

UTAH OIL AND GAS CONSERVATION COMMISSION

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

* Location Abandoned Well never drilled 3-22-83

DATE FILED 10-9-81

LAND FEE & PATENTED

STATE LEASE NO.

PUBLIC LEASE NO

U24638

INDIAN

DRILLING APPROVED 10-9-81

SPOUDED IN

COMPLETED

PUT TO PRODUCING

INITIAL PRODUCTION

GRAVITY API

GOR

PRODUCING ZONES

TOTAL DEPTH

WELL ELEVATION:

DATE ABANDONED LA 3-22-83

FIELD ~~WILDCAT 3/86~~ ~~Undesignated~~ San Anoyo 3-86

UNIT:

COUNTY: GRAND

WELL NO. CREDO FEDERAL A#3

API NO. 43-019-30860

LOCATION 2263 FSL ~~1482~~ FROM (S) LINE.

~~786~~ 2000 FT FROM (W) LINE

SW

1/4 - 1/4 SEC 6

NE

TWP	RGE	SEC	OPERATOR	TWP	RGE	SEC	OPERATOR
				16S	26E	6	TXO PROD. CORP.

TXO

TXO PRODUCTION CORP.

1800 LINCOLN CENTER BUILDING
DENVER, COLORADO 80264

TELEPHONE (303) 861-4246

September 2, 1981

RECEIVED

SEP 03 1981

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

DIVISION OF
OIL, GAS & MINING

Attention: Mr. Cleon Feight

Re: Credo Federal "A" #3
Section 6-T16S-R26E
Grand County, Utah

Gentlemen:

Enclosed for your review and approval are three copies of an Application for Permit to Drill for the above-referenced well location. Copies of the survey plat, and blowout preventer diagram are also submitted in triplicate. Due to a tight drilling rig schedule, we request an expeditious review of this package.

If you have any questions, please contact me at this office.

Very truly yours,

TXO PRODUCTION CORP.



Paul Urban
Environmental Scientist

PU/BS
Enclosures/as stated

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

RECEIVED
DIVISION OF OIL, GAS & MINING
SEP 10 2 1981

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.
U-24638

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Credo Federal "A"

9. WELL NO.
#3

10. FIELD AND TOWN OR RANGE
~~San Arroyo Field~~
Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Section 6-T16S-R26E

12. COUNTY OR PARISH | 13. STATE
Grand | Utah

1a. TYPE OF WORK
DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
OIL WELL GAS WELL OTHER SINGLE ZONE OIL, GAS & MINING ZONE

2. NAME OF OPERATOR
TXO Production Corp.

3. ADDRESS OF OPERATOR
1800 Lincoln Center Building, Denver, Colorado 80264

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface
1482' FSL, 706' FWL, Section 6-T16S-R26E
At proposed prod. zone
NW SW

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 19 miles NW of Mack, Colorado

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 706'

16. NO. OF ACRES IN LEASE 1874.24

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. 2010'

19. PROPOSED DEPTH 6650'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 7510' GR

22. APPROX. DATE WORK WILL START* September 30, 1981

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
20"	16"	Conductor	40'	2 yards
12 1/2"	9 5/8"	36# K-55 New	300'	200 sacks
8 3/4"	7"	20# K-55 New	3050'	200 sacks
6 1/4"	4 1/2"	11.6# N-80 New	6650'	200 sacks

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 10-9-81
BY: M. J. Minder

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 Ronald E. Dashner TITLE District Drilling Engineer DATE August 20, 1981
Ronald E. Dashner

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

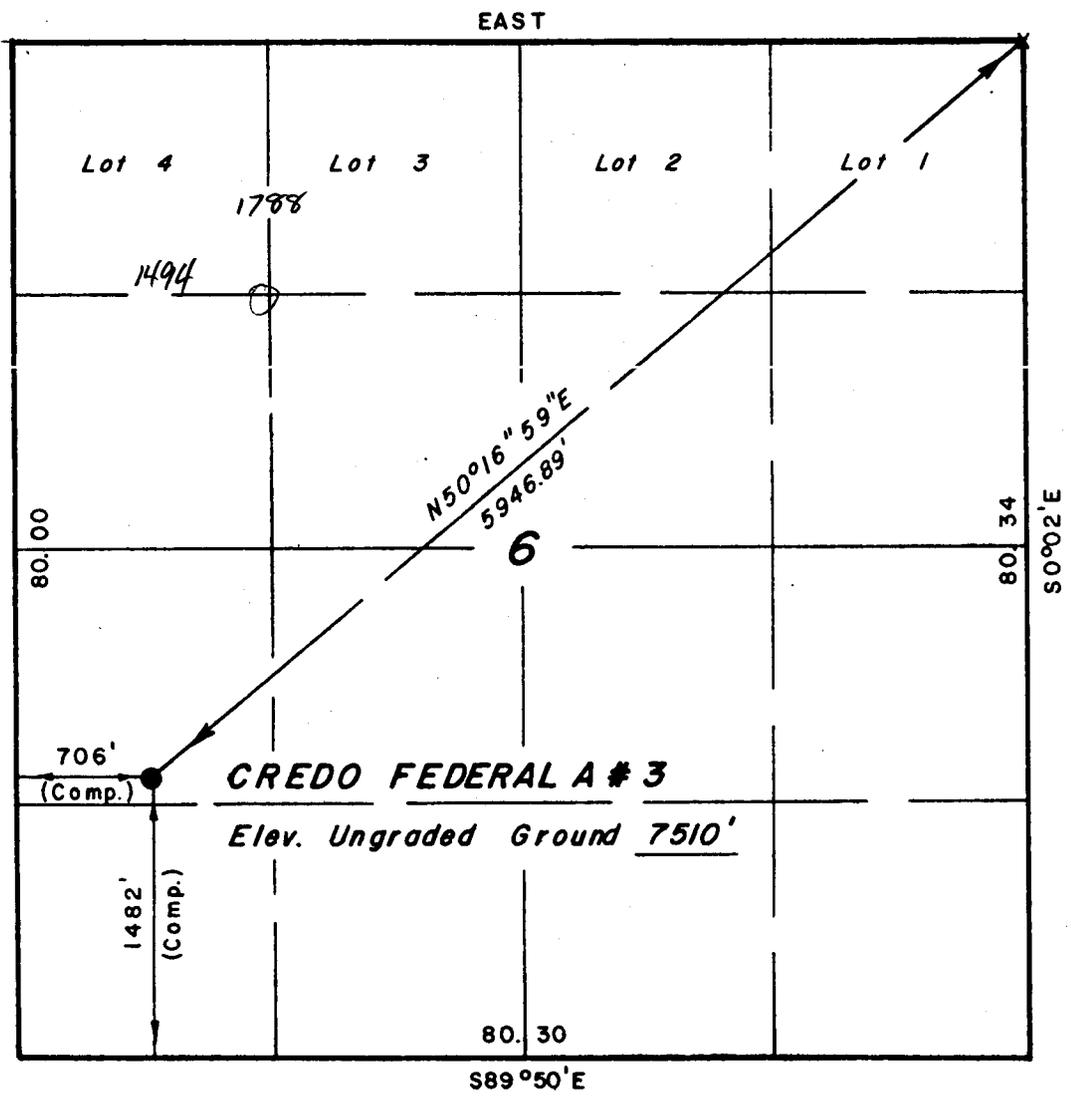
APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

PROJECT

TEXAS OIL & GAS CORP.

Well location, **CREDO FED.A#3**,
located as shown in the NW 1/4 SW
1/4 Section 6, T16S, R26E, S.L.B.&M.
Grand County, Utah.

T 16 S, R 26 E, S.L.B.&M.



1700' unit from 2500' well

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

Nelson J. ...

REGISTERED LAND SURVEYOR
REGISTRATION NO 2454
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
P.O. BOX Q - 85 SOUTH - 200 EAST
VERNAL, UTAH - 84078

SCALE 1" = 1000'	DATE 8 / 14 / 81
PARTY D.A. R.K. BK. J.K. SB	REFERENCES GLO Plat
WEATHER Fair	FILE TEXAS OIL & GAS CORP.

X = Section Corners Located

Exhibit 2
Survey Plat

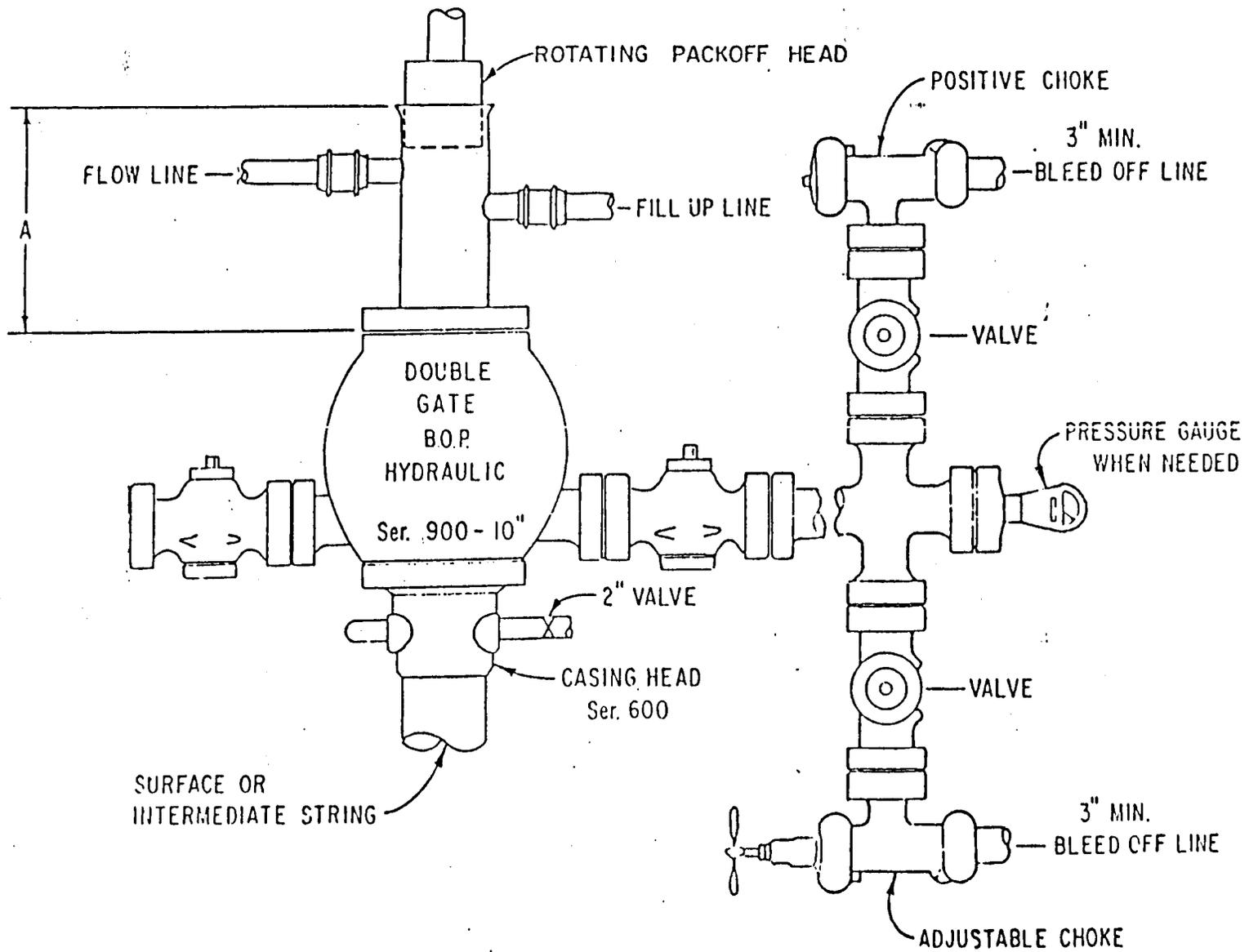
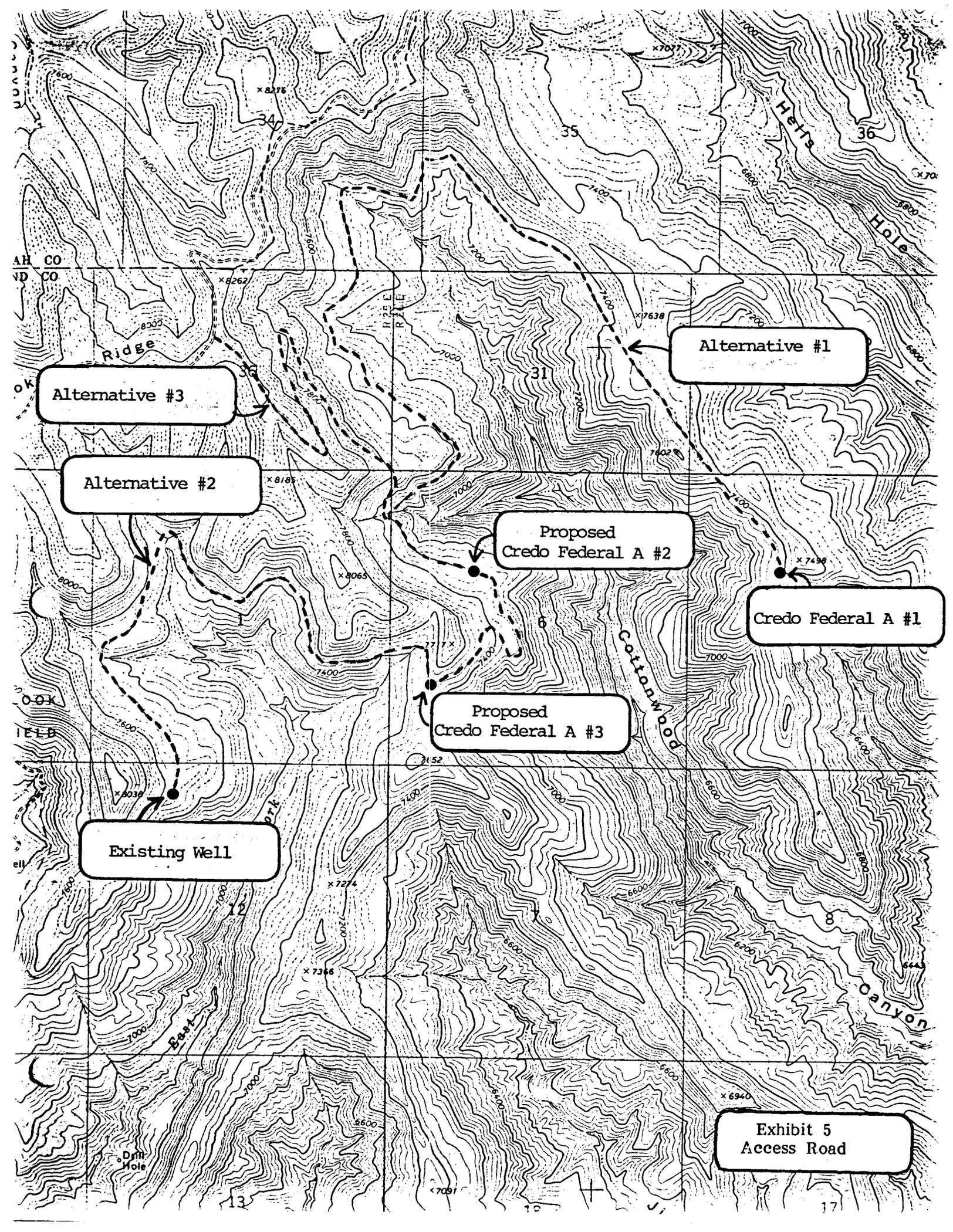


EXHIBIT I
 BLOWOUT PREVENTER DIAGRAM



Alternative #3

Alternative #2

Alternative #1

Proposed
Credo Federal A #2

Credo Federal A #1

Proposed
Credo Federal A #3

Existing Well

Exhibit 5
Access Road

** FILE NOTATIONS **

DATE: Sept. 29, 1981

OPERATOR: 710 Production Corp.

WELL NO: Credo Fed. "A" #3

Location: Sec. 6 T. 16S R. 26E County: Grand

File Prepared:

Entered on N.I.D.:

Card Indexed:

Completion Sheet:

API Number 43-015-30860

CHECKED BY:

Petroleum Engineer: M.J. Munder 10-9-81
Per call P. Urban 10-5-81 Will send justification for exception location and designated well for 5/2 Sec 6.

Director: _____

Administrative Aide: ~~As per Rule C-3(c), needs topo as~~
~~separate location, also very other adjacent well.~~

APPROVAL LETTER:

Bond Required:

Survey Plat Required:

Order No. 107-2 4/30/81

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 Fed

Plotted on Map

Approval Letter Written

Hot Line

P.I.

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

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 TXO Production Corp.

3. ADDRESS OF OPERATOR
 1800 Lincoln Center Building, Denver, Colorado 80264

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RECEIVED
 SEP 30 1981
 DIVISION OF
 OIL, GAS & MINING

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24. SIGNED Ronald E. Dashner TITLE District Drilling Engineer DATE August 20, 1981

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY W. J. Martin FOR E. W. GUYNN TITLE DISTRICT OIL & GAS SUPERVISOR DATE SEP 28 1981

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

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

NOTICE OF APPROVAL
 State O & G

Identification No. 589-81

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

NEPA CATEGORICAL EXCLUSION REVIEW

PROJECT IDENTIFICATION

Operator TXD PRODUCTION CORP. / CREDO FEDERAL "A" #3
Project Type GAS WELL
Project Location 1482' FSL, 706' FWL, SEC 6 T16S R26E
Well No. 3 Lease No. U-24638
Date Project Submitted 8-21-81

FIELD INSPECTION Date 9-10-81

Field Inspection
Participants

GEORGE T. DIWACHAK USGS
JEFF ROBBINS, ELMER DUNCAN, BOB DALLA RLM
CHARLIE CURLEE, PAUL URBAN TXD
CHARLIE HOOVER, DAN NAYLOR NORTHWEST PIPELINE
FOREST BIRD GALLEY CONST.

I have reviewed the proposal in accordance with the categorical exclusion review guidelines. This proposal would not involve any significant effects and, therefore, does not represent an exception to the categorical exclusions.

SEP 28 1981

Date Prepared

George T. Diwachak
Environmental Scientist

I concur

SEP 28 1981

Date

E. W. Gynn

District Supervisor

FOR E. W. GYNN
DISTRICT OIL & GAS SUPERVISOR

CATEGORICAL EXCLUSION REVIEW INFORMATION SOURCE

Criteria 516 DM 2.3.A	Federal/State Agency			Local and private corre- spondence (date)	Previous NEPA	Other studies and reports	Staff expertise	Onsite inspection (date)	Other
	Corre- spondence (date)	Phone check (date)	Meeting (date)						
1. Public health and safety	1 (9-25-81) ↓				9		6	6 9-10-81 ↓	4,8
2. Unique charac- teristics	1				9		6	6	4,8
3. Environmentally controversial	1				9		6	6	4,8
4. Uncertain and unknown risks	1				9		6	6	4,8
5. Establishes precedents					9		6	6	4,8
6. Cumulatively significant					9		6	6	4
7. National Register historic places	1								
8. Endangered/ threatened species	1								
9. Violate Federal, State, local, tribal law	1				9		6	6	8

CATEGORICAL EXCLUSION REVIEW COMMON REFERENCE LEGEND

1. Surface Management Agency Input
2. Reviews Reports, or information received from Geological Survey (Conservation Division, Geological Division, Water Resource Division, Topographic Division)
3. Lease Stipulations/Terms
4. Application for Permit to Drill
5. Operator Correspondence
6. Field Observation
7. Private Rehabilitation Agreement
8. RECOMMENDED STIPULATIONS
9. ENVIRONMENTAL ASSESSMENT No 200-81 For TEXAS OIL AND GAS CORP MOXA FED. # 1



TXO
CREDO #3

S-
SW



TXO
CREDO #3

RECOMMENDED STIPULATIONS

1. SEE BLM STIPULATIONS.
2. ADEQUATE QUANTITIES OF CEMENT MUST BE USED WITH INTERMEDIATE CASING STRINGS TO INSURE ISOLATION OF USEABLE WATER IN THE MESAVERDE FORMATION
3. A "V" DITCH WILL BE EXCAVATED AT THE BASE OF THE FILL SLOPES BETWEEN STAKES 2 THROUGH 8 (REFER TO EXHIBIT 8, APD) TO COLLECT FLUIDS AND DEBRIS
4. PRODUCTION FACILITIES SHALL BE ERECTED IN THE NORTH HALF OF THE PAD SO THAT REHABILITATION OF THE FILL SLOPES ALONG THE SOUTH HALF OF PAD CAN BE ACCOMPLISHED.



United States Department of the Interior

IN REPLY REFER TO
3109
(U-068)

BUREAU OF LAND MANAGEMENT
Moab District
Grand Resource Area
P. O. Box M
Mcab, Utah 84532

Memorandum

SEP 25 1981

To: Oil & Gas Office, USGS Conservation Division,
2000 Administration Building
1745 West 1700 South
Salt Lake City, Utah 84101

From: Area Manager, Grand

Subject: Permit to Drill: U-24638
TXO Production Corp.
Credo Fed. "A" #3
Section 6, T. 16 S., R. 26 E.
Grand County, Utah

On Sept. 10, 1981, a representative from this office met with George Diwachak, USGS, and Charlie Curlee agent of TXO Production Corp. 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. No threatened or endangered flora or fauna are indicated in the area.

Please forward the enclosed information to TXO Production Corp.

Enclosures (3)
1-Reclamation Procedures
2-Seed Mixture
3-Suggested Colors - Production Facilities

ADDITIONS TO THE MULTIPOINT
SURFACE USE PLAN
AND
RECLAMATION PROCEDURES

CONSTRUCTION:

1. The operator or his contractor will contact the Grand Resource Area Office in Moab, Utah phone (801 259-6111) 48 hours prior to beginning any work on public land.
2. The dirt contractor will be furnished with an approved copy of the surface use plan and any additional BLM stipulations prior to any work.
3. Use of water from sources such as wells, springs, streams or stock ponds for activities associated with this well will be approved, prior to use, by the agency or individual holding the water right.
4. If subsurface cultural material is exposed during construction, work in that spot will stop immediately and the Grand Resource Area Office will be contacted. All employees working in the area will be informed by the operator that they will be subject to prosecution if they are caught disturbing archaeological sites or picking up artifacts. Salvage or excavation of identified archaeological sites will only be done if damage occurs.
5. Improvement to the existing road will not be necessary. The total disturbed width allowed will be as is. The allowable travel surface will be as is.

New road construction will be limited to a total disturbed width of 20 feet. The allowable travel surface width will be 20 feet. For construction design and survey refer to Class II road standards attachment.

Trees will be placed on the uphill side of the road on slopes less than 45 percent and pushed down hill on slopes greater than 45 percent.

Topsoil will not be saved along the route between the trees and the road.

Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

Surfacing material will not be placed on the access road or location without prior BLM approval.

omit - See USGS Map # 3

Location: Between stakes 2 through 8 (refer to exhibit NTL-6), a ditch will be excavated to collect fluid and debris.

6. The top six inches of soil material will be removed from the location and stockpiled separate from the trees on the southwest side of the location between stakes 4 and 3 (refer to exhibit 8 NTL-6), the brush and pinyon will be part of the stockpile.
7. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as the drilling is completed. The fence will be kept in good repair while the pit is drying. The fence will be four strand barbed wire.

Production

1. The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed in the methods described in the rehabilitation section. Any remaining stockpile of topsoil will be seeded in place using the prescribed seed mixture.
2. All above ground production facilities will be painted using the attached suggested colors.
3. The access will be to the design of a class II road.
4. The production area will be established and reclaimed to conform with the natural background.

Rehabilitation

1. Immediately upon completion of drilling, the location and surrounding area will be cleared of all debris resulting from the operation. All trash will be disposed of in the trash pit/cage. Non-burnable debris will be hauled to a local town dump site.
2. The operator or his contractor will contact the Grand Resource Area BLM office in Moab, Utah, phone 801-259-6111, 48 hours prior to starting rehabilitation work that involves earthmoving equipment and upon completion of restoration measures.
3. Before any dirt work to restore the location takes place, the reserve pit must be completely dry and any trash (barrels, metal etc.) it contains must be removed from public lands.
4. All disturbed areas will be recontoured to blend as nearly as possible with the surrounding area.
5. The stockpiled topsoil will be evenly distributed over the disturbed area.
6. All disturbed areas will be scarified with the contour to a depth of 12 to 18 inches. Do not smooth pads out, leave a roughened surface.
7. Seed will be (broadcast/drilled) at a time to be specified by the BLM with the following seed prescription. When broadcast seeding, a harrow or some such implement will be dragged over the seeded area to assure seed cover.
8. Waterbars will be used on all sloping surfaces as shown below:

<u>Grade</u>	<u>Spacing</u>
2%	200 feet spacing
2-4%	100 feet spacing
4-5%	75 feet spacing
+5%	50 feet spacing

SEED MIXTURE

List #2

Bookcliff

SpeciesGrasses

Agropyron inerme	Beardless bluebunch	1
Festuca thurberi	Thurber fescue	1
Oryzopsis hymenoides	Indian ricegrass	1
Poa fendleriana	Muttongrass	1

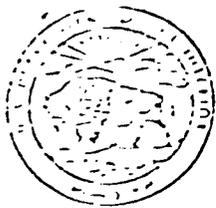
Forbs

Hedysarum boreale var utahensis	Utah northern sweetvetch	$\frac{1}{2}$
Medicago sativa	Alfalfa	1
Penstemon palmeri	Palmer penstemon (Pind wildsnaparagon)	$\frac{1}{2}$

Shrubs

Cercocarpus montanus	Birchleaf mountain-mahogany (True mahogany)	1
Purshia tridentata	Antelope bitterbrush	1

8 lbs.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

SUGGESTED COLORS TO PAINT OIL & GAS PRODUCTION FACILITIES

Cisco Desert and Flats below the Bookcliffs:

Dynasty Green	(Sears)
Tumbleweed	(Prait & Lambert)
Desert Tan	-----
Sage Gray	(Prait & Lambert)

Bookcliffs Region:

Sage Gray	(Prait & Lambert)
Sea Life	(Prait & Lambert)
Dynasty Green	(Sears)

Similar hues other than the ones mentioned above must be approved by the Grand Resource Area Manager.

TXO

TXO PRODUCTION CORP.

1800 LINCOLN CENTER BUILDING
DENVER, COLORADO 80264

TELEPHONE (303) 861-4246

September 30, 1981

Mr. Michael Minder
Utah Division of Oil, Gas & Mining
1588 W. North Temple
Salt Lake City, Utah 84116

Re: Credo Federal "A" #2
Credo Federal "A" #3
Section 6-T16S-R26E
Grand County, Utah

Dear Mr. Minder:

The purpose of this letter is to confirm the designated spacing units for the above mentioned well locations which we discussed on the telephone on September 29, 1981.

TXO Production Corp. designated an east-west 328 acre spacing unit in the N/2 of Section 6 as the spacing unit for the Credo Federal "A" #2. The designated spacing unit for the Credo Federal "A" #3 is the east-west 320 acre unit, comprising the S/2 of Section 6. The designation of these drilling and spacing units is in accordance with Order Cause No. 107-2 dated April 30, 1981.

If you have any questions or need additional information, please contact me at this office.

Very truly yours,

TXO PRODUCTION CORP.

Charles K. Curlee KPL

Charles K. Curlee
Environmental Administrator

CKC/JY

RECEIVED

SEP 02 1981

DIVISION OF
OIL, GAS & MINING

TXO

TXO PRODUCTION CORP.

1800 LINCOLN CENTER BUILDING
DENVER, COLORADO 80264

TELEPHONE (303) 861-4246

October 6, 1981

RECEIVED

OCT 06 1981

DIVISION OF
OIL, GAS & MINING

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

Re: Credo Federal "A" #3
1482' FSL, 706' FWL
Section 6-T16S-R26E
Grand County, Utah

Dear Mike:

TXO Production Corp. requests an administrative spacing exception for the above-mentioned well. Due to topography TXO was unable to locate this well site more than 706' from the west drilling unit boundary and 2010' from the Credo Federal "A" #2 location in the NW/4 of Section 6. The drilling unit for the Credo Federal "A" #3 consists of the south half of Section 6-T16S-R26E. (See attached map)

If you have any questions, please contact me at this office.

Very truly yours,

TXO PRODUCTION CORP.



Paul Urban
Environmental Scientist

PU/JY

Enclosures/as stated

October 13, 1981

TXO Production Corp.
1800 Lincoln Center Bldg.
Denver, Colo. 80264

RE: Well No. Credo Federal "A" #3,
Sec. 6, T. 16S, R. 26E,
Grand County, Utah

Insofar as this office is concerned, approval to drill the above referred to gas well is hereby granted in accordance with the Order issued in Cause No. 107-2, dated April 30, 1981. This will be the location for the South half of section 6.

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 - Petroleum 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 cooperation in completing this form will be appreciated.

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

The API number assigned to this well is 43-019-30860.

Sincerely,

DIVISION OF OIL, GAS AND MINING


Michael T. Minder
Petroleum Engineer

MTM/db
CC: USGS

TXO

TXO PRODUCTION CORP.

1800 LINCOLN CENTER BUILDING
DENVER, COLORADO 80264

TELEPHONE (303) 861-4246

March 12, 1982

RECEIVED
MAR 18 1982

DIVISION OF
OIL, GAS & MINING

Mr. Cleon Feight
State of Utah
Division of Oil, Gas & Mining
1588 West North Temple
Salt Lake City, Utah 84116

Re: Credo Federal "A" #3
Section 6-T16S-R26E
Grand County, Utah

Dear Mr. Feight:

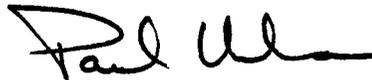
Enclosed please find one copy of the Application for Permit to Drill the above-referenced well. TXO had originally planned to drill this well 1482' FSL and 706' FWL in the same section. However, after evaluating geological conditions in the area the decision was made to directionally drill this prospect. The surface location for the directional drill proposal is 2263' FSL and 2000' FWL and the down hole target (Dakota sand group) is located 813' FSL, 1830' FEL.

TXO requests an administrative geologic spacing exception pursuant to Cause Number 107-2 (April 30, 1981).

If you have any questions regarding this, please contact me at this office.

Very truly yours,

TXO PRODUCTION CORP.



Paul Urban
Environmental Scientist

PU/BS
Enclosure/as stated

RECEIVED
SUBMIT IN TRIPPLICATE
(Other instructions on reverse)
MAR 18 1982

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DIVISION OF
OIL, GAS & MINING

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

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 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
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2. NAME OF OPERATOR
 TXO Production Corp. Attn: Paul Urkan

3. ADDRESS OF OPERATOR
 1800 Lincoln Center Building, Denver, CO 80264

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19. PROPOSED DEPTH
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 6638' TVD

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 Rotary

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 7367' GR

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 June 1, 1982

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24"	16"	Corrugated Iron	40'	2 yards
12 1/2"	9 5/8"	36#	300'	300 sacks
8 3/4"	7"	20#	3005' MD 2900' TVD	200 sacks
6 1/2"	4 1/2"	11.6#	7111' MD 6638' TVD	200 sacks

TXO Production Corp. proposes to directionally drill the subject well using an angle building rate of 2°/100' in accordance with the following table:

	TVD	Deviation	Angle	MD
Kickoff Depth	1000'	0.0'	0.0°	1000'
Angle Established	2184'	255.9'	24.2°	2220'
Initial Objective	6138'	2050.0'	24.2°	6563'
Total Depth	6638'	2275.0'	24.2°	7111'

The bottom target (Dakota sand group) is located 813' FSL, 1830' FEL in Section 6. 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 B. Bruce Wright for R.E. Dashner TITLE District Drilling Engineer DATE 3/11/82
R.E. Dashner

PERMIT NO. _____ APPROVAL DATE **APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING**

APPROVED BY _____ TITLE _____ DATE: 4/6/82
 BY: [Signature]

CONDITIONS OF APPROVAL, IF ANY:

9-331 C ADDENDUM
 Credo Federal "A" #3
 Section 6-T16S-R26E
 Grand County, Utah

1. SURFACE FORMATION: Mesa Verde
2. ESTIMATED FORMATION TOPS:

Buck Tongue	2160'
Castlegate	2532'
Mancos	2730'
Dakota Silt	6140'
Morrison	6400'
Total Depth	6638'

Depths given are true vertical depths (TVD) below ground level.

3. ESTIMATED DEPTH AT WHICH OIL, GAS, WATER OR OTHER MINERAL BEARING ZONES ARE EXPECTED TO BE ENCOUNTERED:

Expected Gas Zones:	Dakota Silt	6140'
	Morrison	6400'

Water may be encountered in the Mesa Verde Formation.

4. DIRECTIONAL DRILL PROGRAM:

As indicated on Form 9-331C, TXO Production Corp. proposes to directionally drill the subject well. Major depths and angles are listed below:

	<u>TVD</u>	<u>Deviation</u>	<u>Angle</u>	<u>MD</u>
Kickoff depth	1000'	0.0'	0.0°	1000'
Angle established	2184'	255.9'	24.2°	2220'
Initial objective	6138'	2050.0'	24.2°	6563'
Total depth	6638'	2275.0'	24.2°	7111'

During kickoff, an angle building rate of 2°/100' will be employed with surveys to be taken at between 30 and 90 foot intervals as required by hole conditions. When a total angle of 24.2° from vertical is established, the angle will be held to the proposed TD of 6638' (TVD). The bottomhole target (Dakota sand group) is located 813' FSL and 1830' FEL of Section 6 and is planned with a 300' target radius to comply with applicable state spacing regulations. Again, surveys through this stage of the hole will be taken by hole conditions.

5. CASING PROGRAM AS PER FORM 9-331 C.
6. PRESSURE CONTROL EQUIPMENT:

A. After surface casing is set, a double ram-type blowout preventer with blind rams and pipe rams, with minimum working pressure of 2000 psi (greater than the anticipated bottomhole pressure of 1100 psi), will be installed. See Exhibit 1.

- B. A choke control, fill and kill lines with minimum working pressure of 2000 psi will be installed.
- C. A rotating pack-off head will be installed above the blowout preventer to control flow while drilling with air.
- D. The equipment in A and B will be pressure-tested to 2000 psi before drilling surface pipe cement, and the blowout preventer will be tested for operations daily and during trips.

7. MUD PROGRAM:

- | | |
|---------|---|
| 0'-300' | Spud mud at 8.8-9.2#/gal., vis. 30-40 sec API. |
| 300'-TD | Air or air mist. If necessary, use 3% KCl mud with 8.8-9.0 wt. and 35-45 vis. |

8. AUXILIARY EQUIPMENT:

- A. A kelly cock will be used.
- B. A float valve will be run in the drill string above the bit.
- C. A sub with full opening valve will be kept on the derrick floor to stab into DP when kelly is not in use.

9. CORING, LOGGING, TESTING PROGRAM:

- A. No coring is anticipated.
- B. Surface pipe to TD-DIL-GR, TD to 2000' above TD-GR-SNP-FD-CAL, if logged wet FDC-CNL-GR-CAL.

10. ABNORMAL CONDITIONS:

- A. No abnormal pressures or temperatures are expected.
- B. No hazardous gases such as H₂S are expected.
- C. While drilling with gas or air, return fluids will be directed through the blow line to the reserve pit. All open fires or ignition sources will be prohibited on location while gas or air drilling. A pilot flame will be maintained at the end of the blow line (located 125' from the wellhead) to insure burning of return gases that are combustible.

11. ANTICIPATED STARTING DATES:

- | | |
|-------------------------------|---------------|
| Start location | June 1, 1982 |
| Spud date | June 6, 1982 |
| Complete drilling | June 22, 1982 |
| Completed, ready for pipeline | July 6, 1982 |

12. Productive zones will be perforated, tested and treated as necessary. Gas will be flared during testing. Produced water will be contained in the unlined drilling reserve pit. The extent of treatment of a zone (acidizing and/or fracing) can only be determined after the zone has been tested. A completion program will be furnished after drilling and logging.

TXO PRODUCTION CORP.
MULTIPOINT SURFACE USE AND OPERATIONS PLAN

DATE: March 11, 1982

WELL NAME: Credo Federal "A" #3

LOCATION: 2263' FSL, 2000' FWL, Section 6-T16S-R26E.

1. EXISTING ROADS

- A. Proposed well site as staked. Refer to Exhibit 2. The well has been staked 2263' FSL and 2000' FWL of Section 6-T16S-R26E.
- B. Route and distance from nearest town or locatable reference point to where well access route leaves main road: From Mack, Colorado, proceed west 2.3 miles on State Highway 6 & 50 to Eight Road in Colorado. Turn right on Eight Road and proceed north 2.7 miles. Turn left on "S" Road and proceed west 3.0 miles to a curve. Continue northwest for 3.1 miles to a fork. Take the left fork and proceed 3.4 miles to a fork. Take the left fork and proceed 3.1 miles to a fork. Take the right fork and continue 1.8 miles to a fork. Take the right fork and proceed for 1.6 miles to a fork. Take the left fork and proceed 3.1 miles to the Credo Federal "A" #1 location. Continue along this road for approximately 3.8 miles. The access road begins here and proceeds south.
- C. Access route to location color coded in red and labeled. Refer to Exhibit 3.
- D. For development well, all existing roads within one mile color coded in yellow. Refer to Exhibit 4.
- E. Plans for improvement and maintenance of existing roads: No upgrading is required on the roads leading to the access road. However, during wet periods some maintenance may be required to allow passage by drilling rigs and well servicing vehicles. Dry periods may necessitate wetting the road to control dust.

2. PLANNED ACCESS ROAD

Show all necessary roads to be constructed or reconstructed: An access road approximately 0.3 miles long will be constructed in a north-south direction between the existing road and the north side of the well pad. The road will be 18-20 feet wide and will follow along an east facing slope. The proposed road will follow a grade of no more than 6%. No drainages will be crossed and no switchbacks are required. If the well is commercially productive, the road will be crowned and bar-ditched to facilitate drainage. Refer to Exhibit 5.

3. LOCATION OF EXISTING WELLS

Exhibit 6 is a one-mile radius locating and identifying the following:

- A. Water Wells-None
- B. Abandoned Wells-None
- C. Temporarily Abandoned Wells-None
- D. Disposal Wells-None
- E. Drilling Wells-None
- F. Producing Wells-Credo Fed. "A" #1, Sec. 5-T16S-R26E
- G. Shut-in Wells-Credo Fed. "A" #2, Sec. 6-T16S-R26E
- H. Injection Wells-None
- I. Monitoring or Observation Wells for Other Reasons-None

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

A. Exhibit 6 is a one-mile radius locating the following existing facilities owned by the lessee/operator:

- 1. Tank Batteries-None
- 2. Production Facilities-Credo Fed. "A" #1, Sec. 5-T16S-R26E
- 3. Oil Gathering Lines-None
- 4. Gas Gathering Lines-None
- 5. Injection Lines-None
- 6. Disposal Lines-None

B. If new facilities are contemplated, in the event of production, show:

- 1. Proposed location and attendant lines in relation to the well pad. Refer to Exhibit 7.
- 2. Dimensions of facilities: Refer to Exhibit 7.
- 3. The production facilities will include a bar production pit, separator, meter run, and, if necessary, a dehydrator. The facilities will be located as shown on Exhibit 7. The pit will be located in cut and will contain all water production and be built in accordance with NTL-2B specifications. All connection work will be done by an oil field service company using standard oil field materials.
- 4. Protective devices and measures to protect livestock and wildlife: The water production pit will be fenced with woven wire to protect livestock and wildlife.

C. A formal right-of-way application for a gas gathering line is included at the end of the MSUOP.

5. LOCATION AND TYPE OF WATER SUPPLY

A. Location and type of water supply: Water will be obtained from West Salt Creek, in Colorado.

- B. Method of transporting water: The water will be hauled in trucks by a certified water hauler, along the route shown in green on Exhibit 3.
- C. If water well is to be drilled, so state: No water well is contemplated.

6. SOURCES OF CONSTRUCTION MATERIALS

- A. Show information either on map or by written description: It is anticipated that cuts on location will furnish sufficient quantities of materials to construct a level location. Topsoil will be stockpiled on the north side of the pad for later use during rehabilitation of the disturbed areas. Additional material, if needed, will be purchased from the dirt contractor.
- B. Identify it from Federal or Indian Land: All affected land is federal and under the management of the Bureau of Land Management.
- C. Describe where materials such as sand, gravel, stone and soil material are to be obtained and used: Materials other than that supplied by cuts on location should not be required to construct the pad and road. Approximately 13,686 cubic yards of material will be derived from cuts on location and approximately 13,402 cubic yards of fill is needed.
- D. Show any needed access roads crossing Federal or Indian Lands: All affected land is administered by the Bureau of Land Management. Refer to Exhibit 5.

7. METHODS OF HANDLING WASTE DISPOSAL

- A. Cuttings will be contained and disposed of in the reserve pit.
- B. Drilling fluids will be contained and disposed of in the reserve pit. While drilling with air or gas, a dust arresting system will be installed on the blow line.
- C. Produced fracturing fluids will be directed to the reserve pit for evaporation.
- D. Sewage: A portable chemical toilet will be on location during operations.
- E. Garbage and other trash will be placed in a trash bin and removed to a sanitary landfill upon completion.
- F. Protective Devices: The flare pit (if necessary) will be fenced with woven wire and flagged to protect animals. The reserve pit will be fenced on three sides during drilling, and on the fourth side prior to the rig moving off location.
- G. Statement regarding proper cleanup when rig moves out. When the rig moves out, all trash and refuse will be collected and removed from the location and hauled to a sanitary landfill. All pits will be filled after drying and the area restored as under Item 10 of this plan.

8. ANCILLARY FACILITIES

Identify all proposed camps and airstrips on a map as to their location, area required and construction methods: None planned.

9. WELL SITE LAYOUT ATTACHMENT AND PROPOSED RIG LAYOUT

- A. Cross section of drill pad with cuts and fills: Refer to Exhibit 8.
- B. Location of mud tank, reserve pit, trash bin, pipe racks and other facilities: Refer to Exhibit 8.
- C. Rig orientation, parking area: Refer to Exhibit 8.
- D. Statement regarding pit lining: Reserve pit will be unlined. However, if the sub-surface structure is too porous or is highly fractured, a 1 to 1 1/2 inch layer of bentonite will be used as a lining for the pit.

10. PLANS FOR RESTORATION OF SURFACE

- A. Backfilling, levelling, contouring, and waste disposal: Upon completion of the well, the site will be cleared of all debris and the mouse and rat holes filled. The reserve pit will be dried and backfilled. Disturbed areas of the pad not needed for production facilities will be graded to an appearance consistent with the natural contours. These areas will then be covered with topsoil, disked and reseeded with a seed mixture recommended by BLM. If the well is not commercially productive, the entire pad will be reclaimed in a similar manner.

In the event the well is not a producer, that portion of the access road requested by BLM will be rehabilitated will be covered with topsoil, disked and reseeded with a BLM-recommended seed mixture. Shrubby plants removed during road construction will be scattered randomly along the road to provide a natural appearance, control erosion and enhance seed production.

- B. Prior to rig release, pits will be fenced and so maintained until cleanup can be properly done.
- C. If any oil is in the pit, it will be removed or overhead flagging will be installed.
- D. Timetable for commencement and completion of rehabilitation operations: Rehabilitation will commence when drilling operations are completed, approximately August 15, 1982, and will be completed within approximately one year.

11. OTHER INFORMATION

General description of:

- A. Topography, soil characteristics, geologic features, flora, fauna: The pad and access road will be constructed on and follow an east facing

slope. Vegetation is comprised of pinyon pine, big sagebrush, juniper, scrub oak, Mormon tea and various grasses. Fauna include deer, small mammals and birds. No endangered species are known to occur in the area.

- B. Other surface-use activities and surface ownership of all involved lands: The affected land is federally owned. The primary surface uses are oil and gas production and ranching.
- C. Proximity of water, occupied dwellings, archeological, historical or cultural sites: There are no live streams in the immediate area. Ephemeral streams flow through Cottonwood Canyon and Prairie Canyon. An archeological survey will be performed and results forwarded to the necessary BLM office as soon as weather conditions allow the study to be performed.

12. LESSEE'S OR OPERATOR'S REPRESENTATIVES

Include the name, address and phone number of the lessee's or operator's field representative who is responsible for assuring compliance with the approved surface use and operations plan.

Ronald E. Dashner
District Drilling Engineer
TXO Production Corp.
1800 Lincoln Center Building
1660 Lincoln Street
Denver, Colorado 80264
(303) 861-4246 - Business
(303) 690-5658 - Residence

Comments regarding the content of this plan or arrangements for an on-site inspection should be directed to:

Paul Urban
Environmental Scientist
TXO Production Corp.
1800 Lincoln Center Building
1660 Lincoln Street
Denver, Colorado 80264
(303) 861-4246 - Business
(303) 429-2908 - Residence

13. CERTIFICATES

The following statement is to be included in the plan and must be signed by the lessee's or operator's field representative who is identified in Item No. 12 of the plan.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access roads; that I am familiar with the conditions which presently exist; and 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 TXO Production Corp. and its contractors, subcontractors in conformity with this plan and the terms and conditions under which it is approved.

DATE: March 11, 1982

R. Bruce Wright for R.E. Dashner
Ronald E. Dashner
District Drilling Engineer

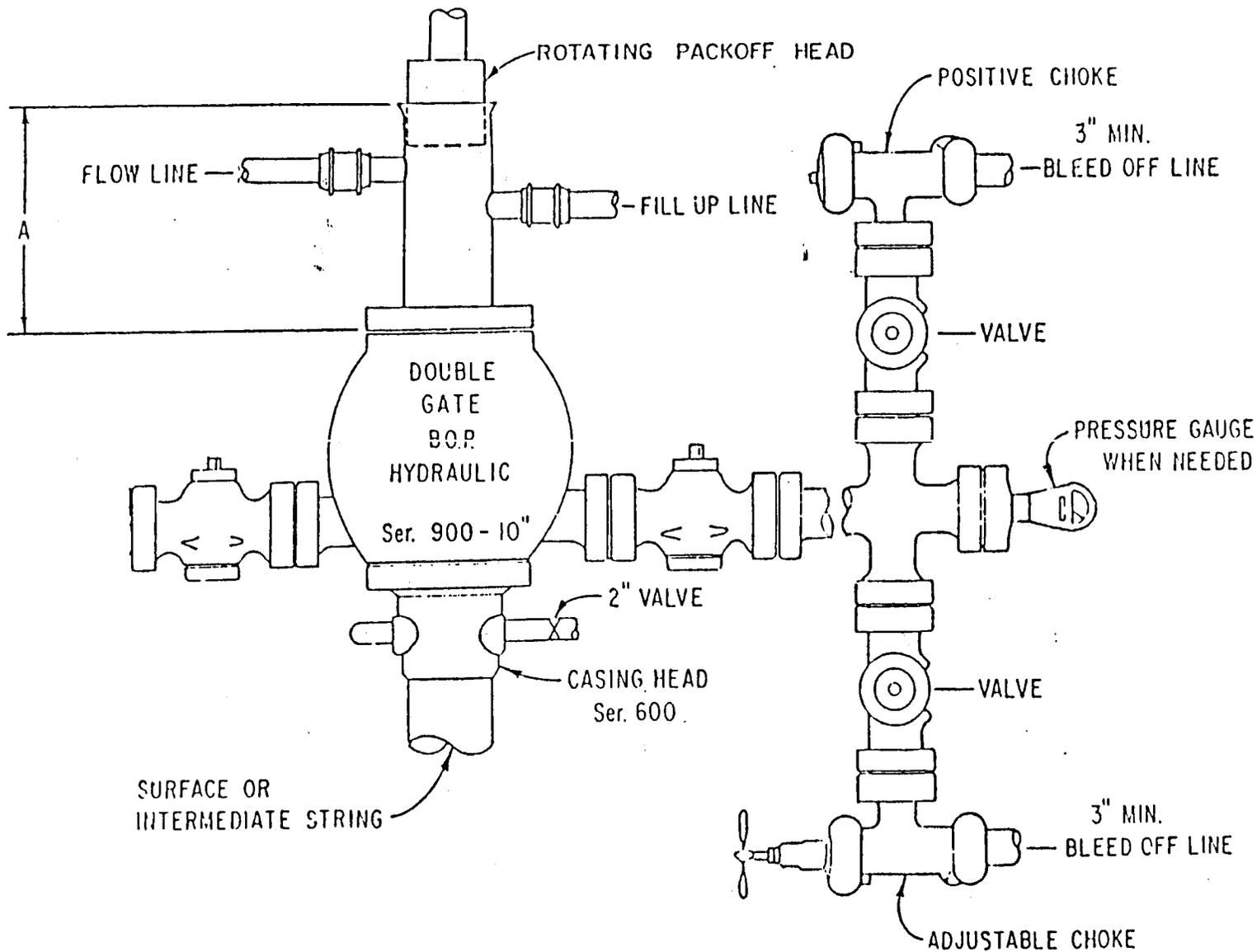
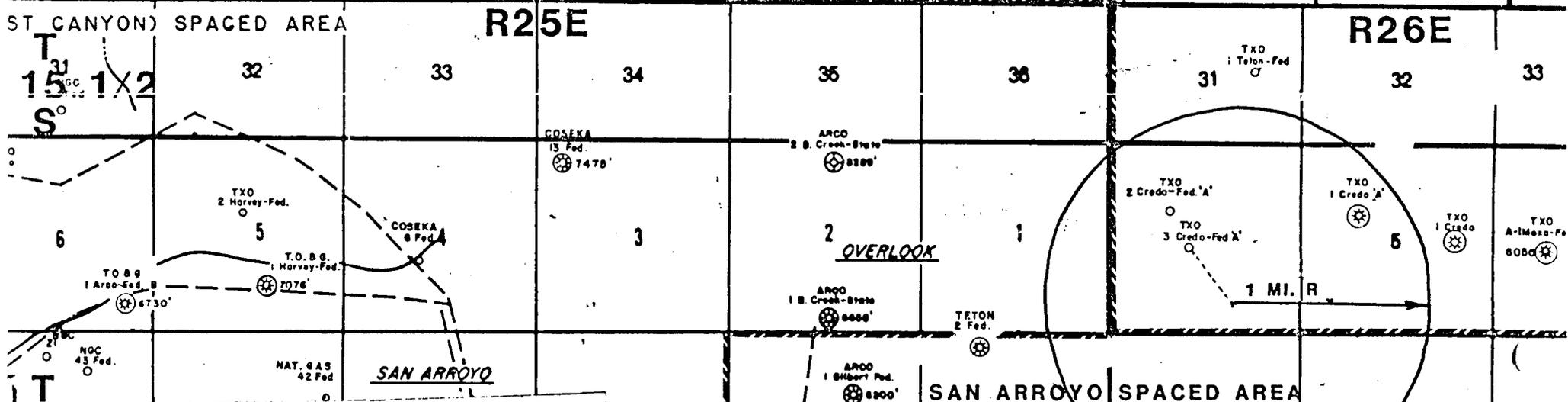
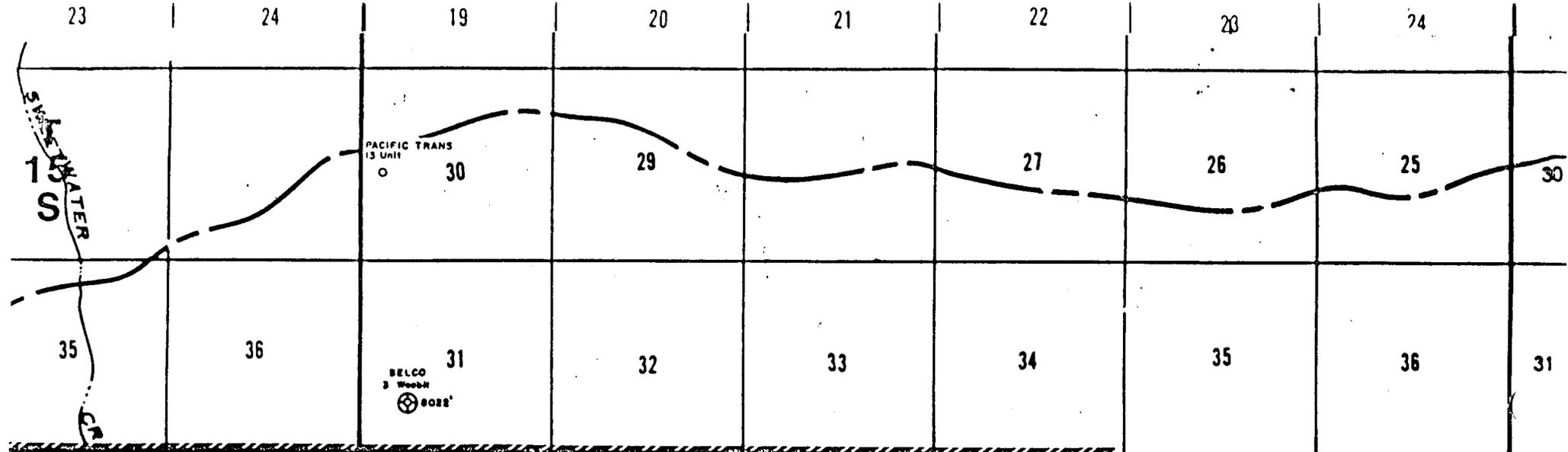


EXHIBIT I
 BLOWOUT PREVENTER DIAGRAM



TXO
TXO PRODUCTION CORP.
 DENVER DISTRICT

EXHIBIT 6

ONE MILE RADIUS

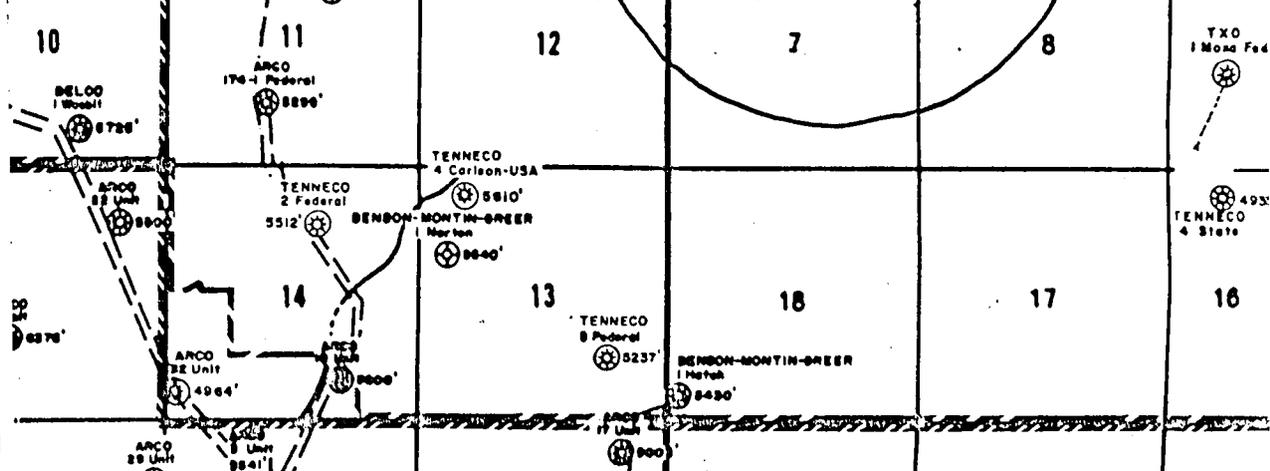
CREDO FEDERAL "A" #1

Scale: 1"=40'

Geologist:

C.I.:

Date: 2/25/82



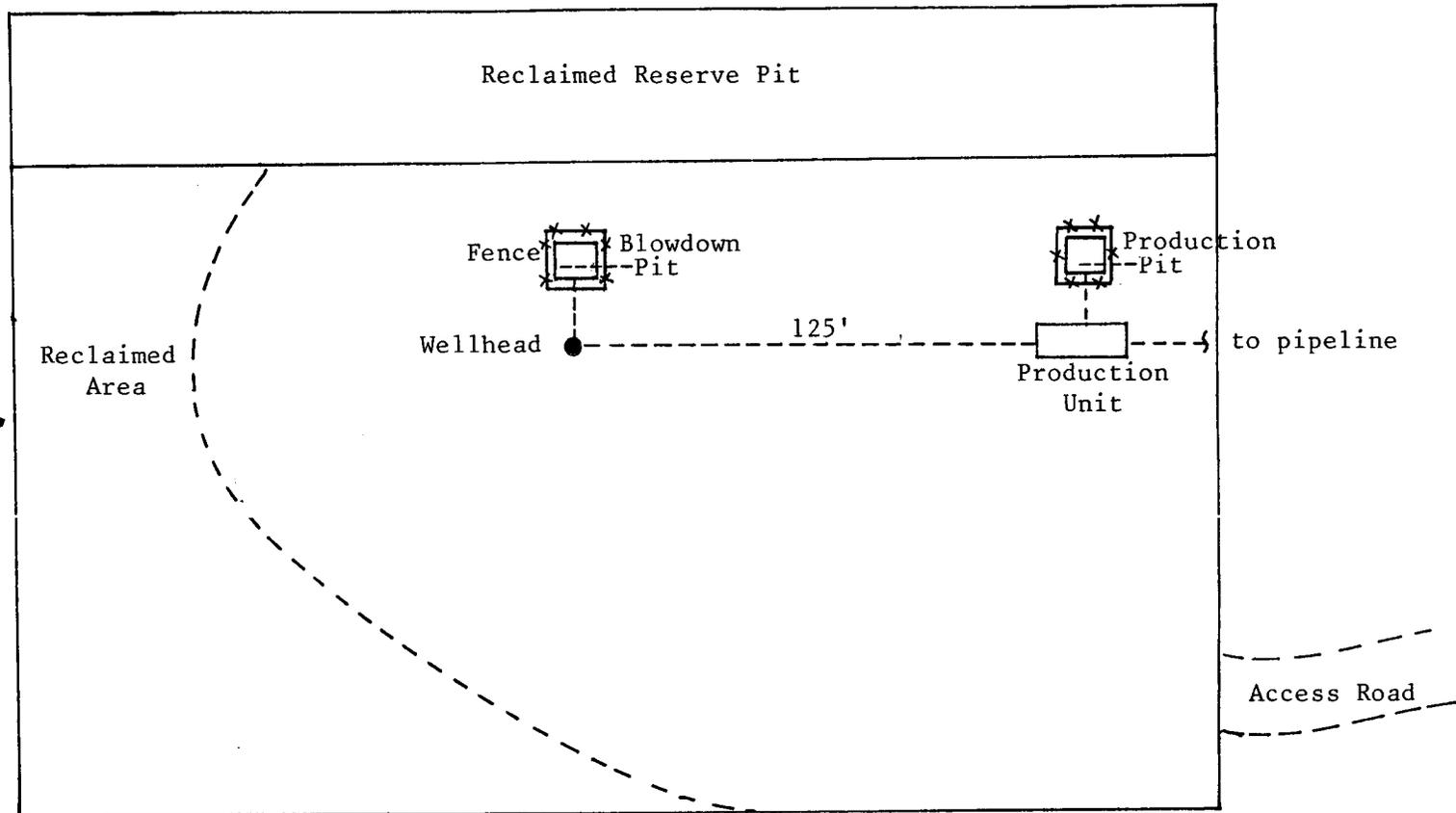


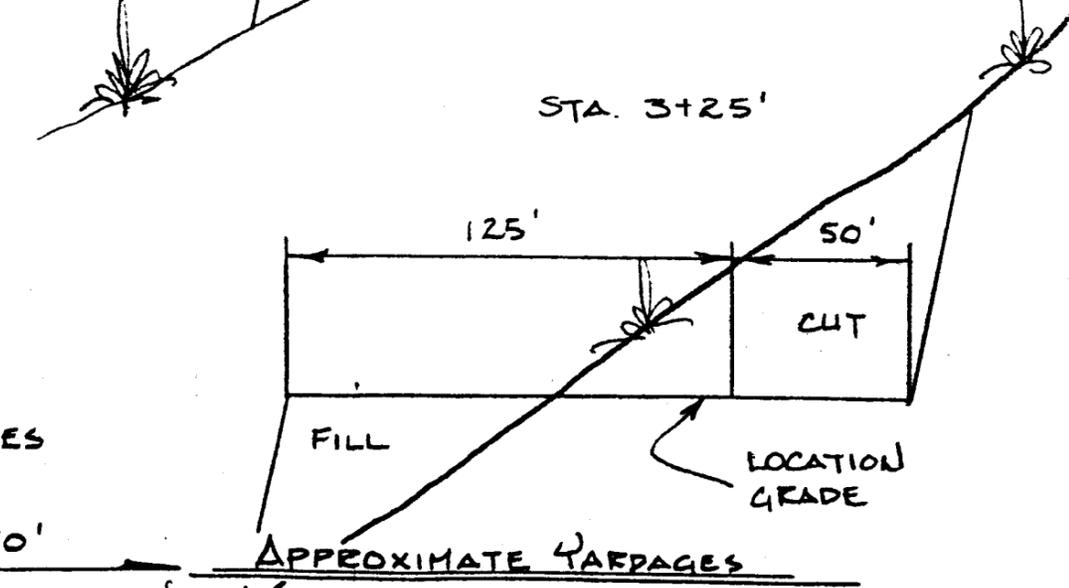
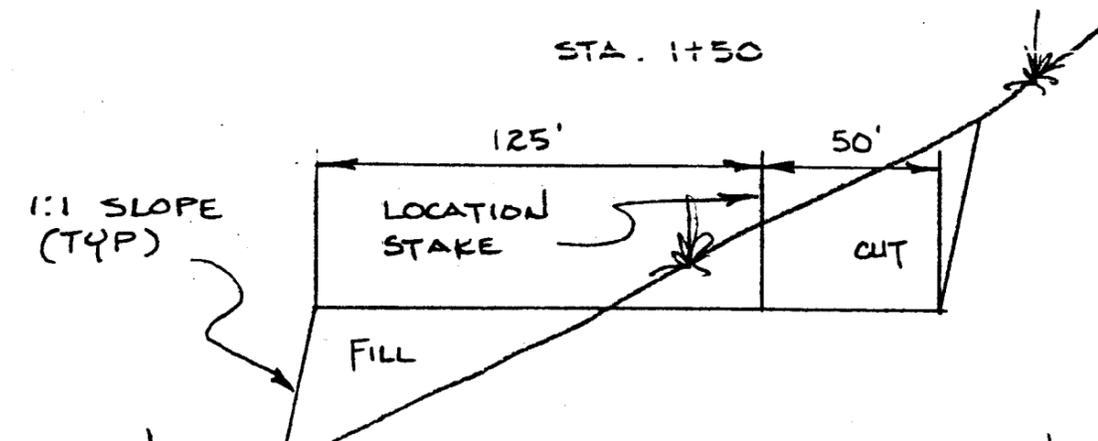
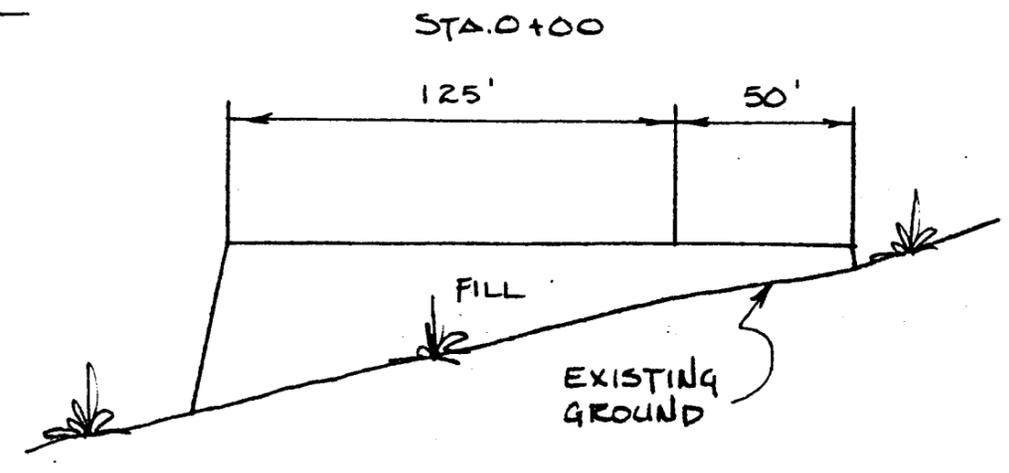
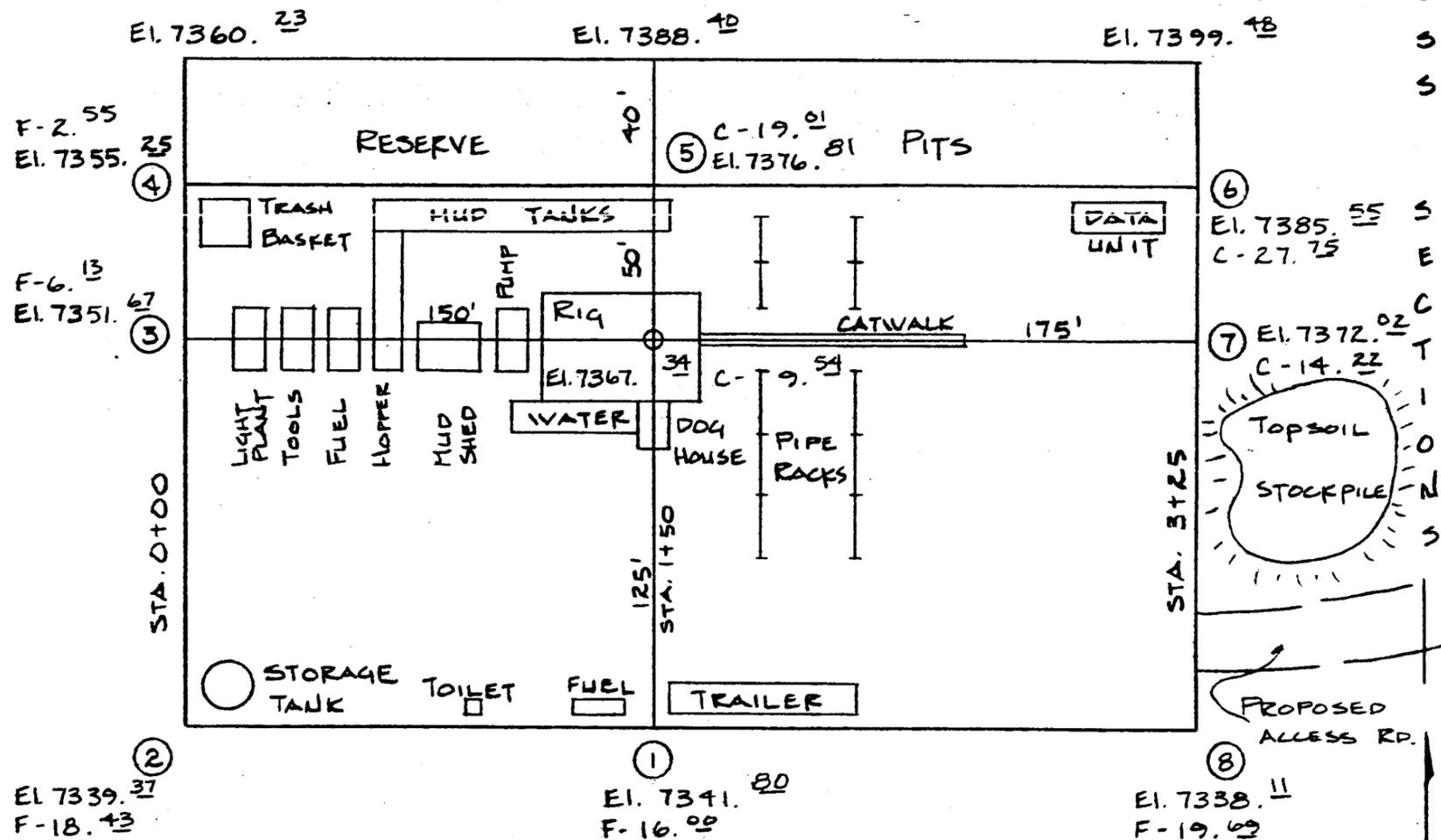
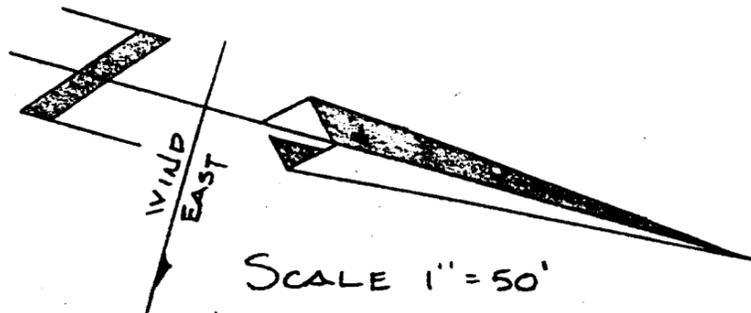
EXHIBIT 7
 PRODUCTION FACILITIES
 CREDO FEDERAL "A" #3

Scale 1"=50'

- 1) Pits will be 10' x 10' x 6' deep and will be surrounded by a fence.
- 2) Sacrificial magnesium anodes will be used, if necessary, to control corrosion.
- 3) All pipelines will be coated and wrapped, then buried.
- 4) A surface mounted high/low safety shut-down system will be installed.
- 5) Separator will be an ASME coded vessel.

TXO PRODUCTION CORP.

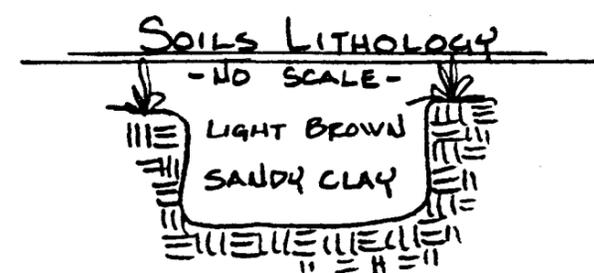
CREDIT FED. A # 3



SCALES
1" = 20'
1" = 50'

APPROXIMATE YARDAGES

CU. YDS. CUT - 13,686
CU. YDS. FILL - 13,402



Application for Right-of-way
Under the
Federal Land Policy and Management Act

Serial Number _____
Date & Time Recorded _____

TXO Production Corp. hereby applies for a right-of-way across public lands pursuant to Title V of the Federal Land Policy and Management Act of October 21, 1976 (90 Stat. 2776; 43 U.S.C. 1761) (FLPMA), the Mineral Leasing Act of February 25, 1920 (30 U.S.C. 185) as amended by the Act of November 16, 1973 (87 U.S.C. 576) and the regulations in 43 CFR Group 2800. TXO Production Corp. agrees that the right-of-way, if approved, will be subject to the terms and conditions contained in the above authority.

TXO Production Corp. is qualified to do business in the State of Utah. The corporate qualifications for TXO Production Corp. are on file with the New Mexico State Office of the Bureau of Land Management, under serial number NM-43000.

This application is for right-of-way for a gas gathering line.

- a. The right-of-way will be utilized for the purpose of constructing a gas gathering line to the well referenced in the APD/MSUOP. Please refer to Map 1.

Federal Energy Regulatory Commission's guidelines for Construction of Natural Gas Transmission Facilities will be followed where applicable; other pertinent Federal, State and local agency guidelines will also be utilized. During construction, existing access roads will be used whenever possible. Excess soils will be distributed over the right-of-way, with the exception of a small berm which will be left over the trench to accommodate compaction. Openings will be left in the berm as needed to facilitate runoff. On steep slopes, water bars will be installed to inhibit erosion. Following installation of the line, the terrain will be restored as close as possible to the original contour and all debris will be removed and disposed of in an appropriate manner. All disturbed land will be reseeded as stipulated by BLM. Pipeline(s) will be precoated and buried.

Right-of-way widths will be 50 feet on federal land during construction and 20 feet following construction. Trench widths will be 12 inches greater than pipe diameter; normal cover will be 36 inches in soil, 24 inches in shot rock and 60 inches in wash areas. Forty-eight inches of cover will be used across cultivated lands. Pipeline road crossings will be bored or open cut to conform with applicable regulations. All lines will be hydrostatically tested. Hydrostatic test water will be disposed of in such a manner to avoid environmental damage.

Construction is expected to take approximately 7 days and will start approximately July 30, 1982. The average cost of the pipeline is approximately \$10.00 per foot. This includes material, labor, and

construction costs. Alternative routes were considered and the final location was chosen as the most feasible with respect to environmental, economic and engineering factors. The proposed gas gathering line will connect with the existing gathering system owned and operated by Northwest Pipeline Corp. TXO Production Corp. has sufficient assets and technical expertise to assure construction of the line in a timely manner and to insure operation of the line during its projected life.

Unless the total throughput exceeds the design capacity of the proposed facilities or other operational problems are encountered, no looping or pumping stations or other facilities will be added to the gathering line. A well connection will be abandoned when that well is no longer capable of producing. New well connections will be added only if the well qualifies for connection under the purchase contract.

Minimum shipment or purchase tenders would be zero at a terminal pressure stated in the gas purchase contract. Under the current economics associated with energy resource development, this terminal pressure could continue until near zero deliverability.

The proposed facilities have a projected useful life of 30 years or until the project reservoir is fully depleted. Facility life can be increased to exceed the 30-year period if purchase contracts are renegotiated to provide additional reserves. TXO Production Corp. requests the grant of right-of-way for a period of 30 years with the right of renewal clause.

- b. The requested right-of-way is located in Grand County, Utah .
Legal description follows:

Section 6-T16S-R.26E

- c. The total length of the requested right-of-way is 100 feet. A check for \$95.00 will be submitted during the surface inspection of the well and right-of-way routes. This check includes \$50.00 for the filing fee, \$20.00 for the right-of-way fee, and \$25.00 for the rental fee. These fees are supplied in accordance with 43 CFR 2802 1-2.
- d. At this time it is anticipated that Northwest Pipeline Corp. will purchase the gas from TXO Production Corp. Therefore, Northwest Pipeline will be responsible for all fees and will be assigned the pipeline right-of-way.

I certify that the information given in the application is true, complete and correct to the best of my knowledge and belief and is given in good faith.

Date: March 11, 1982


Charles K. Curlee
Environmental Manager

17 Robert Lambert

2

Minerals Management Service
2000 Administration Building
1745 West 1700 South
Salt Lake City, Utah 84104-3884

April 8, 1982

TXO Production Corporation
1800 Lincoln Center Building
Denver, Colorado 80264

Re: Rescind Application for Permit
to Drill
Well No. Credo Federal "A" #3
Section 6-T16S-R26E
Grand County, Utah
Lease No. U-24638

Gentlemen:

The Application for Permit to Drill the referenced well was approved on September 28, 1981. We are rescinding the approval of the referenced application, without prejudice, as we received a new application for this well in a different location, on March 15, 1982.

If you have any questions, please feel free to contact this office.

Sincerely,

E. W. Gynn
District Oil & Gas Supervisor

bcc: SMA
State O&G ✓
State BLM
MMS-Vernal
Well File
APD Control

DH/dh

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OIL & GAS OPERATIONS
RECEIVED

5. LEASE DESIGNATION AND SERIAL NO.

U-24638

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

BACK 15 1982

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

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

TXO Production Corp. Attn: Paul Urban

3. ADDRESS OF OPERATOR

1800 Lincoln Center Building, Denver, CO 80264

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

2263' FSL, 2000' FWL, Section 6-T16S-R26E
At proposed prod. zone Dakota Sands: 813' FSL, 1830' FEL, Section 6
Total Depth: 655' FSL, 1672' FEL, Section 6

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

Approximately 19 miles NW of Mack, Colorado.

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 813'

16. NO. OF ACRES IN LEASE

1874.24

17. NO. OF ACRES ASSIGNED TO THIS WELL

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

3317'

19. PROPOSED DEPTH

7111' MD

20. PRIMARY OR CABLE TOOLS

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

7367' GR

22. APPROX. DATE WORK WILL START*

June 1, 1982

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
24"	16"	Corrugated Iron	40'	2 yards
12 1/2"	9 5/8"	36#	300'	300 sacks
8 3/4"	7"	20#	3005' MD 2900' TVD	200 sacks
6 1/2"	4 1/2"	11.6#	7111' MD 6638' TVD	200 sacks

TXO Production Corp. proposes to directionally drill the subject well using an angle building rate of 2°/100' in accordance with the following table:

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24. SIGNED B. Bruce Wright for R.E. Dashner TITLE District Drilling Engineer DATE 3/11/82
R.E. Dashner

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY [Signature] FOR E. W. GUYNN DATE APR 23 1982
CONDITIONS OF APPROVAL, IF ANY: _____ TITLE DISTRICT OIL & GAS SUPERVISOR

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

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

State Oil & Gas

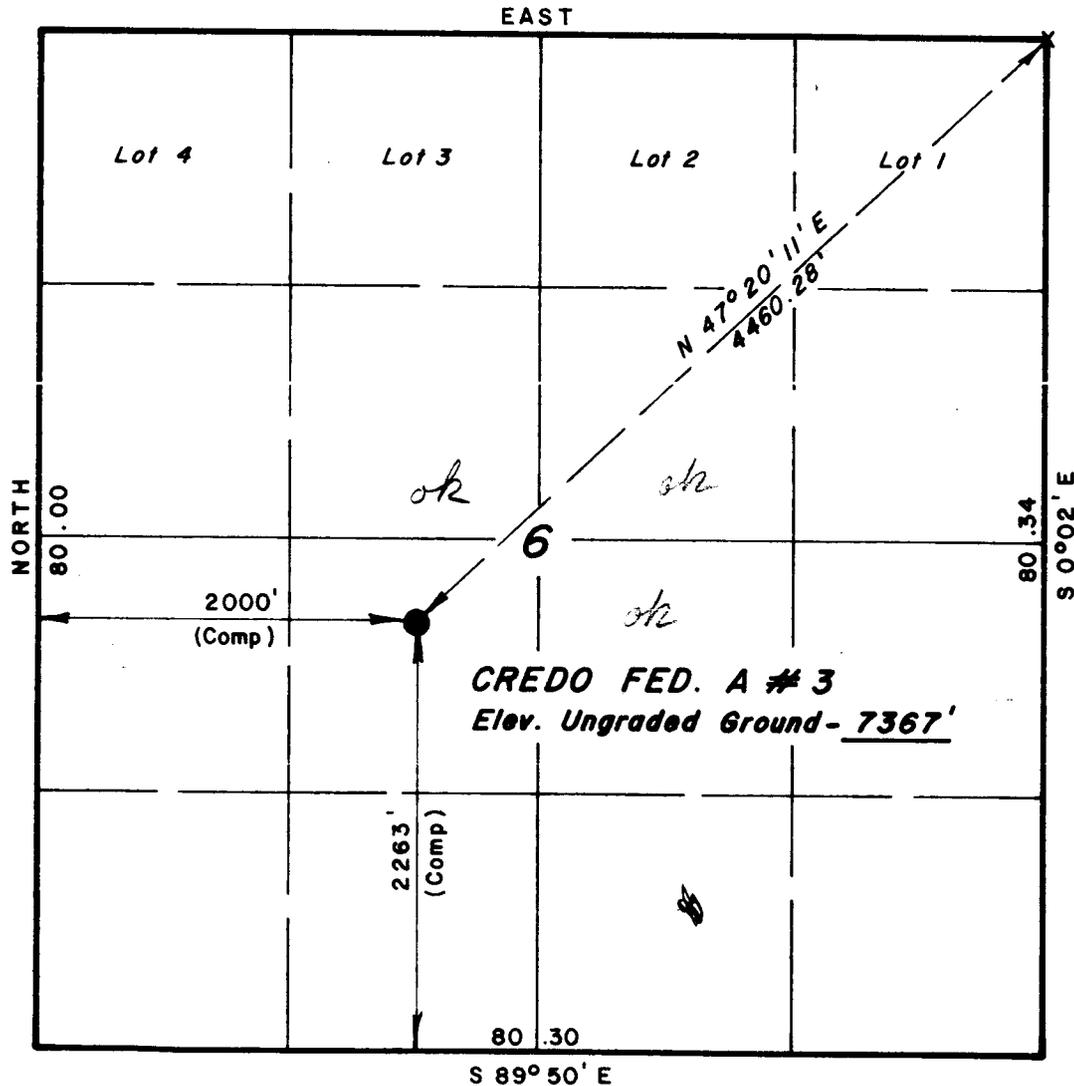
T16S, R26E, S.L.B.&M.

PROJECT

TXO PRODUCTION CORP.

Well location, **CREDO FED. A #3**, located as shown in the NE 1/4 SW 1/4 Section 6, T16S, R26E, S.L.B.&M. Grand County, Utah.

NOTE: BASIS OF BEARINGS IS FROM SOLAR OBSERVATIONS THE SUN.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

Nelson J. ...

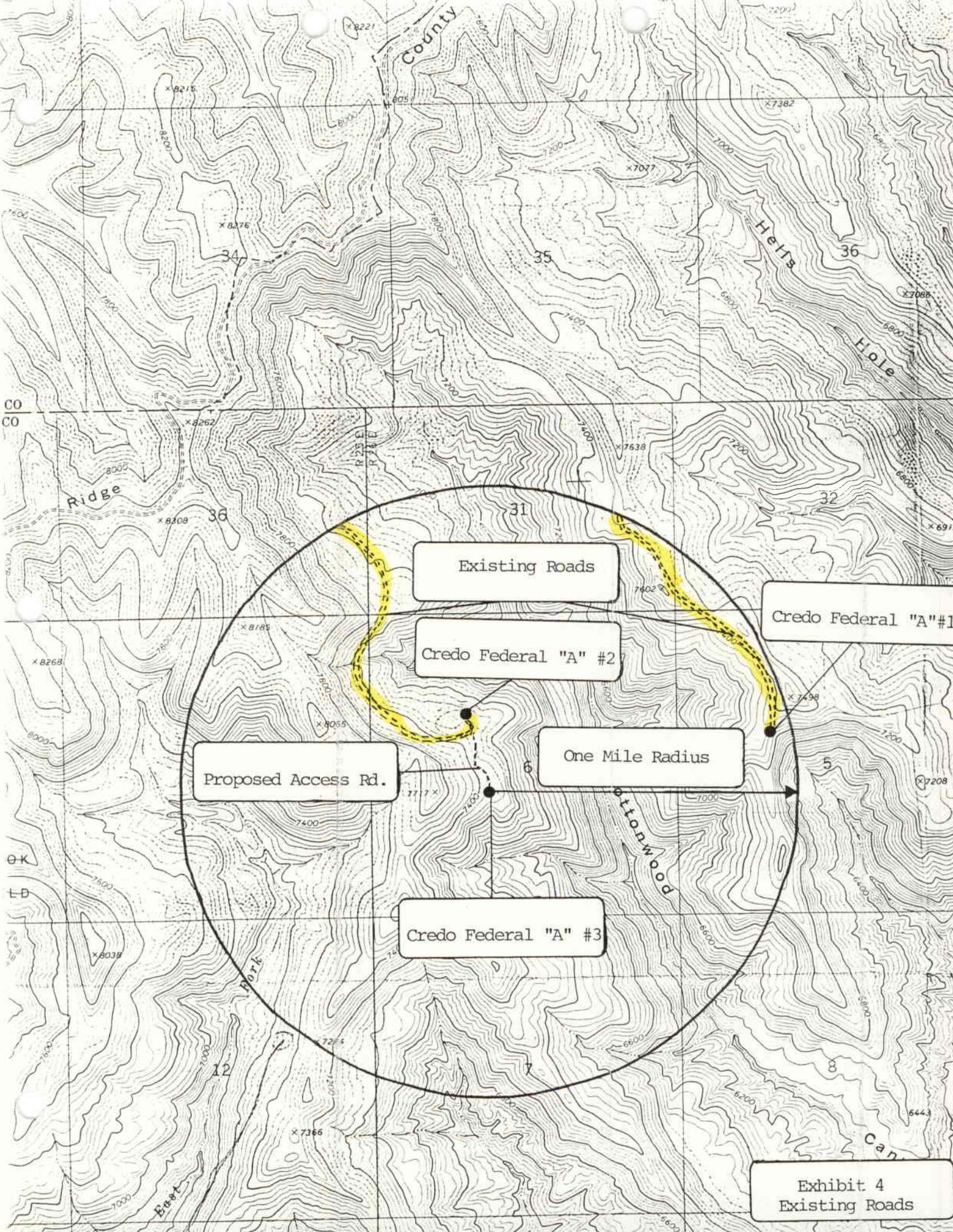
REGISTERED LAND SURVEYOR
REGISTRATION NO 2454
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
P.O. BOX Q - 85 SOUTH - 200 EAST
VERNAL, UTAH - 84078

SCALE	1" = 1000'	DATE	12/23/81
PARTY	DA, JK JH	REFERENCES	GLO PLAT
WEATHER	CLEAR / COOL	FILE	TXO

X = Section Corners Located

Exhibit 2
Survey Plat



Existing Roads

Credo Federal "A" #2

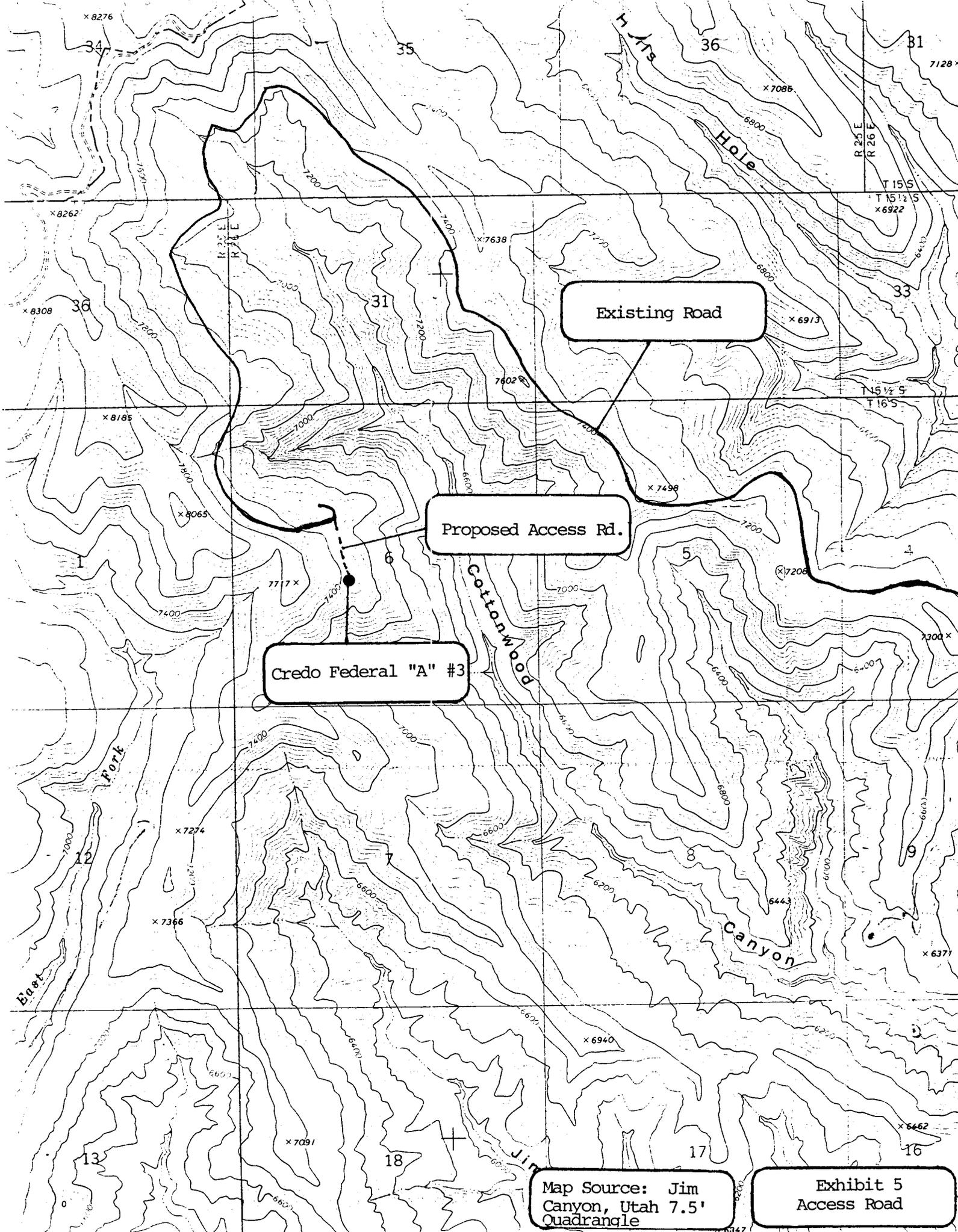
Proposed Access Rd.

One Mile Radius

Credo Federal "A" #3

Credo Federal "A" #1

Exhibit 4
Existing Roads



Map Source: Jim
Canyon, Utah 7.5'
Quadrangle

Exhibit 5
Access Road

Credo Federal "A" #3

Proposed Access Rd.

Existing Road

x 8276

34

35

36

B1

7128 x

x 7086

R 25 E
R 26 E

T 15 S

T 15 1/2 S

x 6922

T 15 1/2 S

T 16 S

x 6913

33

x 8308

36

31

Existing Road

x 7638

7602

x 7498

x 8185

x 8065

Proposed Access Rd.

Credo Federal "A" #3

Cottonwood

5

1

x 7208

x 7300

Fork

x 7274

x 7366

1400

1000

1000

7200

x 7300

6600

Canyon

9

6443

x 6371

East

x 6940

13

x 7091

18

JIM

17

16

x 6462

6347

Identification CER/EA No. 223-82

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

SALT LAKE CITY, UTAH

APR 15 1982

MINERAL'S MANAGEMENT
SERVICE
OIL & GAS OPERATIONS
RECEIVED

NEPA CATEGORICAL EXCLUSION REVIEW

PROJECT IDENTIFICATION

Operator TXO Production Corporation
Project Type Gas well - wildcat
Project Location 2263' FSL 2000' FUL SAC6 T16S R26E
Well No. #3 - Credo Lease No. U-24638
Date Project Submitted 3-15-82

FIELD INSPECTION

Date 4-7-82

Field Inspection
Participants

Craig Hansen MMS - Verma
Elmer Dugan Blm - mosh
Paul Brown " "
Paul Urban TXO Corp
Forrest Bird Dirt Contractor

Related Environmental Documents: _____

I have reviewed the proposal in accordance with the categorical exclusion review guidelines. This proposal would not involve any significant effects and, therefore, does not represent an exception to the categorical exclusions.

4-14-82
Date Prepared

Craig Hansen
Environmental Scientist

I concur

APR 16 1982
Date

W. W. Martin
District Supervisor

FOR E. W. GUYNN
DISTRICT OIL & GAS SUPERVISOR

CATEGORICAL EXCLUSION REVIEW COMMON REFERENCE LEGEND

1. Surface Management Agency Input
2. Reviews Reports, or information received from Geological Survey (Conservation Division, Geological Division, Water Resource Division, Topographic Division)
3. Lease Stipulations/Terms
4. Application Permit to Drill
5. Operator Correspondence
6. Field Observation
7. Private Rehabilitation Agreement



*TXO Production
Credo #3.*

Recommended Stratification for TXO Area #3.

1. Production Signage, this will be painted
A color to blend in with the natural
surroundings.
2. Trees will be pushed to the corners
of the location.
3. If Burring of materials occurs
A permit will be obtained from the
State.
4. operator will adhere to Blm surface
stratification
5. A cleared ~~area~~ around reservoirs
will be placed to prevent fires.

Comments: no right of way is required
by Blm for road or location.

Surface Disturbance Stipulations
Restricted Oil and Gas Lease Areas

Serial No.

Ur

1. All leases in restricted areas will be subject to the stipulations below and any additional stipulations specified by the authorized officer. When the authorized officer must approve an action or provide specifications it will be in writing unless otherwise specified in the stipulations.

2. The lessee shall ensure that full compliance with the stipulations is made by all persons acting in his behalf, including designated operators, and by all his employees, agents, contractors, subcontractors and employees of contractors or subcontractors. Copies of the stipulations attached to the lease and approved drilling permit will be available at exploration and operating sites and will be made known to all on-the-ground construction, exploration and operating personnel.

3. All survey monuments, witness corners, reference monuments and bearing trees must be protected against destruction, obliteration or damage. Any damaged or obliterated markers must be reestablished, at the lessee's expense, in accordance with accepted BLM survey practices as set forth in the Manual of Surveying Instructions. A complete record of the monumentation and the methods used in reestablishment will be furnished to the Chief, Branch of Cadastral Survey, at the appropriate State Director's Office.

4. The lease area will be available for any other public use, unless restricted in writing by the authorized officer.

5. Existing roads and trails will be used whenever possible. Road and trail widths will be kept to the minimum necessary and all locations and specifications will be approved in writing by the authorized officer. Scalping of top soil and removal of vegetation will not be allowed unless approved by the authorized officer. Roads to any well or other regularly maintained or inspected improvement will be upgraded as directed by the authorized officer. Such upgrading may include ditching, draining, culverts, graveling or capping of the road bed.

6. The lessee will comply with existing county, state and federal laws pertaining to the protecting and preservation of wild horses, wild burros, raptors, wildlife, water quality, public health and public safety; and any applicable county, state and federal laws and regulations concerning the use of poisonous substances, including insecticides, herbicides, fungicides, rodenticides and other similar substances. Prior to the use of such substances the lessee will obtain from the authorized officer approval of a written plan for such use. The plan shall state the type and quantity of material to be used, the animal or plant to be controlled, the method of application and such other information as the authorized officer may require. All use of such substances shall be in accordance with the approved plan. If the use of a chemical is prohibited by the Secretary of the Interior, it shall not be used. If use of a chemical is limited by the Secretary of the Interior, it shall be used only in accordance with that limitation.

7. Burning is permissible only by prior written consent of the authorized officer and in compliance with state and federal air quality standards and laws. The lessee will be responsible for prevention, control and suppression of all wildfires that are caused by burning in connection with this lease. The lessee will be billed by the surface management agency for fire suppression and fire rehabilitation cost resulting from uncontrolled burning of material. The lessee will do everything reasonable, both independently and/or upon request of the authorized officer, to prevent and suppress fires on or near lands to be occupied under the lease by taking initial attack action including making available such construction equipment and maintenance forces that are available. All vegetative and other material cut, uprooted or otherwise accumulated will be disposed of as specified by the authorized officer.

8. All access routes and areas of use will be kept clean. All garbage and foreign debris will be removed to an authorized dump site at least weekly. Sanitary facilities for all solid and liquid waste disposal will meet all state, federal and local codes and regulations.

9. All operations will be conducted to keep any change in the character of the land to an absolute minimum. Pollution, channeling or any erosion or degradation of lands, water quality, streams, lakes, ponds, waterholes, seeps, or marshes, or damage to any fish, wildlife, or domestic livestock resource will not be allowed. The burning off of sump pits to eliminate waste oil will not be allowed. Drainage systems will not be blocked. Vegetation will not be disturbed within 300 feet or within the flood plain of any water course, except at designated stream crossings. State water quality standards will be maintained. All disturbance to live streams and improvements, including but not limited to, fences, roads, watering facilities, culverts, bridges, trails, cattle guards, water development and control structures will be kept to an absolute minimum and will be repaired to at least their former state by the lessee. Functional use of improvements will be maintained at all times. When it is necessary to pass through a fence, the fence will be braced on both sides of the passageway prior to cutting. Four-inch treated timbers or larger will be used for bracing. A gate acceptable to the authorized officer will be installed. Where a permanent road is to be constructed or maintained, cattle guards of an approved design will be placed at all fence crossings with a gate at the side.

10. All operations will be conducted to protect aesthetic and scenic values. Site selection will be carefully considered to reduce adverse visual impacts. In some areas a qualified

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SURFACE DISTURBANCE STIPULATIONS
Oil and Gas Lease

Notwithstanding any provision of this lease to the contrary, any drilling, construction, or other operation on the leased lands that will disturb the surface thereof or otherwise affect the environment, hereinafter called "surface disturbing operation," conducted by lessee shall be subject, as set forth in this stipulation, to prior written approval of such operation by the Area Oil and Gas Supervisor and the appropriate surface management agency and to such reasonable conditions, not inconsistent with the purposes for which this lease is issued, as the Supervisor or surface management agency may require to protect the surface of the leased lands and the environment.

2. Prior to entry upon the land or the disturbance of the surface thereof for drilling or other purposes, lessee shall submit for approval in writing two (2) copies of a map and explanation of the nature of the anticipated activity and surface disturbance for all counties in Utah other than San Juan County to the Area Oil and Gas Supervisor, Geological Survey, P. O. Box 2859, Casper, Wyoming 82601, and for San Juan County, Utah, to Area Oil and Gas Supervisor, Geological Survey, P. O. Box 1857, Roswell, New Mexico 88201, and will also furnish the appropriate surface management agency (see reverse side of this form) with a copy of such map and explanation.

An environmental analysis will be made by the Geological Survey in consultation with the appropriate surface management agency for the purpose of assuring proper protection of the surface, the natural resources, the environment, existing improvements, and for assuring timely reclamation of disturbed lands.

3. Upon completion of said environmental analysis, the Area Oil and Gas Supervisor shall notify lessee of the conditions, if any, to which the proposed surface disturbing operations will be subject. Said conditions may relate to any of the following:

- (a) Location of drilling or other exploratory or developmental operations or the manner in which they are to be conducted;
- (b) Types of vehicles that may be used and areas in which they may be used;
- (c) Manner or location in which improvements such as roads, buildings, pipelines, or other improvements are to be constructed;
- (d) Roads in areas with mancos or arapien shale, or on slopes in excess of 15 percent, will have water bars as specified in writing by the authorized officer. Water will be conveyed away from the road by ditches constructed on grade where the roads are parallel with the slope. Roads constructed across the slope will require culverts placed on the ground and parallel with the slope. During adverse weather conditions only all weather roads will be used; all other roads will require written approval from the authorized officer; and,
- (e) Sludge pits will be kept free of oil films that may be hazardous to migratory birds.

permanently
formed by
liverock



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO

3109
U-24638
(U-068)

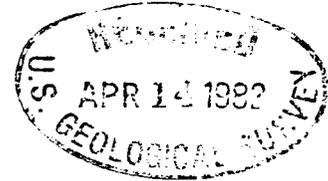
APR 12 1982

Memorandum

To: Minerals Management Service
Oil & Gas Operations
P. O. Box 1037
Vernal, Utah 84073

From: Area Manager, Grand

Subject: Permit to Drill (APD) U-24638
TXO Credo Federal A-3
Sec. 6, T. 16 S., R. 26 E.
Grand County, Utah



On April 7, 1982 a representative from this office met with Cody Hansen, MMS, and Paul Urban, agent of the TXO Production Corp. for an inspection of the above referenced location. Subject to the attached conditions and written approval from MMS, I am approving the surface management portion of the Application for Permit to Drill.

The archaeological requirement has been fulfilled on this location. No threatened or endangered flora or fauna are indicated in the area.

Please forward the enclosed information to TXO Production Corp.

Enclosures: (3)
1-Reclamation Procedures
2-Seed Mixture
3-Suggested Colors - Production Facilities

ADDITIONS TO THE MULTIPOINT
SURFACE USE PLAN
AND
RECLAMATION PROCEDURES

CONSTRUCTION:

1. The operator or his contractor will contact the Grand Resource Area Office in Moab, Utah phone (801 259-6111) 48 hours prior to beginning any work on public land.
2. The dirt contractor will be furnished with an approved copy of the surface use plan and any additional BLM stipulations prior to any work.
3. Use of water from sources such as wells, springs, streams or stock ponds for activities associated with this well will be approved, prior to use, by the agency or individual holding the water right.
4. If subsurface cultural material is exposed during construction, work in that spot will stop immediately and the Grand Resource Area Office will be contacted. All employees working in the area will be informed by the operator that they will be subject to prosecution if they are caught disturbing archaeological sites or picking up artifacts. Salvage or excavation of identified archaeological sites will only be done if damage occurs.
5. Improvement to the existing road will be necessary. The total disturbed width allowed will be 32 feet. The allowable travel surface will be 25 feet. Existing and new road standards are outlined in right-of-way Grant U-48032.

New road construction will be limited to an allowable travel surface width of 20 feet, and a total disturbed width of 30 feet. For construction design and survey refer to class III road standards.

Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

Surfacing material will not be placed on the access road or location without prior BLM approval.

6. Location: satisfactory as planned.
7. The top 8 inches of soil material will be removed from the location and stockpiled separate from the trees on the north side of the location west of the access road. Topsoil along the access will be reserved in place.

Trees will be removed from the pad and piled north of (but separate from) the topsoils.
8. The reserve pit will be lined with 20 mill plastic sufficient to prevent seepage. Keyway. The reserve pit banks will be 1.5 to 2.0 feet above pad and constructed in 8" lifts, machinery compacted, and sufficiently wide for equipment to pass over.
9. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as the drilling is completed. The fence will be kept in good repair while the pit is drying. The fence will be 5 strand barbed wire.

PRODUCTION

1. The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed in the methods described in the rehabilitation section. All of the stockpiled topsoil will be used in reclaiming the unused areas.
2. All above-ground production facilities will be painted using the attached suggested colors.
3. The access will be to the design of a class III road.

REHABILITATION

1. Immediately upon completion of drilling, the location and surrounding area will be cleared of all debris resulting from the operation. All trash will be disposed of in the trash cage. Non-burnable debris will be hauled to a local town dump site.
2. The operator or his contractor will contact the Grand Resource Area BLM office in Moab, Utah, phone (801 259-6111), 48 hours prior to starting rehabilitation work that involves earthmoving equipment and upon completion of restoration measures.
3. Before any dirt work to restore the location takes place, the reserve pit must be completely dry and any trash (barrels, metal etc.) it contains must be removed from public lands.
4. All disturbed areas will be recontoured to blend as nearly as possible with the surrounding area.
5. The stockpiled topsoil, brush, trees, and large rocks will be evenly distributed over the disturbed area.
6. All disturbed areas will be scarified with the contour to a depth of 10 inches. Do not smooth pads out, leave a roughened surface.
7. Seed will be (broadcast/drilled) at a time to be specified by the BLM with the following seed prescription. When broadcast seeding, a harrow or some such implement will be dragged over the seeded area to assure seed cover. Broadcast seed will be two times the pounds/acre on the enclosed seed list.
8. Waterbars will be used on all sloping surfaces as shown below:

<u>Grade</u>	<u>Spacing</u>
2%	200 ft. spacing
2-4%	100 ft. spacing
4-5%	75 ft. spacing
+5%	50 ft. spacing

9. After seeding is complete the stockpiled trees will be scattered evenly over the disturbed areas and walked down with a dozer. The access will be blocked to prevent any vehicle use.

SEED MIXTURE

<u>Species</u>	<u>Rate</u> <u>lbs/acre</u>
<u>Grasses</u>	
Elymus salinus	1
Oryzopsis hymenoides	1
Agropyron cristatum	1
Salina wildrye	1
Indian ricegrass	1
Crested wheatgrass	1
(Fairway crested wheatgrass)	
 <u>Forbs</u>	
Hedysarum boreale var utahensis	1/2
Melilotus officinalis	1/2
Sphaeralcea coccinea	1
Utah northern sweetvetch	1/2
Yellow sweetclover	1/2
Scarlet globemallow	1
 <u>Shrubs</u>	
Amelanchier utahensis	1
Cowania mexicana	1
Utah serviceberry	1
Mexican cliffrose	1
Total	7

Broadcast seed will be applied at double the above rate

Seeding will be done in the fall of the year (Oct. - Dec.)



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

SUGGESTED COLORS TO PAINT OIL & GAS PRODUCTION FACILITIES

Cisco Desert and Flats below the Bookcliffs:

Dynasty Green	(Sears)
Tumbleweed	(Pratt & Lambert)
Desert Tan	(Pratt & Lambert)
Sage Gray	(Pratt & Lambert)

Bookcliffs Region:

Sage Gray	(Pratt & Lambert)
Sea Life	(Pratt & Lambert)
Dynasty Green	(Sears)

Similar hues other than the ones mentioned above must be approved by the Grand Resource Area Manager.



STATE OF UTAH
NATURAL RESOURCES & ENERGY
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Cleon B. Feight, Division Director

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

March 17, 1983

TXO Production Corporation
Att: Karen P. Laurie
1800 Lincoln Center Bldg.
Denver, Colorado 80264

Re: See attached list of wells

Gentlemen:

In reference to the above 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 you plan to drill these locations at a later date, please notify as such.

We will be happy to acknowledge receipt of your response to this notice if you will include an extra copy of the transmittal letter with a place for our signature, and a self addressed envelope for the return. Such acknowledgement should avoid unnecessary mailing of a firm second notice from our agency.

Your prompt attention to the above will be greatly appreciated.

Respectfully,

DIVISION OF OIL, GAS AND MINING

A handwritten signature in cursive script that reads "Cari Furse".

Cari Furse
Well Records Specialist

CF/cf

Well No. Credo Federal "A" # 3
Sec. 6, T. 16S, R. 26E.
Grand County, Utah

Well No. Asphalt Creek Federal # 3
Sec. 1, T. 12S, R. 24E.
Uintah County, Utah

Well No. Duncan Federal # 3
Sec. 28, T. 15S, R. 23E.
UIntah County, Utah

Well No. Duncan Federal # 2
Sec. 29, T. 15S, R. 23E.
Uintah County, Utah

Well No. Duncan Federal # 4
Sec. 33, T. 15S, R. 23E.
Uintah County, Utah

TXO

TXO PRODUCTION CORP.

1800 LINCOLN CENTER BUILDING
DENVER, COLORADO 80264

TELEPHONE (303) 861-4246

March 22, 1983

RECEIVED
MAR 24 1983

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

DIVISION OF
OIL, GAS & MINING

Attention: Cari Furse

Re: Drilling Plans
Grand and Uintah Counties, Utah

Madam:

Pursuant to your letter of March 17, 1983 inquiring as to the drilling plans for various permitted well prospects, TXO submits the following information:

Credo Federal "A" #3 Section 6-T16S-R26E Grand County, Utah	Well postponed indefinitely; cancel permit
Asphalt Creek Federal #2 Section 10-T12S-R24E Uintah County, Utah	Well to be drilled in late 1983; reserve permit
Asphalt Creek Federal #3 Section 1-T12S-R24E Uintah County, Utah	Well spudded 8/23/82; completed on 2/1/83; Completion Report will be forwarded under separate cover
Duncan Federal #2 Section 29-T15S-R23E Uintah County, Utah	Well to be drilled in fall, 1983; reserve permit
Duncan Federal #3 Section 28-T15S-R23E Uintah County, Utah	Well to be drilled in fall, 1983; reserve permit
Duncan Federal #4 Section 33-T15S-R23E Uintah County, Utah	Well to be drilled in fall, 1983; reserve permit

Although our drilling schedule is tentative and subject to change, the above information provides a planning framework. If you need additional information, please contact me at this office.

Very truly yours,

TXO PRODUCTION CORP.



Karen P. Bow
Environmental Scientist

KPB/BS

A SUBSIDIARY OF TEXAS
OIL & GAS CORP.

L.A.

Branch of Fluid Minerals
2000 Administration Building
1745 West 1700 South
Salt Lake City, Utah 84104

July 12, 1983

TXO Production Corporation
Attn: Paul Urban
1800 Lincoln Center Building
Denver, Colorado 80264

Re: Rescind Application for Permit
to Drill
Well No. Credo A-3
Section 6, T. 16 S., R. 26 E.
Grand County, Utah
Lease U-24638

Gentlemen:

The Application for Permit to Drill the referenced well was approved on April 23, 1982. Since that date no known activity has transpired at the approved location. Under District policy, applications for permit to drill are effective for a period of one year. In view of the foregoing, this office is rescinding the approval of the referenced application without prejudice. If you intend to drill at this location at a future date, a new application for permit to drill must be submitted.

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

Sincerely,

(ORIG. SGD.) W. P. MARTENS

 E. W. Guynn
Chief, Branch of Fluid Minerals

bcc: Well File
SMA
State O&G ✓
State BLM
APD Control

WPM/kr