will be filed for all changes of plans and other operations in accordance with 30 CFR 221.58. Emergency approval may be obtained verbally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alternations of facilities, including roads, gathering lines, batteries, measurement facilities, etc., will require the filing of a suitable plan and prior approval by the survey.

OPERATOR SKYLINE OIL CO DATE 8-31-83

WELL NAME FED 11-32

SEC SW NE 11 T 10 S R 12 E COUNTY EMERY

43-015-30176
API NUMBER

FED
TYPE OF LEASE

POSTING CHECK OFF:

- INDEX
- MAP
- HL
- NID
- PI

PROCESSING COMMENTS:

no oil wells within 1000'

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 8-31-83
BY: [Signature]

CHIEF PETROLEUM ENGINEER REVIEW:

8/31/83

APPROVAL LETTER:

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

SPECIAL LANGUAGE:

WATER (IF WATER IS USED)

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

AUTHENTICATE LEASE AND OPERATOR INFORMATION

VERIFY ADEQUATE AND PROPER BONDING *FED*

AUTHENTICATE IF SITE IS IN A NAMED FIELD, ETC.

APPLY SPACING CONSIDERATION

ORDER NO

UNIT NO

c-3-b

c-3-c

BAF
DYLE
OF OVB AND MINING
OF DIVISION OF
APPROVED BY THE STATE

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.

August 31, 1983

Skyline Oil Company
2000 University Club Bldg.
Salt Lake City, Utah 84111

RE: Well No. Federal 11-32
SWNE Sec. 11, T. 16S, R. 12E
1944' FNL, 2076' FEL
Emery County, Utah

Gentlemen:

Insofar as this office is concerned, approval to drill the above referred to oil well is hereby granted in accordance with Rule C-3(b), General Rules and Regulations and Rules of Practice and Procedure. If water is used, a copy of the Utah Division of Water Rights (533-6071) approval for use or purchase of drilling water must be submitted to this office prior to spudding, otherwise this approval is void.

Should you determine that it will be necessary to plug and abandon this well, you are hereby requested to immediately notify the following:

RONALD J. FIRTH - Chief Petroleum Engineer
Office: 533-5771
Home: 571-6068

Enclosed please find Form OGC-8-X, which is to be completed whether or not water sands (aquifers) are encountered during drilling. Your cooperation in completing this form will be appreciated.

Further, it is requested that this Division be notified within 24 hours after drilling operations commence, and that the drilling contractor and rig number be identified.

The API number assigned to this well is 43-015-30176.

Sincerely,


Norman C. Stout
Administrative Assistant

NCS/as
cc: Branch of Fluid Minerals
Encl.



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

April 8, 1985

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

Gentlemen:

Re: Well No. Federal 11-32 - Sec. 11, T. 16S., R. 12E.,
Emery County, Utah - Lease No. U-43778
Operator of Record: Skyline Oil Company

The above referenced well in your district was given state approval to drill August 31, 1983. This office has not received notification of any activity on this location.

Please let me know what action, if any, the Bureau of Land Management is taking on this well.

Thank you for your help in keeping our records up to date.

Sincerely,

Pam Kenna
Well Records Specialist

cc: Dianne R. Nielson
Ronald J. Firth
John R. Baza
File

0161S/63

3162 (U-065)
(U-43778)

Moab District
P. O. Box 970
Moab, Utah 84532

RECEIVED
APR 24 1986

Texas Eastern Skyline Oil Company
1200 Mellon Financial Center
1775 Sherman Street
Denver, CO 80203

DIVISION OF
OIL, GAS & MINING

Re: Rescinding Application for
Permit to Drill
Well No. Federal 11-32
Sec. 11, T. 16 S., R. 12 E.
Emery County, Utah
Lease U-43778

Gentlemen:

The Application for Permit to Drill the referenced well was approved on September 16, 1983. Since that date, no known activity has transpired at the approved location.

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.

Should you intend to drill this location at a future date, a new application for permit to drill must be submitted.

If you have any questions, please contact the Branch of Fluid Minerals at (801) 259-6111.

Sincerely,
/S/ GENE NODINE

District Manager

cc:
State of Utah, Division of Oil, Gas and Mining
Price River Resource Area

bcc:
U-942, Utah State Office

CFreudiger/cf 4/22/86



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

April 29, 1986

Texas Eastern Skyline Oil Company
1200 Mellon Financial Center
1775 Sherman Street
Denver, Colorado 80203

Gentlemen:

RE: Well No. Federal #11-32, Sec.11, T.16S, R.12E,
Emery County, Utah, API NO. 43-015-30176

In concert with action taken by the U.S. Bureau of Land Management, 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.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,

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

John R. Baza
Petroleum Engineer

sb
cc: BLM-Moab
D. R. Nielson
R. J. Firth
Well file
0278T-52