

UTAH OIL AND GAS CONSERVATION COMMISSION

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

DATE FILED **1-15-85**
 LAND FEE & PATENTED STATE LEASE NO PUBLIC LEASE NO **U-15193** INDIAN

DRILLING APPROVED **1-25-85 - OIL/GAS (Exception Location)**
 SPUDDED IN
 COMPLETED PUT TO PRODUCING

INITIAL PRODUCTION
 GRAVITY API
 GOR
 PRODUCING ZONES
 TOTAL DEPTH

WELL ELEVATION
 DATE ABANDONED *Location Abandoned Application Rescinded 4-18-86*
 FIELD **WILDCAT**

UNIT
 COUNTY **EMERY**
 WELL NO **STRAIGHT CANYON FEDERAL #22-1** API #**43-015-30214**
 LOCATION **921' FNL** FT. FROM (N) (S) LINE. **1120' FWL** FT. FROM (E) (W) LINE **NW NW** 14 - 14 SEC **22**

TWP	RGE	SEC	OPERATOR	TWP	RGE	SEC	OPERATOR
				18S	6E	22	SOUTHLAND ROYALTY CO.

NOTICE OF STAKING (Not to be used in place of Application for Permit to Drill Form 3160-3)		6. Lease Number U-15193
1. Oil Well [] Gas Well [X] Other Wildcat (Specify)		7. If Indian, Allottee or Tribe Name
2. Name of Operator: Southland Royalty Company		8. Unit Agreement Name
3. Name of Specific Contact Person: Doug R. Harris		9. Farm or Lease Name Straight Canyon Federal
4. Address & Phone No. of Operator or Agent P.O. Drawer 570 Farmington, NM 87499 505-325-1841		10. Well No. 22-1
5. Surface Location of Well Attach: a) Sketch showing road entry onto pad, pad dimensions, and reserve pit. b) Topographical or other acceptable map showing location, access road, and lease boundaries. 920' FNL & 1120' FWL		11. Field or Wildcat Name Wildcat Ferron
NOTE: Pad will be 250' X 300' Lday down will be determined at the onsite.		12. Sec., T., R., M., or Blk. and Survey or Area Section 22, T18S, R6E
15. Formation Objective(s) Ferron		13. County, Parish or Borough Emery
16. Estimated Well Depth 7000'		14. State Utah
17. Additional Information (as appropriate; must include surface owner's name, address, and telephone number) Forest Land		

18. Signed  Doug R. Harris Title Petroleum Engineer
Date July 30, 1984

Note: Upon receipt of this Notice, the Bureau of Land Management (BLM) will schedule the date of the onsite predrill inspection and notify you accordingly. The location must be staked and access road must be flagged prior to the onsite.

- Operators must consider the following prior to the onsite:
- a) H₂S Potential
 - b) Cultural Resources (Archaeology)
 - c) Federal Right-of-Way or Special Use Permit

(IMPORTANT: SEE REVERSE SIDE FOR INSTRUCTIONS)

RECEIVED
AUG 1 1984
DIVISION OF OIL
GAS & MINING

R6E

T18S

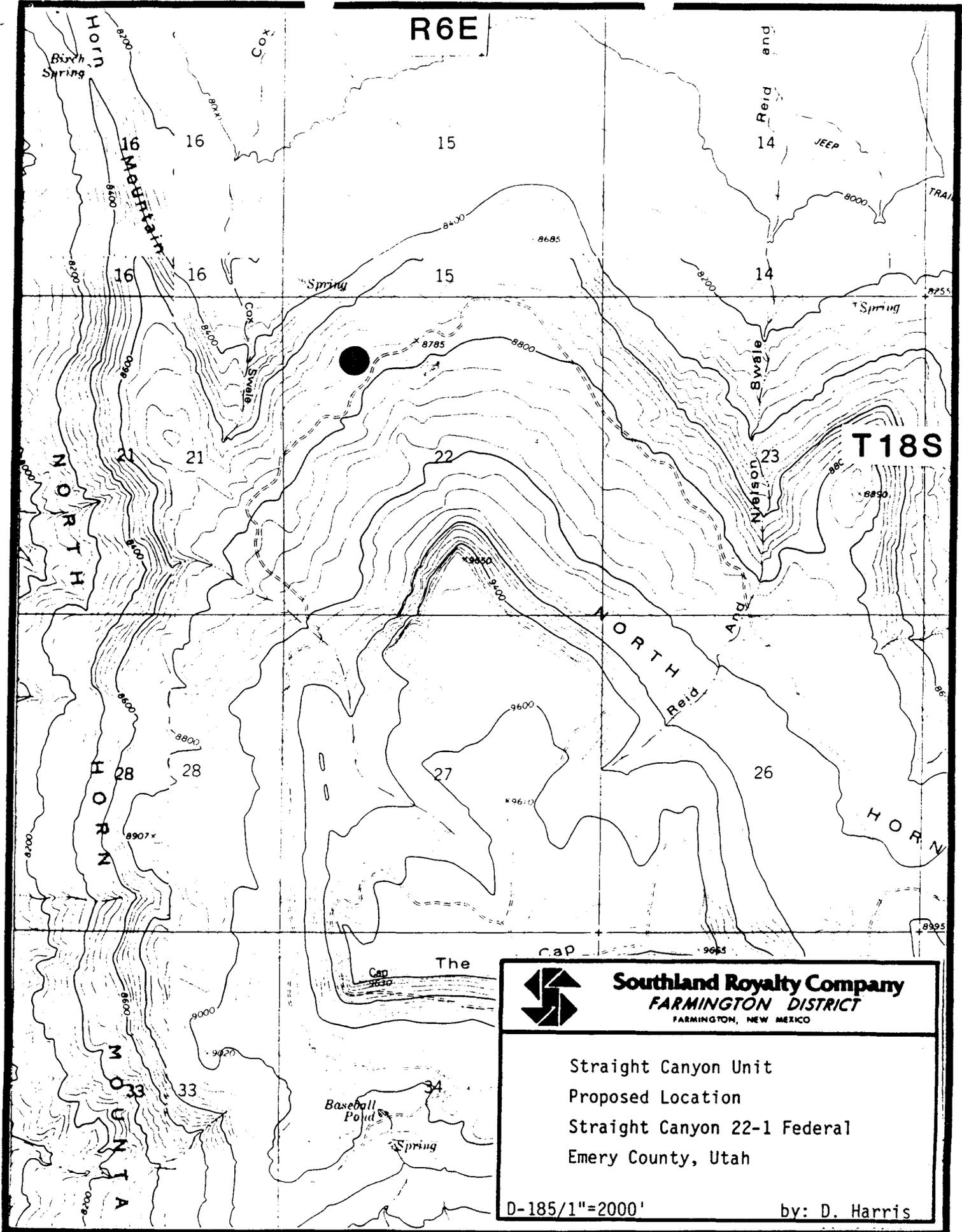


Southland Royalty Company
FARMINGTON DISTRICT
 FARMINGTON, NEW MEXICO

Straight Canyon Unit
 Proposed Location
 Straight Canyon 22-1 Federal
 Emery County, Utah

D-185/1"=2000'

by: D. Harris



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

4

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.

U-15193

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Straight Canyon Federal

9. WELL NO.

22-1

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA

Section 22, T18S, R6E

12. COUNTY OR PARISH | 13. STATE

Emery | Utah

1a. TYPE OF WORK

DRILL DEEPEN PLUG BACK

b. TYPE OF WELL

OIL WELL GAS WELL OTHER Wildcat SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR

Southland Royalty Company

3. ADDRESS OF OPERATOR

P.O. Drawer 570, Farmington, New Mexico 87401

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

At surface (D) 921' FNL & 1120' FWL
At proposed prod. zone N0880

RECEIVED
JAN 15 1985

DIVISION OF
OIL, GAS & MINING

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

40 Miles West of Ferron, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 921'

16. NO. OF ACRES IN LEASE

2545.04

17. NO. OF ACRES ASSIGNED TO THIS WELL

640

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

19. PROPOSED DEPTH

7020'

20. ROTARY OR CABLE TOOLS

Rotary

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

8750' GL

22. APPROX. DATE WORK WILL START*

July 1, 1985

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
20"	New 16"	65#, H-40	60'	--
12-1/4"	New 9-5/8"	36#, H-40	500'	313 cu.ft. - Circ to surface
8-3/4"	New 7"	23#, J-55	4040'	Stge 1: 250 cu.ft. - Cover Emery S.S. Stge 2: 450 cu.ft. - Bring cmt to 500'
6-1/4"	New 4-1/2"	10.5#, J-55	3900'-7020'	542 cu.ft. - Circ liner

Top of Star Point sand is at 450'.

Top of Ferron SS sand is at 6430'.

Spud mud will be used for conductor and surface pipe and air or foam system will be used under surface to total depth.

It is anticipated that a GR-CNL/FDC, Dual Induction, GR-BHC Sonic Log with GR and Caliper Logs will be run.

No abnormal pressures or poisonous gases are anticipated in this well.

It is expected that this well will be drilled before July 30, 1985.

This depends on time required for approvals, rig availability and the weather.

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 [Signature] TITLE Dist. Operations Engineer DATE 1-10-85

(This space for Federal or State office use)

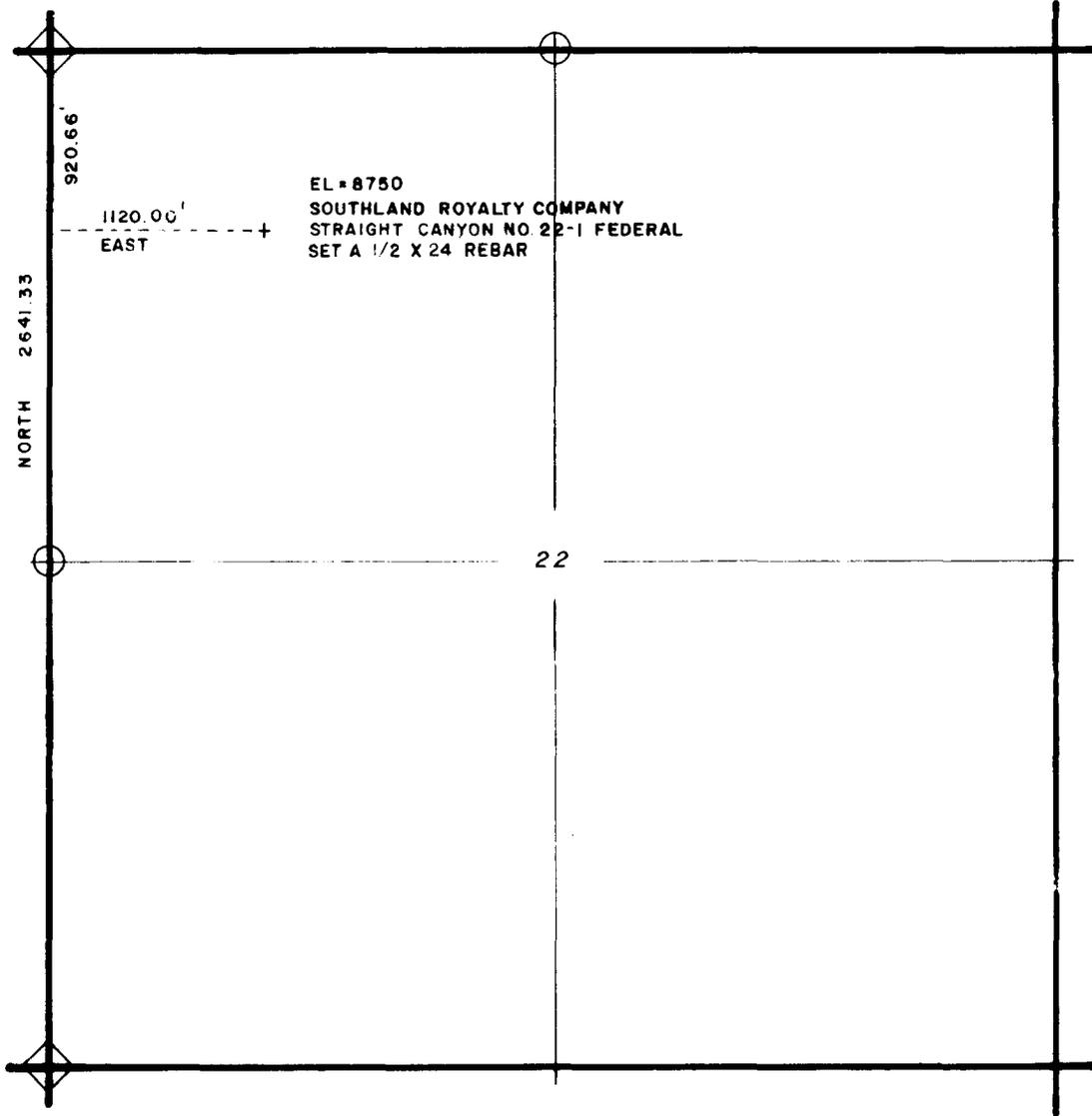
PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

1/25/85
[Signature]

Township 18 South



920.66'

1120.00'
EAST

NORTH 2641.33

EL = 8750
SOUTHLAND ROYALTY COMPANY
STRAIGHT CANYON NO 22-1 FEDERAL
SET A 1/2 X 24 REBAR

22



Basis Of Bearing

North between the West 1/4 Corner and the Northwest Corner of Section 22, T 18 S, R 6 E, S.L.B. & M.

Legend

- ◇ Found Brass Cap Section Corner
- Found Brass Cap One Quarter Corner

Surveyors Certificate

I, EVAN E. HANSEN, Do Hereby Certify That I Am A Registered Land Surveyor Holding Certificate No. 3115 As Prescribed Under The Laws Of The State Of Utah. I Further Certify That I Have Made A Survey Of The Tract Of Land Shown On This Plat And That It Is True And Correct To The Best Of My Knowledge

Evan E. Hansen

July 25, 1984
Date

Empire Engineering		
86 North 200 East Price, Utah 84501		
Southland Royalty Company		
Straight Canyon No 22-1 Federal		
DRAWN BY MHWK	APPROVED BY	DRAWING NO
DATE 7-26-84	SCALE	EE06-080A

SOUTHLAND ROYALTY COMPANY - DRILLING SCHEDULE

STRAIGHT CANYON FEDERAL #22-1

921' FNL & 1120' FWL
Section 22, T18S, R6E
Emery County, Utah

Field: Wildcat Elevation: 8750' GL

Geology:

Formation Tops:	Star Point	450'	Inter. TD	4100'
	Emery SS	3430'	Ferron SS	6430'
	Bluegate Shale	4040'	Tununk Shale	6980'
			Total Depth	7020'

Logging Program: GR-CNL/FDC, Dual Induction, GR-BHC Sonic Log with GR and Caliper (have induction log traced on density log).

Drilling:

Contractor:

SRC Rep: Doug Harris

Mud Program: Spud mud for conductor and surface pipe.
Air or foam system under surface to total depth.

Materials:

Casing Program:	Hole Size	Depth Set	Casing Size	Weight & Grade
	20"	60'	16"	65# H-40
	12-1/4"	500'	9-5/8"	36# H-40
	8-3/4"	4040'	7"	23# J-55
	6-1/4"	3900'-7020'	4-1/2"	10.5# J-55

Float Equipment:

9-5/8" Surface Casing: Cement nosed guide shoe.

7" Intermediate Casing: Cement nosed guide shoe, self-fill float collar one joint above shoe. Five (5) centralizers every other joint above shoe. Run stage collar at \pm 2500' (actual location to be determined from logs) with a cement basket below and five (5) centralizers above stage tool

4-1/2" Liner: Cement nosed guide shoe, flapper float collar one joint above shoe. Liner hanger with neoprene pack off.

Wellhead Equipment: 9-5/8" X 10", 2000# casing head with 7" casing hanger
10", 2000# X 6", 3000# tubing head and tree.

Cement Program:

9-5/8" Surface Casing:

275 sacks (313 cu.ft.) of Class "B" with 3% CaCl₂ and 1/4# flocele per sack. WOC 12 hrs. Test casing shoe to 800 psi prior to drilling out. (100% excess to circulate.)

7" Intermediate Casing:

STAGE 1:

150 sacks (190 cu.ft.) of Class "B" 50/50 Poz with 2% gel, 10% salt, .6% fluid loss and 1/4# flocele per sack, tail in with 50 sacks (60 cu.ft.) of Class "B" neat. (Volume 50% excess to cover the Emery S.S. TOC at 3000'.)

STAGE 2:

220 sacks (390 cu.ft.) of Class "B" 65/35 Poz with 3% gel, 10% salt, 10% Cal Seal and 12-1/2# gilsonite per sack, tail in with 50 sacks (60 cu.ft.) of Class "B" neat. (Volume 50% excess to bring cement to 500'.)

4-1/2" Liner:

430 sacks (542 cu.ft.) of Class "B" 50/50 Poz with 2% gel, 10% salt, .5% CFR-2 or equivalent. (Volume is 70% excess to circulate liner.)

Precede cement with 20 bbls chemical wash.

R. E. Fielder
District Production Manager

DRH/CTH/eg

12/17/84



Southland Royalty Company

January 3, 1985

Mr. Bob Graff
Bureau of Land Management
P. O. Box 970
Moab, Utah 84532

RE: Blowout Preventer

Dear Mr. Graff:

All drilling and completion rigs will be equipped with 6" or larger double gate hydraulic blowout preventers and a hydraulic operated closing unit with steel lines.

The preventer is 3000# working pressure and 6000# test pressure. All crews will be thoroughly trained in the operation of this preventer. The preventer will be tested frequently enough to ensure proper operation.

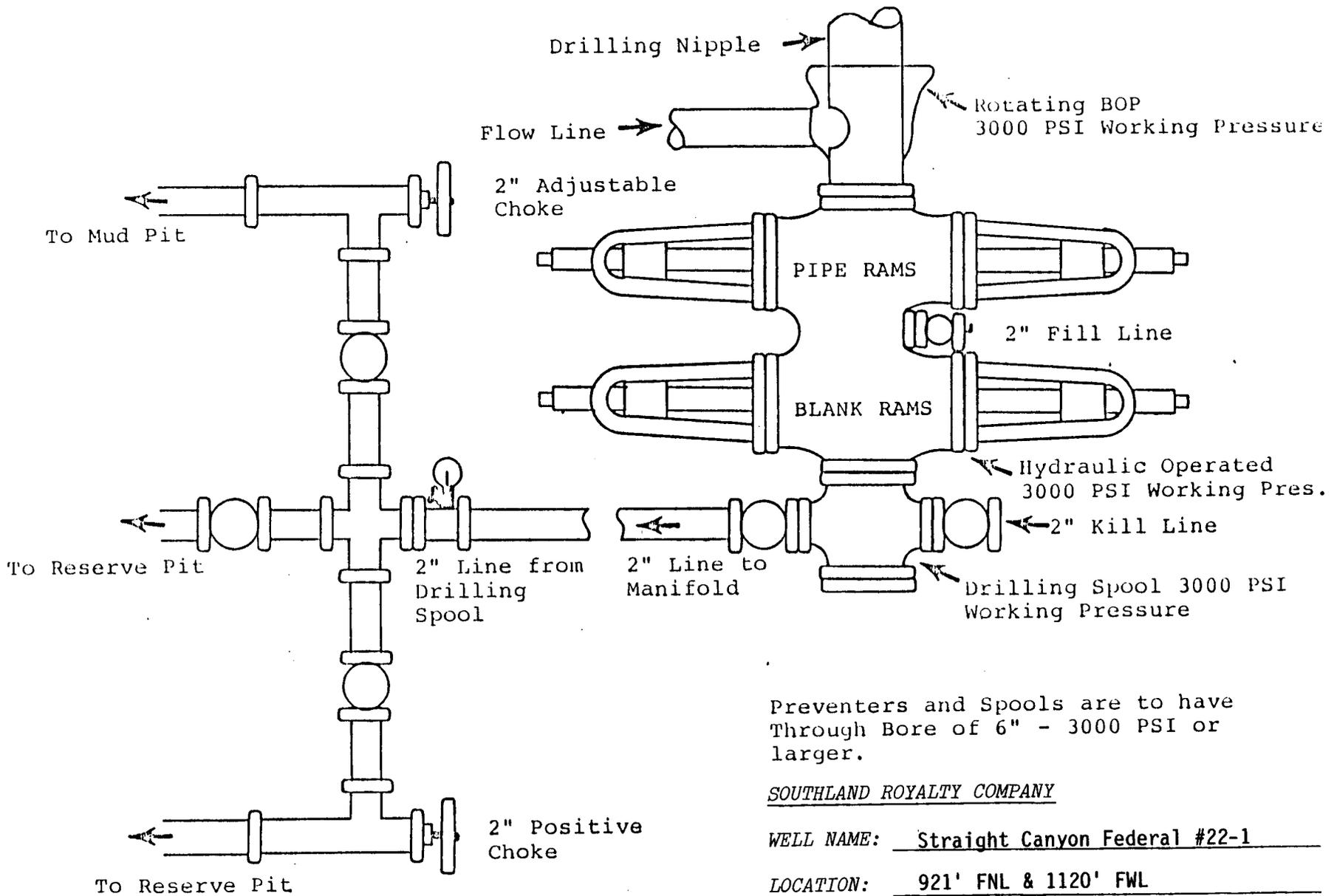
Sincerely,

SOUTHLAND ROYALTY COMPANY

C. Terry Hobbs
District Operations Engineer

CTH/eg

Attachment



Preventers and Spools are to have Through Bore of 6" - 3000 PSI or larger.

SOUTHLAND ROYALTY COMPANY

WELL NAME: Straight Canyon Federal #22-1

LOCATION: 921' FNL & 1120' FWL

Section 22, T18S, R6E

COUNTY: Emery

STATE: Utah

LEASE NAME: STRAIGHT CANYON FEDERAL #22-1 LEASE NUMBER: U-15193

LOCATION: NW/NW, Section 22, T18S, R6E, 921' FNL & 1120' FWL, Emery County, Utah

DATE: January 3, 1985

SURFACE USE AND OPERATIONS PLAN

1. Existing Roads:

- A. See Attachment #1.
- B. Route and Distance from Nearest Town: 40 Miles West of Ferron, Utah
- C. Access Roads to Location: See Attachment #1
- D. Exploratory Well: N/A
- E. Development Well: For all existing roads within a one mile radius see Attachment #1
- F. Plans for Improvement and/or Maintenance: The access road will be bladed dirt and will be maintained regularly upon completion of the well.

2. Planned Access Road (See Attachment #1):

- A. Width: 18' running surface
- B. Maximum Grade: 11%
- C. Turnouts: None
- D. Drainage Design: As per BLM surface operating standards
- E. Upgrade Existing Road: 20 Miles
New Construction: Parts of 20 Miles - Outlined in road design
- F. Location and Size of Culverts: Enclosed with road design *
- G. Major Cuts and Fills:
- H. Surface Materials: Gates ---* Cattleguards ---* Fence Cuts --*
- I. Center-line of Road Flagging: The route of the proposed access road is flagged as shown on the attached map.

3. Location of Existing Wells: (See Attachment #2)

8" of top soil will need to be stockpiled from location to rehabilitate.

4. Location of Existing and/or Proposed Facilities Owned and/or Controlled By Southland Royalty Company:

A. Existing Facilities:

All tank batteries, production facilities, oil and gas gathering lines are on the individual wellsites. There are no injection or disposal lines in the area. SRC facility locations are shown on Attachment #2.

B. New Production Facilities:

All new production facilities will be located on wellsite. The proposed production facility layout and dimensions are shown in Attachment #3. Construction materials will be obtained from the location itself. Pits will be fenced and covered as soon as possible to protect wildlife and livestock.

C. Plans for Rehabilitation of Disposal Area:

All surface not needed for operation will be recontoured to blend with existing topography and reseeded with the recommended seed mixture provided by the surface managing agency or land owner.

5. Location and Type of Water Supply:

A. Location: Joe's Valley Reservoir - 20 Miles

Supply: Reservoir

B. Method of Transportation: Truck

C. Water Wells to be Drilled: None

6. Source of Construction Materials:

Location construction materials will be obtained on the location itself. Access roads are shown on Attachment #1.

7. Methods of Handling Waste Disposal:

A&B. Cuttings and Drilling Fluids:

All returns will be put in the reserve pit and buried when the location is recontoured.

C. Produced Fluids:

Tanks will be used for storage of produced fluids during testing.

D. Sewage:

Sewage will be contained in a portable latrine or bored hole and suitable chemical will be used to decompose waste materials.

E. Garbage and Other Waste Materials:
No trash pits allowed, all will be portable and must be removed after drilling operation.

F. Clean Up of Well Site:
Upon completion of drilling, all trash and litter will be picked up and placed in the burn pit which will be buried. The reserve pits will be fenced on three sides during drilling and the fourth side will be fenced when drilling is completed. The pit(s) will remain fenced until dry, at which time they will be backfilled.

8. Ancillary Facilities:

There will be no camps or airstrips.

9. Wellsite Layout:

- A. Cuts and Fills: See Well-Site Layout - Attachment #4
- B. Location of Pits and Stockpiles: See Well-Site Layout - Attachment #4
- C. Pad Orientation: See Well-Site Layout - Attachment #4
- D. Lining of Pits: No
- E. Safety: Safety will be of primary concern at all times and applicable safety regulations will be enforced at all times.

10. Plans for Restoration of Surface:

- A. Backfilling, Leveling, Contouring and Waste Disposal:
Topsoil will be stripped from the location and stockpiled for use after completion of contouring at which time it will be spread on the location.
Backfilling of the reserve pit(s) will be done as soon as the pits are dry.
Contouring of the location will be done in such a manner as to blend into and with the existing topography. If production is encountered, all areas not directly needed for operation of the well, will be seeded according to the surface managing agency or land owner's stipulations.
Waste Disposal will begin immediately after completion of drilling operations. All trash and litter will be picked up, placed in the burn pit and buried with a minimum of two feet.

B. **Revegetation and Rehabilitation:**

Revegetation of the location and access roads will begin with reseeding which will be done in the Spring or Fall of the year with the seed mix specified by the appropriate agency or owner. Rehabilitation of the location and access road will include contouring, replacement of topsoil and reseeding as noted above.

C. **Prior to Rig Release:**

The pits will be fenced on all four sides with a stock-tight fence. Fence will remain until pits are backfilled.

D. **Oil in pit will be removed or overhead flagging will be installed for the protection of waterfowl.**

E. **Timetable of Rehabilitation Operations:**

Commencement of rehabilitation work will be upon completion of drilling. Completion of rehabilitation work will depend on weather conditions and time required for pits to dry.

11. **Other Information Used:**

A. **Topography, Soil Characteristics, Geologic Features, Flora and Fauna:**

Upper Plateau gentle slopes at well site - dropping off steeply to canyon on north and west sides

B. **Surface Use and Ownership: Forest Service - Federal**

C. **Proximity of Water, Occupied Dwellings, Archaeological, Historical or Cultural Sites:**

Nearest Water: 20 Miles

Nearest Dwelling: 15 Miles

Archaeological: See Archaeological Report

12. **Lessee or Operator's Field Representative:**

Mr. Ross Lankford or Mr. Max Larson will be Southland Royalty Company's Field Representative supervising these operations.

Southland Royalty Company
P. O. Drawer 570
Farmington, New Mexico 87499
(505) 325-1841

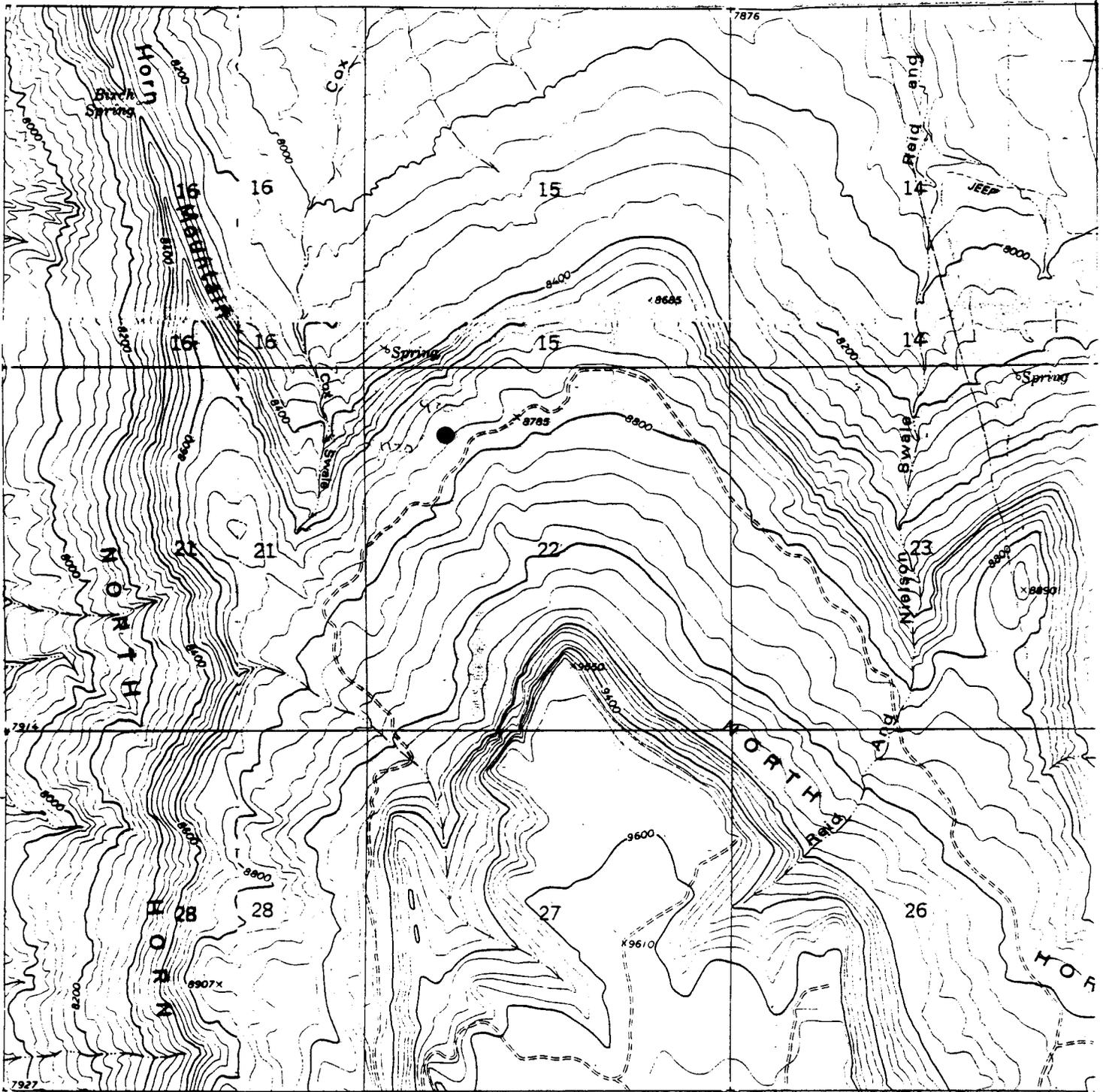
13. Certification:

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 as stated and in conformity with this plan and the terms and conditions under which it is approved.

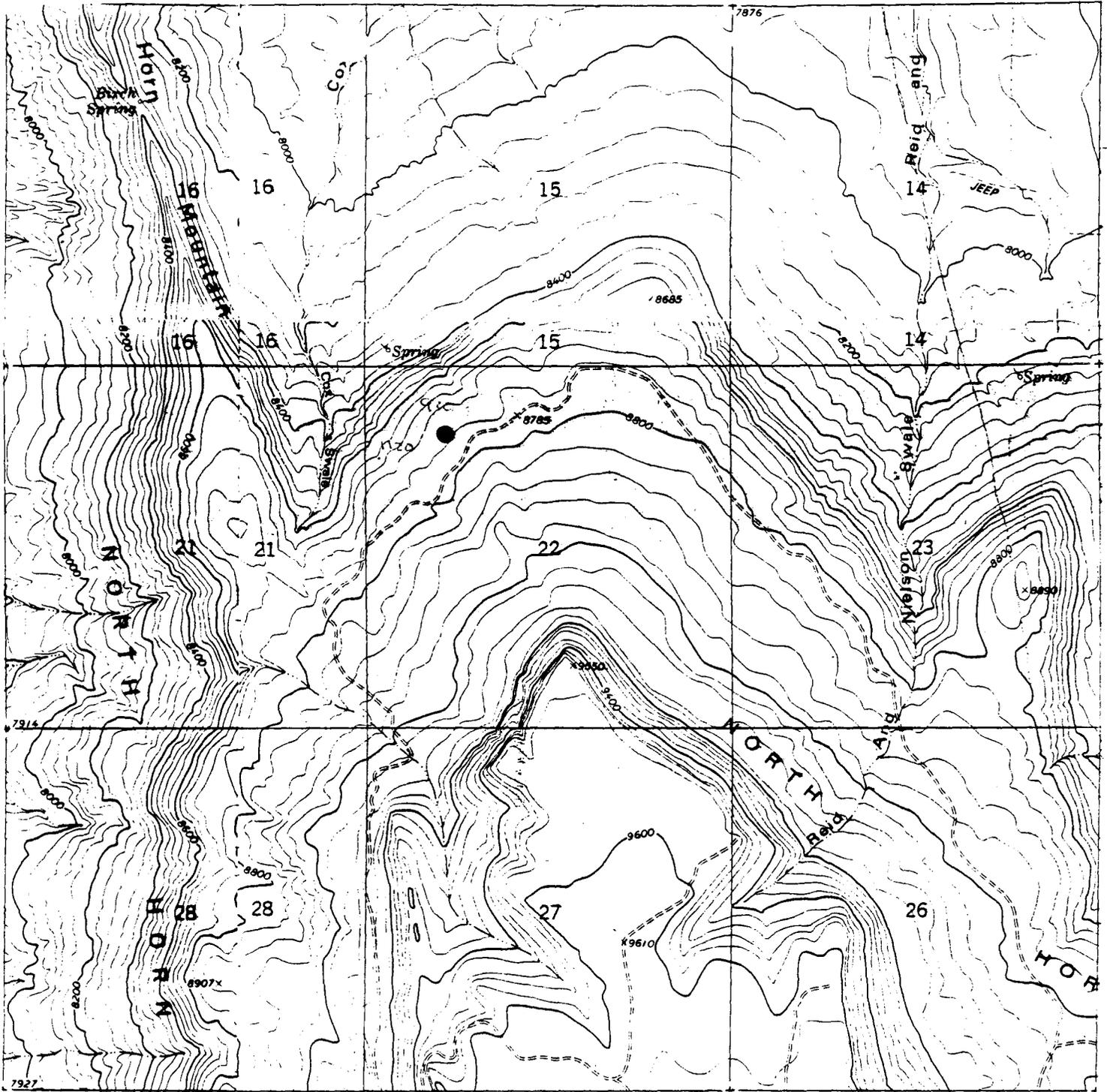
Date: 1-10-85


C. J. Terry Hobbs
District Operations Engineer

4/11/83



Vicinity Map for
SOUTHLAND ROYALTY COMPANY - STRAIGHT CANYON FEDERAL #22-1
 Section 22, T18S, R6E - 921' FNL & 1120' FWL
 Emery County, Utah



1" = 4000'

LEGEND

- ⊙ LOCATIONS
- OIL WELL
- ⊕ DRY HOLE
- * GAS WELL
- ⊗ DUAL GAS WELL
- ⊗ DUAL OIL & GAS

PROPOSED LOCATION



Southland Royalty Company
ROCKY MOUNTAIN DISTRICT
 FARMINGTON, NEW MEXICO

WELL NAME Straight Canyon Federal #22-1

LOCATION Section 22, T18S, R6E
 Emery County, Utah
 ATTACHMENT #2



Southland Royalty Company
ROCKY MOUNTAIN DISTRICT
 PARKINGTON, NEW MEXICO

ATTACHMENT #3

**PROPOSED PRODUCTION
 FACILITY LAYOUT**

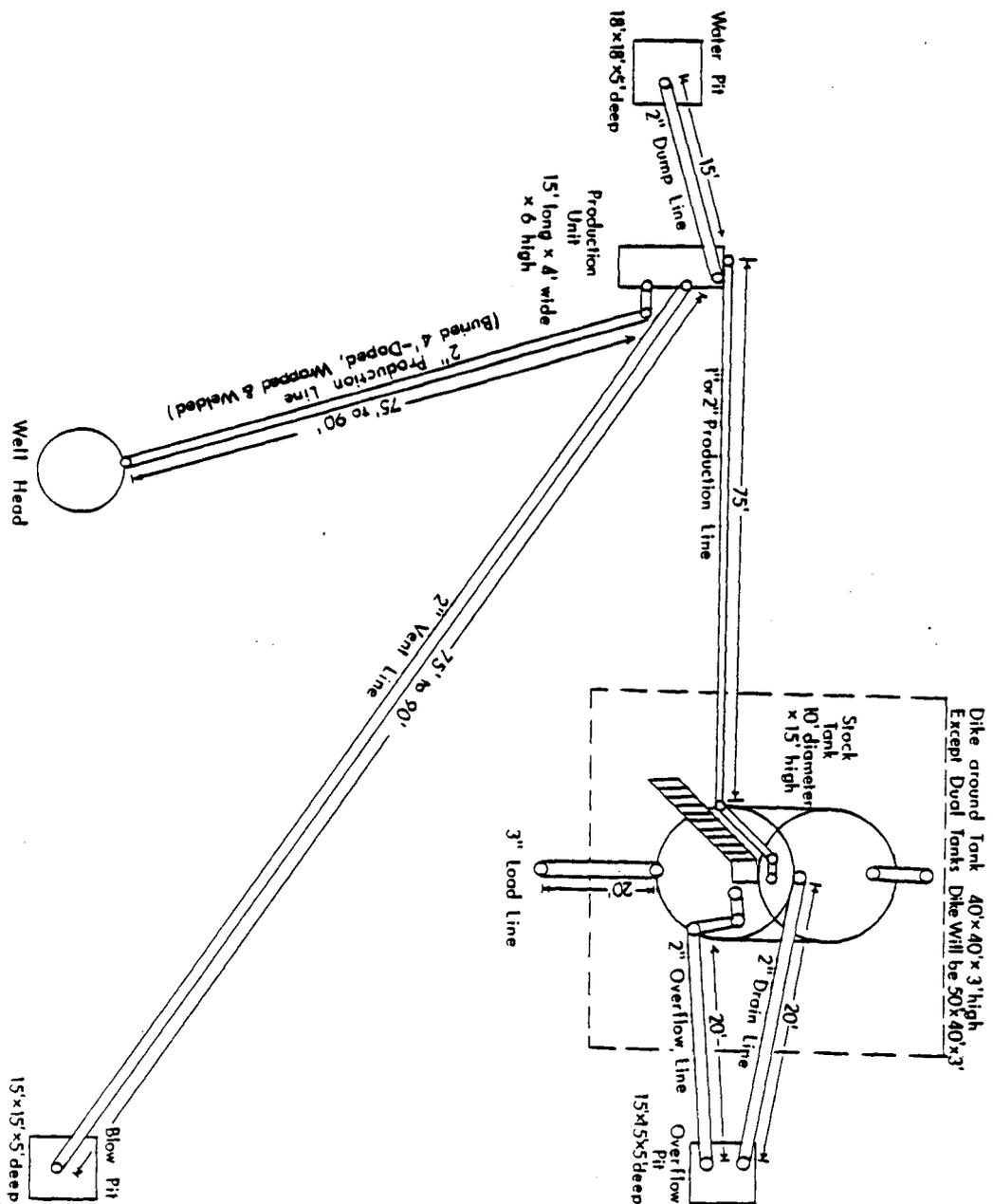
WELL Straight Canyon Federal #22-1

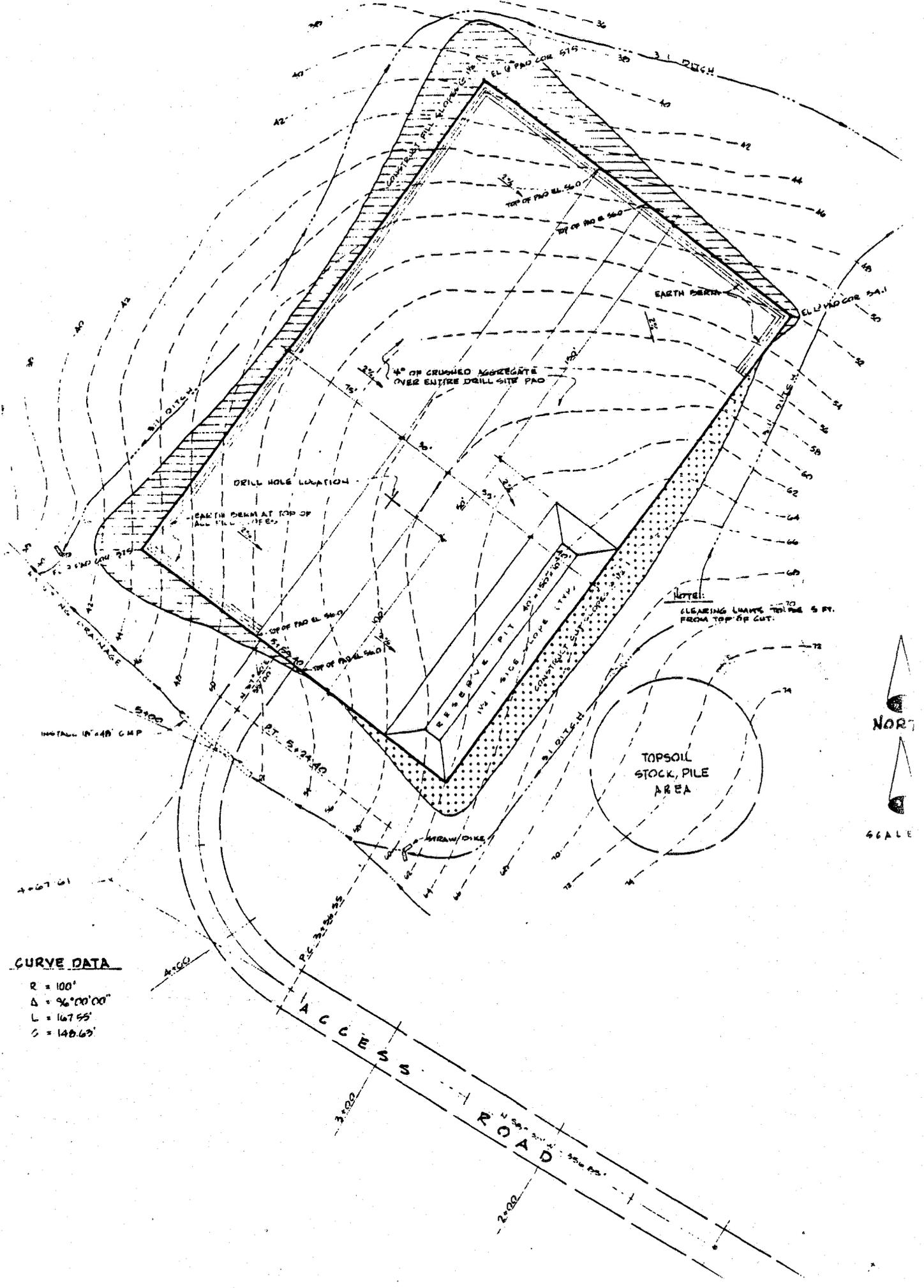
LOCATION Emery, Utah

N.T.S.

D-171

**NOTE: ALL PITS WILL BE FENCED AND
 A DIKE WILL BE CONSTRUCTED
 AROUND TANK BATTERY.**





NOTE:
 CLEARING LEAVE TO 5 FT.
 FROM TOP OF CUT.



CURVE DATA

R = 100'
 Δ = 96°00'00"
 L = 167.95'
 C = 148.63'

EMPIRE ENGINEERING		PHONE (801) 637-7498
86 NORTH 200 EAST - PRICE, UTAH		84501
SOUTHLAND ROYALTY CO.		
STRAIGHT CANYON - NO. 22-1 FEDERAL		
DRAWN BY: D.L.P.	APPROVED BY:	DRAWING NO.
DATE 4/5/84	SCALE AS NOTED	EE06-0810

BUREAU OF LAND MANAGEMENT

MOAB DISTRICT

CONDITIONS OF APPROVAL FOR PERMIT TO DRILL

Company SOUTHLAND ROYALTY COMPANY Well No. STRAIGHT CANYON FED. #22-1
Location Sec. 22 T 18S R 6E Lease No. U-15193
Emery County, Utah
Onsite Inspection Date August 21, 1984

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 ensure compliance.

A. DRILLING PROGRAM

1. Surface Formation and Estimated Formation Tops: _____

<u>Surface - North Horn Formation</u>			
<u>Emery S.S.</u>	<u>3750'</u>	<u>Tununk Shale</u>	<u>7300'</u>
<u>Bluegate Shale</u>	<u>4350'</u>	<u>Total Depth</u>	<u>7350'</u>
<u>Ferron</u>	<u>6750'</u>		

2. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones Are Expected to be Encountered:

	<u>Formation</u>	<u>Zone</u>
Expected oil zones:		
Expected gas zones:	<u>Ferron Sandstone</u>	<u>6750'-7300'</u>
Expected water zones:	<u>Star Pt. & Emery S.S.</u>	<u>0-500' and 3750'</u>
Expected mineral zones:		

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

3. Pressure Control Equipment: All drilling and completion rigs will be equipped with 6" or larger double gate hydraulic blowout preventers and a hydraulic operated closing unit with steel lines. The preventer is 3000# working pressure and 6000# test pressure. The preventer will be tested frequently to insure proper operations.

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.

4. Casing Program and Auxiliary Equipment: 60' - 16", 6.5#, H-40 Conductor;
500' - 10-3/4", 32.75#, H-40 Surface Casing; 3400' - 7", 23#, J-55
Intermediate Casing and 7000' - 4-1/2", 10.5#, J-55 Production String.

5. Mud Program and Circulating Medium: Air drilling from surface to
Total Depth. If excessive water flows are encountered a stiff foam
system will be employed.

6. Coring, Logging and Testing Program: Formation evaluation will be
made from shows encountered during drilling operation (air drilling
and log evaluation).

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 15 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).

7. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards:
No abnormal conditions are anticipated. No high pressure zones are
anticipated.

8. Anticipated Starting Dates and Notifications of Operations:

Location construction: September 25, 1984

Spud date: June 1, 1985

The operator will contact the USFS-Dist. Ranger-Ferron Resource Area at Ferron, Utah, 48 hours prior to beginning any dirt work on this location.

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.

In accordance with Onshore Oil and Gas Order No. 1, this well will 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 will be filed, in duplicate, directly with Royalty Management Accounting Center, Minerals Management Service, P.O. Box 2859, Casper, Wyoming 82602, and a copy forwarded to the Moab BLM District Office, P.O. Box 970, Moab, Utah 84532.

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 the first business day following the date on which the well is placed on production.

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.

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

Other: _____

B. THIRTEEN POINT SURFACE USE PLAN

1. Existing Roads:

- a. Location of proposed well in relation to town or other reference point: 20 Miles from Joe's Valley Reservoir

- b. Proposed route to location: Exit off State Hwy #29 onto forest route 50170, follow to junction with forest route 50019, follow 50019 to confluence with F.R. 50020 & follow F.R. 50020 to location.
- c. Location and description of roads in the area: Shown on enclosed Map #1. Roads are basically graded roads with natural surface of local soils.
- d. Plans for improvement and/or maintenance of existing roads: Included in required road design adhering to USFS stipulation to upgrade road.
- e. Other: Additional section of F.R. 50020 will be reshaped, refaced and drained properly according to USFS' supervision.

2. Planned Access Roads:

- a. Width: Max. 20' - Min. 14'
- b. Maximum grades: 8% to 11% for 300' to 600' runs
- c. Turnouts: 2/mile w/max 5/mi, covered w/favorable gravel adding 10' of width
- d. Location (centerline): Shown on plat of location
- e. Drainage: Included in road design (enclosed).
- f. Surface materials (source): Gravel pit in Orangeville
- g. Other: Timber cut for road widening will be cut in 6' lengths and stockpiled

All travel will be confined to existing access road rights-of-way.

The access road will be rehabilitated or brought to Class III Road Standards within 60 days of dismantling of the drilling rig.

If this time frame cannot be met, the AO will be notified so that temporary drainage control can be installed along the access road.

All access roads are Forest Development roads the above statement does not apply.

The Class III Road Standards, which shall ensure drainage control over the entire road through the use of natural, rolling topography, ditch turnouts, drainage dips, outsloping, crowning, low water crossings, and culverts when necessary, will be determined at the appropriate field inspection.

3. Location of Existing Wells: Coal exploration wells within 2 miles radius have been plugged. No other wells exist.

4. Location of Tank Batteries and Production Facilities:

All permanent (on site for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective, 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 the Occupational Safety and Health Act (OSHA) will be excluded.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain $1\frac{1}{2}$ times the storage capacity of the battery.

Tank batteries will be placed on the: Will be determined at the time production is proven.

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.

All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

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

5. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from: _____
Live stream approximately 1/4 mile from location of from Joe's Valley
Reservoir. Water Use Permit will be secured from Cottonwood Creek
Irrigation in Orangeville.

6. Source of Construction Material:

Road surfacing and pad construction material will be obtained from: _____
Private source

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

Construction material (~~will~~/will not) be located on lease.

7. Methods of Handling Waste Disposal:

The reserve pit (~~will~~/will not) be lined: _____

Burning (~~will~~/will not) be allowed. All trash must be contained and disposed of by: Trash bins

Produced waste water will be confined to a (~~will~~/unlined) pit for a period not to exceed 90 days after initial production. During the 90-day period an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the 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.

8. Ancillary Facilities:

Camp facilities (~~will~~/will not) be required. They will be located:

9. Well Site Layout:

The reserve pit will be located: On cut only

The stockpiled topsoil will be stored: The top 8" will be stockpiled on east side of location or uphill from location.

Access to the well pad will be from: Southwest side via Forest Service Road #50020

The trash pit will be located: No trash pit allowed, all will be portable and must be removed after drilling operation.

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

10. 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. Yes

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. Yes

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

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

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

Seed will be broadcast ~~XXXXXXX~~ at a time specified by the ~~BLK~~. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage. Yes

The following seed mixture will be used:

Included in Environmental Assessment

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

Yes

11. Surface and Mineral Ownership:

Federal

12. Other Information: The Operator or his contractor will notify the

Ferron District Ranger at Ferron 48 hours prior to any work to

be done. Operator will adhere to additional stipulations outlined

in USFS Environmental Assessment.

There will be no deviation from the proposed drilling and/or workover 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 ~~not~~) be required before any construction begins. If any cultural resources are found during construction, all work will stop and the SO 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.

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

Representative

Name: Douglas R. Harris - Petroleum Engineer
Address: P.O. Drawer 570, Farmington, NM 87499
Phone No.: (505) 325-1841

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 currently 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

Southland Royalty Company

and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

1-10-85
Date


Name and Title

C. Terry Hobbs - Dist. Operations Engineer
Southland Royalty Company

ON-SITE

DATE: _____

PARTICIPANTS: _____

TITLES: _____

Your contact with the District Office is: Lynn Jackson

Office Phone: (801) 259-6111

City: Moab State: Utah

Resource Area Manager's address and contacts are:

Address: P.O. Box 129, Ferron, Utah 84523

Your contact is: Steve Robison

Office Phone: (801) 384-2372

OPERATOR Royalty Southland Realty Co. DATE 1-17-85
WELL NAME Straight Canyon Fed. #22-1
SEC NW NW 22 T 18S R 6E COUNTY Emery

43-015-30214
API NUMBER

Fed
TYPE OF LEASE

CHECK OFF:

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> PLAT | <input checked="" type="checkbox"/> BOND | <input checked="" type="checkbox"/> NEAREST WELL |
| <input checked="" type="checkbox"/> LEASE | <input checked="" type="checkbox"/> FIELD | <input checked="" type="checkbox"/> POTASH OR OIL SHALE |

PROCESSING COMMENTS:

No other wells - 18S 6E
Exception location
Need water permit

APPROVAL LETTER:

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

STIPULATIONS:

1- Water
2- Exception location



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

January 25, 1985

Southland Royalty Company
P. O. Drawer 570
Farmington, New Mexico 87401

Gentlemen:

Re: Well No. Straight Canyon Federal #22-1 - NW NW Sec. 22, T. 18S, R. 6E
921' FNL, 1120' FWL - Emery County, Utah

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

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water.
2. Submittal to the Division of information justifying the necessity for an exception location and verification of ownership within a radius of 500 feet of the proposed location.

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

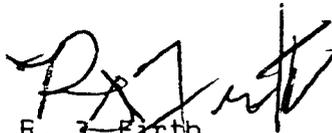
1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (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.

Southland Royalty Company
Well No. Straight Canyon Fed. #22-1
January 25, 1985
Page 2

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 43-015-30214.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

as
Enclosures
cc: Branch of Fluid Minerals

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

22 MAR 1985

Southland Royalty Company
P. O. Drawer 570
Farmington, NM 87401

Re: Application for Permit to Drill
Well No. Straight Canyon Fed 22-1
Sec. 22, T. 18 S., R. 6 E.
Emery County, Utah
Lease U-15193

Gentlemen:

The above referenced Application for Permit to Drill was received January 14, 1985. Deficiencies in your application were pointed out by letter dated January 18, 1985. It was necessary for you to submit Designations of Operator from El Paso Exploration and Enterprise Gas Company, Lessees of Record Title on Lease U-15193. This application could have also been permitted if your Straight Canyon Unit had been approved. We are still holding for approval on this federal unit.

According to regulation identified in Onshore Oil and Gas Order 1 (43 CFR 3160), if the deficiencies are not corrected and/or the additional required information is not submitted within 45 days, the application shall be returned.

As of this date, our records indicate that these items have not been provided to this office. We are therefore returning your application unapproved. If you still intend to drill this well, a new Application for Permit to Drill will have to be submitted along with the deficient items identified.

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

Sincerely,

/s/ GENE MOORE

District Manager

Enclosures: (not necessary w/ file copy)
2-Applications for Permit to Drill

cc: San Rafael Resource Area

CFreudiger/cf 3/22/85

CF

R
J. P. Davis 3/22/85
3/22/85
3/22/85



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangertter, 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 18, 1986

Southland Royalty Company
P.O. Drawer 570
Farmington, New Mexico 87401

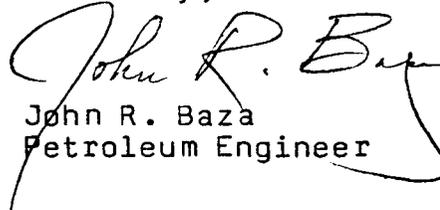
Gentlemen:

RE: Well No. Straight Canyon Federal 22-1, Sec.22, T.18S, R.6E,
Emery County, Utah, API NO. 43-015-30214

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,


John R. Baza
Petroleum Engineer

sb
cc: BLM-Moab
D. R. Nielson
R. J. Firth
Well file
0278T-40

ROUTING/ACTION FORM

4-21-86

SEQ	NAME	ACTION	INITIAL
	NORM		
3	TAMI	3a, 5	
	VICKY		
	CLAUDIA		
	STEPHANE		
1	CHARLES	1	
2	RULA	2	
	MARY ALICE		
	CONNIE		
	MILLIE		
	RON		
	JOHN		
	GIL		
4	PAM	4, 5	

NOTES:

ACTION CODE

1. DATA ENTER
2. FILM
3. POST
a. CARD FILE
b. FILE LABEL
c. LISTS
4. FILE
5. RELOCATE FILE OR CARD
6. DECISION
7. PREPARE LETTER
12. OTHER - SEE NOTES

Carl Frandigan

(259-8151)

Pat De Groot

MOAB DISTRICT OFFICE

Cimarron Petroleum Corporation
Well No. Cimarron Petro Corp. #1
Sec.5, T.22S, R.24E,
Grand County, Utah
API NO. 43-019-30987
U-20047-B

Being checked for final release SJRA
4/2/86

G.R. Dickinson
Well No. Williams Federal #6
Sec.5, T.42S, R.19E,
San Juan County, Utah
API NO. 43-037-31146

U-7302-D Rescinded 4/8/86

G.R. Dickinson
Well No. Williams Federal #7
Sec.5, T.42S, R.19E,
San Juan County, Utah
API NO. 43-037-31147

U-7303-D Rescinded 4/8/86

F-L Energy Corporation
Well No. Federal Buttes 1-6
Sec.6, T.20S, R.25E,
Grand County, Utah
API NO. 43-019-31102

U-41092

SRA rec'd 3/11/86

Clint Howell
Well No. Gebauer - Groom #6
Sec.7, T.42S, R.19E,
San Juan County, Utah
API NO. 43-037-30838
U-7303

S.N. noted 2/19/86

Well should be completed by 4/1/86.

Milestone Petroleum, Inc.
Well No. Navajo Federal 10-1
Sec.10, T.39S, R.25E,
San Juan County, Utah
API NO. 43-037-31073
U-12426¹

Rescinded 3/10/86

Southland Royalty Company
Well No. Straight Canyon Federal 22-1
Sec.22, T.18S, R.6E,
Emery County, Utah
API NO. 43-015-30214

U-15193

Returned application

Unapproved 3/22/85

4-17-86

APD returned unapproved
3-22-85 per Carol of Moab
BLM.

Page Two
Moab District Office

TXO Production Corporation
Well No. Cedar Ridge Canyon Federal #1
Sec.19, T.13S, R.17E,
Carbon County, Utah
API NO. 43-007-30104
U-48746

*Returned application
unapproved 4/10/85*

Wintershall Oil and Gas Corporation
Well No. Little Nancy Unit 34-14
Sec.34, T.37S, R.25E
San Juan County, Utah
API NO. 43-037-31119

Rescinded APO 9/1/86

U-44822