

1/16/76 - Change of operator: Valwood Prod. Co. to
3144 - 31 Southwest-Arkansas Co. Inc.

FILE NOTATIONS

Entered in MID File ✓
Location Map Plotted ✓
Card Indexed

Checked by Chief
Approval Letter
Disapproval Letter

Pub.
11-14-74

COMPLETION DATA:

Date Well Completed 4-7-75

OW..... WW..... TA.....

GW. ✓ OS..... PA.....

Location Inspected

Bond released

State or Fee Land

LOGS FILED

Driller's Log..... ✓

Electric Logs (No.) ✓

E..... I..... Dual I Lat..... GR-N..... Micro.....

3MC Sonic GR..... Lat..... IS-L..... Sonic.....

CBLog..... CCLog..... Others.....

UTAH DIVISION OF OIL AND GAS CONSERVATION

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

7-6-76 Change of operator to: Southwest-Arkansas Co., Inc.

DATE FILED 11-13-74

LAND: FEE & PATENTED _____ STATE LEASE NO. _____ PUBLIC LEASE NO. U-5675 INDIAN _____

DRILLING APPROVED: 11-14-74

SPUDED IN: 12-13-74

COMPLETED: 4-7-75 PUT TO PRODUCING: 4-7-75

INITIAL PRODUCTION: 80 MCF/D

GRAVITY A.P.I. _____

GOR: _____

PRODUCING ZONES: 3694-3782' Sect Wash - Morrison

TOTAL DEPTH: 3850'

WELL ELEVATION: 6060' GP - 6070' KB

DATE ABANDONED: SI

FIELD: Bull Canyon - Greater Cisco

UNIT: _____

COUNTY: Grand

WELL NO. BULL CANON FEDERAL #3

APT. NO: 43-019-30222

LOCATION 381' FT. FROM (N) LINE, 2224

FT. FROM (E) LINE. NW NW NE² 1/4-1/4 SEC. 9

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
------	------	------	----------	------	------	------	----------

20 S 21 E 9 SOUTHWEST-ARKANSAS CO., INC
VALWOOD PRODUCTION CO.

W. DON QUIGLEY

OIL AND MINERALS CONSULTANT
803 PHILLIPS PETROLEUM BLDG. - SALT LAKE CITY, UTAH 84101

November 11, 1974

Oil & Gas Division
U. S. Geological Survey
Federal Bldg.
Salt Lake City, Utah

Oil & Gas Division
Dept. of Natural Resources
1588 West N. Temple
Salt Lake City, Utah

Dear Sirs:

The enclosed application for a Permit to Drill a well in the NW. NE. of Section 9, T.20 S., R.21 E., Grand County, Utah is requesting a location which is less than the required distance from the lease and sub-division line specified by the State. The topography of the area is extremely rugged and suitable well sites are difficult to find. This is evident from the enclosed topographic map. OK
C.B.

It is therefore requested that an exception to the State rules be granted to allow the placement of the well site 381 ft. from the lease and sub-division line.

Sincerely yours,

W. Don Quigley
W. Don Quigley

**UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY**

5. LEASE DESIGNATION AND SERIAL NO.

U-5675 ✓

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Federal

9. WELL NO.

Bull Canyon #3

10. FIELD AND POOL, OR WILDCAT

Bull Canyon

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

Sec. 9-20S.-21E.S1M.

12. COUNTY OR PARISH 13. STATE

Grand Utah

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

Valwood Production Company

3. ADDRESS OF OPERATOR

708 East Manchester Blvd., Inglewood, Calif. 90301

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

At surface **NW.NE.SEC.9,T.20 S.,R.21 E., S.L.M.**
At proposed prod. zone **381' from N-line & 2224' from E-line**

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

About 20 miles northwest of Cisco, Utah

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

(Also to nearest drig. unit line, if any) **381'**

16. NO. OF ACRES IN LEASE

840

17. NO. OF ACRES ASSIGNED TO THIS WELL

80 acres

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

1100'

19. PROPOSED DEPTH

3900' ✓

20. ROTARY OR CABLE TOOLS

Rotary

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

Grd.:6060'; K.B.:6072'

22. APPROX. DATE WORK WILL START*

Nov. 20, 1974

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11" XXX	7 5/8" ✓	26.40# ✓	250' ✓	110 sks ✓

It is planned to drill a well at the above location to test the oil and gas potential of the Dakota, Cedar Mt., and Morrison formations. The well will be drilled into the Salt Wash member of the Morrison unless commercial production is obtained at a lesser depth. It is expected that the top of the Dakota formation will be found at about 3390'; the Cedar Mt. at 3460'; and the Morrison at 3550'. The well will be drilled with rotary tools, using air-water-soap mist for circulation. It is hoped that the damage to the production zones can be minimized in this manner; plus eliminating the numerous drill-stem-tests usually required. The surface casing will be set and cemented with returns to the surface, and a blow-out preventer will be installed on the surface casing head and a rotating head will be used on top of the blow-out preventer. A 6 3/4" hole will be drilled below the surface casing. In the event of production, 5 1/2" casing will be set and cemented above the production zone with casing extending thru the zone.

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 _____ TITLE **Consulting Geologist** DATE **Nov. 11, 1974**

(This space for Federal or State office use)

PERMIT NO. **43-019-30222** APPROVAL DATE _____

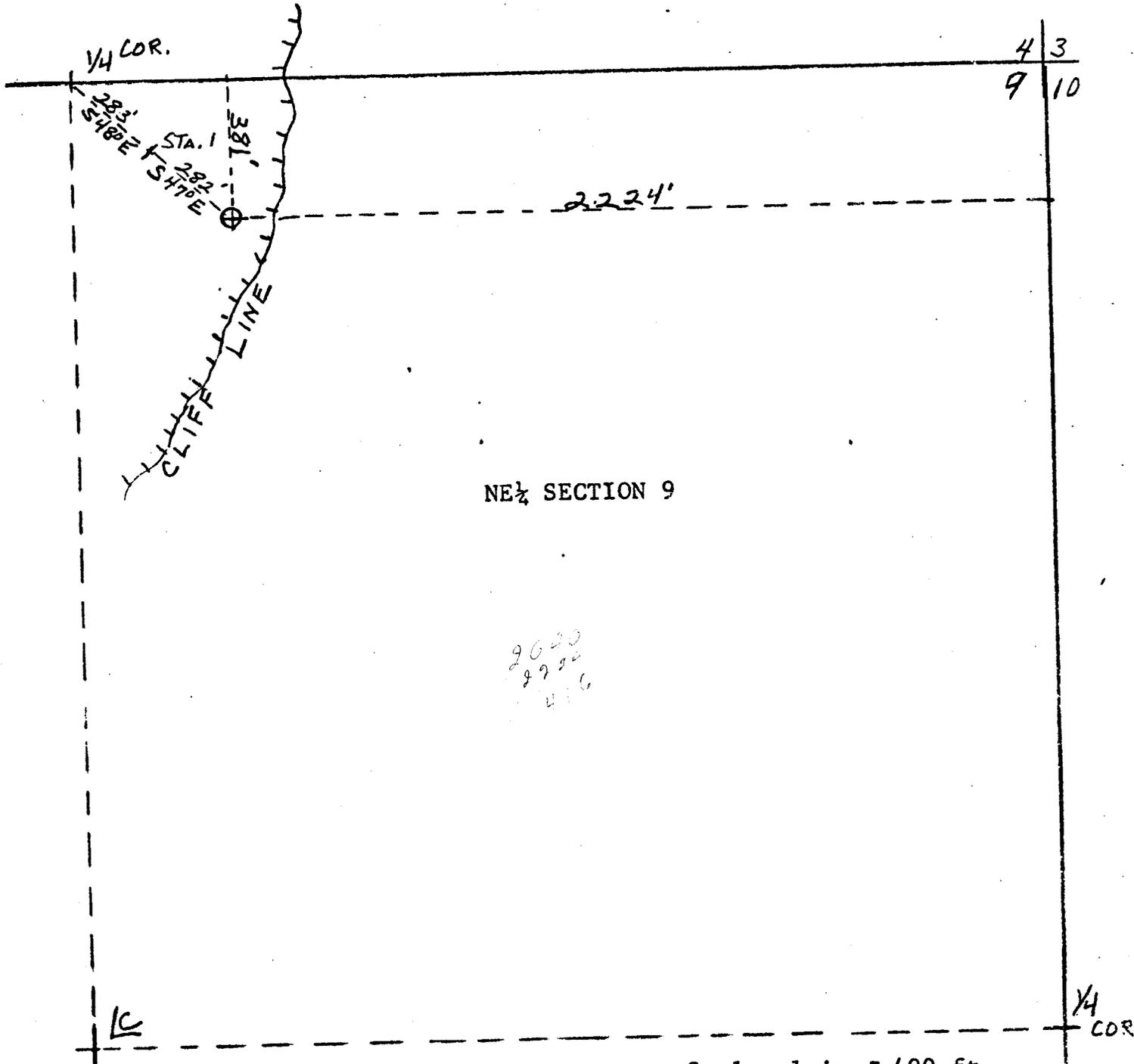
APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*Well located 1090' from Toledo B.C #2
approve in accordance with Pub. C-3
and request approval from
officer operator PMB*

*See Instructions On Reverse Side

LOCATION PLAT FOR
 VALWOOD PRODUCTION COMPANY
 BULL CANYON #3 WELL
 NW.NE.SEC.9-20S-21E..
 GRAND COUNTY, UTAH
 Elev.:6060' grd.



Scale: 1 in. = 400 ft.
 Date: Nov. 11, 1974
 Surveyed by: W. Don Quigley

PLAT NO. 1

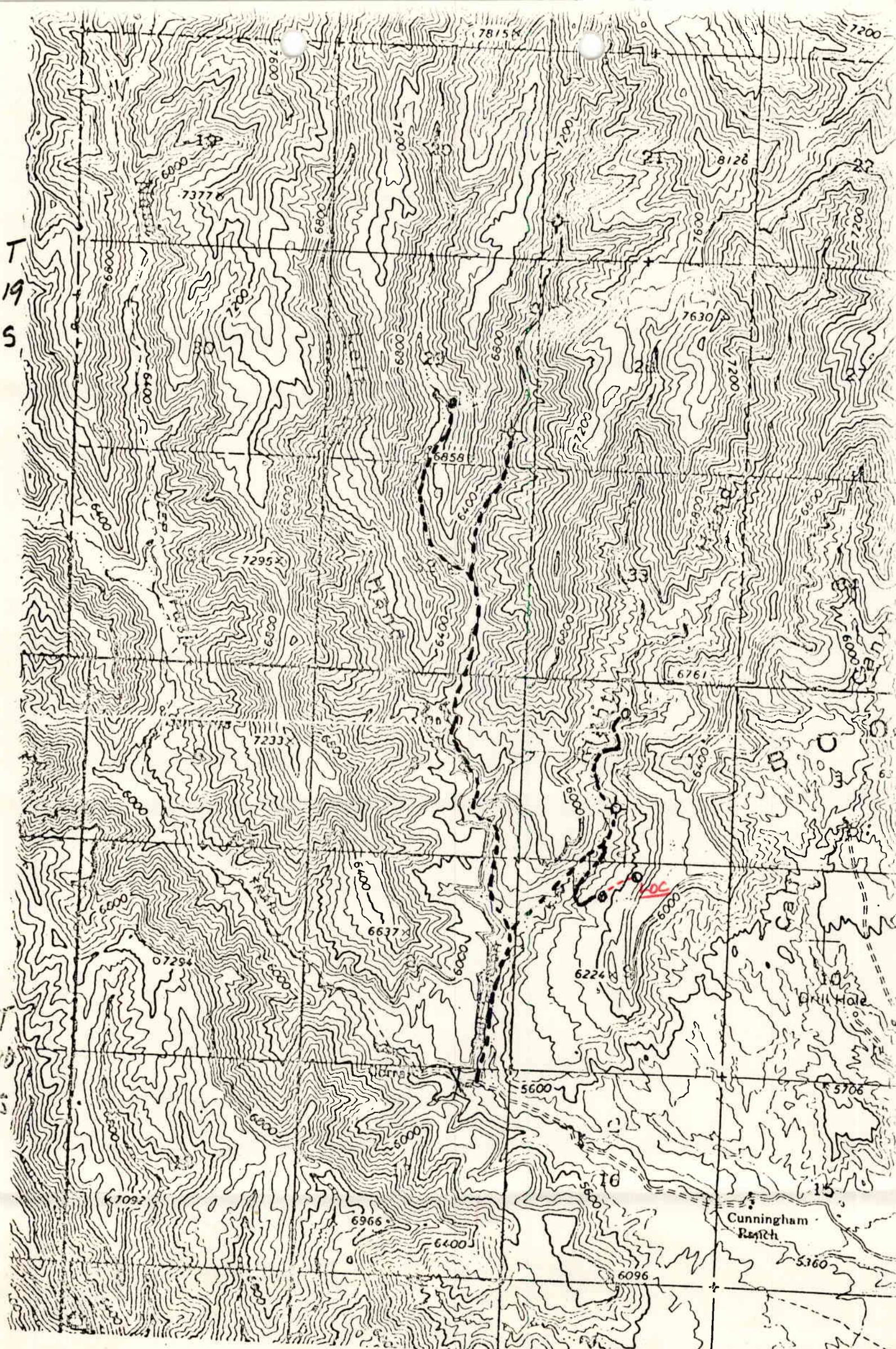
LOCATION PLANS FOR
VALWOOD PRODUCTION COMPANY
BULL CANYON #3 WELL
NW.NE.SEC.9-20S-21E.
GRAND COUNTY, UTAH

1. A survey plat (Plat No.1) showing the location of the proposed well is attached. Map No.1 shows the route to the well site area from Hwy.50-6 (I-70). This map also shows all the secondary roads now present in the area around the proposed well site.
2. Map No.2 shows the access road in detail (see red dashed line). This road is less than $\frac{1}{2}$ mile in length and will simply connect the ~~the~~ proposed well site with the Bull Canyon No.2 well.
3. All present wells and dry holes in the area around the proposed well site are shown on Map No.2.
4. See 1 and 2 above.
5. A plan for the placement of the production equipment at the well site, if the well is successful, is shown on Plat No.2. The tank battery may be placed in the canyon below the well site, if this seems more practical.
6. Water for drilling operations is normally available at the junction of Bull Canyon and Nash Canyon. The water will be hauled from Nash Wash to the well by truck.
7. A plat showing the plan for the equipment layout to be used in the drilling of the proposed well is shown on Plat No.3. This plat shows the reserve pit and garbage (burn) pit. Excess drilling mud, waste water, and cuttings will be deposited into the reserve pit during the drilling operations. The garbage and burnable material will be put into the burn pit. At the completion of the well these pits will be folded in and levelled.
8. See location of house trailers on Plat No.3.
9. There are no air strips in the surrounding area near the well site.
10. See Plat No. 3 for the drilling equipment layout.
11. There is no topsoil at the proposed well site. The surface is rocks and gravel typical of talus slopes along the Mesaverde and Mancos cliffs. Brush and juniper trees cover the surface. After the well is completed, the well site will be cleaned and levelled and the pits will be covered. Seeding will be done,

if required; but the position of the site on the rock slope would probably make seeding useless.

12. As can be seen from the topographic map, the area is rugged and has steep cliffs, narrow canyons, and numerous dry washes. Access is permitted by following the narrow canyons. The places suitable for well sites are limited and often have to be located in unorthodox positions due to topographic limitations. The rocks exposed in the area of the site are sandstones and shales belonging to the lower Mesaverde and upper Mancos formations. There are a few coal seams about 1-ft. or less in thickness along the canyon north of the site. There are none in the vicinity of the well site.

T
19
S



R. 21 E.

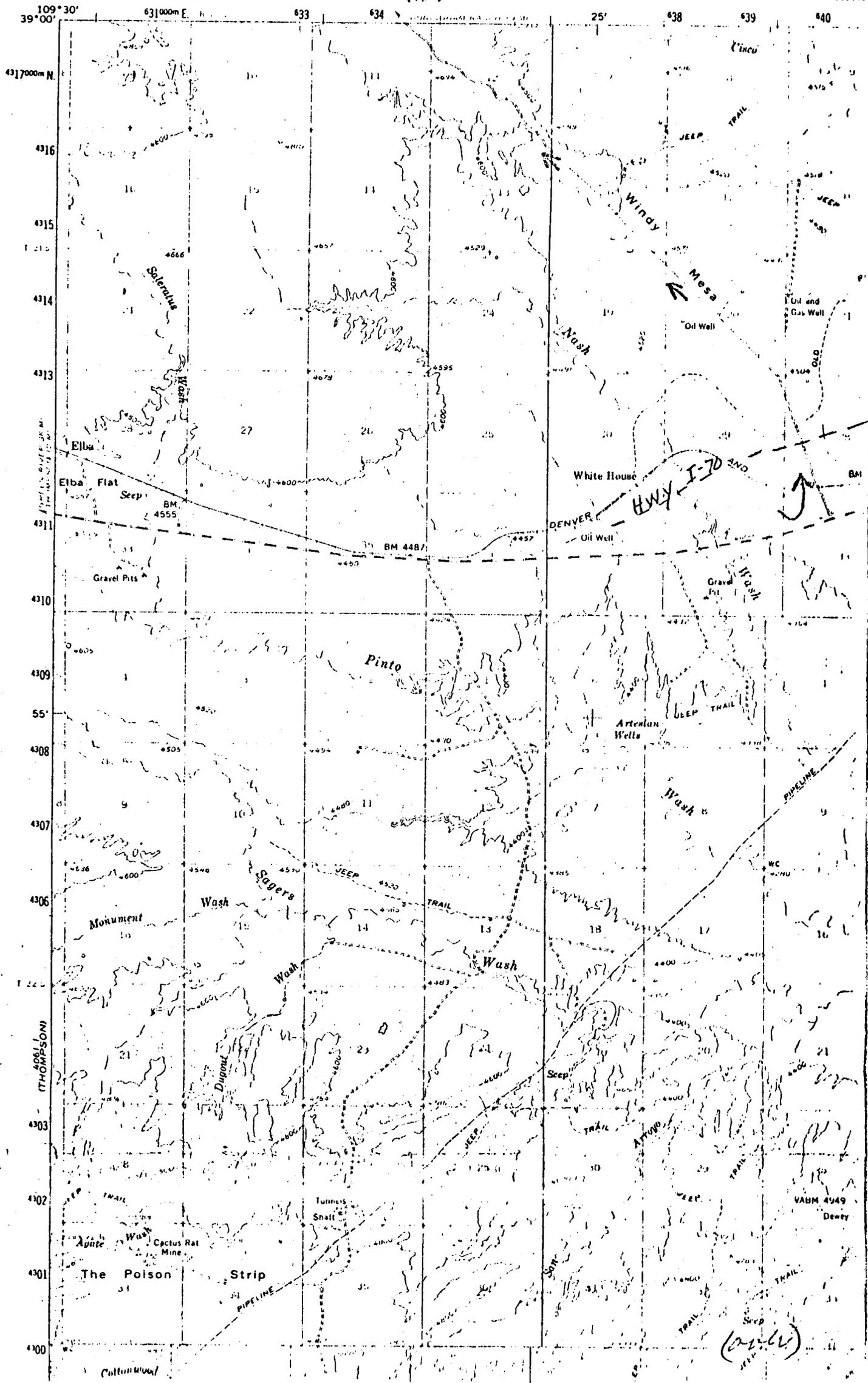
R 21 E

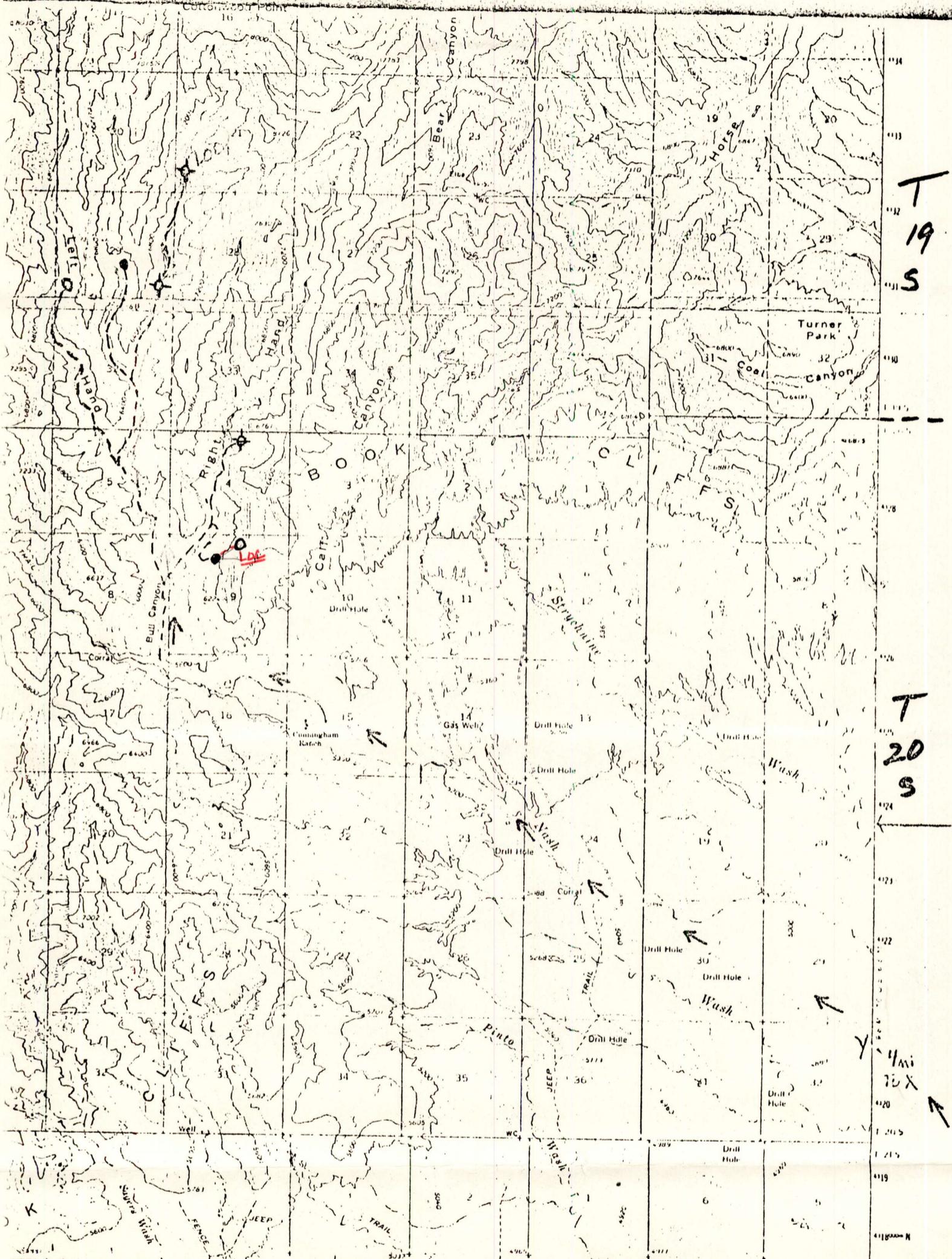
MAP 11.2

MAP NO. 1

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

UNITED
ATOMIC ENERGY





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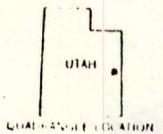
(THOMPSON)
4001
SCALE 1:62,500

R 21 E

R 22 E

119

FOUR INTERVAL 80 FEET
LINES REPRESENT 40 FOOT CONTOURS
ELEVATION IS MEAN SEA LEVEL



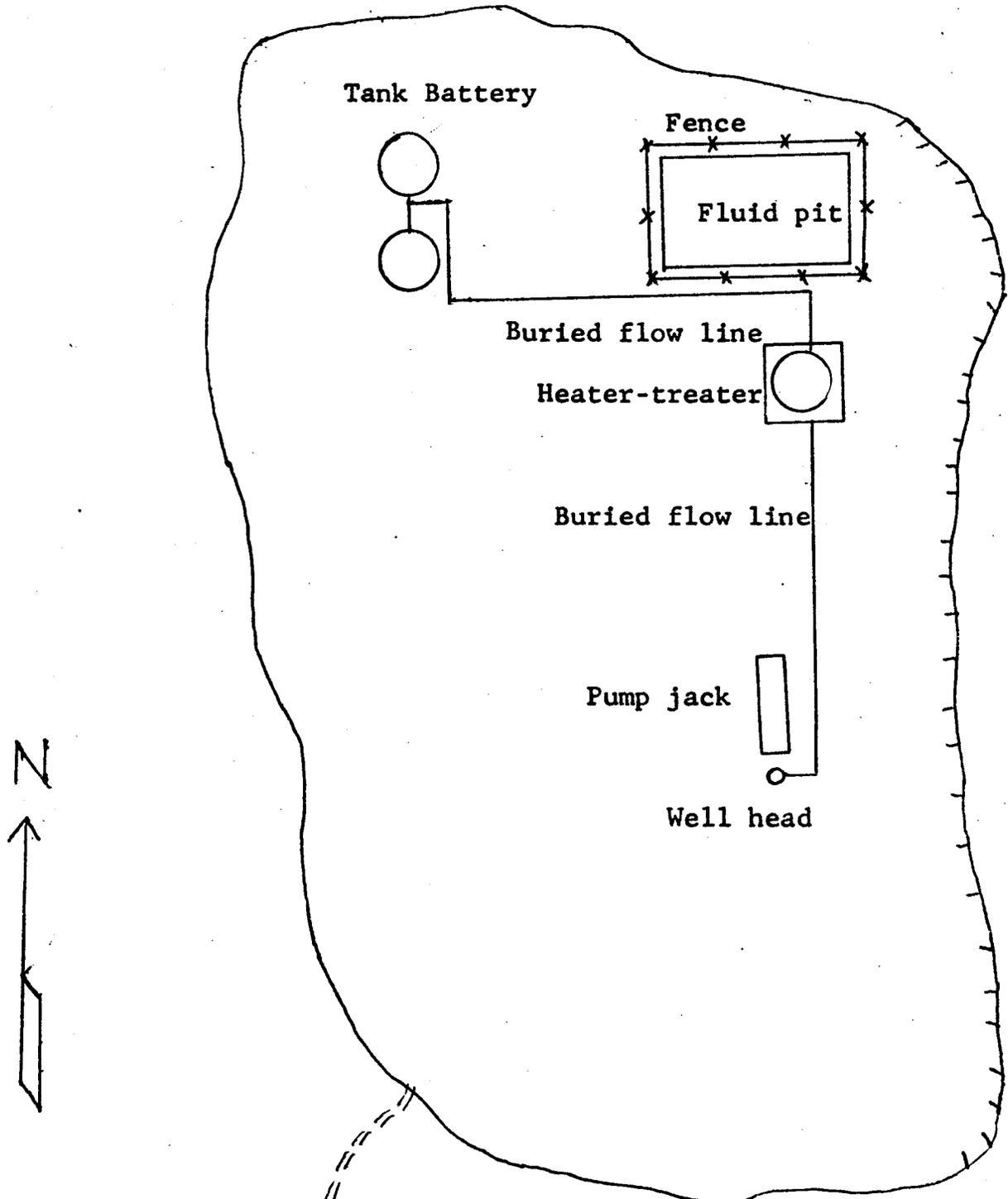
ROAD CLASSIFICATION

Light duty Unimproved dirt
() State Route

SEGO CANYON, UTAH

WITH NATIONAL MAP ACCURACY STANDARDS
PUBLISHED BY THE U.S. GEOLOGICAL SURVEY, DENVER, COLORADO OR WASHINGTON 25, D. C.
TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

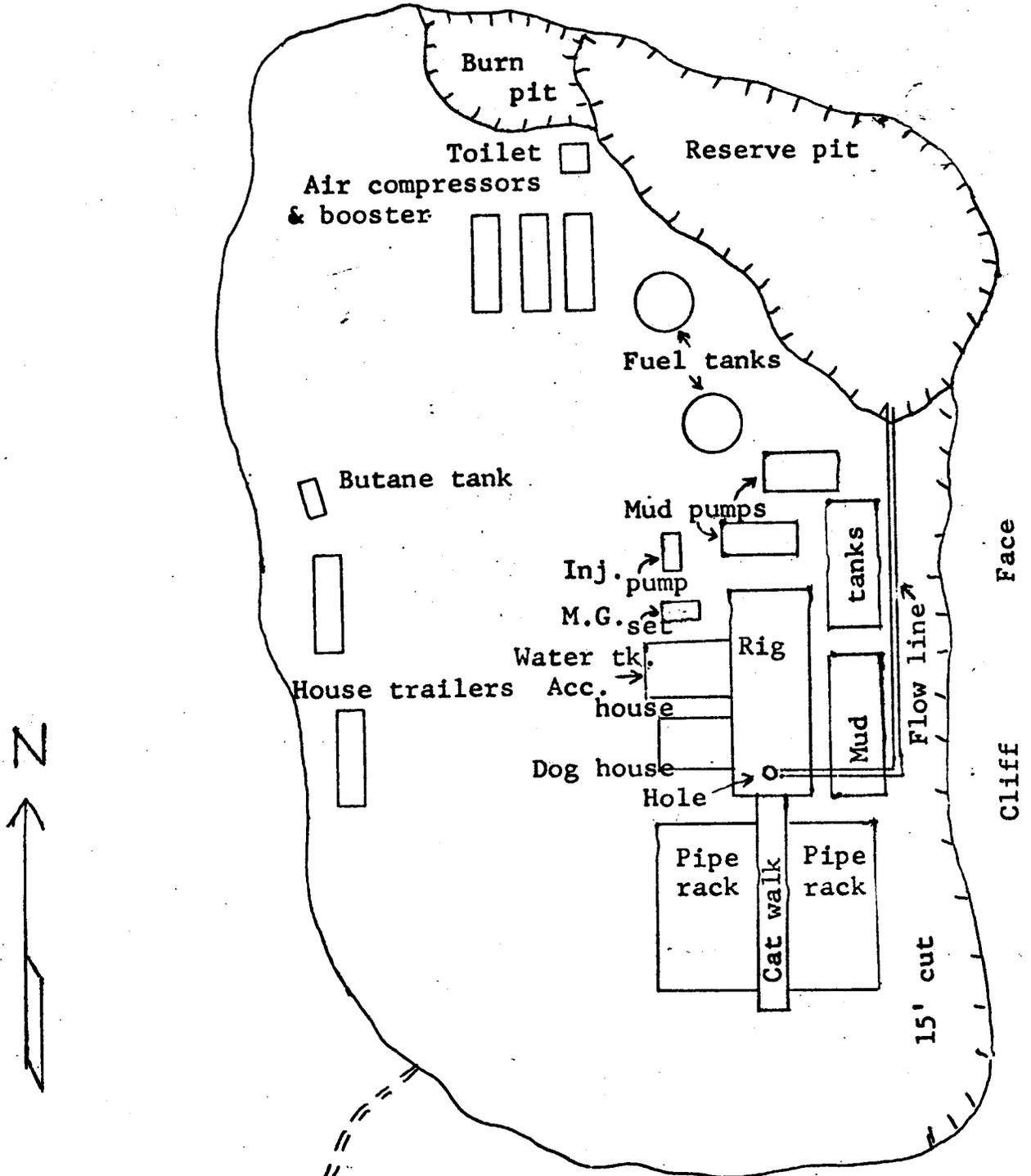
PLAN FOR PRODUCTION EQUIPMENT
VALWOOD PRODUCTION COMPANY
BULL CANYON #3 WELL
NW.NE.SEC.9-20S-21E
GRAND COUNTY,UTAH



Approx scale: 1 in. = 50 ft.

Plat No.2

DRILLING EQUIPMENT LAYOUT
 FOR
 VALWOOD PRODUCTION COMPANY
 BULL CANYON #3 WELL
 NW.NE.SEC. (-20S-21E
 GRAND COUNTY, UTAH



New road

Approx. Scale: 1 in. = 50 ft.

WELL CONTROL EQUIPMENT F
VALWOOD PRODUCTION COMPANY
BULL CANYON #3 WELL
NW.NE.SEC.9-20S-21E
Grand County, Utah

The following control equipment is planned for the above designated well:

1. Surface Casing:
 - A. Hole size for surface casing is 11".
 - B. Setting depth for surface casing is approx. 250 ft.
 - C. Casing specs. are: 7 5/8" D.D., J-55, 26.40#, 8 rd. thread, new or used.
 - D. Anticipated pressure at setting depth is approx. 60 lbs.
 - E. Casing will be run using three centralizers and a guide shoe, and will be cemented with 110 sks of cement with returns to the surface.
 - F. Top of the casing will be at ground level.
2. Casing Head:

Flange size: 10", A.P.I. Pressure rating: 2000# W.P., Series 600; Cameron, OCT, or equivalent; new or used; equipped w/two 2" ports with nipples and 2", 2000# W.P. ball or plug valves. Casing head and valves set above ground level.
3. Intermediate Casing:

None.
4. Blowout Preventors:
 - A. Double rams; hydraulic; one set of blind rams; one set of rams for 3 1/2" or 4" drill pipe; 10" flange; 2000# or greater W.P.; Series 900; equipped with mechanical wheels and rod for back-up; set on top of casing head flange and securely bolted down, and pressure tested for leaks up to 2000# p.s.i.
 - B. Rotating Head:

Shaffer, Grants or equivalent; set on top of blowout preventor and bolted securely; complete with kelly drive, pressure lubricator; 3 1/2" or 4" rubber for 2000# W.P.; need not have hydril assembly on bottom.
 - C. Fill and Kill Lines:

The fill and kill lines (2" tubing or heavy duty line pipe) are to be connected thru the 2" valves on the casing head.
5. Auxillary Equipment:

A float valve is to be used in the bottom drill collar at all times. A string float will also be used in the drill pipe and kept within 200'-300' of the surface.
6. Anticipated Pressures:

The shut-in pressures of the Dakota, Cedar Mountain, and Morrison formations at depths of 3000' to 4000' in the area have been measured at about 1000# to 1500# maximum.
7. Drilling fluids:

Air-soap- water mist will be used to drill the subject well. In case of excessive caving problems, it may be

necessary to convert to mud.

8. Production Casing:

- A. Hole size for production casing will be 6 3/4".
- B. Approx. setting depth will be about 3800'
- C. Casing Specs. are: 5½"O.D.; J-55; 15.50#; 8-rd thread; new or used.
- D. Casing will be run with about six centralizers and a Lynes packer and DV tool set above the production zone. There will be sufficient casing to extend thru the production zone below the Lynes packer and a blind guide shoe on the bottom. The casing will be cemented above the packer with about 85 sks of cement (sufficient to cement thru the Dakota formation). The cement will be allowed to cure at least 48 hrs. The plug can then be drilled out and the casing perforated below the packer. Two inch tubing will be run and secured in the tubing head prior to perforating. Pump and rods can be run after the well is swabbed-in.

November 14, 1974

Valwood Production Company
708 East Manchester Blvd.
Inglewood, California 90301

Re: Well No. Bull Canyon Fed. #3
Sec. 9, T. 20 S, R. 21 E,
Grand County, Utah

Gentlemen:

Insofar as this office is concerned, approval to drill the above referred to well is hereby granted in accordance with Rule C-3(c), General Rules and Regulations and Rules of Practice and Procedure.

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

PAUL W. BURCHELL - Chief Petroleum Engineer
HOME: 277-2890
OFFICE: 328-5771

Enclosed please find Form OGC-8-X, which is to be completed whether or not water sands (aquifers) are encountered during drilling.

The API number assigned to this well is 43-019-30222.

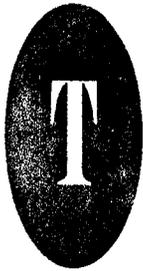
Very truly yours,

DIVISION OF OIL & GAS CONSERVATION

CLEON B. FEIGHT
DIRECTOR

CBF:sw

cc: U.S. Geological Survey



TOLEDO MINING COMPANY

322 NEWHOUSE BLDG. • SALT LAKE CITY, UTAH 84111 • PHONE 801-322-04

ANTHONY G. HATSIK
PRESIDENT

November 15, 1974

Copy!!

Valwood Production Company
708 East Manchester Boulevard
Englewood, California 90301

Dear Sirs:

It is our understanding that you plan to drill a well to test the Dakota, Cedar Mountain and Morrison Sands in the NWNE of Section 9: 20S21E and that this location is 416' from our lease line.

You are hereby notified that we have no objection to this location; in fact, we feel that it could help evaluate our lands.

Sincerely yours,

Anthony G. Hatsis
President

AGH:erb

Knight-
Condley

"REPRODUCTION SPECIALISTS" INC.

256 EAST 2nd SOL

SALT LAKE CITY 11, UT

DAvis 2-1321

7

Re: Valwood
Bull Canyon #3
well

Jack,

The enclosed letter gives us an
okay from Leeds for the location
of the Bull Canyon # 3 Well - sec 9
20 S - 21 E.

I have a farmout from Rainbow
Resources on Section 4 to the north
so we are also okay there.

- Don -

State R

Form 9-331
(May 1963)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TR. CATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

U-5675

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

<p>1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER</p> <p>2. NAME OF OPERATOR Valwood Production Company</p> <p>3. ADDRESS OF OPERATOR 708 East Manchester Blvd., Inglewood, Calif. 90301</p> <p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface NW.NE.Sec.9, T.20 S., R.21 E., S.L.M. 381' from N-line & 2224' from E-line</p> <p>14. PERMIT NO.</p>	<p>7. UNIT AGREEMENT NAME</p> <p>8. FARM OR LEASE NAME Federal</p> <p>9. WELL NO. Bull Canyon #3</p> <p>10. FIELD AND POOL, OR WILDCAT Bull Canyon</p> <p>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA NW, NE, Sec. 9-20S-21E SLM</p> <p>12. COUNTY OR PARISH 13. STATE Grand Utah</p>
<p>15. ELEVATIONS (Show whether DF, RT, GR, etc.) 6060' grd.; 6072' K.B.</p>	

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Completion</u> <input checked="" type="checkbox"/>	

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Subject well has been drilled to a depth of 3850' which is about 380' below the top of the Morrison formation. The well was drilled with air and air-mist. Oil and gas were obtained in the Dakota formation from 3370-3385' in small quantities. Natural gas was obtained from sands in the Salt Wash section of the Morrison from 3695'-3708' and from 3722'-3738'. This gas volume was measured at 1,450 MCF/D with a pitot tube at the time it was drilled. A third sand in the Salt Wash at 3764'-3782' may also have gas and or oil. Completion of this well has been long delayed due to difficulty in locating equipment and a completion rig. However, the completion equipment has been purchased and a rig has been obtained. Completion work should start next week- Mar 10-15. It is planned to perforate the three sands in the Salt Wash section and test these. No stimulation will be used before the zones are thoroughly swabbed and allowed to clean-up. If the gas volume is a million cubic feet per day or more, no further treatment will be used. Casing, 4 1/2", H-40, 10.50#, was set at 3830' K.B. and cemented with 100 sks cement with 2% calcium chloride.

18. I hereby certify that the foregoing is true and correct

SIGNED W. Ron Gungley TITLE Consulting Geologist DATE Mar. 6, 1975

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R355.5.

DPI 2

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____
 b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR. Other _____

2. NAME OF OPERATOR
Valwood Production Company

3. ADDRESS OF OPERATOR
708 East Manchester Blvd., Inglewood, Calif. 90301

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
 At surface **NW. NE Sec. 9, T. 20 S., R. 21 E., S. L. M.**
 At top prod. interval reported below **381' from N-line & 2224' from E-line**
 At total depth _____

14. PERMIT NO. _____ DATE ISSUED _____
 12. COUNTY OR PARISH **Grand** 13. STATE **Utah**

15. DATE SPUDDED **Dec. 13 '74** 16. DATE T.D. REACHED **Dec. 20 '74** 17. DATE COMPL. (Ready to prod.) **Apr. 7 '75** 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* **6060' grd.; 6070' K.B.** 19. ELEV. CASING HEAD **6061'**

20. TOTAL DEPTH, MD & TVD **3850'** 21. PLUG, BACK T.D., MD & TVD _____ 22. IF MULTIPLE COMPL., HOW MANY* **3 zones** 23. INTERVALS DRILLED BY ROTARY TOOLS **0'-3850'** CABLE TOOLS _____

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
3694'-3708'; 3724'-3738'; 3762'-3782' (Salt Wash -Morrison)
 25. WAS DIRECTIONAL SURVEY MADE **no**

26. TYPE ELECTRIC AND OTHER LOGS RUN
Dual-Induction-Laterlog; Density log; & Neutron Porosity
 27. WAS WELL CORED **no**

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
7 5/8"	26.40#	224'	11"	110 sks	none
4 1/2"	10.40#	3830'	6 1/2"	100 sks	none

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	3698'	none

31. PERFORATION RECORD (Interval, size and number)
**3598'-3708' } 2 shots/ft.
 3726'-3736' }
 3768'-3778' }**

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
	No treatment to date; but do plan to fracture treat well with crude oil & sand in near future.

33.* PRODUCTION

DATE FIRST PRODUCTION **Apr. 7 '75** PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) **Flowing** WELL STATUS (Producing or shut-in) **Shut-in**

DATE OF TEST	HOURS TESTED	CHOKED SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
Apr. 14 '75	3 hrs	1" - 1/4"	→		80 MCF/day		

FLOW TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
300#-40#	800#	→		80 MCF/day	none	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) **Shut-in at present** TEST WITNESSED BY _____

35. LIST OF ATTACHMENTS
Drilling History, Completion History, and Geologic Report

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED W. Don Gungler TITLE Consulting Geologist DATE May 8, 1975

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments. **Items 22 and 24:** If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES:
SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	GEOLOGIC MARKERS	
				NAME	MEAS. DEPTH
					TRUE VERT. DEPTH
See attached reports					

MAY 12 1975

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DRILLING HISTORY
COMPLETION HISTORY
AND
GEOLOGIC REPORT
ON
VALWOOD PRODUCTION CO.
BULL CANYON #3 WELL

By

W. Don Quigley
Consulting Geologist
Salt Lake City, Utah

May 8, 1975

DRILLING HISTORY
OF
VALWOOD PRODUCTION COMPANY
BULL CANYON #3 WELL

Operator: Valwood Production Co., 708 East Manchester Blvd.,
Inglewood, Calif. 90301

Contractor: Willard Pease Drlg. Co., P.O. Box 548, Grand
Junction, Colo., 81501

Location: NW. NE. Sec. 9, T 20S., R 21E., Grand County,
Utah (381' fr. N-line and 2224' fr. E-line)

Elevations: 6060' grd.; 6070' K.B.

Spudded-in: December 13, 1974

Finished Drilling: December 20, 1974

Total Depth: 3850'

Surface Casing: 7 5/8", J-55, 26.40#, set at 224' K.B. and
cemented with 125 sks. cement with returns to
surface.

Production Casing: 4½", H-40, 10.50#, set at 3830' K.B. and
cemented with 100 sks. cement + 2% CaCl.

Producing Formation: Morrison - Salt Wash

Production Zones: 3695' to 3708'; 3724' to 3738'; 3762' to
3782'

Completed: April 7, 1975

Init. Production: 80 M.C.F. of natural gas/day.

Drilling History

1974

- Dec. 10-11: Moving in and rigging-up.
- Dec. 12: Finished rigging-up. Drilled rat hole. Drilled mouse hole. Nipped up to drill surface with mud.
- Dec. 13: Drilled 0' to 224' (224'). Drilled a 11" surface hole to 224' with mud and ran 5 jts. of 7 5/8", J-55, 26.40# with guide shoe and 2 centralizers. Set casing at 224' K.B. and cemented with 125 sks. of Class A cement with 3% CaCl, and had returns to surface. Plug down at 8 P.M. Waiting on cement.
- Dec. 14: Waiting on cement. Laid down heavy drill collars. Cut off surface casing. Rigged blewie line. Waited 2 hours on casing head. Nipped-up to drill ahead with air. Rigged air lines from compressors. Dried up mud and water in casing.
- Dec. 15: Drilled 224' to 1188' (964'). Drilled-out below surface casing with 6½" bit and using air. Drilling in Mancos at rate of about 60 ft/hr. Bit #1 (HTC-OSC-3), 11" bit, made 224' (0'-224') in 12½ hrs. Deviation at 224' was 0°; at 724' was 3/4°.
- Dec. 16: Drilled 1188' to 1988' (800'). Made rd-trip at 1800' for Bit #3. Bit #2 (6½"-HTC-OWV-J) made 1576 ft. (224' to 1800') in 32½ hrs. Drilled at avg. rate of about 50 ft/hr. Survey at 1696' was 2°; at 1789' was 2°. Had a small gas flare at conn. at 1904'.
- Dec. 17: Drilled 1988' to 2922' (934'). Drilling in Mancos at avg. rate of 40' to 50' per hr. Stuck pipe at 2777' due to no air (valve closed); had to

inject water to free pipe. Took 3 hrs. to get loose and dry up hole. Survey at 2127' was $2\frac{3}{4}^{\circ}$; at 2652' was 2° .

- Dec. 18: Drilled 2922' to 3531' (609'). Made rd-trip at 3273' for Bit #4. Bit #3 (HTC-OWV-J) made 1473' (1800'-3273') in $26\frac{1}{2}$ hrs. Drilled at avg. rate of 56 ft/hr. in Mancos shale. Survey at 3157' was 0° . Estimate top of Dakota formation at about 3330'. A sand at 3350-3380' had good saturation, fluorescence cut, and odor but the sand was very bentonitic, f.g., and tight. Had a 5' gas flare at 3376' for about 2 sec. Hit water at 3400' and quit dusting. A c.g. congl. ss. at 3400' to 20' was water-wet. Estimate top of Cedar Mt. at about 3450'. A sand at 3495' to 3500' was m.g., friable, and had good fluor., cut, and odor and had a 20-ft. gas flare for about 2 min.; but also increased amount of water so that drilling could not continue with air compressors alone (Pressure at 350#); so had to order a booster. Waiting on booster-1 hr.
- Dec. 19: Drilled 3531' to 3531' (0'). Waiting on booster from 0000 to 2300 (23 hrs.). Unloaded hole and began drilling ahead at midnight. Hit bridge 300' off bottom, 30 ft. thick and then went back to bottom. 20 ft. of fill on bottom.
- Dec. 20: Drilled 3531' to 3850' (319'). Had to unload hole twice going in. Had about 1000' of fluid in hole. A good quantity (10 to 15%) was oil, rest was oil cut water. First 80 ft. of samples were saturated with light brown oil. Hit top of Salt Wash at about 3700' and had gas to surface at 3705' - burned continuously with 25 ft. flare. Top sand 3700'-3720' - good fluor. and cut. 2nd Salt Wash sand at 3725'-3737' - good fluor. and cut - increased gas flow. Measured gas flow at

3780' and gauged 1,450 M.C.F.P.D. 3rd Salt Wash sand at 3762' to 3782'; had scattered fluor., good cut, and odor - good porosity. Decided to cease drilling at 3850'. Had to mud-up to kill gas flow and to log hole. Pumped in pit of mud and didn't get returns. Gas broke thru.

Dec. 21: Came out of hole to top of drill collars and began mixing more mud and L.C.M. (lost circulation material). Went back in hole with drill pipe to about 2100' and pumped in mud. Plugged bit, so filled hole with mud thru fill-up line. Came out of hole with drill pipe and collars, unplugged bottom collar. Went in with logging tool - encountered bridge at 3135', so ran dual-induction log from there out. Mixed-up another pit of mud and went in hole to drill out bridge and clean out to finish logging.

Dec. 22: Circulated hole for 1 hr. at 2100' near lost circulation zone. Got good returns but mixed in more L.C.M. Went to bottom and circulated for 2½ hrs., until 5A.M. Came out of hole to continue logging. Ran in dual-induction tool and got to 3838' and logged hole to 3135', the point reached previously. Went in hole with Gamma-density-CPNL tool and couldn't get past 3489'. Came out with tool and went back in hole with drill pipe. Encountered one bridge at about 3700' and worked pipe thru it several times. Circulated hole for 2 hours and came out, clearing out tight spots on the way. Ran-in Gamma-density-CPNL tool and logged well from 3850' to 3000'. Finished logging at 9:30 P.M. Still waiting on casing.

Dec. 23: Waiting on casing.

Dec. 24: Waiting on casing. Went in hole with drill string and circulated for 1 hr. Started out of

hole laying down pipe at 7 A.M. Casing arrived at 10 A.M. Began running casing at 11 A.M. Ran 115 jts. of 4½", H-40, 10.50# casing and landed at 3830' K.B. Cemented with 100 sks. of reg. cement and 2% CaCl. (Float shoe on bottom with 8 centralizers, 100' apart) Plug down at 5 P.M. Released rig at 10 P.M.

COMPLETION HISTORY
OF
VALWOOD PRODUCTION CO.
BULL CANYON #3 WELL

March 28, 1975:

9:00 A.M.-Noon - Moved R&R Well Service rig from Bull canyon #2 well to Bull Canyon #3. Had cat (C&W Construction Co.) fix road and pull rig up hill to location. Had Max Speer dig and bury deadman for guy-lines and fill in cellar. Max Speer also hauled tubing to B.C. #3 from B.C. #2.

12:00-3:00 P.M. - Rigging-up and hauled rest of tubing.

3:00-6:15 P.M. - Had Go-International run gamma and collar locator log. Had to spud rubber plug and soft cement with sinker bars on wire line. Spudded it from 3712' to 3780'. Logged well from 3780' to 3300'.

6:00 P.M. - Sent rig crew to town.

6:30 P.M. - Loggers went to town.

March 29, 1975:

8:30 A.M. - Rig crew and loggers arrived.

8:30-10:00 A.M. - Rigged up Casing gun and perforated zone 3768' to 3778' with 2 shots/ft.

10:00-1:30 - Picked up tubing (2 3/8" O.D.) and went in hole to 3790' and pushed plug and cement down to 3802'. Pulled 1 jt. of tubing and set bottom of tubing at 3776'.

1:30-3:30 - Rigged up swab and flow lines to pit.

3:30-4:45 - Swabbed out water (Kcl water used to pump the plug down when cementing the casing in December). Last swab had about 40 ft. of mud.

4:45-5:30 - Waited 25 minutes and pulled another swab. Had about 15 ft. of mud.

5:30 P.M. - Sent rig crew home.

March 30, 1975 - Easter Sunday - no work

March 31:

10:00 A.M. - Crew arrived. Well had no pressure on tubing or casing. Slight vacuum on tubing.

10:00-11:00 - Pulled two swabs and recovered no fluid.

11:00-1:00 - Pulled tubing. Found lower joint full of green cement. Must arrange for equipment to circulate and drill out cement.

1:00-3:00 - Went to Cisco to call for equipment. Ordered tank, pump, and power swivel from R&R at Rangely. Sent water truck and perforators home.

3:00 P.M. - Sent crew to town.

April 1, 1975: Snowing hard and muddy. Tried to get equipment to location. Mud pump dropped at tank battery. Crew waiting all day. Tank and power swivel arrived at 4:30 P.M. Truck slid off road. Took power swivel off float and hauled it to the ranch and unloaded it there. Cat got stuck so had to wait till morning to get another cat to move the equipment to the well location. Quit at 6:30 P.M.

April 2:

9:30 - Got truck with tank started into location. Crew arrived.

10:00-12:00 - Getting equipment to location. Had to pull everything up the hill with a cat.

12:00-2:00 - Went in hole with tubing and 3 7/8" bit. Water truck got stuck.

2:00-4:30 - Rigging up pump, power swivel, and flow lines. Got water truck unstuck and to location.

4:30-6:30 - Filled hole with salt water. Circulated and drilled out cement from 4776' to 4826'.

6:30 - Sent crew to town.

April 3:

8:30 - Crew arrived.

8:30-10:00 - Rigged up to swab out salt water into tank.

10:00-12:00 - Swabbed well dry. No fluid coming in hole. Filled hole with salt water again.

12:00-2:00 - Came out of hole with tubing.

2:00-4:30 - Ran bond log and collar locator log. (Go International) Found no cement bond thru the lower three potential pay-zones, but had some bond between the zones. There was no bond thru the Dakota zones either. Apparently the cement did not set up thru any of the hydrocarbon zones. The log showed the perms. at 3778' to 3768'.

4:30-6:30 - Decided to shoot a cement-squeeze shot (4 one-inch holes) at 3778' to make sure perms. were not plugged with green cement.

6:00-7:00 - Ran in 5 stds. of tubing with bit. Put tubing head and valve on for the night.

7:00 - Sent crew to town.

April 4:

8:30 A.M. - Crew arrived. No pressure on well; but hole is full of salt water.

8:30-10:00 - Went in hole with tubing to 3826' and rigged up to circulate.

10:00-11:00 - Circulating. Circulated out cement, mud and slightly gas-cut fluid.

11:00-2:30 - Swabbing. Slight amount of gas, but no new fluid. Decided to perforate the other two zones above.

2:30-3:30 - Came out of hole with tubing.

3:30-4:00 - Filled hole to surface with salt water.

4:00-5:30 - Perforated zone 3726' to 3736' using casing gun (2 shots/ft.).

5:30-6:00 - Perforated casing at 3731' with 4-way squeeze shot (1-inch holes) to insure against plugging:

6:00-6:30 - Perforated zone 3698'-3708' with 2 shots/ft., using casing gun.

6:30-7:15 - Perforated casing at 3702' with 4-way squeeze shot to insure against plugging.

7:15-7:30 - Rigged down perforating equipment and ran in 5 stds. of tubing with one joint below seating nipple on bottom.

7:30 - Sent crew to town.

April 5:

8:00 - Crew arrived.

8:00-9:30 - Went in hole with tubing to 3760'.

9:30-1:00 - Swabbing. Swabbed out salt water. Had no gas out tubing, but had pressure and gas on casing.

1:00-2:00 - Shut well in to build pressure. Built up to 175# on casing. Opened 2" casing valve and had a good rate of flow of gas. Casing pressure held at 30 lbs; still no gas flow from tubing.

2:00-2:30 - Pulled one more swab - no fluid or gas. Took out 2 jts. of tubing. Bottom of tubing now at 3698'. Had gas flow out tubing immediately. Shut-in well over night.

2:30 - Sent crew to town.

April 6:

9:00 - Crew arrived - Found pressure at 635# on tubing and 800# on casing.

9:00-3:00 - Opened tubing. Had good gas flow and pressure. Casing pressure on $\frac{1}{2}$ " orifice (est.) dropped to 65# and then began building slowly. By 12:30 was up to 200#. Opened valve to full 2" and casing pressure dropped to 30#. Had some salt water (brine) along with the gas when the valve was initially opened fully.

12:30 - Released rig.

12:30-2:00 - Rigged down and moved rig out to highway.

3:30 - Shut well in.

April 7: Snow

11:00-12:00 - Rigged well head and flow lines. Tubing pressure = 800#; casing pressure = 800#.

12:00-14:00 - Opened tubing valve to full 2" flow. Very strong flow initially - decreasing gradually. Casing pressure remained steady at about 40#. Est. stabilized

flow rate at approx. 100 M.C.F.

14:00 - Shut well in.

April 14: Tested well with orifice tester as follows:

Shut-in casing pressure: 800#
Shut-in Tubing pressure: 800#

<u>Time</u>	<u>Orifice size</u>	<u>Flow Press.</u>	<u>Casing Press.</u>	<u>Calculated flow rate in M.C.F./D.</u>
11:00	1"	300#	700#	3,125
11:15	1/2"	125#	500#	750
11:16	3/8"	125#	475#	425
11:20	3/8"	80#	125#	282
11:25	3/8"	50#	100#	191
11:30	3/8"	35#	80#	147
11:35	3/8"	20#	75#	100
11:40	3/8"	17#	75#	90
11:45	3/8"	15#	75#	84
12:00	3/8"	12#	75#	72
12:05	1/2"	20#	75#	47
12:15	1/4"	25#	75#	54
12:30	1/4"	32#	85#	64.6
12:45	1/4"	35#	115#	67.5
13:00	1/4"	37#	125#	70
13:15	1/4"	38#	150#	73
13:30	1/4"	40#	160#	77.3
13:50	1/4"	40#	160#	77.3

14:00 - Shut well in. No fluid was recovered on this test.

Comment: It is quite obvious that the gas zones now have limited porosity and permeability probably due to mud and cement damage. Some of the green cement may have set-up in the zones thereby decreasing their natural porosity. The well will have to be fracture-treated to improve the rate of gas flow. It is planned to accomplish this

GEOLOGIC REPORT
ON
VALWOOD PRODUCTION CO.
BULL CANYON #3 WELL

General Geology

The Bull Canyon #3 well is located near the axis of the Cisco Dome anticlinal nose which extends northwestward into and under the Book Cliffs from the top of the dome, which is located approximately $2\frac{1}{2}$ miles southeast of the subject well location. The anticline is traversed by a number of faults with varying amounts of vertical displacement, ranging from 30' to over 100 feet. Some of the faults form horst and graben blocks across the anticline, and others are step faults and thus form step blocks.

The surface structure, evident from exposed beds of the Mesaverde and Mancos formation, is a northwest plunging anticline whose axis is located a short distance to the east of the subject well location. The subsurface is much older than the surface structure and was probably distorted somewhat by the later folding. All parts of the older structure may actually be lower structurally at the present than the younger structure as seen from the attitude of the surface rocks; but this is not critical, since the oil and gas were probably accumulated prior to the more recent folding and have been retained in the old structure. Considerable adjustment and variation of structure and movement have undoubtedly been absorbed by the thick sequence of Mancos shale in the area plus the unconformity at the top of the Morrison formation and in the middle Cretaceous section. There is considerable lensing and overlap in the upper Mancos and lower Mesaverde beds which tend to erase underlying structure.

Regionally, the prospect area is located on the northwest plunging flank of the Uncompahgre plateau into the Uinta Basin. On the flanks of this nose and southern edge of the Basin, a

number of natural gas fields have been found and developed during the last twenty years. These natural gas accumulations have been primarily found in the Dakota, Cedar Mountain, Morrison and Entrada formations. The reservoirs in the first three formations have been lenticular sands of varying thickness and areal extent. To date, the fields developed in these formations have been confined to good structural positions; but this may or may not be essential to the gas accumulation. Production may eventually be established in structurally unfavorable positions and the lenticularity of the sands could be found to provide their own trapping mechanism. The gas accumulations found in the Entrada formation to date have all been structurally controlled and have a water drive. The Entrada is a fairly consistent, blanket sand in the region and, visually has good porosity (15 to 20%), thus structural entrapment is necessary to contain the hydrocarbon accumulation. Generally the Entrada, where tested in the area, has contained water (usually saline) or natural gas having a low B.T.U. content (480 to 720 B.T.U.). Thus the natural gas produced from the formation has had to be treated and/or mixed with better quality gas to permit marketing. No oil has been produced heretofore from the Entrada formation in the region prior to the completion of the Anschutz #1 Fed. 773 well in Section 29, T 19S., R 21E.

The rocks exposed in the area around the subject well site belong to the lower Mesaverde and upper Mancos formations. The strata in the Mesaverde consist of a series of lenticular sandstone beds with interfingering layers of shale and siltstone. The upper Mancos strata are interbedded gray marine shales, siltstones and sandstones.

Considerable faulting and adjustment have taken place throughout the area due to the various rejuvenations of the Uncompahgre Uplift. In general, this faulting and movement is not apparent in the Mesaverde strata other than by stratigraphic irregularities. Through experience, it has been found that the faulting has not been essential to hydrocarbon accumulations, but has definitely effected the reservoir rocks adjacent to the fault plane. The natural porosity and permeability of the reservoir

rock have been destroyed by the influx of clay minerals and gouge material, thus inhibiting production near the fault plane (nearer than 500 to 600 feet). This is particularly pertinent to the Dakota, Cedar Mountain, and Morrison reservoirs. It may not be so critical to the Entrada reservoirs, due to the greater porosity and permeability inherent with the sands of that formation. It is also possible that the faulting may have aided entrapment of hydrocarbons in the Entrada by the forming of fault traps. This has not been established to date.

Drilling History

A complete daily history of the drilling of the Valwood-Bull Canyon No. 3 well is attached hereto. No unusual problems were encountered in the drilling of the well. The well was drilled with air and air-mist using soap and water. A small amount of water was encountered at about 3400' which was at the base of the Dakota formation; and required conversion to air-mist drilling.

Strong oil and gas shows were observed in the Dakota formation, and a continuous gas flow was encountered at about 3700' (in the Salt Wash section of the Morrison) and remained constant to the end of the drilling. The volume of gas (1.4 million cubic feet per day rate) was sufficient to make it dangerous to attempt setting casing without killing the gas flow with mud in the severe cold weather at the time (December 24, 1974). Some loss-circulation problems were encountered in mudding-up the hole and killing the gas flow. It took three full pits of mud with loss-circulation material to gain circulation and condition the hole for logging.

Because air and air-mist were used to drill the well, it was not necessary to drill-stem-test any of the hydrocarbon shows. The hydrostatic pressure was probably less than 350# at all times (limited only to the amount of water and soap in the hole during the drilling operations and while making trips); so essentially any hydrocarbons encountered in the formations

would have a relatively unrestricted flow to the surface. Thus some oil plus gas coming from the Dakota formation were blown out of the hole and mixed with the air-soap-water drilling media. The quantity was not great but could readily be observed in the mist and on the reserve pit.

When the gas-zone at 3700' in the Salt Wash section of the Morrison formation was drilled, the gas came to the surface immediately and was flared at the end of the 7-inch O.D. blewie line. It burned continuously with a 25-ft. flare.

The subject well was drilled in 9 days using air and air-mist for the circulation media. This is compared to the 21 days of drilling time on the Toledo-Bull Canyon #2 well (located about $\frac{1}{2}$ mile to the southwest) which was drilled with mud for the circulation media.

Stratigraphy - Oil & Gas Shows

The stratigraphic section in the subject well was nearly normal and some thick sandstone lenses were present in the Dakota, Cedar Mt. and Morrison formations. There were many oil and gas shows in this well. Shows were present in every formation that was drilled.

The well was spudded near the top of the Mancos formation. Oil and gas shows started at a depth of 1250'. Some calcareous, gray siltstone from 1260' to 1290' had good oil stain, odor, and cut. Some more oil stain and cut were found in the samples from 1700' to 1750'. Dark grey to brown, silty, calcareous shale from 1920' to 1980' had a strong gas odor, and some of the samples were oil wet, with good cut, saturation, and odor. Additional oil and gas shows were observed in the samples of the Mancos more or less continuous from 2000' to 3100' (See attached sample log).

The Dakota formation was encountered at about 3330' and the top portion was very-fine-grained, tight, argillaceous and bentonitic sandstone; but the lower sand, 3354' to 3366', was fine-grained,

rounded grains, porous, with good gas odor, fluorescence and cut. A five-ft. gas flare was observed at the end of the blewie line when this sand was drilled. This sand definitely contains oil and some free green oil was seen in the mist as well as on the reserve pit after this sand was drilled.

A thin sand at the base of the Dakota formation at 3399' to 3406' contained a small amount of water and necessitated conversion to air-mist drilling.

Another sand at the base of the Cedar Mt. from 3450' to 3495' was fine-grained to coarse-grained with scattered fluorescence and may have had some gas at the top of the sand; but the amount was small and did not increase the flow out the blewie-line appreciably. The samples contained a good coarse-grained sand with good fluorescence, and saturated with oil from 3500' to 3560' but the later electric logs do not show any sands in this section. There may have been an unusual lag in the samples due to poor circulation and to their oil soaked nature and they were probably part of the sand section drilled from 3450' to 3495'. If so, this section definitely contains oil and possibly some water. A 20-ft. gas flare was also observed when this interval was drilled. It appears that the samples as logged on the sample log should be moved up the hole about fifty feet in the interval 3400' to 3600'. This is probably due to poor circulation after water had partially filled the hole and before a booster was found and installed to improve the circulation and clean the hole.

A good continuous flow of gas, gauged at 1.45 million cubic feet per day by pitot tube, was obtained at about 3700'. This sand lens in the Salt Wash section of the Morrison formation, from 3695' to 3708', was medium-grained, porous and had good fluorescence and cut. Two other sands were drilled in this section: one at 3724' to 3738'; and the other at 3762' to 3782'. Both of these sands were medium-grained, porous, and had good fluorescence, cut, and odor. There appeared to be a slight increase in the gas flow.

The formations with their tops, thicknesses, and datum points which were encountered in the subject well and as indicated on the electric logs are as follows:

<u>Formation</u>	<u>Depth to Top</u>	<u>Thickness</u>	<u>Datum</u>
Mancos	Surface	3322'	6070' K.B.
Dakota	3322'	84'	2748'
Cedar Mountain	3406'	89'	2664'
Morrison (Brushy Basin)	3495'	195'	2575'
Salt Wash	3690'	—	2380'
Total Depth	3850'	—	—

Comparison with similar datum points of the Bull Canyon No. 2 well in Section 9 and the Petro-Lewis Fed. 14-4 well in the SE. SW. of Section 4 is as follows:

	<u>Bull Canyon #3</u>	<u>Bull Canyon #2</u>	<u>Petro-Lewis Fed. #14-4</u>
Dakota	2748'	2693'	2648'
Cedar Mt.	2664'	2610'	2585'
Morrison (B.B.)	2575'	2539'	2504'
Morrison (S.W.)	2380'	2337'	2300'

It is apparent from the above comparison that the subject well is approximately 45 feet higher structurally than the Bull Canyon #2 well and 70' to 80' higher than the Fed. #14-4 well. This difference agrees well with the geophysical data obtained on the area.

Completion Of The Well

A detailed account of the completion work accomplished on the well precedes this section of the report. It was found from the cement bond log that the cement around the casing never set up thru the hydrocarbon zones, and that the cement fill-up or top

was much lower than it should have been, indicating that some of the cement probably went back into the formation and has caused considerable damage. When the lower Salt Wash sand was perforated (3768'-3778'), green cement flowed into the casing and plugged the perforations. This had to be drilled and circulated out of the casing.

All three of the Salt Wash sands were perforated and swabbed dry. All the mud and green cement that was retrievable was swabbed out of the casing and gas sands. It was hoped that the gas zones would clean themselves without further remedial work; but after several test periods in which the gas was allowed to flow freely, no additional mud or fluids were released. It is therefore apparent that the gas zones (the three sands at 3695' to 3708', 3724' to 3738', and 3762' to 3782') will have to be fracture treated, using crude oil and sand, to penetrate the damaged section around the well bore before a sustained flow of gas in sizeable amounts (at least 1.45 million cubic ft. per day) will be possible. It is planned to accomplish this work in the near future.

Because the gas sands are at the bottom of the well, these will have to be produced and exhausted before the oil pay sands found in the Cedar Mountain and Dakota formation can be exploited. Further cementing work around the casing thru the oil zones and above will have to be accomplished before these zones can be utilized. The present top of the cement is about 3380', according to the bond log.

Conclusion

The successful completion of the Bull Canyon #3 well for natural gas in the Salt Wash sands, plus the indicated potential oil sands in the Dakota and Cedar Mountain formations, tends to increase the interest and potential of the area; as well as proving the merit of continued development. The Cisco Nose, as described herein, is very similar to the Cisco Springs-Cottonwood nose about ten miles to the east where 12 recent wells have been drilled and nine have been completed for sizeable

production of both gas and oil. Some of these wells are very good and large wells (8 million cubic ft. of gas per day) whereas others are much smaller. It is quite probable that the Cisco Nose will be similar. There will be some large wells, with much smaller wells amidst the larger wells.

The sands in the Dakota, Cedar Mountain, and Morrison in the region are discontinuous, irregular, and lenticular; thus making each well a wildcat, but the sands are numerous and provide many different objectives thereby decreasing the risks and improving the chances of success. It is quite common, as is the case with the subject well, to have several productive zones in the same well. From experience, it appears that the lenticular sands are best developed, are more continuous, more numerous, and more apt to contain hydrocarbons on the structural noses thruout the area. Some production may still be possible in the lower structural positions; but certainly the odds of success are much more favorable along the structural noses.

The structural and stratigraphic information from the Bull Canyon #3 well tends to confirm the geophysical information and structural picture developed prior to the drilling of the well. It has been well established that one of the most important factors to insure the best chances of success in the region is to find the faults first and then locate the wells so as to stay clear of the faults.

The subject well appears to be a good well although the initial test of 80 MCF of gas per day does not support this contention. If the cement and mud damage can be overcome by fracture-treatment, it is fully expected that the flow rate will be over a million cubic feet per day. There can be no doubt that the oil zones in the Dakota and Cedar Mountain formations offer additional potential and can be completed at a later date for sizeable production.

W. Don Quigley
W. Don Quigley
Consulting Geologist
A.A.P.G. Cert. #1296

Uslwood - Bull Canyon - # 3

1000' - 2100'

1000'

1100'

1200'

1300'

1400'

1500'

1600'

1700'

1800'

1900'

2000'

NE. SEC. 9 - T. 15 S. R. 1 E.
ELEV. 6000 ft. ; 62' TO R. B.

DK gray sil. calc. massive sh.

DK gray sil. calc. sh.

* * * * * + 1/2' conc. dk gray sil. w/ (1) sil. w/ cut - good cond.

DK gray sil. calc. sh.

b DK gray calc. bent sil. sh.

b

b

b

b

b

b

b

DK gray calc. sh.

b DK gray calc. bent sil.

b

b

b

b

DK gray calc. conc. sh.

b DK gray sil. silty, calc. sh. w/ bent.

b

b

b

DK gray calc. - silty sh.

* * * * * DK gray calc. sh. w/ (1) sil. w/ cut - good cond.

* * * * *

DK gray calc. sh.

DK gray sil. silty, calc. sh.

DK gray conc. calc. sh.

DK gray to blk calc. sh.

* * * * * Gray to blk silty calc. sh. w/ strong gas cond.

* * * * * Gray silty silty, calc. sh. - old well - good outer cond.

* * * * *

Gray calc. silty sh.

K&E 3 X 5 TO 1/2 INCH 46 0863 MADE IN U.S.A. KEUFFEL & ESSER CO.

Valwood - Bull Canyon #3

2000'-3000'

2000

DK gray calc. sh. & sh. sh.

*LT gray calc. sist. w/ red sh. , good cut & road

*LT gray calc. bent. sist.

2100

*LT gray calc. bent. sist. & reg. dirty ss. w/ red sh. , good cut & road

LT gray calc. bent. sist.

2200

*LT gray calc. bent. sist. & reg. dirty ss. w/ good gas road

2300

LT gray calc. bent. sist.

DK gray bent. calc. sh.

2400

*DK gray bent. calc. sh. & sist. w/ strong gas road.

LT gray calc. bent. sist.

+ DK gray calc. sh.

2500

DK gray calc. sh. & reg. dirty calc. ss.

DK gray thin bedded calc. sh. & LT gray calc. reg. dirty ss.

2600

LT gray calc. sist. & red sh. sist. Dms

DK gray calc. sh.

*DK gray to blk. calc. sh. & Dms w/ strong gas road.

2700

DK gray calc. sist. bent. sh. & sist.

DK gray calc. sh.

2800

DK gray calc. sh.

2900

DK gray calc. sh. sist. sh.

*Blk. to DK gray calc. sh. & blk. arg. Dms w/ strong gas road

3000

KE 5 x 5 to 1/4 INCH 46 0863 MADE IN U.S.A. KEUFFEL & ESSER CO.

VALWOOD PRODUCTION CO.

708 EAST MANCHESTER BOULEVARD
INGLEWOOD, CALIFORNIA 90301

674-4404

July 16, 1976

Mr. James M. Clem, President
Southwest Arkansas Co. Inc.
P. O. Box 5666
Texarkansas, Arkansas 75501

Dear Mr. Clem:

This will confirm our understanding of this date with reference to Oil and Gas Lease or United States Permit, U-5675 Bull Canyon Field, embracing the following described real property:

W/2 NE/4 Section 9, Township 20 South, Range 21 East,
B.L.M., Grand County, Utah, containing 80 acres more
or less.

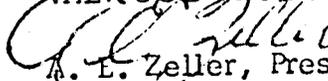
Valwood agrees to pay for the cost of placing the Bull Canyon #3 well on production, as it is in its present condition. Any additional down-hole work performed on the Bull Canyon #3 will be paid for on a pro rata basis by the working interest owners.

Valwood owns production equipment including pumping unit, tanks and line pipe located on the Toledo Mining Co. lease in Utah. Valwood further agrees that you shall have without charge the use of the production equipment and line pipe owned by Valwood and located on the Toledo Mining Co. lease. Such use shall be without cost to you so long as the Bull Canyon #3 well produces oil and/or gas in commercial quantities and sells the same at the market price.

If this is in accordance with your understanding, please so indicate in the space provided below.

Very truly yours,

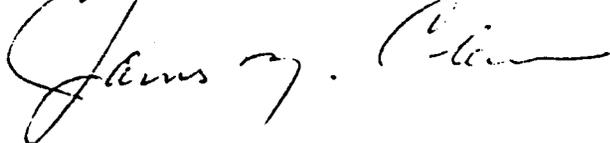
VALWOOD PRODUCTION CO.


A. E. Zeller, President

AGREED:

SOUTHWEST ARKANSAS CO. INC.

James M. Clem, President



VALWOOD PRODUCTION Co.

708 EAST MANCHESTER BOULEVARD
INGLEWOOD, CALIFORNIA 90301

674-4404

July 16, 1976

TO WHOM IT MAY CONCERN:

The undersigned, VALWOOD PRODUCTION CO., a Texas corporation, hereby relinquishes to SOUTHWEST ARKANSAS CO. INC., an Arkansas corporation whose address is P.O.Box 5666, Texarkansas, Arkansas 75501, its designation as Operator and Local Agent under O & G Lease U-5675 Bull Canyon Field, Utah, with respect to

the

W/2 NE/4 Section 9, Township 20 South, Range 21 East, B.L.M., Grand County, Utah, containing 80 acres more or less.

VALWOOD PRODUCTION CO.

A. E. Zeller
A. E. Zeller, President

h

STATE OF CALIFORNIA,
COUNTY OF LOS ANGELES

{ ss.

ON July 16, 1976,
before me, the undersigned, a Notary Public in and for said State, personally appeared
A. E. Zeller, known to me to be the
President, and _____, known to me
to be the _____ Secretary of
VALWOOD PRODUCTION CO.

the Corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument, on behalf of the Corporation herein named, and acknowledged to me that such Corporation executed the within Instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

[Signature]

Notary Public in and for said State.

SOUTHWEST ARKANSAS COMPANY, INC.

GENERAL CONTRACTORS

P. O. BOX 5666

PHONE (214) 838-6551

TEXARKANA, ARKANSAS 75501

JAMES M. CLEM
PRESIDENT

July 19, 1976

Mr. W. Don Quigley
803 Phillips Petroleum Bldg.
Salt Lake City, Utah 84101

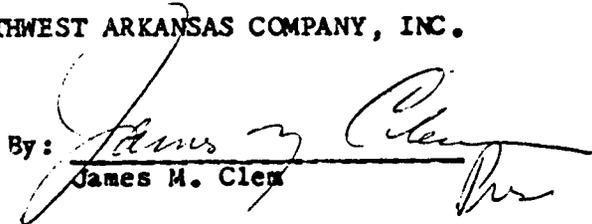
Dear Don:

Please find enclosed copies of correspondence from Valwood wherein they are relinquishing their operating rights on the Bull Canyon #3 Well, W/2 NE/4 Section 9, Township 20 South, Range 21 East, B.L.M., Grand County, Utah, containing 80 acres more or less, Grand County, Utah.

I am writing Anschutz today requestion designation of formal operator be made in favor of Southwest.Arkansas Co. Inc.

Yours very truly,

SOUTHWEST ARKANSAS COMPANY, INC.

By: 
James M. Clem

JMS:og

CIRCULATE TO:

DIRECTOR
PETROLEUM ENGINEER
MINE COORDINATOR
ADMINISTRATIVE ASSISTANT
ALL

RETURN TO 
FOR FILING



BULL CANYON #3
NEW WELL
10-12-76

18 DRY MODE METER BULLCANYON#3NEWWELL

1376

COMPONENT	MOLZ	GPM	SP GR	BTU
N2	5.54	0.000	0.054	0.
CH4	87.55	0.000	0.485	836.
C2	4.33	0.000	0.045	77.
C02	0.42	0.000	0.006	0.
C3	1.19	0.327	0.018	30.
IC4	0.16	0.053	0.003	5.
NC4	0.26	0.082	0.005	9.
IC5	0.03	0.031	0.002	3.
NC5	0.11	0.040	0.003	4.
C6+	0.35	0.155	0.011	18.
	100.00	0.688	0.633	1035.

BASE MOLZ 100.77

Jimmy
 20 Box 5 & 6
 Twp 20S Rge 21E

FIELD DATA SHEET

Type Test: <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special		Test Date 10-8-76	Lease No. or Serial No.
Company		Connection None	Allottee
Field	Reservoir Morrison-Salt Wash	Location NW NE	Unit
Completion Date 4-7-75	Total Depth 3850	Plug Back TD	Elevation 6070 RB
Csg. Size 4 1/2	Wt. 10.5	d Set At 3830	Perforations: From 3698-3708, 3726-36, 3764-78
Tbg. Size 2 3/8	Wt.	d Set At 3698	Perforations: From To
Type Completion (Describe) Single Gas		Packer Set At	Form or Lease Name Bull Canyon
Producing thru Tubing	Reservoir Temp. F	Mean Annual Temp. F	Baro. Press. - P _a
L	H	G _g	% CO ₂ % N ₂ % H ₂ S 3 ppm
Prover		Meter Run 11"	Taps Flange

DATE	ELAP. TIME	WELLHEAD WORKING PRESSURE			METER OR PROVER				REMARKS (Include liquid production data) Type-API Gravity-Amount
		Time of Reading	Tbg. Psig	Csg. Psig	Temp. F	Pressure Psig	Diff.	Temp. F	
10-7	2:15 P	637	648						51 months 13 years well to
10-8	2:00 A	638	721						13.25 hrs SIP - Rain rate #1 8%
	2:00	252	576		3.823	1.7	110°	1.250	End rate of 1 Sec. Press. 179.
	10:00	206	721						1909 in. rate #2 14/24 ch
	12:00 N	134	552		3.28	0.75	83°	1.250	Sec. Press. 114# 12.00 End rate #2
	2:00 P	384	715						0.8430 + 3.26 BW
	4:00	131	573		3	2.0	76°	1.00	24.5 SIP Rain rate #2 19/24 ch
	6:00	409	677						Sec. Press. 121 - 4.00 12.00 Rate #2
	8:00 P	112	426		3.02	3.25	68°	1.00	0.8430 + 3.16 BW
10-9	9:00 A	141	389		3.1	4.19	55°	1.00	2 hrs SIP - Rain rate #4 24/24 ch
									End rate #4 4.00 Sec. Press. 120
									1.2630 + 4.74 BW
									12.00 liquid. 2.6324 + 9.87 BW

2-11-76

2-10-76

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

LAND OFFICE **Salt Lake City**
LEASE NUMBER **U-5675**
UNIT _____

LESSEE'S MONTHLY REPORT OF OPERATIONS

State Utah County Grand Field Bull Canyon

The following is a correct report of operations and production (including drilling and producing wells) for the month of October, 1976,

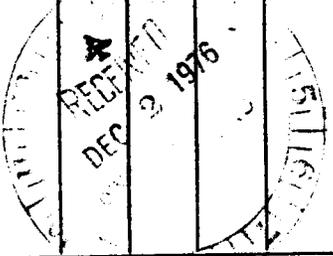
Agent's address 803 Phillips Petro. Bldg. Company Southwest Arkansas Co, Inc.

Salt Lake City, Utah 84101 Signed H. How Gungley

Phone 801-359-3575 Agent's title Cons. Geol.

SEC. AND 1/4 OF 1/4	TWP.	RANGE	WELL NO.	DAYS PRODUCED	BARRELS OF OIL	GRAVITY	CU. FT. OF GAS (In thousands)	GALLONS OF GASOLINE RECOVERED	BARRELS OF WATER (If none, so state)	REMARKS (If drilling, depth; if shut down, cause; date and result of test for gasoline content of gas)
9 NWNE	XXE 20S	21E	BC#3	1	2.63	38.0	200	none	9.87	This well was tested by Northwest Pipeline Co. on Oct 8, 1976. A copy of the results are attached.

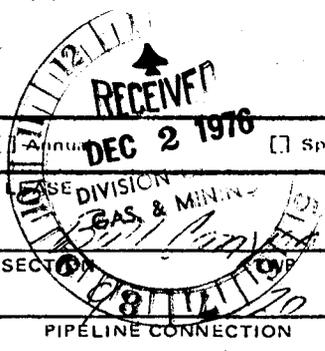
Approx. 200 MCF of gas was produced from this well during a test. The gas was vented to the atmosphere and flared. About 2.63 bbls. of oil were produced during the test. This oil was put in the reserve pit. About 9.87 bbls of slightly saline water were also produced during the test and put into the reserve pit.



Note.—There were no runs or sales of oil; no M cu. ft. of gas sold;

no runs or sales of gasoline during the month. (Write "no" where applicable.)

Note.—Report on this form is required for each calendar month, regardless of the status of operations, and must be filed in duplicate with the supervisor by the 6th of the succeeding month, unless otherwise directed by the supervisor.



TYPE TEST: Initial Annual Special TEST DATE: 10/20/76

COMPANY: Valwood Production WELL NO.: #3

COUNTY: Grand Mt. LOCATION: ADWNE SECTION: 20 S RNG: 21 E ACRES:

FIELD: Cross Drive - Miller - S.H. Wash RESERVOIR: ADWNE PIPELINE CONNECTION: ADWNE

COMPLETION DATE: 04/07/75 PLUG BACK TOTAL DEPTH: 3850 PACKER SET AT:

CASING SIZE: 4 1/2 WT.: 10.5 ID.: SET AT: 3830 PERF.: 3648 TO 3708
3726 TO 3736
3712 TO 3772

TUBING SIZE: 2 3/8 WT.: ID.: SET AT: 3698 PERF.: TO:

TYPE COMPLETION (Describe): Single TYPE FLUID PRODUCTION: Gas

PRODUCING THRU: Tubing RESERVOIR TEMPERATURE: BAR PRESS - P_a: 12

GAS GRAVITY - G_g: .633 % CARBON DIOXIDE: .42 % NITROGEN: 5.54 API GRAVITY OF LIQUID:

VERTICAL DEPTH (H): TYPE METER CONN.: Flange (METER RUN) (PROVER) SIZE: 4"

OBSERVED DATA DURATION OF SHUT-IN: 3.25 HR.

RATE NO.	ORIFICE SIZE in.	METER PROVER PRESSURE psia	DIEF. (h _w) (h _d) Roots	FLOWING TEMP. t	WELL-HEAD TEMP. t	CASING WELLHEAD PRESS.			TUBING WELLHEAD PRESS.			DURATION HOURS	LIQUID PROD. Bbls
						psig	(P _w) (P _t) (P _c) psia		psig	(P _w) (P _t) (P _c) psia			
SHUT IN						721	733		638				
1	1.250	3.23	1.7		110	596	608		252			2	
2	1.250	3.28	.75		83	552	564		134			2	4
3	1.000	3.4	2.0		76	503	515		131			2	4
4	1.000	3.02	3.25		68	426	438		112			2	10
5	1.000	4.18	3.1		55	388	400		141			12	12.5

RATE OF FLOW CALCULATIONS

RATE NO.	COEFFICIENT (F _b) (F _p) MCFD	METER PROVER PRESSURE psia, psig	EXTENSION $\sqrt{P_m \times h_w}$	GRAVITY FACTOR F _g	FLOWING TEMP FACTOR F _t	DEVIATION FACTOR F _{pv}	RATE OF FLOW Q MCFD	GOR	G _m
1	7.661	92	17.664	1.257	0.9551	1.006	161		
2	7.661	96	7.779	1.257	0.9786	1.028	74		
3	4.874	104	21.503	1.257	0.9850	1.009	131		
4	4.874	79	31.038	1.257	0.9924	1.007	190		
5	4.874	84	40.977	1.257	1.0048	1.008	254		

PRESSURE CALCULATIONS

RATE NO.	P _t psia	P _c psia	P _w psia	(P _c) ² THOUSANDS	(P _w) ² THOUSANDS	PLOTING POINTS		% SHUT-IN $100 \left[\frac{P_w - P_a}{P_c - P_a} \right]$
						(P _c) ² - (P _w) ² THOUSANDS	Q MCFD	
1		801	663	642	440	202	161	
2			612		372	267	74	
3			561		315	327	131	
4			477		228	414	190	
5			435		189	453	254	

INDICATED WELLHEAD OPEN FLOW MCFD @ 14.73 psia "n" =

The undersigned authority, on behalf of the Company, states that he is duly authorized to make the above report and that he has knowledge of the facts stated therein, and that said report is true and correct.

Executed this the _____ day of _____, 19____.

Witness (if any)

For Company

June 26 1979

Addendum to application of Carmack Drilling Company Inc.

API 43-019-30512

The subject application is for an oil well. We will not produce gas from zones productive in Anschutz USA 4970-1 nor Southwest Arkansas U-5675 Bull Canyon Federal # 3.

Carmack Drilling Company Inc.

By *Cliff Hylesworth* Agent

cc: Burkhalter Engr. Co

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
(FORM 9-329)
(2/76)
OMB 42-RO 356

MONTHLY REPORT
OF
OPERATIONS

Lease No. 71-005 75
Communitization Agreement No. NA
Field Name BULL CANYON
Unit Name NA
Participating Area NA
County GRAND State UTAH
Operator SOUTHWEST ARKANSAS
 Amended Report

The following is a correct report of operations and production (including status of all unplugged wells) for the month of FEB., 1981

(See Reverse of Form for Instructions)

This report is required by law (30 U.S.C. 189, 30 U.S.C. 359, 25 U.S.C. 396 d), regulation (30 CFR 221.60), and the terms of the lease. Failure to report can result in the assessment of liquidated damages (30 CFR 221.54 (j)), shutting down operations, or basis for recommendation to cancel the lease and forfeit the bond (30 CFR 221.53).

Well No.	Sec. & 1/4 of 1/4	TWP	RNG	Well Status	Days Prod.	*Barrels of Oil	*MCF of Gas	*Barrels of Water	Remarks
BC #3	9. N.E. N.W.	20.5	21 E	GSI	NONE	NONE	NONE	NONE	SHUT-IN PENDING. PIPE LINE PERMIT

*If none, so state.

DISPOSITION OF PRODUCTION (Lease, Participating Area, or Communitized Area basis)

	Oil & Condensate (BBLs)	Gas (MCF)	Water (BBLs)
*On hand, Start of Month	<u>NONE</u>	<u>XXXXXXXXXXXXXXXXXXXX</u>	<u>XXXXXXXXXXXXXXXXXXXX</u>
*Produced	<u>—</u>	<u>—</u>	<u>—</u>
*Sold	<u>—</u>	<u>—</u>	<u>XXXXXXXXXXXXXXXXXXXX</u>
*Spilled or Lost	<u>—</u>	<u>XXXXXXXXXXXXXXXXXXXX</u>	<u>XXXXXXXXXXXXXXXXXXXX</u>
*Flared or Vented	<u>XXXXXXXXXXXXXXXXXXXX</u>	<u>—</u>	<u>XXXXXXXXXXXXXXXXXXXX</u>
*Used on Lease	<u>—</u>	<u>—</u>	<u>XXXXXXXXXXXXXXXXXXXX</u>
*Injected	<u>—</u>	<u>—</u>	<u>—</u>
*Surface Pits	<u>XXXXXXXXXXXXXXXXXXXX</u>	<u>XXXXXXXXXXXXXXXXXXXX</u>	<u>—</u>
*Other (Identify)	<u>—</u>	<u>—</u>	<u>—</u>
*On hand, End of Month	<u>—</u>	<u>XXXXXXXXXXXXXXXXXXXX</u>	<u>XXXXXXXXXXXXXXXXXXXX</u>

*API Gravity/BTU Content _____
Authorized Signature: W. Don Dingley, MD Address: SOUTHWEST ARKANSAS
Title: Consultant Page _____ of _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
(FORM 9-329)
(2/76)
OMB 42-RO 356
MONTHLY REPORT
OF
OPERATIONS

Lease No. 71-005635
Communitization Agreement No. NA
Field Name _____
Unit Name NA
Participating Area NA
County GRAND State UTAH
Operator Southwest Arkansas
 Amended Report

The following is a correct report of operations and production (including status of all unplugged wells) for the month of MAR, 1981

(See Reverse of Form for Instructions)

This report is required by law (30 U.S.C. 189, 30 U.S.C. 359, 25 U.S.C. 396 d), regulation (30 CFR 221.60), and the terms of the lease. Failure to report can result in the assessment of liquidated damages (30 CFR 221.54 (j)), shutting down operations, or basis for recommendation to cancel the lease and forfeit the bond (30 CFR 221.53).

Well No.	Sec. & 1/4 of 1/4	TWP	RNG	Well Status	Days Prod.	*Barrels of Oil	*MCF of Gas	*Barrels of Water	Remarks
3C #3	9 N.E., 20.S N.W.			RIEGSI	NONE	NONE	NONE	NONE	SHUT IN PENDING PIPE LINE PERMIT

*If none, so state.

DISPOSITION OF PRODUCTION (Lease, Participating Area, or Communitized Area basis)

	Oil & Condensate (BBLs)	Gas (MCF)	Water (BBLs)
*On hand, Start of Month	<u>NONE</u>	<u>XXXXXXXXXXXXXXXXXX</u>	<u>XXXXXXXXXXXXXXXXXX</u>
*Produced	<u>—</u>	<u>—</u>	<u>—</u>
*Sold	<u>—</u>	<u>—</u>	<u>XXXXXXXXXXXXXXXXXX</u>
*Spilled or Lost	<u>—</u>	<u>XXXXXXXXXXXXXXXXXX</u>	<u>XXXXXXXXXXXXXXXXXX</u>
*Flared or Vented	<u>XXXXXXXXXXXXXXXXXX</u>	<u>—</u>	<u>XXXXXXXXXXXXXXXXXX</u>
*Used on Lease	<u>—</u>	<u>—</u>	<u>XXXXXXXXXXXXXXXXXX</u>
*Injected	<u>—</u>	<u>—</u>	<u>—</u>
*Surface Pits	<u>XXXXXXXXXXXXXXXXXX</u>	<u>XXXXXXXXXXXXXXXXXX</u>	<u>—</u>
*Other (Identify)	<u>—</u>	<u>—</u>	<u>—</u>
*On hand, End of Month	<u>—</u>	<u>XXXXXXXXXXXXXXXXXX</u>	<u>XXXXXXXXXXXXXXXXXX</u>
*API Gravity/BTU Content	<u>—</u>	<u>—</u>	<u>XXXXXXXXXXXXXXXXXX</u>

Authorized Signature: W. Don Pugh Address: SOUTHWEST ARKANSAS
Title: Consultant Page 1 of 1

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
(FORM 9-329)
(2/76)
OMB 42-RO 356

MONTHLY REPORT
OF
OPERATIONS

Lease No. 71-0056
Communitization Agreement No. NA
Field Name BULL CANYON
Unit Name NA
Participating Area NA
County GRAND State UTAH
Operator SOUTHWEST ARKANSAS
 Amended Report

The following is a correct report of operations and production (including status of all unplugged wells) for the month of APRIL, 1981

(See Reverse of Form for Instructions)

This report is required by law (30 U.S.C. 189, 30 U.S.C. 359, 25 U.S.C. 396 d), regulation (30 CFR 221.60), and the terms of the lease. Failure to report can result in the assessment of liquidated damages (30 CFR 221.54 (j)), shutting down operations, or basis for recommendation to cancel the lease and forfeit the bond (30 CFR 221.53).

Well No.	Sec. & 1/4 of 1/4	TWP	RNG	Well Status	Days Prod.	*Barrels of Oil	*MCF of Gas	*Barrels of Water	Remarks
BC-#3	9 NE N.W.	20.S	21.E	G.S.I	NONE	NONE	NONE	NONE	SHUT IN PENDING GAS LINE

*If none, so state.

DISPOSITION OF PRODUCTION (Lease, Participating Area, or Communitized Area basis)

	Oil & Condensate (BBLs)	Gas (MCF)	Water (BBLs)
*On hand, Start of Month	<u>NONE</u>	<u>XXXXXXXXXXXXXXXXXX</u>	<u>XXXXXXXXXXXXXXXXXX</u>
*Produced	<u>—</u>	<u>—</u>	<u>—</u>
*Sold	<u>—</u>	<u>—</u>	<u>XXXXXXXXXXXXXXXXXX</u>
*Spilled or Lost	<u>—</u>	<u>XXXXXXXXXXXXXXXXXX</u>	<u>XXXXXXXXXXXXXXXXXX</u>
*Flared or Vented	<u>XXXXXXXXXXXXXXXXXX</u>	<u>—</u>	<u>XXXXXXXXXXXXXXXXXX</u>
*Used on Lease	<u>—</u>	<u>—</u>	<u>XXXXXXXXXXXXXXXXXX</u>
*Injected	<u>—</u>	<u>—</u>	<u>—</u>
*Surface Pits	<u>XXXXXXXXXXXXXXXXXX</u>	<u>XXXXXXXXXXXXXXXXXX</u>	<u>—</u>
*Other (Identify)	<u>—</u>	<u>—</u>	<u>—</u>
*On hand, End of Month	<u>—</u>	<u>XXXXXXXXXXXXXXXXXX</u>	<u>XXXXXXXXXXXXXXXXXX</u>
*API Gravity/BTU Content	<u>—</u>	<u>—</u>	<u>XXXXXXXXXXXXXXXXXX</u>

Authorized Signature: W. Don Pugh Address: SOUTHWEST ARKANSAS
Title: Consultant Page 1 of 1



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Banta
Dee C. Hansen
Dianne R. Nielson, Ph.D.

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

April 11, 1985

Bureau of Land Management
Branch of Fluid Minerals
P O Box 970
Moab, Utah 84532

Attention: Ms. Carol Fruediger

Dear Ms. Fruediger:

Re: Well No. Bull Canyon Federal #3 - Sec. 9, T. 20S., R. 21E.,
Grand County, Utah - Lease No. U-5675
Operator of Record: Southwest-Arkansas, Inc.

Our records indicate that the above referenced well in your district has been shut in for some time. We show the current operator being Southwest-Arkansas, Inc., however Otis Energy is also shown as being an operator. We have no address or phone number for either operator.

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

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

Sincerely,

A handwritten signature in cursive script that reads "Pam Kenna".

Pam Kenna
Well Records Specialist

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

0170S/47



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Moab District
P. O. Box 970
Moab, Utah 84532

IN REPLY REFER TO
3162 (U-065)
(U-20285)
(U-51846)
(U-5675)

APR 29 1985

RECEIVED

MAY 01 1985

State of Utah
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

DIVISION OF OIL
GAS & MINING

Attention: Ms. Pam Kenna

Re: Request on Status of Wells

Gentlemen:

We are replying to your requests for status on the following wells:

- 1) Skyline Oil Company
Well No. Federal 10-31
Sec. 10, T. 16 S., R. 13 E.
Lease U-20285

We are in the process of rescinding this APD.

- 2) Marathon Oil Company
Well No. McCracken Springs 1-31
Sec. 31, T. 37 S., R. 24 E.
Lease U-51846

This well went on production January 18, 1984.
The State of Utah Production Report of September 1984,
shows the status on this well as producing.

- 3) Southwest-Arkansas, Inc.
Well No. Bull Canyon 3
Sec. 9, T. 20 S., R. 21 E.
Lease U-5675

This well is in an INC Status as of December 12, 1984.
We have requested that Otis Energy, Inc., plug and abandon
this well.



Save Energy and You Serve America!

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

Sincerely,



Gene Holme
District Manager



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 27, 1985

Ms Carol Fruediger
Branch of Fluid Minerals
P.O. Box 970
Moab, Utah 84532

Dear Carol:

Re: Well No. Bull Canyon Federal #3 - API #4301930222
Sec. 9, T. 20 S., R. 21 E. - Grand County, Utah

Several months ago this office was given the information that Otis Energy was requested to plug and abandon the above referred to well. We have tried unsuccessfully on several occasions to reach this company for information on this well. The address that we were given is:

Otis Energy Incorporated
4865 Peoria Street
Denver, Colorado 80239

Is this the correct address and do you have any further information on this well's status?

Thank you for you continuing help.

Sincerely,

A handwritten signature in cursive script that reads "Claudia Jones".

Claudia L. Jones
Production Specialist

cc: Dianne R. Nielson
Ronald J. Firth
Norman C. Stout
Suspense File
0063S/18

**Earth
Resources
Corporation**

RECEIVED
GRAND RESOURCE AREA
1985 DEC 16 AM 9:42
DEPARTMENT OF INTERIOR
BUREAU OF LAND MANAGEMENT

December 12, 1985

Bureau of Land Management
Grand Resource Area Office
Attn: Paul Brown
P.O. Box M
Moab, UT 84532

RE: Lease #U5675
Bull Canyon #3

Dear Paul,

This will confirm our mutual agreement, regarding the above-referenced well, to hold all action until the Spring of 1986. Thank you for your cooperation.

Our intention is to visit the wellsite with you in the Spring and decide at that time what action needs to be immediately taken to bring the property into compliance with regulations. At this point, we intend to re-enter the well and attempt to place it back on line for production. In the event that we determine that course of action to be unfeasible, most probably, we will plug the Bull Canyon #3 and seriously consider drilling a new well on the lease.

Thank you again, and we will be speaking with you in the Spring.

Yours truly,



Jimmie S. DeMaret
President



**Earth
Resources
Corporation**

RECEIVED
GRAND RESOURCE AREA

1985 DEC 16 AM 9:42

DEPARTMENT OF INTERIOR
BUREAU OF LAND MANAGEMENT

To: Jym

December 12, 1985

Bureau of Land Management
Grand Resource Area Office
Attn: Paul Brown
P.O. Box M
Moab, UT 84532

RE: Lease #U5675
Bull Canyon #3

Dear Paul,

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Thank you again, and we will be speaking with you in the Spring.

Yours truly,


Jimmie S. DeMaret
President

Energy & Mining Programs

1426 PEARL STREET, SUITE 212 • BOULDER, COLORADO 80302-5340 • (303)449-7349

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

TRANSFER, ASSIGNMENT, OR SUBLEASE
OF OPERATING RIGHTS IN OIL AND GAS LEASE

FORM APPROVED
OMB NO. 1004-0031
Expires: August 31, 1985

Lease Serial No.
U5675

Lease effective date

PART I

Assignee's Name

EARTH RESOURCES CORPORATION

FART08372

Address (include zip code)

P.O. BOX 7308 BOULDER, CO 80306

I, undersigned, as owner of _____ percent of operating rights in the above-designated oil and gas lease, hereby transfers, assigns, or subleases to the assignee shown above, the operating rights in such lease as specified below.

Describe the lands affected by this transfer, assignment, and/or sublease (43 CFR 3101.2-3 or 3101.1-4)

Township 19 South, Range 21 East
Section 9: W1/2NE1/4
Surface to base of Morrison Formation only.
Grand County, Utah

3. Specify interest or percent of operating rights being conveyed to assignee	all assignor's interest	100%
4. Specify interest or percent of operating rights being retained by assignor	none	0
5. Specify overriding royalty interest being reserved by assignor	none	0
6. Specify overriding royalty previously reserved or conveyed, if any		7.6%

7. If any payments out of production have previously been created out of this interest, or if any such payments are being reserved under this transfer, assignment, or sublease, attach statement giving full details as to amount, method of payment, and other pertinent terms as provided under 43 CFR 3106.

It is agreed that the obligation to pay any overriding royalties or payments out of production of oil created herein, which, when added to overriding royalties or payments out of production previously created and to the royalty payable to the United States, aggregate in excess of 17 1/2 percent, shall be suspended when the average production of oil per well per day averaged on the monthly basis is 15 barrels or less.

I CERTIFY That the statements made herein are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 15th day of August, 1985.

[Signature]
Otis Energy, Inc., for itself and as
General Partner of Otis Energy, Inc.,
dated 1980-A by Otis C. Johnson,
resident

6551 S. Revere Parkway, #130

(Assignor's Address)

Englewood, CO 80111

(City) (State) (Zip Code)

Title 18 U.S.C., Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, fraudulent statements or representations as to any matter within its jurisdiction.

THE UNITED STATES OF AMERICA

NOV 1 1985

Assignment approved effective

By

[Signature]
Chief, Minerals
Adjudication Section

(Title)

NOV 21 1985

(Date)

NOTE: This form may be reproduced provided that copies are exact reproductions on one sheet of both sides of this official form in accordance with provisions of 43 CFR 3106.

ASSIGNEE'S APPLICATION FOR APPROVAL OF TRANSFER
OF OPERATING RIGHTS AND/OR OPERATING AGREEMENT (SUBLEASE)

SIGNEE CERTIFIES THAT the assignee and all other parties in interest (as defined in 43 CFR 3100.0-5(b)) in this assignment are:

citizens of the United States or qualified alien stockholders in a domestic corporation; association of the United States; any State or Territory thereof; or municipalities.

the age of majority in the State where the lands to be assigned are located.

compliance with the acreage limitation set forth in 43 CFR 3101.1-5 and 3101.2-4.

SIGNEE AGREES That, upon approval of this transfer of operating rights and/or operating agreement (sublease) by the authorized officer of the Bureau of Land Management, he will be bound by the terms and conditions of the lease described herein as to the interests covered by this assignment, including, but not limited to, the obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any drilling operations as prescribed in the lease, and to furnish and maintain cash bond as may be required by the lessor pursuant to the regulations (43 CFR 3104.2).

IS HEREBY CERTIFIED That the statements made herein are true, complete, and correct to the best of undersigned's knowledge and belief and are made in good faith.

Signed this 28th day of October, 1985.

Jimmie S. DeMaret
(Assignee's Signature)

Jimmie S. DeMaret, President

P.O. Box 7308

(Assignee's Address)

Boulder, CO 80306

(City) (State) (Zip Code)

18 U.S.C., Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

INSTRUCTIONS

USE OF FORM - Use only for assignment of operating rights (including working interests) in oil and gas leases. If transfer of operating rights is accompanied by an operating agreement, a single copy of such agreement must be submitted with the assignment. If more than one transfer of operating rights is made out of a lease, a separate instrument of transfer is required for each assignment. A separate instrument of assignment shall be used for each lease out of which an assignment is made.

FILING AND NUMBER OF COPIES - File three (3) completed

and manually signed copies in the appropriate BLM office. A \$25.00 nonrefundable filing fee must accompany this assignment. File assignment within ninety (90) days after date of final execution.

3. EFFECTIVE DATE OF ASSIGNMENT - The assignment, if approved, takes effect on the first day of the month following the date of filing of all required papers. If an operator's bond is required, it must be furnished prior to approval of the assignment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this assignment and request for approval.

AUTHORITY: 30 U.S.C. et. seq.

PRINCIPAL PURPOSE - The information is to be used to process the assignment and request for approval.

ROUTINE USES:

- (1) The adjudication of the assignee's rights to the land or resources.
- (2) Documentation for public information in support of notations made on land status records for the management, disposal, and use of public lands and resources.
- (3) Transfer to appropriate Federal agencies when concurrence is required prior to granting a right in public lands or resources.
- (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION - If all the information is not provided, the assignment may be rejected.

Computerwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.) requires us to inform you that: information is being collected pursuant to the law (43 CFR 3106-3(c)). information will be used to create a record of lease assignment. response to this request is required to obtain benefit.

Form 1541-3
 (July 1965)
 (formerly 4-1599 a)

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

CONFIRMATION/REPORT OF TELEPHONE CONVERSATION

T O	Name MR JIM DEMARET (DEMERAY)	F R O M	Name PAUL BROWN
	Office EARTH RESOURCES CORP.		Office GRAND RA MDD BLM
	Location 1426 PEARL ST # 212		Location MESAB
	Telephone Number BOULDER, CO 80302 1-303-449-7349		Telephone Number 801-259-8193

Purpose of Call: RE: RECENT OF ASSIGNMENT FOR EARTH RESOURCES ^{N3390}
 FROM ^{N7140} OTIS C JOHNSON / OTIS ENERGY INC. E.R.C. IS
 NOW OPERATOR OF BULL CANYON #3, U-5675
 NW NE SEC 9, T20S R 21E (CISCO DOME FIELD)
 LEASE ASSIGNMENT WAS EFFECTIVE 11-1-85

Explanatory Remarks:

MR DEMARET WILL BE SENDING A LETTER OUTLINING
 PLANS FOR WELL TO BE ACCOMPLISHED AS
 WEATHER ALLOWS

12/12/85

(Date)

Paul L Brown

(Signature)

Earth
Resources
Corporation

RECEIVED
GRAND RESOURCE AREA

1985 DEC 30 AM 9:41

DEPARTMENT OF INTERIOR
BUREAU OF LAND MANAGEMENT

December 26, 1985

Colin Christensen
Area Manager
BLM, Moab District
Grand Resource Area
P.O. Box M.
Moab, UT 84532

RE: Lease #U5675

Dear Mr. Christensen,

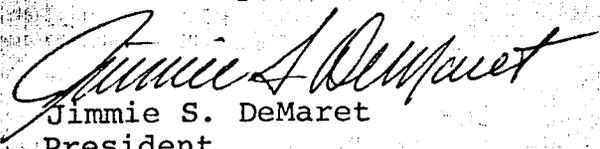
Enclosed herewith are our "Monthly Reports of Operations" for the months of November & December, 1985. They will be filled monthly hereafter as required.

It may be a bit of a chore, but would you please change your address of record (for mailing purposes) to the following:

Earth Resources Corporation
P.O. Box 7308
Boulder, CO 80306

We are contemplating a move in 1986 & we are directing all mail to the above to insure an uninterrupted information flow. Thank you.

Yours truly,


Jimmie S. DeMaret
President

Energy & Mining Programs

1426 PEARL STREET, SUITE 212 • BOULDER, COLORADO 80302-5340 • (303)449-7349

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

Form 3160-6
(November 1983)
(Formerly 9-329)

**MONTHLY REPORT
OF
OPERATIONS**

Lease No. U-5675
 Communitization Agreement No. N.A.
 Field Name BULL CANYON
 Unit Name N.A.
 Participating Area N.A.
 County GRAND State UTAH
 Operator EARTH RESOURCES CORPORATION
 Amended Report

The following is a correct report of operations and production (including status of all unplugged wells) for the month of December, 19 85

(See Reverse of Form for Instructions)

This report is required by law (30 U.S.C. 189, 30 U.S.C. 359, 25 U.S.C. 396d), regulation (43 CFR 3162.4-3), and the terms of the lease. Failure to report can result in the assessment of liquidated damages, (43 CFR 3160), penalties, shutting down operations, or basis for recommendation to cancel the lease and forfeit the bond (43 CFR 3160).

Well No.	Sec. & 1/4 of 1/4	TWP	RNG	Well Status	Days Prod	*Barrels of Oil	*MCF of Gas	*Barrels of Water	Remarks
Bull Cyn. #3	NW, NE 9	20S	21E	GSI	Ø	Ø	Ø	Ø	43-019-30222 Shut-in awaiting Spring workover.

*If none, so state.

DISPOSITION OF PRODUCTION (Lease, Participating Area, or Communitized Area basis)

	Oil & Condensate (BBLS)	Gas (MCF)	Water (BBLS)
*On hand, Start of Month	Ø	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
*Produced	Ø	Ø	Ø
*Sold	Ø	Ø	XXXXXXXXXXXXXXXXXX
*Spilled or Lost	Ø	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
*Flared or Vented	XXXXXXXXXXXXXXXXXX	Ø	XXXXXXXXXXXXXXXXXX
*Used on Lease	Ø	Ø	XXXXXXXXXXXXXXXXXX
*Injected	Ø	Ø	Ø
*Surface Pits	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	Ø
*Other (Identify)	Ø	Ø	Ø
*On hand, End of Month	Ø	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
*API Gravity/BTU Content	Ø	Ø	XXXXXXXXXXXXXXXXXX

Authorized Signature: *James A. DeHaven* Address: P.O. Box 7308, Boulder, CO 80302
 Title: President Page 1 of 1 (303)
 449-7349



United States Department of the Interior

3162 (U-065)

BUREAU OF LAND MANAGEMENT

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

State of Utah
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

JAN 24 1986

Attn: Ms. Tami Searing, Well Records Specialist

Re: Requests for Status of Wells

Dear Ms. Searing:

We are replying to your requests for status on the following wells:

- 1) Seeley Oil Company
Well No. Federal 6-14
Sec. 6, T. 16 S., R. 13 E.
Lease U-25861

We are in the process of rescinding this APD.

- 2) Otis Energy Incorporated (Earth Resources Corporation)
Well No. Bull Canyon Federal 3
Sec. 9, T. 20 S., R. 21 E.
Lease U-5675

We are enclosing correspondence from Earth Resources Corporation and Grand Resource Area pertaining to this well.

- 3) Wesgra Corporation
Well No. San Juan Federal 16
Sec. 8, T. 42 S., R. 19 E.
Lease U-23761-A

This well was spudded 5/17/84. We are requesting a Well Completion Report.

- 4) San Juan Minerals Exploration Company
Well No. Louise Federal 4
Sec. 32, T. 41 S., R. 19 E.
Lease U-22899

This well was spudded 8/1/85. We are requesting a Well Completion Report.

RECEIVED

JAN 27 1986

DIVISION OF OIL
GAS & MINING

- 5) Louis A. Chase and Sydney Grossman
Well No. Chase-Grossman 1
Sec. 31, T. 19 S., R. 24 E.
Lease U-012362-B

This well is temporarily shut-in by approved Sundry Notice dated 7/16/85. Operator is shown as Master Petroleum and Development Co., Inc.

- 6) Milestone Petroleum
Well No. Navajo Federal 4-3
Sec. 4, T. 39 S., R. 25 E.
Lease U-52333

Milestone Petroleum has had a name change 7/19/85 to Meridian Oil, Inc. They requested we rescind this application but due to surface disturbance we are holding for successful reclamation.

- 7) Ari-Mex Oil & Exploration Company
Well No. Staley Federal 4-20-24 #1
Sec. 4, T. 20 S., R. 24 E.
Lease U-15054

Well was never drilled but pad was built, we are waiting for successful rehabilitation of the pad.

- 8) F. L. Energy Corporation
Well No. Alker Federal 1-11
Sec. 11, T. 15 S., R. 12 E.
Lease U-52626

Company requested that we do not rescind their APD. See enclosed correspondence.

- 9) F. L. Energy Corporation
Well No. Alker Federal 1-15
Sec. 15, T. 15 S., R. 12 E.
Lease U-52626

This well was reapproved 10/18/85. We will start proceedings to rescind 10/18/86 and at the same time we will rescind well no. 1-11 also. See enclosed correspondence.

- 10) TXO Production Corp.
Well No. Little Berry State "A" 1
Sec. 10, T. 16 S., R. 23 E.

SS Indemnity List "IL 277".
Federal government does not permit APD on state land with state minerals.

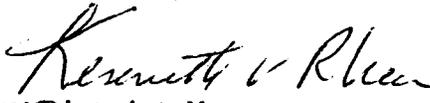
- 11) TXO Production Corp.
Well No. Little Berry State "A" 2
Sec. 11, T. 16 S., R. 23 E.

SS Indemnity List "IL-277"

Federal government does not permit APD on state land with
state minerals.

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

Sincerely,


ACTING District Manager

Enclosures (3):
Misc. Documents



**Earth
Resources
Corporation**

092312

September 16, 1986

RECEIVED
SEP 19 1986

**DIVISION OF
OIL, GAS & MINING**

UTAH NATURAL RESOURCES
Oil, Gas & Mining
Attn: Norm Stout
355 West North Temple
3 Triad Center - Suite #350
Salt Lake City, Utah 84180-1203

RE: Change of Well Status
Utah Account #N3390
Bull Canyon Federal #3

205. 21E. Sec. 9

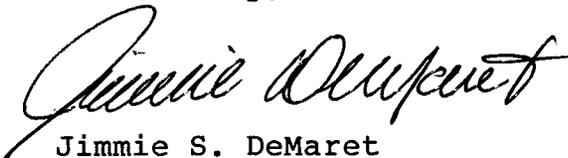
Gentlemen:

This is to advise you of a transfer of Operating Rights and title interest in the above-referenced well to Mr. J.C. Thompson, Denver Colorado, as evidenced by the enclosed, approved and filed Assignment and Quitclaim and Transfer of Operating Rights.

The documentation reflects a change in ownership as of July 18, 1986 and approval by the Minerals Adjudication Section as of September 1, 1986.

Our last Monthly Report of Operations covers July, 1986 and we are enclosing August to complete our file through the date of Federal approval of the transfer. We will hereafter cease further reporting unless we hear from your office of any other need.

Yours truly,



Jimmie S. DeMaret
President

Encl: Assignment & Quitclaim
Transfer of Operating Rights
Mo. O&G Product Report (8/1/86)
" " " " (9/1/86)

Energy & Mining Programs

1426 PEARL STREET, SUITE 212 • BOULDER, COLORADO 80302-5340 • (303)449-7349

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: August 31, 1985

TRANSFER, ASSIGNMENT, OR SUBLEASE
OF OPERATING RIGHTS IN OIL AND GAS LEASE

Lease Serial No.
U-5675
Lease effective date
May 1, 1968

PART I

1. Assignee's Name
J. C. Thompson
Address (include zip code)
410 17th Street, Denver, Colorado 80202

The undersigned, as owner of 100% percent of operating rights in the above-designated oil and gas lease, hereby transfers, assigns, and/or subleases to the assignee shown above, the operating rights in such lease as specified below.

2. Describe the lands affected by this transfer, assignment, and/or sublease (43 CFR 3101.2-3 or 3101.1-4)

T. 20 S., R. 21 E., SLM

Section 9: W/2NE/4, interval from the surface of the Earth to the Base of the Morrison Formation only, Grand County, Utah.

Entry No. 410140
Recorded 8-13-86 10:32 am
Bk. 385 Pg. 434 Fee 6.00
Lilly Mae Noorlander
Lilly Mae Noorlander
Recorder of Grand County

RECEIVED
SEP 19 1986

DIVISION OF
OIL, GAS & MINING

3. Specify interest or percent of operating rights being conveyed to assignee	all of assignor's interest	100%
4. Specify interest or percent of operating rights being retained by assignor	none	0
5. Specify overriding royalty interest being reserved by assignor	none	0
6. Specify overriding royalty previously reserved or conveyed, if any		unknown
7. If any payments out of production have previously been created out of this interest, or if any such payments are being reserved under this transfer, assignment, or sublease, attach statement giving full details as to amount, method of payment, and other pertinent terms as provided under 43 CFR 3106.		

It is agreed that the obligation to pay any overriding royalties or payments out of production of oil created herein, which, when added to overriding royalties or payments out of production previously created and to the royalty payable to the United States, aggregate in excess of 17 1/2 percent, shall be suspended when the average production of oil per well per day averaged on the monthly basis is 15 barrels or less.

I CERTIFY That the statements made herein are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 18th day of July, 19 86.
Earth Resources Corporation
By: *Jimmie S. DeMaret*
(Assignor's Signature)
Jimmie S. DeMaret, President

1426 Pearl Street, Suite 212
(Assignor's Address)
Boulder, Colorado 80302-5340
(City) (State) (Zip Code)

Title 18 U.S.C., Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, fraudulent statements or representations as to any matter within its jurisdiction.

THE UNITED STATES OF AMERICA

SEP 1 1986

Assignment approved effective _____

By: *Jane J. Anderson*
(Authorized Officer)
Chief, Minerals
Adjudication Section
AUG 6 1986
(Title) ACTING (Date)

APPROVAL DOES NOT WARRANT THAT EITHER PARTY TO THIS TRANSFER HOLDS LEGAL OR EQUITABLE TITLE TO THIS LEASE.

NOTE: This form may be reproduced provided that copies are exact reproductions on one sheet of both sides of this official form in accordance with provisions of 43 CFR 3106.

42 FEB 1986
3 REC

ASSIGNEE'S APPLICATION FOR APPROVAL OF TRANSFER
OF OPERATING RIGHTS AND/OR OPERATING AGREEMENT (SUBLEASE)

A. ASSIGNEE CERTIFIES THAT the assignee and all other parties in interest (as defined in 43 CFR 3100.0-5(b)) in this assignment are:

1. Citizens of the United States or qualified alien stockholders in a domestic corporation; association of the United States or any State or Territory thereof; or municipalities.
2. Of the age of majority in the State where the lands to be assigned are located.
3. In compliance with the acreage limitation set forth in 43 CFR 3101.1-5 and 3101.2-4.

B. ASSIGNEE AGREES That, upon approval of this transfer of operating rights and/or operating agreement (sublease) by the authorized officer of the Bureau of Land Management, he will be bound by the terms and conditions of the lease described herein as to the interests covered by this assignment, including, but not limited to, the obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any drilling operations as prescribed in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to the regulations (43 CFR 3104.2).

C. IT IS HEREBY CERTIFIED That the statements made herein are true, complete, and correct to the best of undersigned's knowledge and belief and are made in good faith.

Executed this 31 day of July, 1986.

J. C. Thompson
(Assignee's Signature)
J. C. Thompson

410 17th Street
(Assignee's Address)

Denver, Colorado 80202
(City) (State) (Zip Code)

STATE OF UTAH)
COUNTY OF SALT LAKE) ss.

On this day of AUG 6 1986, before me appeared IRENE J. ANDERSON, to me personally known, who being by me duly sworn did say that she is Acting Chief of the Minerals Adjudication Section, Bureau of Land Management, and that the original of the foregoing instrument was signed on behalf of said Bureau, and that she acknowledged said instrument to be the free and voluntary act of said Bureau.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the month, day, and year first above written.

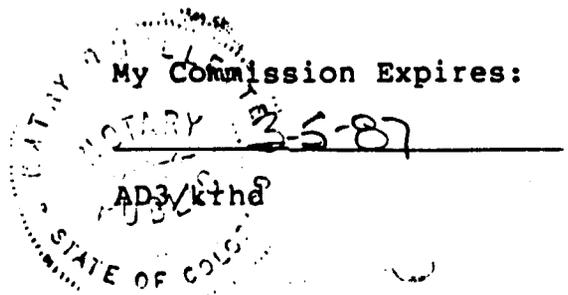


Irene J. Anderson
Notary Public
324 South State Street, Suite 301
Salt Lake City, Utah 84111-2303

My Commission Expires: OCT 18 1986

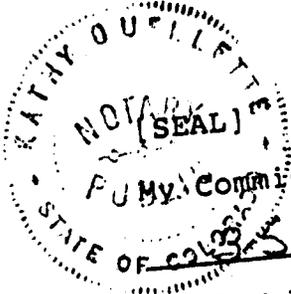
STATE OF Colorado)
COUNTY OF Boulder) : ss.

On this 14th day of July, 1986, personally appeared before me Jimmie DeMaret, who being by me duly sworn, did say that he is the President of Earth Resources Corporation, and that ~~said instrument was signed on behalf of said corporation~~ by resolution of its board of directors, and said Jimmie DeMaret duly acknowledged to me that said corporation executed the same and that the statements contained therein are true.



Kathy Ouellette
Notary Public
Residing in:
4206 Pearl Boulder Co.

and that said instrument was signed in behalf of said corporation by authority of its bylaws and said Jimmie S. DeMaret acknowledged to me that said corporation executed the same.



My Commission Expires:

AD3/krhd

Kathy Ouellette
Notary Public

Residing at:

1426 Pearl Boulder Co.

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number:
U-5675

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:
BC Fed #3

9. API Well Number:
43-019-30222

10. Field and Pool, or Wildcat:
Greater Cisco

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL GAS OTHER:

2. Name of Operator:
J.C. Thompson

3. Address and Telephone Number:
5000 S. Quebec, Suite 640, Denver, CO 80237 (303) 220-7772

4. Location of Well
Footages:
County: **Grand**
QQ, Sec., T., R., M.: **NWNE Sec. 9, T20S, R21E**
State: **Utah**

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT
(Submit in Duplicate)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- Other
- New Construction
- Pull or Alter Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

Approximate date work will start **May-99**

SUBSEQUENT REPORT
(Submit Original Form Only)

- Abandon *
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other
- New Construction
- Pull or Alter Casing
- Reperforate
- Vent or Flare
- Water Shut-Off

Date of work completion _____
Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.
* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work).

Plan to plug and abandon in May, 1999.

1. Plan to pump 40 sacks regular cement inside 4 1/2" casing from 3,830' - 3,400'. Fill with heavy mud from 3,400' to 50'
2. Pump 10 sacks regular cement from 50' to surface.
3. Set 15 sacks regular cement inside 4 1/2" x 7 5/8" annulus from 50' to surface.
4. Erect surface marker, set in 4 1/2" surface plug.
5. Rehabilitate location as specified by BLM and Utah.

13
Name & Signature: Brenda K Maynard Title: Off Mgr Date: 3-24-99

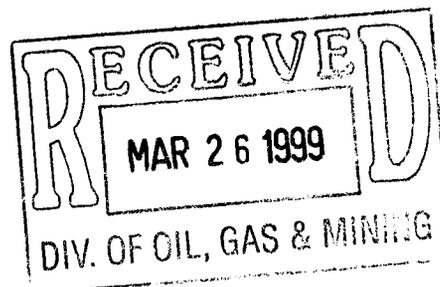
(This space for State use only)

Accepted by the
Utah Division of
Oil, Gas and Mining

COPY SENT TO OPERATOR
Date: 5-4-99
Initials: CHD

(See instructions on Reverse Side)

Date: 3-29-99
By: RJK



J. C. THOMPSON
INDEPENDENT OIL OPERATOR
5000 SOUTH QUEBEC, SUITE 640
DENVER, COLORADO 80237

October 25, 1999

State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801
ATTN: Carol

Re: Sundry Notice

Dear Carol,

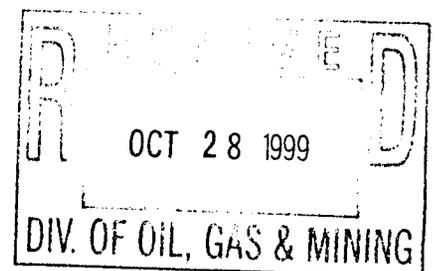
Enclosed, is the Sundry Notice for the BC Fed #3 well, with appropriate attachments.

Please contact Brenda Mayland at (303) 220-7772 with any questions or concerns.
Thank you.

Sincerely,
J.C. THOMPSON


Bonnie Searls

Enc.



STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number:

U-5675

SUNDRY NOTICES AND REPORTS ON WELLS

6. If Indian, Allottee or Tribe Name:

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Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

7. Unit Agreement Name:

1. Type of Well: OIL GAS OTHER:

8. Well Name and Number

BC Fed #3

2. Name of Operator:
J.C. Thompson

9. API Well Number:

43-019-30222

3. Address and Telephone Number:
5000 S. Quebec, Suite 640, Denver, CO 80237 (303) 220-7772

10. Field and Pool, or Wildcat:

Greater Cisco

4. Location of Well
Footages:

County: Grand

QQ, Sec., T., R., M.: NWNE Sec. 9, T20S, R21E

State: Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT
(Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandon | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recomplete |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Approximate date work will start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

- | | |
|--|---|
| <input checked="" type="checkbox"/> Abandon * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

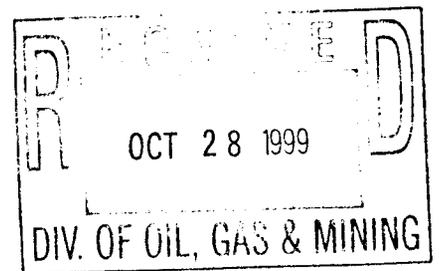
Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work).

Attached is the daily field report regarding the plugging on the captioned well.



13. Name & Signature: Brenda K. Maynard

Title: Office Mgr.

Date: 10-25-99

(This space for State use only)

Bull Canyon #3

Plug & Abandonment

Well Info: PBTD 3850', KB

Csg: 4 ½", 10.4#

Tbg: 2 3/8", 4.7#

Perfs: 3694' to 3708', 3724' to 38', 3762' to 82'

Landed @ 3698' KB

6/14/99 Tbg-50#, Csg-120#. MIRU Monument Well Service Rig # 6 & spot equipment. POOH with 16' polish rod, 3660' of ¾" rods & 22' top hold down pump. RD rod equipment. RU to pull 2 3/8" tbg. ND wellhead & latched on to tbg. Tbg stuck. Pulled 40 thousand over string weight & tbg would not budge. Slacked off and rotated to right. Tbg would not free. Torqued up. Pulled 5 thousand & rotated. Torqued up. Pulled 20 thousand & rotated. Torqued up. Worked up & down. Tbg freed up. Pulled up 12' and stuck again. Could not free tbg. SDFN 5:30 pm.

6/15/99 7:00 am. Rocky Mtn Wireline on loc. RIH with free point tool. Found free pipe at 3465'. POOH with free point tool. RIH with jet cutter & cut tbg at 3465'. POOH with cutter & RD wireline. POOH with 1 jt to 3434' and pumped 15 bbl fresh water to charge perfs then pumped 50 sx cement & chased with 3bbl water. POOH with tbg. RU wireline & RIH with perf gun and perfed 4 ½" 273' to 274' with 4spf. POOH with perf gun & RD wire line truck. RIH with tbg & tagged 1st plug at 3322'. POOH & laid down 1 jt. Pumped in 50 bbl heavy mud & filled 4 ½". POOH and laid down tbg. Hooked up pump to 4 ½" & established circulation through 4 ½" X 7 5/8" annulus. Pumped 42 sx down 4 ½" & circulated to surface through 7 5/8". Shut in 4 ½" and held plug for 30 min. Bled off press. No flow back. Picked up 50' of 1" pipe & ran in 4 ½". Pumped 12 sx cement to surface. RD cementing equip. SDFN 6:30 pm.

6/16/99 8:00 am. Cut off wellhead & erect surface marker. RD and released rig.

ADDRESS J.C. LEASE Bull Canyon RIG NO. 6
 COUNTY Grand STATE Utah DATE 6-15-99
 TIME OUT 5:30 TIME IN 8:30
 WELL NO. #3

MILEAGE ON STATE HIGHWAYS OR INTERSTATE

FROM: _____ TO: _____

MILES _____

PULLED OUT		RAN IN	
JOINTS	DESC.	JOINTS	DESC.

Operator	<u>J Overholt</u>	Hrs.	<u>15</u>	
Derrickman	<u>K. Spurin</u>	Hrs.	<u>15</u>	
Floorman	<u>C. Angelo</u>	Hrs.	<u>15</u>	
Floorman		Hrs.		P/Hr.
Triplex Pump Stand By	<input type="checkbox"/>	Days @	<u>350</u>	P/Day <u>350</u>
Power Swivel Stand By	<input type="checkbox"/>	Days @		P/Day
Blowout Preventers 3000 lb.	<input type="checkbox"/>	Days @		P/Day
Blowout Preventers 5000 lb.	<input type="checkbox"/>	Days @		P/Day
Aux. Equipment		Days @		P/Day
Delivery on Equipment		Days @		P/Hr.
Oil Saver Rubbers		@		Each
Swab Cups tbg.	<input type="checkbox"/>	@		Each
Swab Cups Csg.	<input type="checkbox"/>	@		Each
Swab Acid, H2S, or CSG				
BOP Rubbers 3000	<input type="checkbox"/>	@		Each
BOP Rubbers 5000	<input type="checkbox"/>	@		Each
Wash. Head		Days @	<u>40</u>	P/Day <u>40</u>
Wash. Rubber		@		Each
Slip Dies		Set @		P/Set
Tong Dies		Set @		P/Set
KCL		Lbs. @		P/Lb.
Tool Pusher				
TIW Valve		Days @		P/Day
Wet Pay	<u>3</u>	Men @	<u>15</u>	P/Man <u>45</u>
Crew Subsistence		Men @		P/Man
Pickup & Crew Trv. Time	<u>3</u>	Hrs. @	<u>85</u>	P/Hr. <u>255</u>
Rig Time	<u>12</u>	Hrs. @	<u>135</u>	P/Hr. <u>1620</u>
Diesel Fuel				
Connections Used				
Pipe Dope		Trip @		P/T
Compress Equipment				<u>600</u>
Welder & Day Hole			<u>1100</u>	<u>1050</u>
Welding				<u>175</u>
2 sk of Calc. Chlor.				<u>60.00</u>
Tool Pusher				
Company Foreman	<u>Andy Bush</u>			
				TOTAL
				4185.00

FFI
 Rig up
 Bonus to cut tbg,
 try to cut the first tone
 did not work Rig up to
 freepoint 3475 free
 gain to cut tbg, cut
 by down all 2 3/8 tbg,
 gain to perf. well Rig
 down Bonus Rig up to
 try to cut well head
 Run out O2 pump last
 plug @ C. down up pump
 FFI

(Denotes taxable supplies)

TOTAL

480.00