

UTAH DIVISION OF OIL, GAS AND MINING

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

* LOCATION ABANDONED (well never drilled) 7-23-81

DATE FILED 2-11-80

LAND: FEE & PATENTED STATE LEASE NO. PUBLIC LEASE NO. SIC-064807 INDIAN

DRILLING APPROVED: 2-14-80

SPUDED IN:

COMPLETED: PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: 7-23-81 Location abandoned well never drilled

FIELD: Bar X 3/86

UNIT: Bar X

COUNTY: Grand

WELL NO. Bar X Unit #17

API NO: 43-019-30607

LOCATION 1265' FT. FROM (N) (S) LINE. 1962' FT. FROM (E) (W) LINE. SE SW 1/4 1/4 SEC. 11

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
				17S	25E	11	TERRA RESOURCES, INC,

FILE NO _____ VS _____

Electric NID File _____

Checked by Chief _____

_____ Sheet _____

Copy NID to Field Office _____

Location Map Plotted _____

Approval Letter _____

Disapproval Letter _____

_____ State or Fee Land _____

GEOPHYSICAL DATA:

Dip Well Completed _____

Location Inspected _____

GW _____ WW _____ TA _____

Bond released _____

GW _____ OS _____ PA _____

State of Fee Land _____

LOGS FILED

Dip Well Log _____

Electric Logs (No.) _____

E _____ I _____ E-I _____ GR _____ GR-N _____ Micro _____

Lat _____ Mi-L _____ Sonic _____ Others _____

7


TERRA RESOURCES, INC.

ROCKY MOUNTAIN PRODUCTION DISTRICT OFFICE
P.O. BOX 2500
CASPER, WYOMING 82601
(307) 237-8461

February 8, 1980

Re: Application for Permit to Drill
Terra Resources, Incorporated
Bar X Unit Well #17
Grand County, Utah

Division of Oil, Gas & Mining
1588 West North Temple
Salt Lake City, Utah 84116

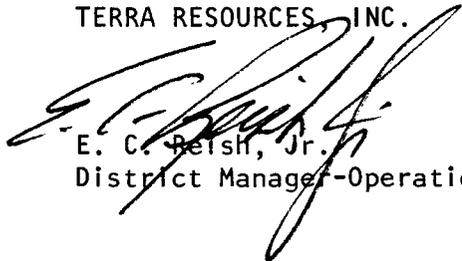
Gentlemen:

Enclosed please find two (2) copies of Form #9-331C, "Application for Permit to Drill" for the above referenced well.

Your approval of these applications at an early date will be greatly appreciated.

Yours very truly,

TERRA RESOURCES, INC.


E. C. Peish, Jr.
District Manager-Operations

ECR/CGF:dat
Enclosures

RECEIVED

FEB 11 1980

DIVISION OF
OIL, GAS & MINING

GENERAL OFFICES

SUITE 300 5416 SOUTH YALE AVENUE TULSA, OKLAHOMA (918) 492-2231

14

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
 TERRA RESOURCES, INC.

3. ADDRESS OF OPERATOR
 P. O. Box 2500, Casper, WY 82602

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 1265' ~~PSL~~ and 1962' ~~PWL~~ SE: SW
 At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 35 NW of Grand Junction, CO

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest dric. unit line, if any) 1265'
 16. NO. OF ACRES IN LEASE 2080'
 17. NO. OF ACRES ASSIGNED TO THIS WELL 320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2640' S of Well #8
 19. PROPOSED DEPTH 4000' Morrison

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 Approximate ground level is 5289'

22. APPROX. DATE WORK WILL START*
 March 31, 1980

5. LEASE DESIGNATION AND SERIAL NO.
 SLC-064807

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
 Bar X

8. FARM OR LEASE NAME

9. WELL NO.
 17

10. FIELD AND POOL, OR WILDCAT
 Bar X Field

11. SEC. T. R. M. OR BLE. AND SURVEY OR AREA
 Sec. 11, T17S, R25E

12. COUNTY OR PARISH 13. STATE
 Grand Utah

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8	24	300	250 sx Bop 'G' w/2% CaCl ₂
7 7/8	4 1/2	11.6	4000	350 sx RFC 10-0

1. Drill 12 1/4" hole to 300' and set surface casing.
2. A double ram BOP will be installed, tested and operational checks made daily and each trip for bit.
3. The hole will be air drilled to approx. 4000' to test the Salt wash member of the Morrison formation.
4. The hole will be logged, and if commercial production is obtained, 4 1/2" casing will be run.

EXHIBITS ATTACHED:

- | | |
|--|---|
| A. Location and Elevation Plat | F. Drill Pad Layout & Cut-Fill, Cross-Sec |
| B. Ten-point Compliance Program | G. Drill Rig & production facilities layo |
| C. Blowout Preventer Diagram | H. Acidizing-Fracturing Layout |
| D. Multipoint Requirement for A.P.L. | I. Rehabilitation Plan |
| E. Access Road Map onto location and Radius Map of area. | |

RECEIVED

FEB 11 1980

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 E. C. Reiso, Jr. TITLE District Mgr. Operations
 DIVISION OF OIL, GAS & MINING DATE 2/8/80

(This space for Federal or State office use)
 PERMIT NO. 43-019-30607 APPROVAL DATE February 14, 1980

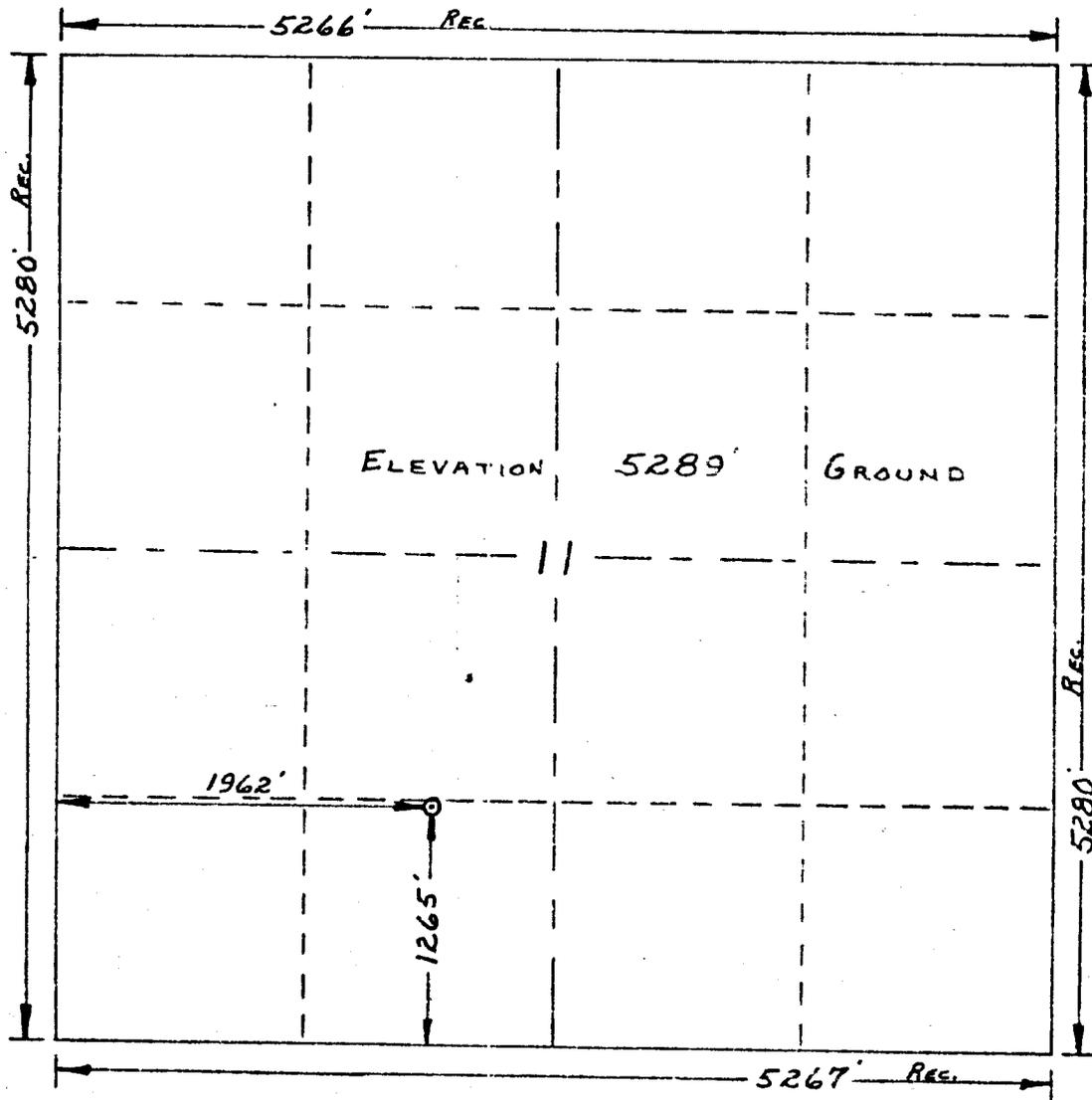
APPROVED BY _____ TITLE _____ DATE _____
 CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side



N

R. 25 E



T.
17
S.

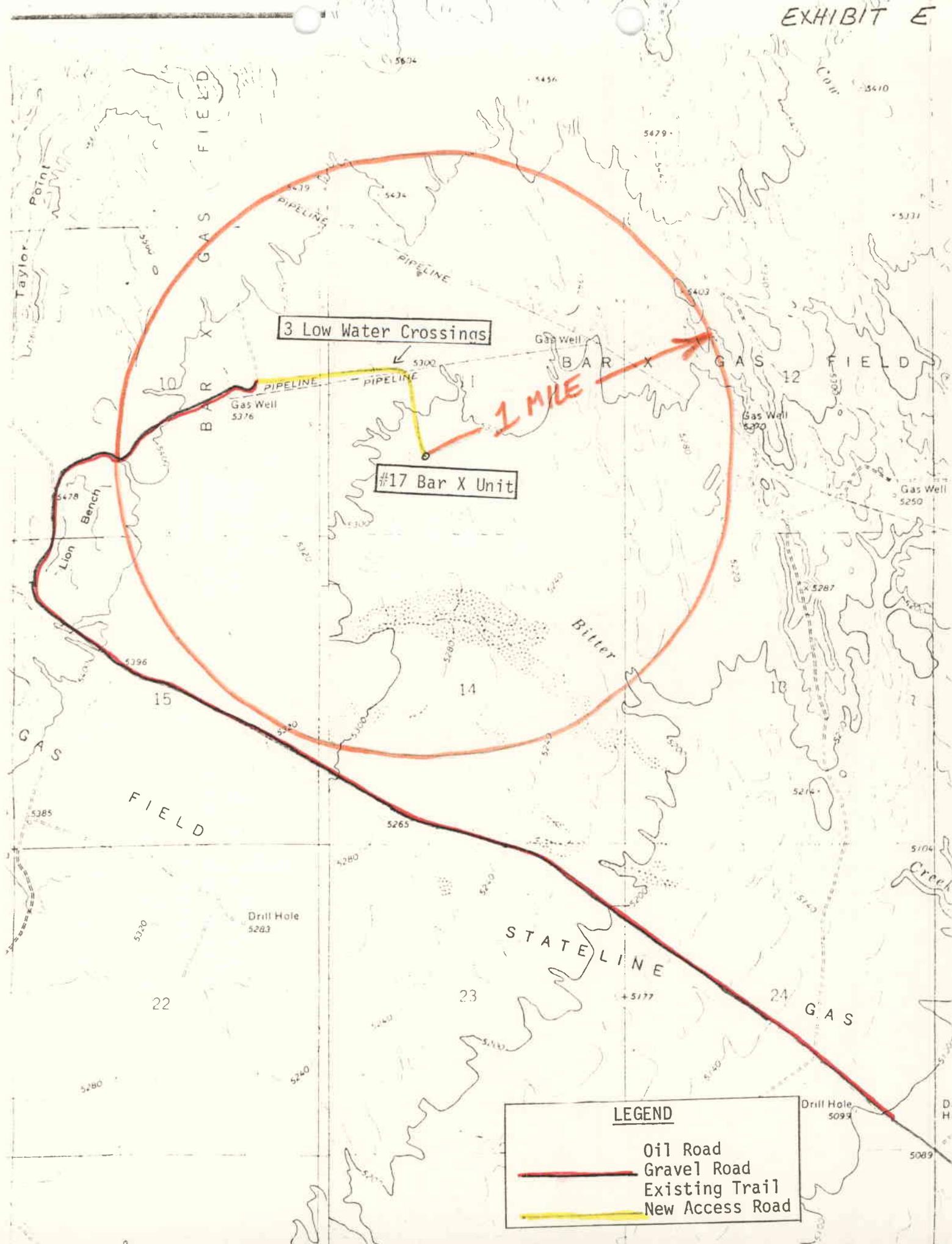
Scale... 1" = 1000'

Powers Elevation Company, Inc. of Denver, Colorado
 has in accordance with a request from TRACY JETER
 for TERRA RESOURCES COMPANY
 determined the location of #17 BAR X UNIT
 to be 1265' FS & 1962' FW Section 11 Township 17 S.
 Range 25 E. OF THE SALT LAKE Meridian
 GRAND County, UTAH

I hereby certify that this plat is an
 accurate representation of a correct
 survey showing the location of
 #17 BAR X UNIT

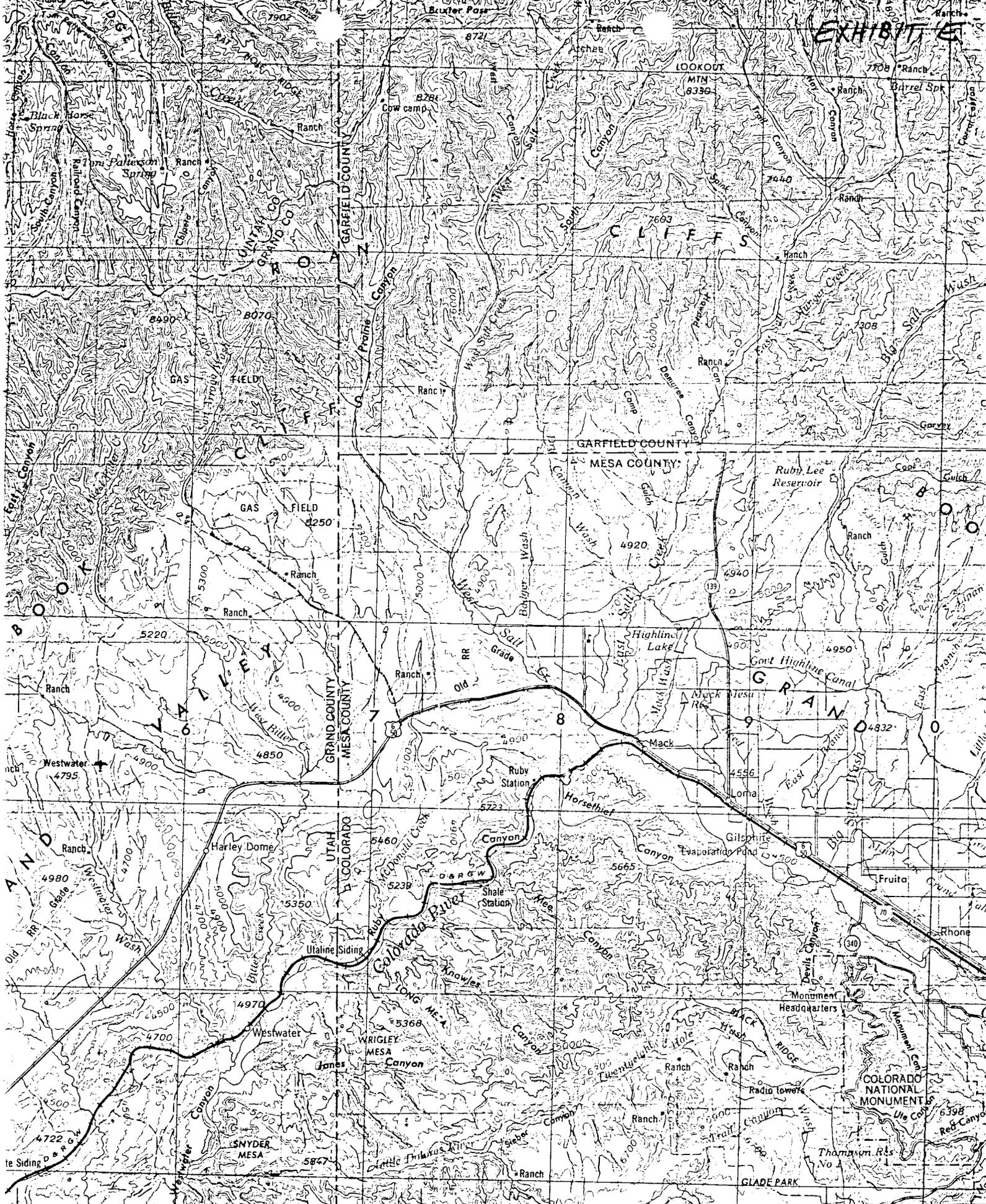
Date: 5-3-79

J. Nelson
 Licensed Land Surveyor No. 2711
 State of UTAH



LEGEND

-  Oil Road
-  Gravel Road
-  Existing Trail
-  New Access Road

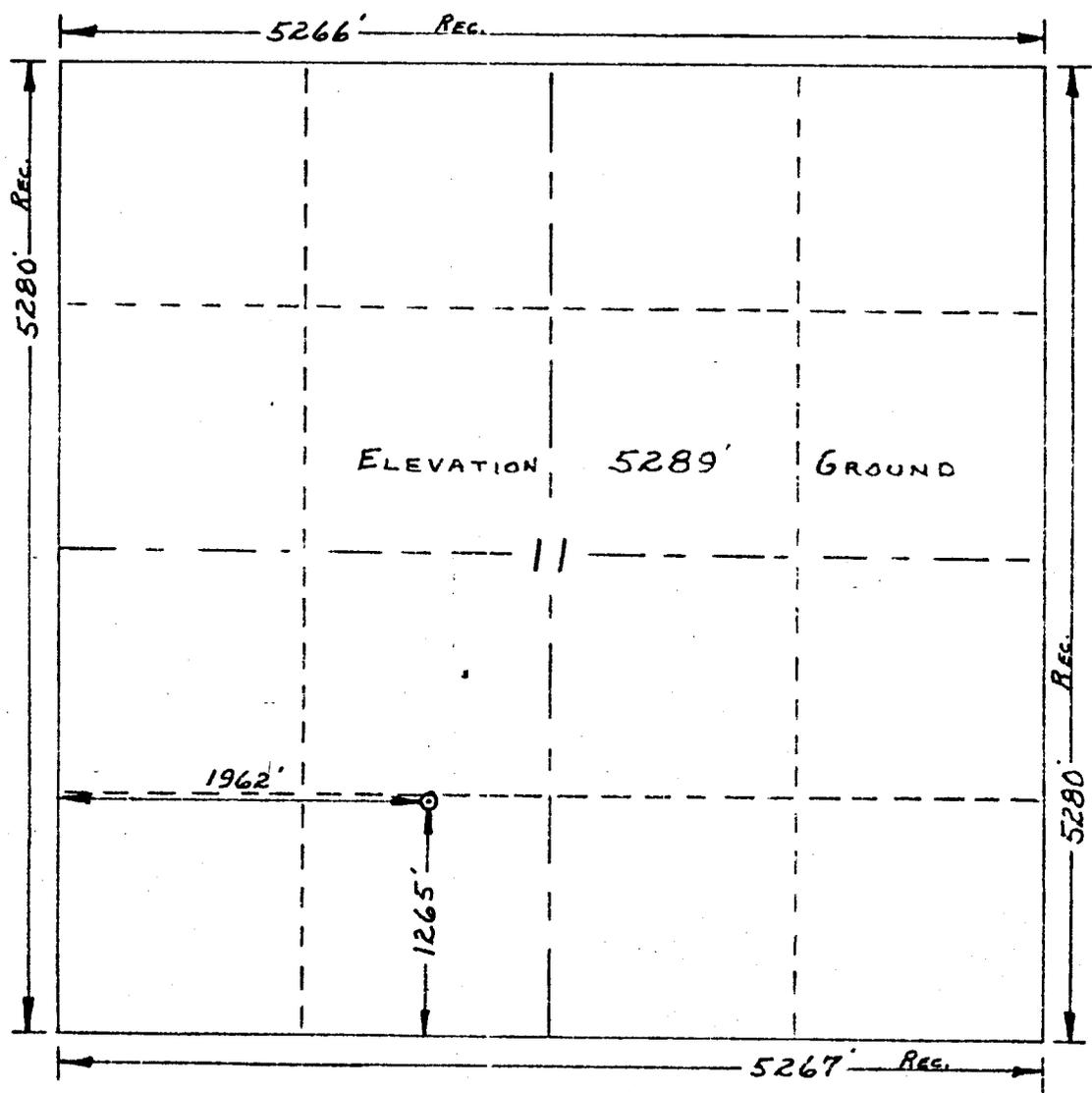




N



R. 25 E



T.
17
S.

Scale... 1" = 1000'

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I hereby certify that this plat is an
 accurate representation of a correct
 survey showing the location of
 #17 BAR X UNIT

Date: 5-3-79

J. Nelson
 Licensed Land Surveyor No. 2711
 State of UTAH

EXHIBIT "B"

TEN-POINT COMPLIANCE PROGRAM OF NTL-6

APPROVAL OF OPERATIONS

Attached to Form 9-331C
Company: Terra Resources, Inc.
Well: Bar X Unit Well # 17
Well Location: 1265'NSL and 1962'EWL
Sec. 11 T 17S R 25E
County: Grand State: Utah

1. Geologic Surface Formation

Mancos

2. Estimated Important Geologic Markers

<u>Formation</u>	<u>Depth</u>
Frontier	2995'
Dakota Silt	3235'
Dakota	3305'
Morrison	3414'
Salt Wash	3735'
TD	4000'

3. Estimated Depths of Anticipated Water, Oil, Gas or Minerals

<u>Formation</u>	<u>Depth</u>	<u>Remarks</u>
Dakota	3305'	Possible gas
Upper Morrison	3414'	Possible gas
Salt Wash	3735'	Possible gas

4. The Proposed Casing Program

- (a) Set 3 5/8" 24# K-55 new casing, in 12 1/4" hole at 300' and cement with 250 sx regular "G" cement w/2% CaCl₂.
- (b) Set 4 1/2" 11.6#J-55 new casing, in 7 7/8" hole at TD. (4000') and cement if productive with 350 sx of RFC 10-0.

5. The Operator's Minimum Specifications For Pressure Control

Exhibit "C" is a schematic diagram of the blowout preventer equipment. The BOP's will be hydraulically tested to the full working pressure after nipping up and after any use under pressure. The BOP's will be operationally checked after each 24-hour period and each time pipe is pulled out of the hole.

6. The Type and Characteristics of the Proposed Circulating Muds

Hole will be air drilled from surface to TD (4000').

7. The Auxillary Equipment to be Used

- A) A full opening Hydril or equivalent ball valve will be available on the floor to make up on the drill pipe when the kelly is not in the string.

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

- A) No conventional DST's are planned.
- B) Well logging as follows:
- | | |
|-------------|----------------------|
| SNP, FDC-GR | TD to surface casing |
| DIL | TD to surface casing |
- C) No cores are planned.
- D) Acidize with 500 gallons 15% MSR and/or Foam Frac with 75,000 gallons of 5% HCl and 70,000# 20-40 and 10/20 sand if the zones merit. See Exhibit "H".

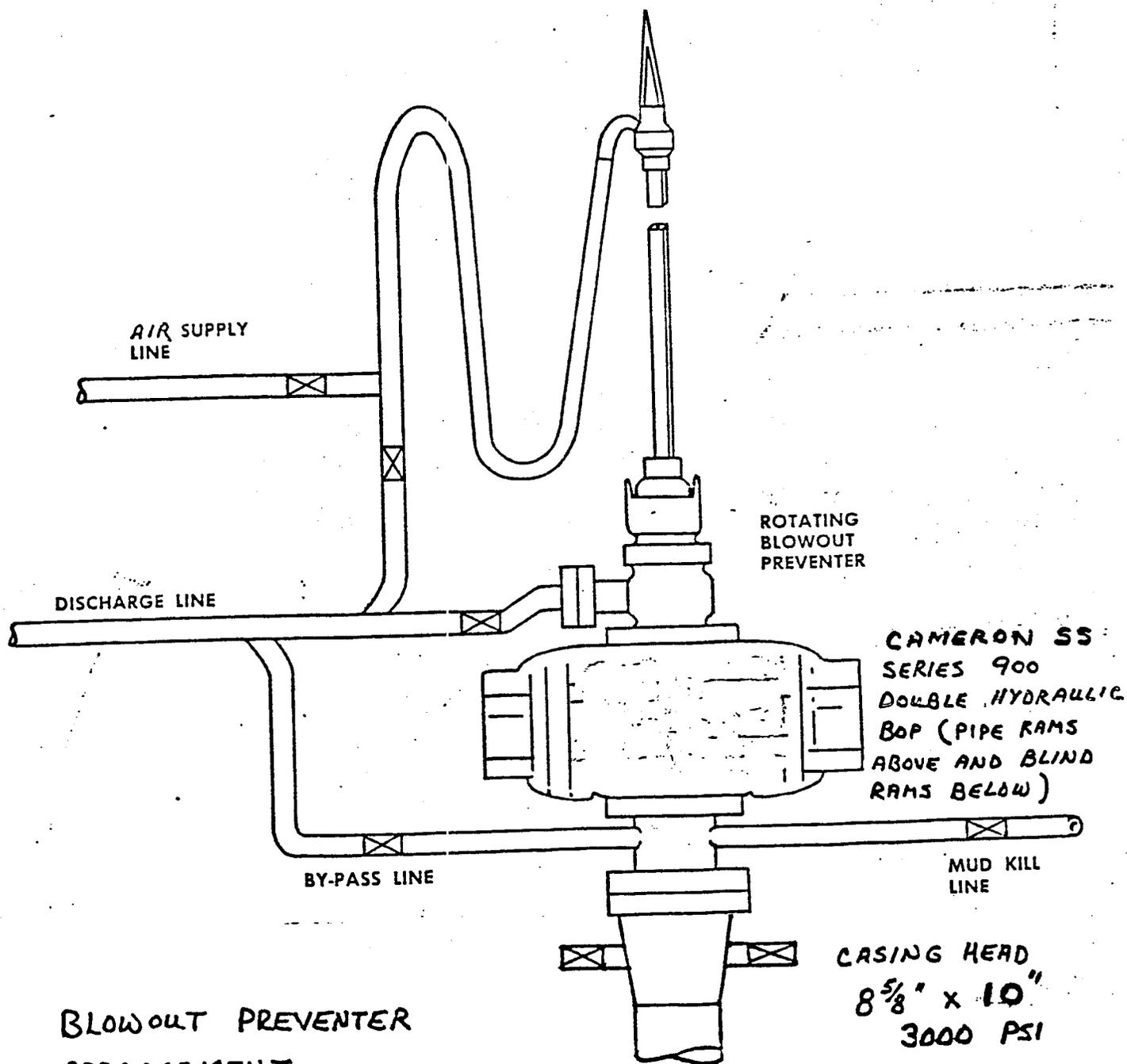
9. Any anticipated Abnormal Pressures or Temperatures Exoected

None

10. The Anticipated Starting Date and Duration of the Operations

The anticipated starting date is set for March 31, 1980 or immediately as possible after examination and approval of all drilling requirements.

The operations should be completed within 10 days after spudding the well.



BLOWOUT PREVENTER
ARRANGEMENT

BAR X UNIT WELL # 17

ALL MANIFOLD AND LINES
WILL HAVE AT LEAST
THE SAME PRESSURE
RATING AS THE BOP STACK

EXHIBIT "D"

MULTI-POINT REQUIREMENTS TO ACCOMPANY A.P.D.

Attached to Form 9-331C
Terra Resources, Inc.
Bar X Unit Well # 17.
1265'NSL and 1962'EWL
Sec. 11 T17S, R25E
Grand County, Utah

1. Existing Roads

- A. The proposed well site and elevation plat is shown as EXHIBIT "A".
- B. The distance from Mack, Colorado is 17.6 miles. Proceed West on paved Highway 50, 9.2 miles from the Mack Post Office; thence Northwest on maintained Number Two road, 7.3 miles. Turn Northeast and proceed .6 mile to staked access road; proceed West .3 mile then south .2 mile to location as shown on EXHIBIT "E".
- C. All roads are color-coded into location. An access road .5 mile from the existing gas field road will be required, as shown on EXHIBIT "E".
- D. N/A
- E. This is a development well. All existing roads within a one-mile radius are shown on EXHIBIT "E".
- F. The existing roads need no improvement. Maintenance will be performed as required.

2. Planned Access Roads

Map showing all necessary access roads to be constructed or reconstructed is shown as EXHIBIT "E" for the following:

- (1) The maximum width of the running surface of the .5 mile access road as you leave the existing gas field road will be 18'.
- (2) The grade will be 8% (eight percent) or less.
- (3) No turn outs are planned.
- (4) Appropriate water bars will be constructed to assure drainage off location to conform with natural drainage pattern.

- (5) No culverts are needed. No major cuts or fills are anticipated along access road during drilling operation.
- (6) Surfacing materials will be native soil.
- (7) No gates, cattle guards or fence cuts are needed.
- (8) The new access road to be built has been staked during the time of staking the location, and is centerline flagged as shown on EXHIBIT "E".

3. Location of Existing Wells

For all existing wells within a one-mile radius of development well, see EXHIBIT "E".

- (1) There are no water wells within a one-mile radius of this location.
- (2) There are no abandoned wells within this one-mile radius.
- (3) There are no temporarily abandoned wells.
- (4) There are no disposal wells.
- (5) There is no well presently being drilled.
- (6) There are 3 producing wells within this one-mile radius.
- (7) There are no shut-in wells.
- (8) There are no injection wells.
- (9) There are no monitoring or observation wells for other uses.

4. Location of Existing and/or Proposed Facilities

A. Within a one-mile radius of location the following existing facilities are owned or controlled by lessee/operator:

- (1) Tank Batteries: None
 - * (2) Production Facilities: Yes, dehydration unit.
 - (3) Oil Gathering Lines: None
 - * (4) Gas Gathering Lines: Yes, buried.
 - (5) Injection Lines: None
 - (6) Disposal Lines: None
- * All surface facilities excluding the wellhead and tanks are owned and operated by the gas purchaser, N.W. Pipeline.

B. If production is obtained, new facilities will be as follows:

- (1) Production facilities will be located on solid ground of cut area of drill pad, as shown on EXHIBIT "F".
- (2) All well flow lines will be buried.
- (3) Production Facilities will consist of a dehydrator and meter building located on the north west corner of the pad.
- (4) All construction materials for pad will be obtained from site. No additional material from outside sources is anticipated.
- (5) Any necessary pits will be fenced and flagged to protect livestock and wildlife.

C. Rehabilitation, whether well is productive or dry, will be made on all unused areas in accordance with the restoration plans presented in ITEM #10 following.

5. Location and Type of Water Supply.

- A. The source of water will be the Colorado River, South of Interstate Highway 70, which is running water.
- B. Water will be transported by truck over existing roadways as needed.
- C. No water well is to be drilled on this lease.

6. Construction Materials

- A. No construction materials are needed for drilling and access roads into the drilling location unless production is obtained. The surface soil materials will be sufficient or will be purchased from Dirt Contractor as needed.
- B. No construction materials will be taken off this Federal land.
- C. All surface soil materials for construction of access roads are sufficient.
- D. All major access roads presently exist as shown on EXHIBIT "E".

7. Handling of Waste Materials and Disposal

- (1) Drill cuttings will be buried in the reserve pit and covered.
- (2) Plan is to drill with air, but water may be encountered which will then be handled in the reserve pit.

- (3) Any fluids produced, oil or water, during drilling test or while making production test will be collected in a test tank. If a test tank is not available during drilling, fluids will be handled in reserve pit. Any spills of oil, gas, salt waters or other noxious fluids will be cleaned up and removed.
- (4) Any sewage will be covered or removed. Chemical facilities will be provided for human waste.
- (5) Garbage and non-flammable waste and salts and other chemicals produced during drilling or testing will be handled in trash pit. Flammable waste will be disposed of in burn pit. Drill fluids, water, drilling mud and tailings will be kept in reserve pit, as shown on EXHIBIT "F".
- (6) After the rig moves out, all materials will be cleaned up and no adverse materials will be left on location. Any dangerous open pit will be fenced during drilling and kept closed until such time as the pit is leveled. Reserve pit will be fenced on three sides and the fourth side fenced upon removal of the rig. The trash and/or burn pit will be totally enclosed with small mesh wire.

8. Ancillary Facilities

No air strip, camp or other facilities will be built during drilling of this well.

9. Well Site Layout

- (1) EXHIBIT "F" is the Drill Pad Layout as staked, with elevations, by Powers Elevation Company, Inc. of Grand Junction, Colorado. Cuts and fills have been drafted to visualize the planned cut across the location spot and to the deepest part of the pad. Topsoil will be stockpiled per BLM specifications determined at time of pre-drill inspection.
- (2) EXHIBIT "G" is a plan diagram of the proposed rig and equipment, reserve pit, burn and trash pit, pipe racks and mud tanks. No permanent living facilities are planned. There will not be a trailer on site.
- (3) EXHIBIT "G" includes a diagram showing the proposed rig orientation, parking areas and access road.
- (4) The reserve pits will not be lined. Steel mud tanks may be used during drilling operations.

10. Plans for Restoration

- (1) Backfilling, leveling and contouring are planned as soon as all pits have dried. Waste disposal and spoils materials will be buried or hauled away immediately after drilling is completed.

If production is obtained, the unused area will be restored as soon as possible.

- (2) The soil banked material will be spread over the area. Revegetation will be accomplished by planting mixed grasses as per formula provided by the BLM. Revegetation is recommended for road area, as well as around the drill pad.
- (3) Three sides of the reserve pit will be fenced during drilling operations. Prior to rig release, the reserve pit will be fenced on the fourth side to prevent livestock or wildlife from becoming entrapped; and the fencing will be maintained until leveling and cleanup are accomplished.
- (4) If any oil is on the pits and is not immediately removed after operations cease, the pit containing the oil or other adverse substances will be flagged overhead or covered with wire mesh.
- (5) The rehabilitation operations will begin immediately after the drilling rig is removed. Removal of oil or other adverse substances will begin immediately or area will be flagged and fenced. Other cleanup will be done as needed. Planting and revegetation is considered best in April, 1980 unless requested otherwise.

11. Other Information

- (1) The soil is sandy, supporting desert brush and grass. There are small areas of rock outcrops, and the area has some scattered junipers. The geomorphology is intermediate to the desert to the South and bookcliffs to the North.
- (2) The primary surface use is for grazing. The surface is owned by the U. S. Government.
- (3) The closest live water is the Colorado River, South of I-70.

The closest occupied dwelling is a small ranch house 13.2 mile from the location, 1 mile East of number two road on Highway 50.

There are no known archaeological, historical, or cultural heritages that will be disturbed by this drilling.

- (4) There are no reported restrictions or reservations noted on the oil and gas lease.
- (5) Drilling is planned for on or about March 31, 1980. It is anticipated that the casing point will be reached within 10 days after commencement of drilling.

12. Lessee's or Operator's Representative

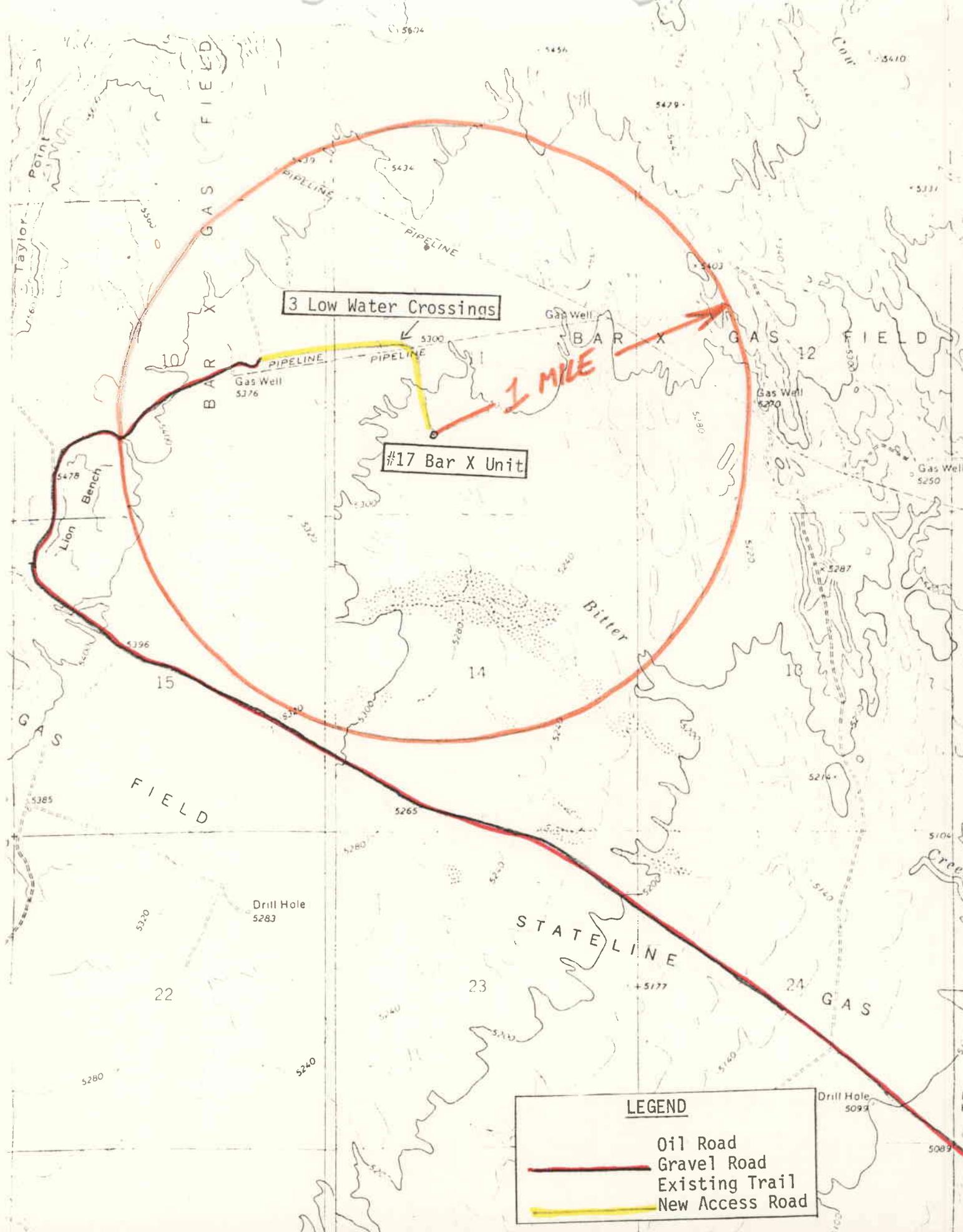
Cecil Foote
Terra Resources
Box 2500
Casper, Wyoming 82602
Phone: (307) 237-8461

13. Certification

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

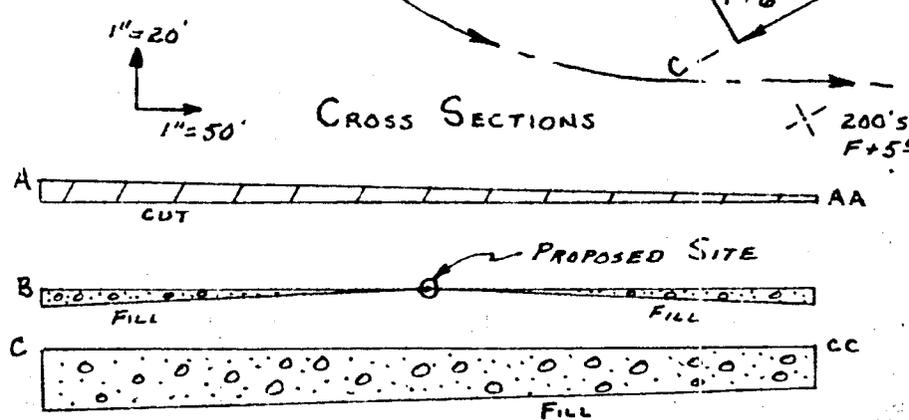
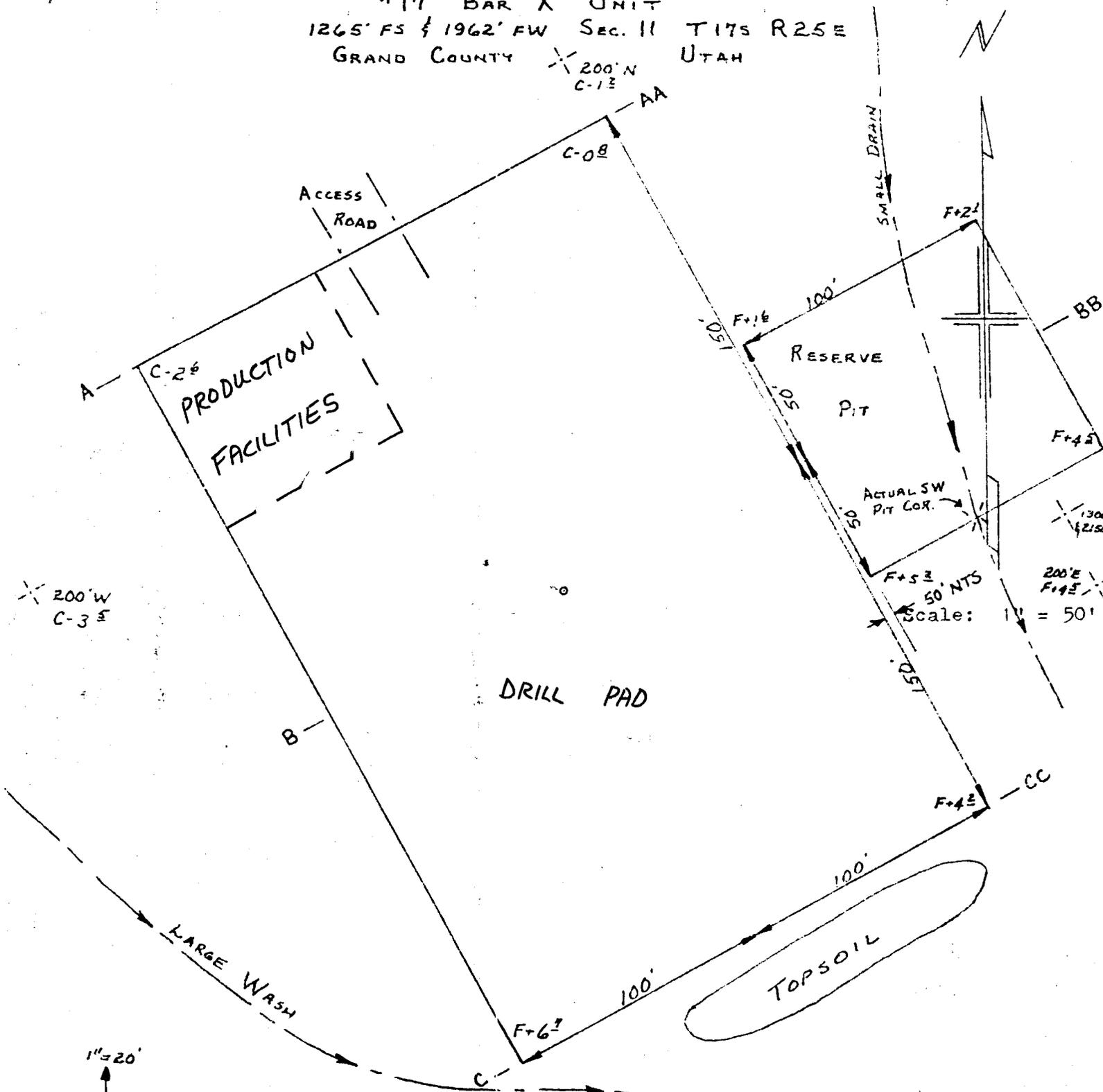
2-5-80
Date

Cecil Foote



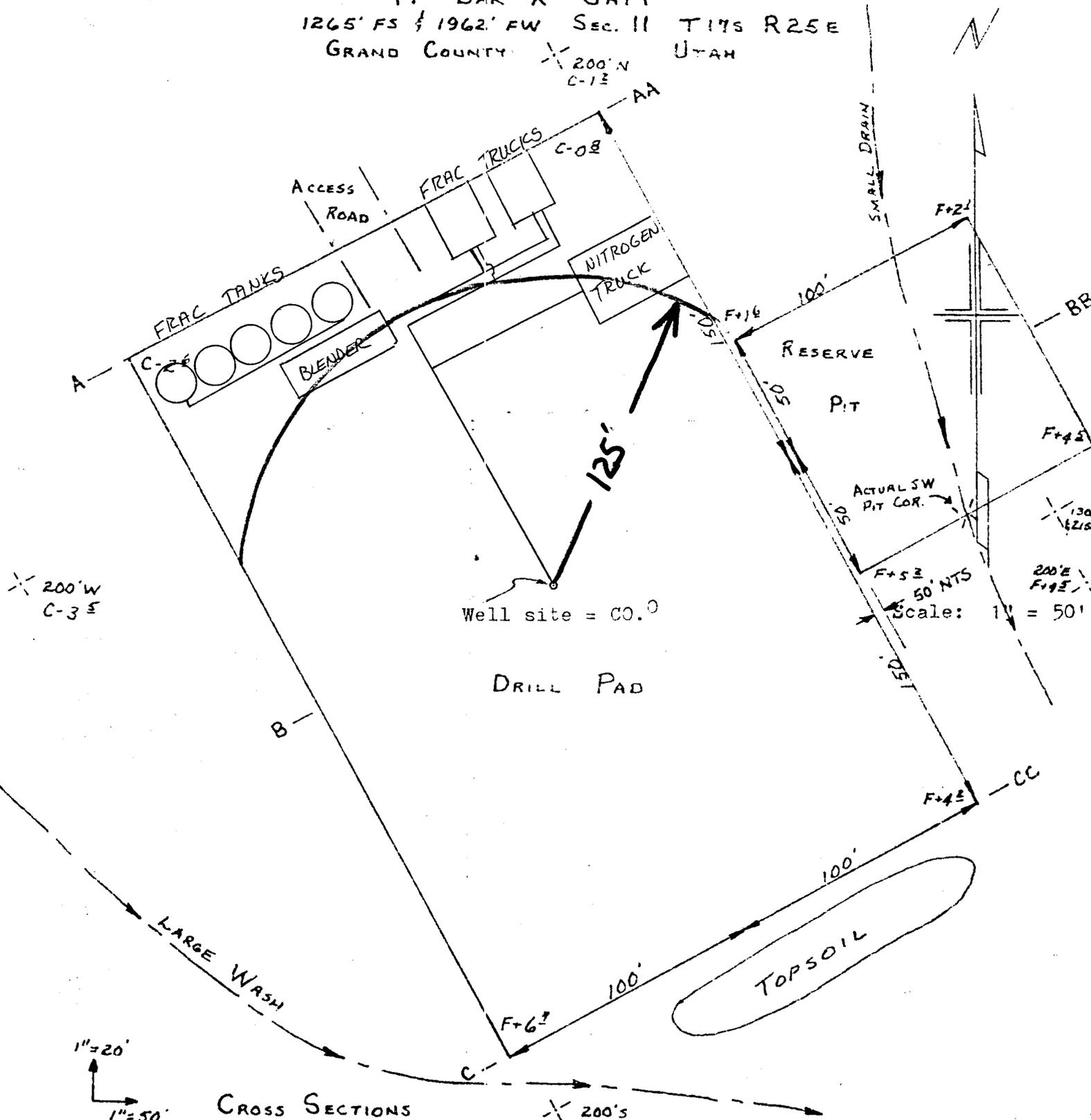


TERRA RESOURCES Co.
#17 BAR X UNIT
1265' FS & 1962' FW SEC. 11 T17S R25E
GRAND COUNTY UTAH



by: Richard D. Schuby
 Powers Elevation Company, Inc.
 FILL 5-3-79
 BB
 RESERVE PIT

TERRA RESOURCES Co.
#17 BAR X UNIT
1265' FS & 1962' FW SEC. 11 T17S R25E
GRAND COUNTY UTAH



200'W
C-3E

200'N
C-1E

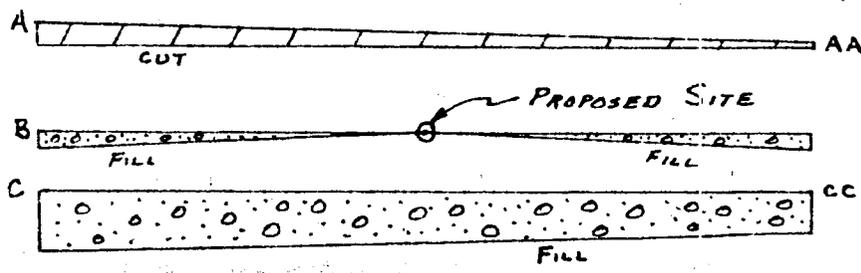
130
F2E

200'E
F+9E

1"=20'
1"=50'

CROSS SECTIONS

200'S
F+5E



by: Richard A. Schulz
 Powers Elevation Company, Inc.
 FILL 5-3-79
 RESERVE PIT

EXHIBIT "I"

(04-02-76)
WY060-3109-3

REHABILITATION PLAN

Lease No.: _____ Well Name and No.: 17 Bar X Unit ;
Location: 1265' NSL and 1962' EWL, Sec. 11, T. 17 S X., R. 25E

Terra Resources ~~XXXXXXXXXXXX~~ intends to drill a well on surface owned by BLM. The lessee/operator agrees to complete the following rehabilitation work if the well is a producer:

Yes No Maintain access road and provide adequate drainage to road.

Yes No Reshape and reseed any area not needed for maintenance of the pump and support facilities.

Other requirements: none

The following work will be completed when the well is abandoned:

Yes No Pit will be fenced until dry, then filled to conform to surrounding topography.

Yes No Water bars will be constructed as deemed necessary.

Yes No Site will require reshaping to conform to surrounding topography.

Yes No Entire disturbed area will be reseeded. If yes, the following seed mixture will be used:
BLM mixture

Yes No Access road will be closed, rehabilitated and reseeded using the same seed mixture as above.

Yes No Access road will remain for surface owner's use.

Yes No Water bars will be constructed on the access road as deemed necessary.

Other requirements: none

Surface Owner:

Operator/Lessee

Name: BLM
Address: _____
City: _____
State: _____
Telephone: _____
Date: _____

Name: Terra Resources
Address: P.O. Box 2500
City: Casper
State: Wyoming
Telephone: 307-237-8461
Date: January 29, 1980

I CERTIFY rehabilitation has been discussed with me, the surface owner:

N/A
(Surface owner's signature)

This plan covers rehabilitation requirements only and does not affect any other agreements between the lessee/operator and surface owner.

** FILE NOTATIONS **

DATE: February 14, 1980

Operator: Terra Resources, Inc.

Well No: Bar X Unit #17

Location: Sec. 11 T. 17S R. 25E County: Grand

File Prepared:

Entered on N.I.D.:

Card Indexed:

Completion Sheet:

API Number 43-019-30607

CHECKED BY:

Geological Engineer: _____

Petroleum Engineer: _____

Director: _____

APPROVAL LETTER:

Bond Required:

Survey Plat Required:

Order No. _____

O.K. Rule C-3

Rule C-3(c), Topographic Exception/company owns or controls acreage within a 660' radius of proposed site

Lease Designation 3rd Unit

Plotted on Map

Approval Letter Written

blm

Unit approval

*hl
PI*

February 14, 1980

Terra Resources, Inc.
P.O. Box 2500
Casper, Wyoming 82602

Re: Well No. Bar X Unit #17
Sec. 11, T. 17S, R. 23E.,
Grand County, Utah

Insofar as this office is concerned, approval to drill the above referred to gas well is hereby granted in accordance with Section 40-6-11, Utah Code annotated 1953; and predicated on Rule A-3, 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:

MICHAEL T. MINDER
Geological Engineer
Office: 533-5771
Home: 876-3001

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

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

The API number assigned to this well is 43-019-30607.

Sincerely,

DIVISION OF OIL, GAS AND MINING

Michael T. Minder
Geological Engineer

/b.t.m

cc: USGS

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

LEASE DESIGNATION AND SERIAL NO.
SLC-064806

DUPLICATE

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

2. NAME OF OPERATOR
TERRA RESOURCES, INC.

3. ADDRESS OF OPERATOR
P. O. Box 2500, Casper, WY 82601

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface **1265' NSL and 1962' EWL**
 At proposed prod. zone **Same**

5. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
35 NW of Grand Junction, CO

6. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest orig. unit line, if any)
1265'

7. NO. OF ACRES IN LEASE
2080'

8. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
2640' S of Well #8

9. PROPOSED DEPTH
4000'

10. ROTARY OR CABLE TOOLS
Rotary

11. ELEVATIONS (Show whether DF, RT, GR, etc.)
Approximate ground level is 5289'

12. APPROX. DATE WORK WILL START*
March 31, 1980

13. LEASE AGREEMENT NAME
Bar X

14. FARM OR LEASE NAME
Bar X

15. WELL NO.
17

16. FIELD AND POOL, OR WILDCAT
Bar X

17. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 11, T17S, R25E

18. COUNTY OR PARISH
Grand

19. STATE
Utah

RECEIVED
JUN 30 1980

DIVISION OF
OIL, GAS & MINING

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8	24	300	250 sx Bog 'G' w/2% CaCl ₂
7 7/8	4 1/2	11.6	4000	350 sx RFC 10-0

1. Drill 12 1/4" hole to 300' and set surface casing.
2. A double ram BOP will be installed, tested and operational checks made daily and each trip for bit.
3. The hole will be air drilled to approx. 4000' to test the Salt wash member of the Morrison formation.
4. The hole will be logged, and if commercial production is obtained, 4 1/2" casing will be run.

EXHIBITS ATTACHED:

- A. Location and Elevation Plat
- B. Ten-point Compliance Program
- C. Blowout Preventer Diagram
- D. Multipoint Requirement for A.P.D.
- E. Access Road Map onto location and Radius Map of area.
- F. Drill Pad Layout & Cut-Fill, Cross-Sec
- G. Drill Rig & production facilities layc
- H. Acidizing-Fracturing Layout
- I. Rehabilitation Plan

State of Colorado
Colorado Oil and Gas Conservation Commission
State Centennial Building
133 Sherman Street
Denver, Colorado 80203

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, also describe 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 E. C. Gysin, Jr. TITLE District Mgr. Operations DATE 2/7/80

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE FOR E. W. GUYNN DISTRICT ENGINEER DATE JUN 27 1980

APPROVED BY (Orig. Sgd.) R. A. Henricks TITLE _____

CONDITIONS OF APPROVAL ATTACHED
TO OPERATOR'S COPY
*See Instructions On Reverse Side

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

NOTICE OF APPROVAL

Ut. STATE O+G

Oil and Gas Drilling

EA No. 261-80

United States Department of the Interior
Geological Survey
2000 Administration Building
1745 West 1700 South
Salt Lake City, Utah 84104

USUAL ENVIRONMENTAL ASSESSMENT

Date May 19, 1980

Operator Terra Resources, Inc. Well No. 17
Location 1265' FSL 1962' FWL Section 11 Township 17S Range 25E
County Grand State Utah Field/Unit Bar X
Lease No. SL-064806 Permit No. _____

Prepared by: Greg Darlington
Environmental Scientist
Grand Junction, Colorado

Joint Field Inspection Date: April 15, 1980

Field Inspection Participants, Titles, and Organizations:

<u>Dutch Hoyer</u>	<u>Terra Resources, Inc.</u>
<u>Craig Ivie, John Bare</u>	<u>Northwest Pipeline Corp.</u>
<u>Bill Buniger</u>	<u>Dirt Contractor</u>
<u>Jeff Robbins</u>	<u>Bureau of Land Management-Moab</u>
<u>Greg Darlington</u>	<u>U. S. Geological Survey-Vernal</u>
_____	_____
_____	_____

Related Environmental Documents:

BLM-Moab, Book Mountain Unit Resource Analysis.

Handwritten notes:
Dutch Hoyer?
100 200 300
50 X 200
P.S. 1. 2. 3. 4. 5. 6.
2. 3. 4. 5. 6.
1.

2. Drilling would be to a proposed depth of 4,000 feet.
3. Waste disposal
4. Traffic
5. Water requirements
6. Completion
7. Production
8. Transportation of hydrocarbons
9. Other

Details of the proposed action are described in the Application for Permit to Drill.

The access road was not changed despite Northwest Pipeline Corp. objections to it as a pipeline route. The cost of additional pipe if they follow the original route, rather than a shorter alternate route, would be about \$10,000, according to Craig Ivie. The alternate route would require crossing a major drainage. At the insistence of the operator's representative, Dutch Hoyer, Northwest Pipeline relented and it was agreed that the original route would be the access road for drilling operations.

Environmental Considerations of the Proposed Action:

Regional Setting/Topography - Regional topography is flat desert and rolling hills grading to the talus-flanked Book Cliffs. The location is bounded by a sizable wash to the SE and an open flat area crossed by several small drainages to the N and W. Small hills lie east of the location.

PARAMETER

A. Geology - Surface is Mancos Shale. Other formations are listed in the 10-Point Subsurface Plan.

Information Source: Application to Drill.

1. Other Local Mineral Resources to be Protected: The area is prospectively valuable for coal. This coal is likely to be subeconomic at the present.

Information Source: Mineral Evaluation Report

2. Hazards:

- a. Land Stability: Location and access built on Mancos Formation. Material is stable, provided the slopes are moderate and moisture content is low.

Information Source: Application to Drill.

b. Subsidence: Subsidence can occur with the withdrawal of oil, gas, and/or water.

Information Source: Keller, Edward A., 1976, Environmental geology, Charles E. Merrill, 488 pp.

c. Seismicity: The location is an area of moderate seismic risk.

Information Source: Geologic Atlas of the Rocky Mountain Region, 1972, "Earthquakes of Record and Interpreted Seismicity 1852-1969," Rocky Mountain Association of Geologists.

d. High Pressure Zones/Blowout Prevention: No high pressure zones expected. Blowout prevention systems detailed in APD.

Information Source: Application to Drill.

B. Soils

1. Soil Character: No detailed soil surveys done in area. Changes in soil fertility, horizons, slope stability, etc., cannot be predicted. Soils are considered nitrogen-poor, alkalic soils that support the salt-desert community.

Information Source: BLM-Moab, Book Mountain Unit Resource Analysis.

2. Erosion/Sedimentation: Erosion/sedimentation would increase as would runoff potential. Extent of increases unpredictable without site-specific studies being done.

Information Source: G. Darlington, Environmental Scientist, USGS.

C. Air Quality - Wellsite lies in Class II attainment area. No Class I attainment areas are near, or adjacent to, proposed location.

Information Source: Field observation.

D. Noise Levels - Ambient noise levels temporarily elevated. Personnel safety could be jeopardized. Wildlife would avoid area.

Information Source: Field observation.

E. Water Resources

1. Hydrologic Character

a. Surface Waters: The location drains to a wash near its SE side and proceeds to the Colorado River through generally nonperennial drainages. The Colorado River is listed as the water supply source in the APD.

Information Source: Application to Drill.

b. Groundwaters: Since the test will spud in the Mancos, significant fresh/usable water sands are not likely below the surface casing.

Information Source: Mineral Evaluation Report

2. Water Quality

a. Surface Waters: No surface waters are very near to the site. The pit would be made long and narrow and included on the proposed pad to limit impacts to a nearby nonperennial drainage.

Information Source: Field observation.

b. Groundwaters: Operator proposes 300' of surface casing. Commingling of drilling fluids with potentially usable water could render groundwater unusable. Pits would be unlined.

Information Source: Application to Drill, Field observation.

F. Flora and Fauna

1. Endangered and Threatened Species Determination

Based on the comments received from the Moab District Bureau of Land Management on May 12, 1980, we determine that there would be no effect on endangered and threatened species and/or their critical habitat.

2. Flora: Vegetation removal reduces wildlife habitats and food sources. Deer are not known to winter in the area. No known migratory bird nesting areas, strutting or breeding grounds, or fish-spawning areas would be impacted by proposed action. Sagebrush, cacti, and native grasses are present at this location.

Information Source: Field observation.

3. Fauna: Antelope, mule deer, small rodents, rabbits, squirrels, and birds, such as quail, pheasants, raptors, crows, magpies, and jays, may be found in this general area.

Information Source: G. Darlington, Environmental Scientist, USGS.

G. Land Uses

1. General: Oil and gas operations, recreation, and grazing are major land uses. Amount and quality of land available to livestock, wildlife, and recreationists would be reduced during well life.

Information Source: Field observation.

2. Affected Floodplains and/or Wetlands: None

Information Source: Field observation.

H. Aesthetics: Operation would not blend with natural surroundings. Most likely unappealing to recreationists. Impact duration: life of well.

Information Source: Field observation.

I. Socioeconomics: The effect of one well on local and regional population and economy would be considered minor. If major discovery, then consider: Population increase, community services taxed, resources depleted, cumulative impacts multiply, pipelines and transportation routes expand.

Information Source: G. Darlington, Environmental Scientist, USGS.

J. Cultural Resources Determination: Based on the comments received from the Moab District Bureau of Land Management on May 12, 1980, we determine that there would be no effect on cultural resources subject to their statement "the archaeological requirement has been fulfilled on this locaton."

Information Source: Bureau of Land Management Stipulation Letter (see attachments.

K. Adequacy of Restoration Plans: Rehabilitation plan judged as adequate. Problems hampering restoration: a) Area subject to short growing season; b) limited precipitation during growing season; and c) generally, very little topsoil which has limited organic matter and is low in fertility.

Information Source: David Oberwager, Env. Spec. (Reclamation), USGS-AOSO.

Alternatives to the Proposed Action:

1. Disapproving the proposed action or no action - If the proposed action is denied, no action would occur, the existing environment would remain in its present state, the lessee/operator would not realize any return on investments and the public would be denied a potential energy source.

2. Approving the project with the recommended stipulations - Under federal oil and gas leasing provisions, the Geological Survey has a responsibility to approve mineral development if the environmental consequences are not too severe or irreversible. Permanent damage to the surface and subsurface would be prevented as much as possible under USGS and Surface Management Agency supervision. Environmental impacts would be significantly mitigated.

Adverse Environmental Effects:

1. If approved as proposed:

a. About 2.5 acres of vegetation would be removed, increasing and accelerating erosion potential.

b. Pollution of groundwater systems ^{could} would occur with the introduction of drilling fluids into the aquifer(s). The potential for interaquifer leakage and lost circulation is ever-present, depending on the casing program.

- c. Minor air pollution would be induced on a temporary basis due to exhaust emissions from rig engines and support traffic.
- d. The potential for fires, leaks, spills of gas and oil or water exists.
- e. During construction and drilling phases of the operation, noise and dust levels would increase.
- f. Distractions from aesthetics during the lifetime of the project would exist.
- g. Erosion from the site would eventually be carried as sediment in the Colorado River. The potential for pollution to the Colorado River would exist through leaks and spills.
- h. If hydrocarbons would be discovered and produced, further development of the area could be expected to occur, which would result in the extraction of an irreplaceable resource, and further negative environmental impacts. These impacts include the cumulative loss of wildlife habitat due to the areas necessary for roads, pipelines, drillsites, and transmission lines. These actions may disrupt wildlife social behavior and force habitat relocation over an extended period of time. In addition, the cumulative effects of non-point erosion become substantial in a developing field, primarily those located near perennial streams where siltation and sedimentation are critical to aquatic life cycles.

2. Conditional approval

- a. All adverse impacts described in section one above would occur.

Recommended Approval Conditions:

Drilling should be allowed, provided the following mitigative measures are incorporated into the proposed APD and adhered to by the operator:

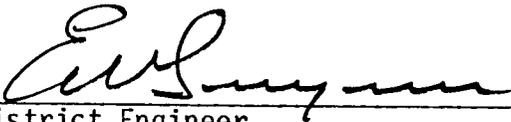
- 1. See attached BLM Stipulations.

Controversial Issues and Conservation Division Response: None are involved at present.

We have considered the proposed action in the preceding pages of this EA and find, based on the analysis of environmental considerations provided therein, no evidence to indicate that it will significantly (40 CFR 1508.27) impact the quality of the human environment.

Determination

I determine that the proposed action (as modified by the recommended approval conditions) does not constitute a major Federal action significantly affecting the quality of the human environment in the sense of NEPA, Section 102(2)(C).

 DISTRICT ENGINEER MAY 22 1980
District Engineer Date
U. S. Geological Survey
Conservation Division
Oil & Gas Operations
Salt Lake City District



*Terra Resource Well #17
Sec 11, T17S, R25E
4/15/1980*



United States Department of the Interior

IN REPLY REFER TO

3100
(U-603)

BUREAU OF LAND MANAGEMENT

Moab District
Grand Resource Area
P. O. Box M
Moab, Utah 84532

May 6, 1980

Memorandum

To: Oil & Gas Office, USGS Conservation Division,
P.O. Box 1037, Vernal, Utah 84078

From: Area Manager, Grand

Subject: Terra Resources
Bar X 17, Lease SL-064806
Section 11, T. 17 S., R. 25 E.
Grand County, Utah

On April 15, 1980, a representative from this office met with Greg Darlington, USGS, and Dutch Hoyer agent of Terra Resources for an inspection of the above referenced location. Subject to the attached conditions, I am approving the surface management portion of the Application for Permit to Drill.

The archaeological requirement has been fulfilled on this location and a copy is attached for your files. No threatened or endangered flora or fauna are indicated in the area.

Please forward the enclosed information to Terra Resources.

C. Delano Bachus

Enclosures (3)
1-Reclamation Procedures
2-Seed Sources
3-Seed Mixture



Save Energy and You Serve America!

STANDARD STIPULATIONS FOR OIL & GAS EXPLORATION

1. Contact this office at least 24 hours prior to beginning construction of access road and pad.
2. Stockpile the surface twelve inches of topsoil in a wind-row on the northwest corner of the location.
3. The upper banks (uphill side) of all cuts will be rounded during construction of the access road and pad.
4. Notify the BLM District Archaeologist if cultural material from subsurface deposits is exposed during the operation.
5. The "blooey" line will be centered and directed into the pit.
6. A woven wire fence will be used to fence the reserve pit.
7. If production is obtained, additional surface disturbing activities are not approved at this time.
8. If production is obtained, the access road will be upgraded to BLM specifications for long-term roads as outlined in the surface use standards section of the "Oil & Gas" pamphlet (joint BLM and USGS publication).
9. Rehabilitation of the site and access road will be accomplished in accordance with the enclosed restoration procedures.

RECLAMATION PROCEDURES IN GRAND RESOURCE AREA

1. Disk or rip pads and access roads.
 - a. Overlap passes in order to insure complete treatment.
2. Contour pads and access roads.
 - a. Lay berms into centers.
 - b. Use cut material for fill areas.
 - c. Lay stockpiled surface soil over top of pads and spread evenly.
 - d. On highly erosive soils, it may be more beneficial to grade slopes to reduce steepness.
 - e. Do not smooth pads out, leave a roughened surface. On steeper slopes and slopes with clayey soils scarify or serrate the ground in order to increase water infiltration and reduce erosion.
3. Water bar roads where required by this office.

* 2%	Grade	-	200 ft. intervals
2-4%	Grade	-	100 ft. intervals
4-5%	Grade	-	75 ft. intervals
5%	Grade	-	50 ft. intervals

* Actual spacing may vary according to soil stability. Lighter textured soils will require more frequent water bars. When natural drainage ways are present, water bars are to be constructed to make maximum use of them. Plan operations so that natural drainage ways do not become blocked.
4. Seed roads and pads in the fall (Oct. through mid-Dec.).

SEED MIXTURE

LBS/ACRE

Grasses

Hilaria jamesii	Galleta	1
Oryzopsis hymenoides	Indian rice grass	2
Agropyron smithii	Western wheat	2
Agropyron specatum	Bluebunch wheat	1

Forbs

Sphaeralcea sp.	Globemallow	.5
Melelotus officianis	Yellow sweet clover	<u>.5</u>
		7

SEED SOURCES

Arkansas Valley Seed Co.
Attn: Robert Appleman
3131 E. Alameda, Apt. 2104
Denver, Colorado 80209

Arkansas Valley Seeds, Inc.
Box 270
Rocky Ford, CO 81067

Beaver Enterprises
3416 Tamarack
Boise, ID 83702

Berger & Plate Co.
P. O. Box 7697
San Francisco, CA 94120

Carhart, Ross O.
Dove Creek, Colo. 81324

Cenex Seed Co.
P. O. Box 1748
Billings, MT 59103

Christensen, Art
Box 185
Dillon, MT 59725

Curtis and Curtis, Inc.
Star Route, Box 8A
Clovis, New Mexico

Robert Dye Seed Ranch, Inc.
Pomerdy, WA 99347

Eiseman Seed Co.
Box 277
Fairfield, MT 59436

Etheridge, Paul H.
Star St., Box 235B
Powell, WY 82435

Emac Seed Co.
Rt. 1, Box 850
Willcox, AZ 85643

Globe Seed & Feed Co., Inc.
Box 445
Twin Falls, ID 83301

Boyd E. Globe & Sons
Gunnison, Utah 84634

The Gooding Seed Co.
Box 57
Gooding, ID 83330

Dick Haynes, Farmaterials, Inc.
Baker, OR 97814

McFarland Trading Co.
P. O. Box 68
Hubbard, OR 97032

Mallery, D. B.
1506 NE Northview
Bend, OR 97701

Mile High Seed Co.
Box 1988
Grand Junction, CO 81501

Montana Seeds, Inc.
Rt. 3
Conrad MT 59425

Coos Grange Supply
1085 S. Second St.
Coos Bay, OR 97420

Nomad Alfalfa, Inc.
P. O. Box 217
Forest Grove, OR 97116

Northplan Seed Products
P. O. Box 9107

Northrup King & Co.
P. O. Box 192
Longmont, CO 80501

Northrup King & Co.
Box 7746
Boise, ID 83707

Sharp Bros. Seed Co.
P. O. Box 11
Healy, KS 67850

Sharp Bros. Seed Co.
4378 Canyon Dr.
Amarillio, TX 79109

Vic's Enterprises
319 McKinley
Rawlins, WY 82301

Rocky Mountain
Landscaping & Sprinkler
P. O. Box 624
Ogden, UT 84401

S & S Seed
382 Arboleda Rd.
Santa Barbara, CA 93110

Steven Bros.
P. O. Box 496
Ephraim, UT 84627

CLYDE ROBIN SEED COMPANY, INC.
Mr. Steven R. Atwood, V.P.
P.O. Box 2091
Castro Valley, CA 94546

LONGMONT SEED COMPANY
51 Brown Street
P.O. Box 923
Longmont, CO 80501

GLOBE SEED & FEED COMPANY
Mr. L.H. Haslam
Truck Lane
Twin Falls, Idaho

E. C. MORAN
Stanford, Montana 59479

JACKLIN SEED CO. (Division of The Vaughan-Jacklin Corp.)
Mr. John Thorne, Ph.D., Research Director
(509-926-6241)
E8803 Sprague Ave.
Spokane, WA 99206

HORSELY-CUMMINGS SEED CO.
Mr. Dave Cummings
(801-723-5246)
P.O. Box H
Brigham City, Utah 84302

Gary Jorgenson
Ephraim, UT 84627

John Plummer
Ephraim, UT 84627

Roger Stewart
Ephraim, UT 84627

FROM : DISTRICT GEOLOGIST, , SALT LAKE CITY, UTAH
TO : DISTRICT ENGINEER, O&G, SALT LAKE CITY, UTAH
SUBJECT: APD MINERAL EVALUATION REPORT

Glenn

LEASE NO. SLC-064806

OPERATOR: TERRA RESOURCES, INC.

WELL NO. 17

LOCATION: 1/2 SE 1/2 SW 1/2 sec. 11, T. 17S, R. 25E, SLM
GRAND County, UTAH

1. Stratigraphy: OPERATORS ESTIMATES SEEM REASONABLE.

2. Fresh Water: WED reports that fresh/usable water may be found to the top of the Mancos Sh. Since this test will spud in the Mancos, significant fresh/usable water sands are not likely below the surface casing.

3. Leasable Minerals:

Prospectively valuable for coal in the Dakota. Coal is likely to be thin, lenticular + subeconomic at the present time.

4. Additional Logs Needed: NONE

5. Potential Geologic Hazards: Wells in the twsp report no abnormal conditions

6. References and Remarks: USGS Files, SLC, Utah
WIT in BAR-X KGS

5 MAR REC'D

Signature: emb

Date: 2-25-80

J. Glenn

*11-175-25E
#17*

Memorandum

To: District Oil and Gas Engineer, Mr. Edward Guynn

From: Mining, Supervisor, Mr. Jackson W. Moffitt

Subject: Application for Permit to Drill (form 9-331c) Federal oil and gas lease No. SL-064806 *Well No 17*

1. The location appears potentially valuable for:

- strip mining*
- underground mining**
- has no known potential.

2. The proposed area is

- under a Federal lease for _____ under the jurisdiction of this office.
- not under a Federal lease under the jurisdiction of this office.
- Please request the operator to furnish resistivity, density, Gamma-Ray, or other appropriate electric logs covering all formations containing potentially valuable minerals subject to the Mineral Leasing Act of 1920.

*If location has strip mining potential:

Surface casing should be set to at least 50 feet below the lowest strip minable zone at _____ and cemented to surface. Upon abandonment, a 300-foot cement plug should be set immediately below the base of the minable zone.

**If location has underground mining potential:

The minable zones should be isolated with cement from a point 100 feet below the formation to 100 feet above the formation. Water-bearing horizons should be cemented in like manner. Except for salines or water-bearing horizons with potential for mixing aquifers, a depth of 4,000 feet has been deemed the lowest limit for cementing.

Signed *Allen J. Vance*

10 APR 1960



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Moab District
P O Box 970
Moab, Utah 84532

Evaluation of Compliance With Executive Order 11593 and
Section 106 of the Historic Preservation Act of 1966

Project Name Bar X Unit Wells #10, 11, 12, 13, 17

Developer Terra Resources Inc

Antiquities Permit # 79-ut-028

Name of Permitted Institution Powers Elevation

Description of Activity 5 well pads (40 acres surveyed

Location of Activity for each T17S, R25E, Sec. 1, 11, 12; T17S, R26E, Sec. 7, 8, 18
GRA

Description of Examination Procedures:

- Search of Site Survey Files and Available Literature
- Physical Examination

Evaluation of Findings

- Adequate for compliance with Executive Order 11593.
- Adequate to substantiate a determination of no effect.
- Adequate to provide the basis for a determination of no adverse effect. BLM will have to present its case to the Historic Preservation Office and to the National Advisory Council on Historic Preservation.
- Will require consultation with the contractor to resolve certain questions. See attached analysis.
- Is inadequate for compliance purposes because:

Janet Pierson
03/25/80





SCOTT M. MATHESON
Governor

GORDON E. HARMSTON
Executive Director,
NATURAL RESOURCES

CLEON B. FEIGHT
Director

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING
1588 West North Temple
Salt Lake City, Utah 84116
(801) 533-5771

OIL, GAS, AND MINING BOARD

CHARLES R. HENDERSON
Chairman

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THADIS W. BOX
MAXILIAN A. FARBMAN
EDWARD T. BECK
E. STEELE McINTYRE

February 20, 1981

Terra Resources, Inc.
P.O. Box 2500
Casper, Wyoming 82602

RE: Spudding Notice
See Attached Sheet

Gentlemen:

In reference to the mentioned wells, considerable time has gone by since approval was obtained from this office.

This office has not received any notification of spudding. If you do not intend to drill these wells, please notify this Division. If spudding or any other activity has taken place, please send necessary forms. If we do not hear from your company within fifteen (15) days, we will assume you do not intend to drill these wells, and action will be taken to terminate the application. If you plan on drilling these locations at a later date, please notify as such.

Your prompt attention to the above will be greatly appreciated.

Very truly yours,

DIVISION OF OIL, GAS AND MINING

Barbara Hill

BARBARA HILL
WELL RECORDS

/bjh

- (1). Well No. Bar X Unit #18
Sec. 12, T. 17S, R. 25E.,
Grand County, Utah
- (2). Well No. BAR X Unit #17
Sec. 11, T. 17S, R. 25E.,
Grand County, Utah
- (3). Well No. Bar X Unit #13
Sec. 7, T. 17S, R. 26E.,
Grand County, Utah
- (4). Well No. Bar X Unit #12
Sec. 8, T. 17S, R. 26E.,
Grand County, Utah
- (5). Well No. Bar X Unit #11
Sec. 18, T. 17S, R. 26E.,
Grand County, Utah
- (6). Well No. Bar X Unit #10
Sec. 1, T. 17S, R. 25E.,
Grand County, Utah
- (7). Well No. Rock Canyon Rim #1
Sec. 1, T. 19S, R. 6E.,
Emery County, Utah

7

TERRA RESOURCES, INC.

ROCKY MOUNTAIN PRODUCTION DISTRICT OFFICE
P.O. BOX 2500
CASPER, WYOMING 82601
(307) 237-8461

March 3, 1981

Spudding Notice
See Attached Sheet

Division of Oil, Gas, & Mining
1588 West North Temple
Salt Lake City, Utah 84116

Gentlemen:

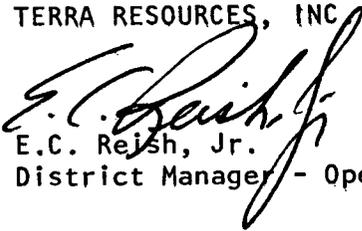
Please be advised that Terra Resources, Inc., still plans to drill the six (6) Bar X Wells. If a rig can be located Unit #10, #11, #12, and #13 will probably be drilled this spring.

Rock Canyon Rim #1 has been postponed indefinitely,

If we can be of any further assistance in this matter, please advise.

Yours very truly,

TERRA RESOURCES, INC.


E.C. Reish, Jr.
District Manager - Operations

ECR/CGF:ek
Attach.

RECEIVED

MAR 03 1981

DIVISION OF
OIL, GAS & MINING

GENERAL OFFICES

SUITE 300 5416 SOUTH YALE AVENUE TULSA, OKLAHOMA (918) 492-2231