

UTAH OIL AND GAS CONSERVATION COMMISSION

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

LOCATION ABANDONED, this well was never drilled or destructed as per 3-15-82

DATE FILED 5-19-81
 LAND: FEE & PATENTED _____ STATE LEASE NO. _____ PUBLIC LEASE NO. U-44203 INDIAN _____

DRILLING APPROVED: 10-20-81

SPUDDED IN: _____
 COMPLETED: _____ PUT TO PRODUCING: _____

INITIAL PRODUCTION: _____
 GRAVITY A.P.I. _____
 GOR: _____

PRODUCING ZONES: _____
 TOTAL DEPTH: _____

WELL ELEVATION: 4983' KB

DATE ABANDONED: L.A. 3-15-82, this well was never drilled
 FIELD: -Wildcat 3/86 Undesignated
 UNIT: _____

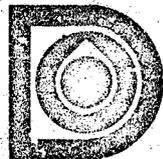
COUNTY: Grand

WELL NO. Mathew Federal #3 API# 43-019-30871

LOCATION 2309' FT. FROM (S) LINE, 716' FT. FROM (W) LINE, NW SW 1/4 - 1/4 SEC. 3

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
				<u>26S</u>	<u>20E</u>	<u>3</u>	<u>DAVIS OIL COMPANY</u>

DAVIS OIL COMPANY 410 - 17TH STREET, SUITE 1400
DENVER, COLORADO 80202
TELEPHONE: 303-623-1000



NEW ORLEANS
HOUSTON
TULSA

May 19, 1981

RECEIVED
AUG 17 1981

U.S.G.S.
1745 West & 1700 South
Salt Lake City, Utah 84104

DIVISION OF
OIL, GAS & MINING

RE: #3 Matthew Federal
CNW SW Sec. 3, T26S, R20E
Grand County, Utah

Gentlemen:

Enclosed please find for your approval, an original and three copies of the Application for Permit to Drill, together with four copies of the Staking Plat covering the drilling of the captioned proposed test.

By carbon copy of this letter to the Utah State Oil & Gas Commission, we are furnishing them with a copy of our application and plat.

Your early attention to the approval of said application will be appreciated.

Very truly yours,

DAVIS OIL COMPANY

Michelle Fisher

Michelle Fisher
Executive Secretary

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MAY 26 1981

DIVISION OF
OIL, GAS & MINING

/mf
Enclosures

✓ cc: Utah State Oil & Gas Commission

P.S. - Designation of Operator from ENI, Interstate Investment, Minors, PIP Energy and Marc Rich will be forthcoming.

12

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
 DAVIS OIL COMPANY

3. ADDRESS OF OPERATOR
 410 17th Street, Suite 1400, Denver, Colorado 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface CNW SW Sec. 3, T26S, R20E
 At proposed prod. zone 2309' FSL & 716' FWL
~~2031' FSL, 625' FWL~~

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 10 miles east of Moab, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 608' north

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. NONE

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 4880' GR Est., 4983' KB Est.

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	54.5# K-55	STC (NEW)	0-300' 200 sxs. est.
12 1/4"	9 5/8"	36# K-55	STC (NEW)	0-3000' 750 sxs. est.
8 3/4"	5 1/2"	20# N-80	LTC (NEW)	0-7080' 500 sxs. est.

5. LEASE DESIGNATION AND SERIAL NO.
 U-44203
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME

 7. UNIT AGREEMENT NAME

 8. FARM OR LEASE NAME
 Matthew Federal
 9. WELL NO.
 #3
 10. FIELD AND POOL, OR WILDCAT
Wildcat Development
 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 3, T26S, R20E
 12. COUNTY OR PARISH
 Grand
 13. STATE
 Utah

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 AUG 17 1981

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 AUG 17 1981

(SEE TEN POINT PROGRAM)
 DIVISION OF
 OIL, GAS & MINING

DIVISION OF
 OIL, GAS & MINING

DIVISION OF
 OIL, GAS & MINING

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 Ed Lafaye TITLE Chief Geologist DATE 5/19/81

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY THE STATE
 OF UTAH DIVISION OF
 OIL, GAS, AND MINING
 DATE: 10/21/81
 BY: [Signature]

R20E

2634[±](MEAS.)

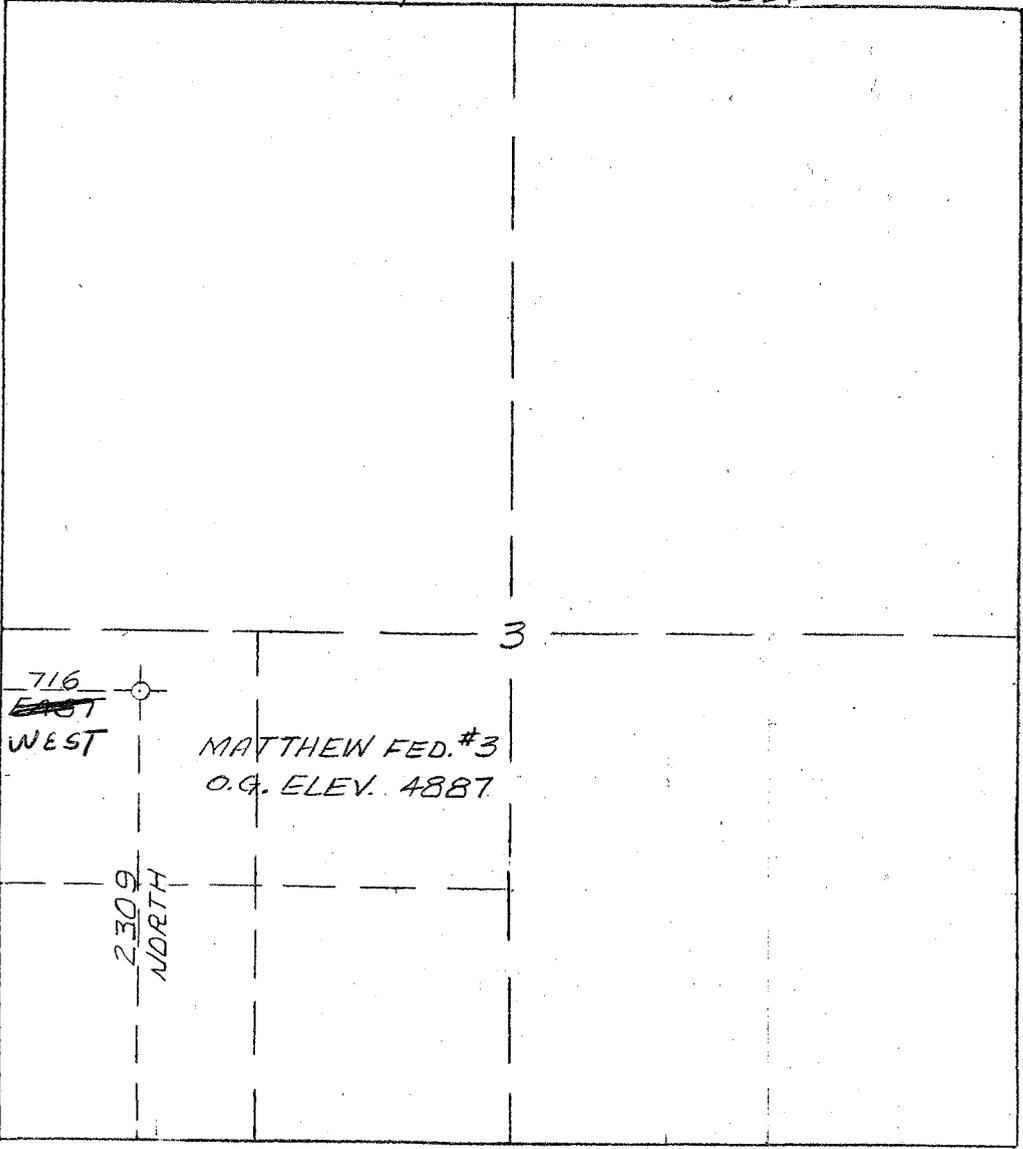
2636[±]

BEARING FROM SOLAR OBSERVATION

3257[±]

N0°02'W

2640



3285[±]

N0°01'W

T 26 S

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2640[±]

N89°57'W

2640[±]

MAY 20 1981

DIVISION OF OIL, GAS & MINING

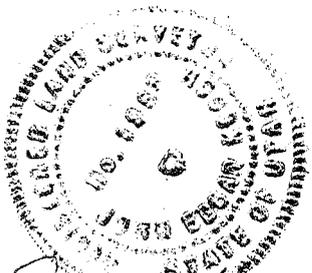
BOUNDARY DATA-RECORD UNLESS NOTED.
LOCATION SURVEYED FROM SOUTH 1/4 COR,
SECTION 4, TIE TO SW COR, SEC. 3 COMPUTED

WELL LOCATION PLAT OF MATTHEW FED. NO 3
IN NW 1/4 SW 1/4, SEC. 3, T. 26 S., R. 20 E., S.L.B. & M.
GRAND COUNTY, UTAH

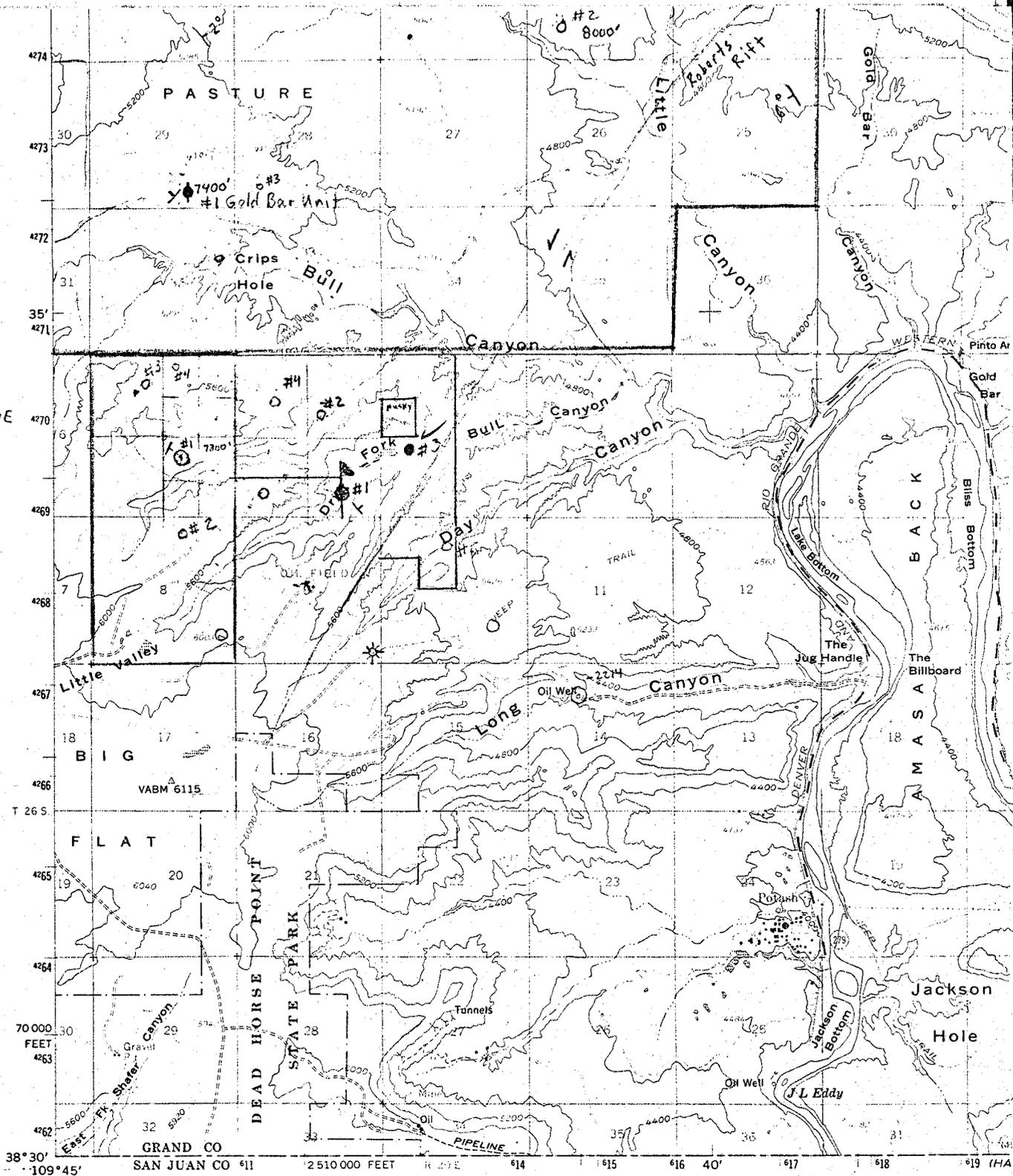
FOR: DAVIS OIL CO.

SCALE: 1"=1000' MAY 5, 1981
TRANSIT & EDM. SURVEY

ELEV. BY VERTICAL ANGLES FROM U.S.G.S
TOPO. QUAD. "MOAB, UTAH" 1959. (S. 1/4 SEC. 4 = 5040)



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

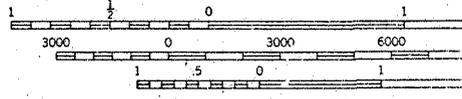
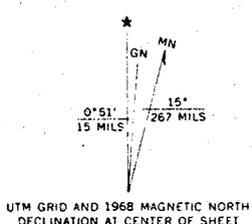


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Mapped, edited, and published by the Geological Survey
 Control by USGS and USC&GS
 Topography from aerial photographs by photogrammetric methods
 Aerial photographs taken 1953. Field check 1959
 Polyconic projection. 1927 North American datum
 10,000-foot grid based on Utah coordinate system,
 central zone
 1000-meter Universal Transverse Mercator grid ticks,
 zone 12, shown in blue
 Red tint indicates area in which only landmark buildings are shown
 Revisions shown in purple compiled from aerial photographs
 taken 1968. This information not field checked
 Purple tint indicates extension of urban areas



CONTOUR
 DOTTED LINES RE
 DATUM

THIS MAP COMPLIES WITH M
 FOR SALE BY U.S. GEOLOGICAL SURVEY, DE
 A FOLDER DESCRIBING TOPOGRAPHIC M

TEN POINT PROGRAM

1) SURFACE FORMATION: Chinle

2 & 3) ESTIMATED TOPS: (Water, Oil, Gas or Mineral bearing formations)

Chinle	surface	shale
Cutler	480'	brackish water where porous
Hermosa	2380'	salt water where porous
Paradox Salt	3678'	salt water where porous
Paradox Clastic #19	6292'	possible oil and gas
Cane Creek Zone	6649'	possible oil and gas
Matthew Zone	6760'	possible oil and gas
Base Salt	7061'	salt water where porous
Total Depth	7080'	tite

RECEIVED

AUG 17 1981

DIVISION OF
OIL, GAS & MINING

4) CASING PROGRAM:

- 17 1/2", 13 3/8" 54.5# K-55 STC(NEW) 0-300' 200 sxs. est.
- 12 1/4", 9 5/8" 36# K-55 STC(NEW) 0-3000' 750 sxs. est.
- 8 3/4", 5 1/2" 20# N-80 LTC(NEW) 0-7080' 500 sxs. est.

5) PRESSURE CONTROL EQUIPMENT: (See attached schematic diagram) BOP's and choke manifold will be installed and pressure tested before drilling out under surface casing and then will be checked daily as to mechanical operating condition. Ram type preventors and related pressure control equipment will be pressure tested to rated working pressure of the stack assembly or to 70% of the minimum internal yield pressure of the casing. Annular type preventors will be tested to 50% of their rated working pressure. BOP's will be pressure tested at least once every 30 days.

6) MUD PROGRAM:

- 0-300' water spud mud
 - 300-3000' air mist
 - 3000-7080' salt water-gel 10-13.5 ppg based on offset of wells. 35-50 vis., 10 cc W.L., PH 9.5.
- Sufficient mud materials to maintain mud properties, control lost circulation and to contain blowout will be available at wellsite.

7) AUXILLIARY EQUIPMENT:

- 1) Kelly Cock.
- 2) Drill Pipe Float (Except for lost circulation drilling conditions)
- 3) Monitoring of Mud System will be visual unless otherwise specified.
- 4) A sub on the floor with a full opening valve to be stabbed into drill pipe when Kelly is not in the string.

8) LOGGING:

- CNL-FDC, DIL, Dipmeter - from base of surface casing to total depth.
- FIL, NGT - from 4000' to total depth.

CORING:

None planned, possibly 2-40' core Cane Creek

8) Continued -

TESTING:

1 DST Cane Creek, 1 DST Clastic #19, 1 DST Matthew Zone.

STIMULATION:

Cane Creek Formation - 3000 gallons 28% HCL.

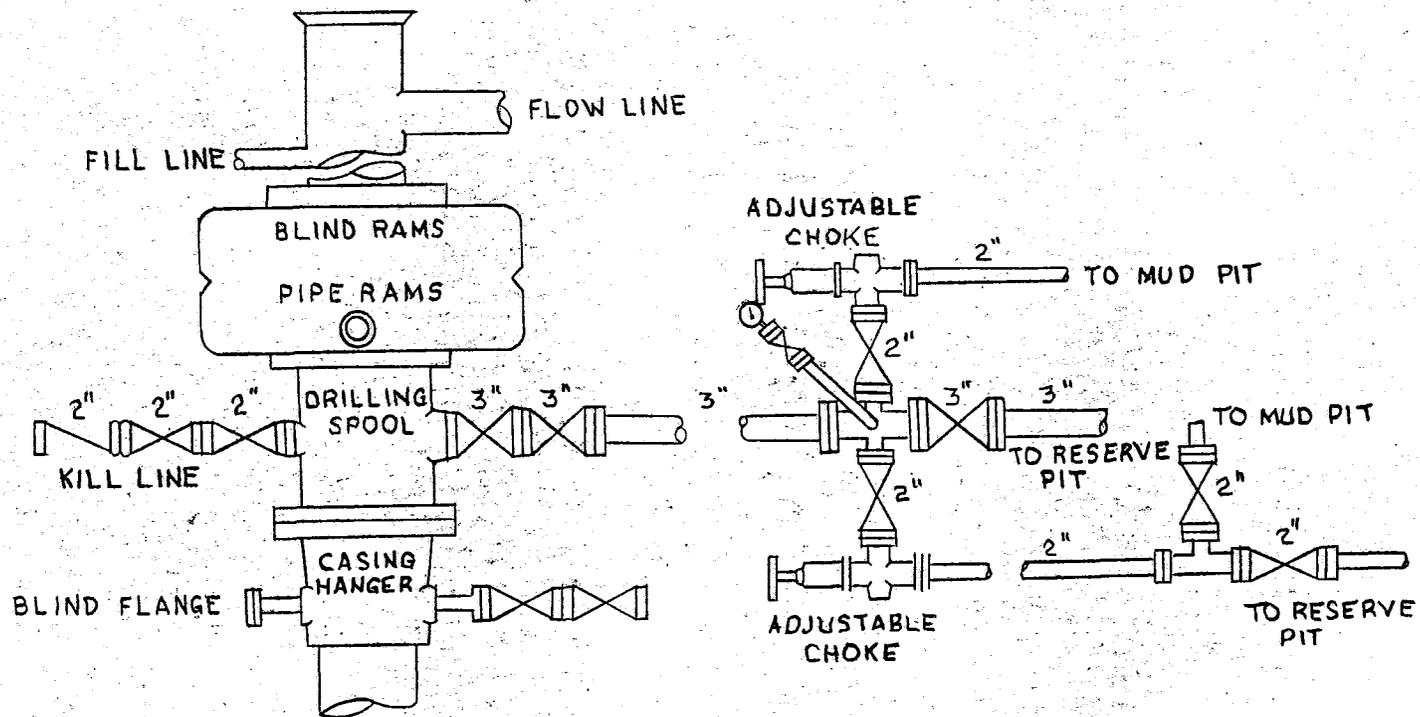
Actual volume of treatment will be dependent upon thickness of pay and evaluation of zone of interest.

9) ABNORMAL PRESSURE: This firm does not anticipate any abnormal pressure of temperatures or any other hazards. This is based on previous geological data from nearby wells.

ESTIMATED BOTTOMHOLE PRESSURE: 4700 PSI.

10) ANTICIPATED STARTING DATE: Within 30 - 45 days from Government approval.

DURATION OF OPERATION: 30-60 Days.



DAVIS OIL COMPANY

CACTUS DRILLING RIG NO. 5 é 19

BLOW-OUT PREVENTION SYSTEM

12" 900 SERIES SHAFFER TYPE 48

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

NEPA CATEGORICAL EXCLUSION REVIEW

PROJECT IDENTIFICATION

Operator/Project Name Davis Oil Co. Matthew Federal #3

Project Type Development Oil Test

Project Location 2309' FSL, 716' FWL, Sec. 3, T26S, R20E, Grand Co., Utah

Date Project Submitted May 26, 1981

FIELD INSPECTION

Date June 16, 1981

Field Inspection
Participants

Roy Moyer - Davis

Jim Boulden - Boulden Construction

Bobby Starrett - Dalgarno Transportation

Russ Ebel, Diane Huffman - Fort Lewis College

~~Elmer Duncan, Mical Walker, Scott Packer, Tom Hare, Carmen Beightel~~
BLM

Glenn Doyle - USGS

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.

July 27, 1981
Date Prepared

Glenn M. Doyle
Environmental Scientist

I concur

AUG 03 1981
Date

W. M. M... FOR
District Supervisor
E. W. GUYNN
DISTRICT ENGINEER

CATEGORICAL EXCLUSION REVIEW INFORMATION SOURCE

Criteria	Federal/State Agency			Local and private correspondence (date)	Previous NEPA	Other studies and reports	Staff expertise	Onsite inspection (date)	Other
	Correspondence (date)	Phone check (date)	Meeting (date)						
516 DM 2.3.A									
Public health and safety					1,2			6/16/81	
Unique characteristics					1,2				
Environmentally controversial					1,2		6		
Uncertain and unknown risks						4			
Establishes precedents					1,2		6		
Cumulatively significant					1,2		6		
National Register historic places	1-6/29/81								
Endangered/threatened species	1-6/29/81								
Violate Federal, State, local, tribal law						4			

Site-specific stipulations attached

COMMON REFERENCE LIST

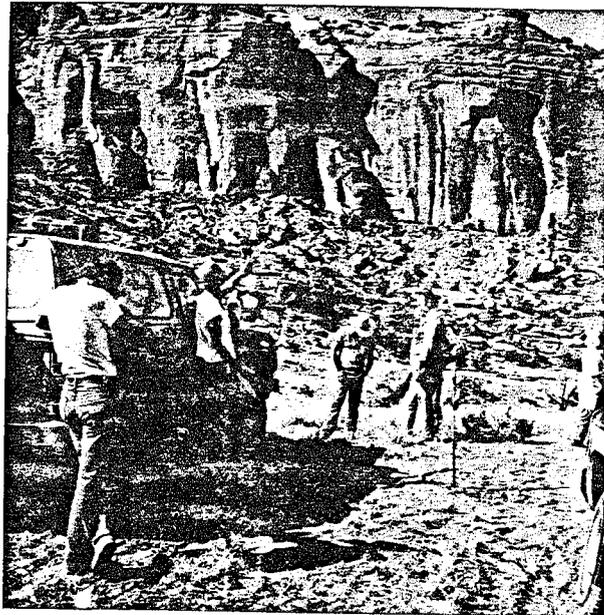
NEPA Categorical Exclusion Review

1. SMA Input
2. Reviews, reports, or information received from Geological Survey (CD, GD, WRD, TD).
3. Lease Stipulations/Terms
4. Application to Drill
5. Operator correspondence
6. Field observation
7. Private Rehabilitation Agreement

Davis Oil Co.
Matthew Fed. #3

Site-specific Stipulations

- 1) Rotate location 90° clockwise to place the reserve pit in cut.
- 2) Line the reserve pit with a minimum 30 mil thickness plastic liner underlain by a 6" or thicker, sand/soil blanket. The edges will extend over the fill slopes and be anchored. The mating plastic edges will be overlapped at least 4 feet, folded and taped to insure a good seal. A 2"-4" bentonite/soil layer will be spread on the plastic to provide a measure of protection against puncture from cuttings during the air drilling phase. The pit will be keyseated.
- 3) All plastic will be removed when the pit is dry and considered no longer useable.
- 4) A diversion ditch will be constructed on the east edge to control runoff.
- 5) Fence the reserve pit on three sides prior to drilling and on the fourth side once the rig moves off.



*Davis Matthew Fed. #3
Sec. 2, T26S, R20E, Grand Co.,
Utah*



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-068)
U-44203

JUN 26 1981

Memorandum

To: Oil & Gas Office
USGS Conservation Division
P. O. Box 3768
Grand Junction, CO. 81501

From: Area Manager, Grand

Subject: Davis Oil Company (APD)
Matthew Fed. #3, Lease #U-44203
NW/SW Section 3, T. 26 S., R. 20 E., SLB&M
Grand County, Utah

On June 16, 1981 a representative from this office met with Glenn Doyle, USGS, and Roy Mower, agent of the Davis Oil Company for an inspection of the above referenced location. Subject to the attached conditions and written approval from USGS, 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 Davis Oil Company.

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

U. S. GEOLOGICAL SURVEY
OIL AND GAS OPERATIONS
RECEIVED

JUN 29 1981

GRAND JUNCTION, COLORADO

STANDARD STIPULATIONS FOR OIL & GAS EXPLORATION

Contact this office at least 48 hours prior to beginning construction of access road and pad.

Stockpile the surface 12 inches of topsoil in a wind-row on the south east quadrant of the location.

The upper banks (uphill side) of all cuts will be rounded during construction of the access road and pad.

Notify the BLM District Archaeologist if cultural material from sub-surface deposits is exposed during the operation.

The trash cage will be at the location and fenced with fine mesh wire during drilling operations.

The "blooey" line will be centered and directed into the pit.

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 and Gas" pamphlet (joint BLM, USGS and USFS publication).

If production is obtained, all production facilities will be painted. (See enclosed suggested colors - for facilities).

Rehabilitation of the site and access road will be accomplished in accordance with the enclosed restoration procedures.

Production facilities and pipeline route are approved on this location under lease rights.

As agreed upon at the Pre-drill field examination -

Access -

- 1) A class "D" county road goes from the Dead Horse Point road to this location in Sec. 3, T. 16 S., R. 20 E., SLB&M. The new road construction will be approximately 100 feet to get onto the location from the county road. Surface disturbance will be kept to a minimum, by flat blading the access.

Location -

- 1) Rotate rig layout 90 degrees clock wise to put the pit(s) in the cut portion of the pad.
- 2) Pit(s) will be in the south east corner of the pad. They will be 100 feet wide x 120 feet long x 8 feet deep. Pit(s) will be adequately lined prior to start of drilling. Plastic cover of 30 mill thickness will be used to insure the pit(s) against losing liquids by seeping into the ground. Seams where plastic strips join will be over lapped and folded and covered where plastic covers the edge of the pit(s) to prevent seepage, and dike ruptures.

- 3) Pit(s) dikes along the edges of the pad will be 1.5 feet -2.0 feet higher than the pad level, constructed in 8 inch soil lifts, and compacted with machinery. The top of the dike will be wide enough for machinery to travel over.
- 4) Pit(s) will be fenced on 3 sides, with 5 strands of barbed wire prior to drilling, the 4th side will be fenced prior to rig removal.
- 5) All above ground structures will be painted immediately after installation - because this area receives high recreation use.

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 percent	Grade	-	200 ft. intervals
2-4 percent	Grade	-	100 ft. intervals
4-5 percent	Grade	-	75 ft. intervals
5 percent	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

<u>Species</u>		<u>lbs/ac</u>
<u>Grasses</u>		
Oryzopsis hymenoides	Indian rice grass	1
Hilaria jamesii	Curley grass	1
<u>Forbs</u>		
Sphaeralcea coccinea	Globemallow	1
<u>Shrubs</u>		
Ceretoides lanata	Winterfat	1
Atriplex confertifolia	Shadscale	<u>1</u>
	Total	5



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	-----
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.

U. S. GEOLOGICAL SURVEY - CONSERVATION DIVISION

FROM: DISTRICT GEOLOGIST, ME, SALT LAKE CITY, UTAH

TO : DISTRICT ENGINEER, O&G, SALT LAKE CITY, UTAH

SUBJECT: APD MINERAL EVALUATION REPORT

LEASE NO. U-44203

OPERATOR: Davis Oil Co.

WELL NO. 3

LOCATION: C NW 1/4 SW 1/4 sec. 3, T. 26S., R. 20E., SLM

Grand County, Utah

1. Stratigraphy:

Chinle	surface
Cutler	480'
Hermosa	2380'
Paradox	
Ismay	
Salt	3680'
Cane Creek	6650'
TD	7080'

2. Fresh Water:

Fresh water may be present in Cutler sandstones.

3. Leasable Minerals:

NaCl: Paradox
Potash: Paradox
Oil/Gas: Cane Creek

4. Additional Logs Needed: Adequate

5. Potential Geologic Hazards: None expected

6. References and Remarks:

Signature: Gregory W. Wood

Date: 6 - 2 - 81

DAVIS OIL COMPANY

10 - 17TH STREET, SUITE 1400
DENVER, COLORADO 80202
TELEPHONE: 303-623-1000

NEW ORLEANS
HOUSTON
TULSA



July 20, 1981

RECEIVED
JUL 22 1981

DIVISION OF
OIL, GAS & MINING

Mr. Mike Minder
State of Utah, Division
of Oil, Gas and Mining
Dept. of Natural Resources
1588 W. North Temple
Salt Lake City, Utah 84116

RE: Exception to Rule C-3
#3 Matthew Federal
NWSW Sec. 3, T26S, R20E
2309' FSL, 716' FWL
Grand County, Utah

Dear Mr. Minder:

With reference to drilling of the captioned test, please allow this letter to serve as our request for an exception to Rule C-3. The indicated location is necessary because of extreme topography. As shown on the Moab 15' U.S.G.S topographic map, a steep spur of sandstone prevents us from moving the location south. We own all leases with a 660-foot radius of the location with the exception of the SW/4NW/4 Section 3 which is leased by Husky Oil. We have asked Husky to approve our location.

Very truly yours,

DAVIS OIL COMPANY

Michelle Fisher
Executive Secretary

/mf

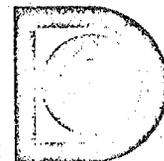
Enclosure

cc: Husky Oil

DAVIS OIL COMPANY

410 17TH STREET, SUITE 1100
DENVER, COLORADO 80202
TELEPHONE 336-6711

NEW ORLEANS
HOUSTON
TULSA



Handwritten: Hang on

July 9, 1981

Mr. Mike Minder
State of Utah, Division of
Oil, Gas & Mining
Dept. of Natural Resources
1588 W. North Temple
Salt Lake City, Utah 84116

RE: Exception to Rule C-3
#2 Matthew Federal well
NW NE Sec. 4, T26S, R20E
2081' FEL, 1850' FNL
Grand County, Utah

Dear Mr. Minder:

With reference to drilling of the captioned test, please let this serve as our request for an exception to Rule C-3. We are unable to move the location north away from the common boundary of SW NE/4 and NW NE/4 Section 4 because of the walls of a steep canyon. The extreme topography is documented by our location survey plat and a xerox of the Moab 15' topo map, both enclosed.

Also enclosed, find a drillstem test report and a completion history for the Matthew Federal No. 1 that will document the oil production from the Cane Creek Zone of the Paradox Formation. We are still trying to complete this well.

In addition, Davis Oil owns a 100% oil and gas lease on all acreage within a 660-foot radius of the proposed unorthodox location of the Matthew Federal No. 2 well.

Very truly yours,

DAVIS OIL COMPANY

Michelle Fisher
Executive Secretary

WBH:mf
Enclosures



SCOTT M. MATHESON
Governor

OIL, GAS, AND MINING BOARD

GORDON E. HARMSTON
Executive Director,
NATURAL RESOURCES

STATE OF UTAH

CHARLES R. HENDERSON
Chairman

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL, GAS, AND MINING

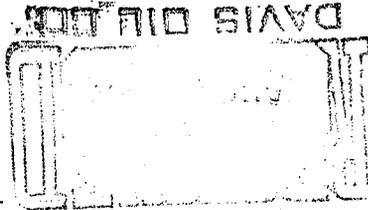
JOHN L. BELL
C. RAY JUVELIN
THADIS W. BOX
MAXILIAN A. FARBMAN
EDWARD T. BECK
E. STEELE McINTYRE

CLEON B. FEIGHT
Director

1588 West North Temple
Salt Lake City, Utah 84116
(801) 533-5771

August 10, 1981

Davis Oil Company
410 17th Street, Ste.#1400
Denver, Colorado 80202



RE: Well No. Matthew Federal #3,
Sec. 3, T. 26S, R. 20E,
Grand County, Utah

Dear Mr. Lafaye:

I am returning your Application For Permit to Drill the above referenced well. Should you desire at some future date to drill this well, please feel free to reapply. However, i would call you attention to the proposed location, which will necessitate a request for an unorthodox location under Rule C-3(c), in the General Rules and Regulations of Practice and Procedure. We will also need the oil well designation of the Matthew Federal #1.

Sincerely,

DIVISION OF OIL, GAS, AND MINING

Michael T. Minder
Petroleum Engineer

MTM/db
Enclosure

DAVIS OIL COMPANY 410 - 17TH STREET, SUITE 1400
DENVER, COLORADO 80202
TELEPHONE: 303-623-1000

NEW ORLEANS
HOUSTON
TULSA



August 13, 1981

RECEIVED
AUG 17 1981

Mr. Michael T. Minder
Petroleum Engineer
State of Utah
Division of Oil, Gas & Mining
1588 West North Temple
Salt Lake City, Utah 84116
(801) 533-5771

DIVISION OF
OIL, GAS & MINING

RE: Exception to Rule C-3
Well No. Matthew Federal #3
Sec. 3, T26S, R20E
Grand County, Utah

Dear Mr. Minder:

Regarding your letter of August 10, 1981, we still may want to drill the Matthew Federal No. 3 well in the near future. Please do not terminate our permit. In addition, we previously applied for an unorthodox location by letter dated July 20, 1981 copy enclosed.

At your request we previously submitted under cover of a letter dated July 9, 1981 (and for the Matthew Federal No. 2 unorthodox location) the drill stem test report (documenting oil recovery) and up-to-date completion history for the Matthew Federal No. 1. Although we are still trying to overcome mechanical problems in the completion, the well will be an oil well, not gas. If you desire that we resubmit the information for the Matthew Federal No. 3, please advise.

In addition, please let this serve as our second request for an exception to Rule C-3 for the Matthew Federal No. 3. We request permission to drill the referenced well at a location 716' from west line and 2309' from the south line of Section 3, T26S, R20E because of extreme topography. Davis has 100% leases on all lands within a 660-foot radius of the proposed unorthodox location with the exception of 40-acres in the SW NW/4 section 3 that is leased to Husky Oil. We have asked Husky Oil to give their permission in writing for this unorthodox location.

As shown on the Moab, Utah 15' U.S.G.S. topographic quadrangle (xerox enclosed), the unorthodox location is necessary because of a steep spur of Jurassic-Triassic sandstone that prevents us from moving the location south. Our on-site inspection with U.S.G.S., B.L.M., dirt contractor, and archaeologist indicated that the requested location is virtually, if not the only, buildable location in the NW SW Sec. 3.

If any other information is necessary, please advise.

Sincerely,

Bill Hanson

Bill Hanson

BH/mf

** FILE NOTATIONS **

DATE: Aug. 29, 1981
OPERATOR: Davis Oil Company
WELL NO: Matthew Fed. #3
Location: Sec. 3 T. 26S R. 20E County: David

File Prepared: Entered on N.I.D.:
Card Indexed: Completion Sheet:

API Number 43-019-30871

CHECKED BY:

Petroleum Engineer: _____
Director: OK as per Rule C-3 (c)
Administrative Aide: OK as per Rule C-3(c)

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 Fed. Plotted on Map
Approval Letter Written
Hot Line P.I.

October 20, 1981

Davis Oil Company
410 17th Street
Suite #1400
Denver, Colo. 80202

RE: Well No. Matthew Federal #3,
Sec. 3, T. 26S, R. 20E,
Grand County, Utah

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

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

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 43-019-30871.

Sincerely

DIVISION OF OIL, GAS AND MINING

Cleon B. Feight
Director

CBF/db
CC: USGS

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil well gas well other

2. NAME OF OPERATOR
Davis Oil Company

3. ADDRESS OF OPERATOR
410-17th Street, Suite 1400, Denver, CO 80202

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 716' FWL & 2309' FSL
AT TOP PROD. INTERVAL:
AT TOTAL DEPTH: CNWSW Sec. 3, T26S, R20E

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

5. LEASE
U-44203

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Matthew Federal

9. WELL NO.
#3

10. FIELD OR WILDCAT NAME
Development

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
CNWSW Sec. 3, T26S, R20E

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

14. API NO.
#43-019 30871

15. ELEVATIONS (SHOW DF, KDB, AND WD)
4887' GR

REQUEST FOR APPROVAL TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF	<input type="checkbox"/>		<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>		<input type="checkbox"/>
SHOT OR ACIDIZE	<input type="checkbox"/>		<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>		<input type="checkbox"/>
PULL OR ALTER CASING	<input type="checkbox"/>		<input type="checkbox"/>
MULTIPLE COMPLETE	<input type="checkbox"/>		<input type="checkbox"/>
CHANGE ZONES	<input type="checkbox"/>		<input type="checkbox"/>
ABANDON*	<input type="checkbox"/>		<input type="checkbox"/>
(other) <u>Change of Plans</u>			

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

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

Please be advised that Davis Oil Company has decided not to drill this well. No surface disturbance was done.

Subsurface Safety Valve: Manu. and Type _____ Set @ _____ Ft.

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

SIGNED Ed Lafaye TITLE Chief Geologist DATE 2/26/82
Ed Lafaye

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

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

March 15, 1982

Davis Oil Company
410 - 17th Street - Suite 1400
Denver, Colorado 80202

Re: Applications for Permit to Drill
Well No. 3
Section 3-T26S-R20E
Grand County, Utah
Lease No. U-44203

Well No. 3
Section 5-T26S-R20E
Grand County, Utah
Lease No. U-15029

Well No. 2
Section 8-T26S-R20E
Grand County, Utah
Lease No. U-14643

Gentlemen:

We are returning the referenced applications for permit to drill as per your Sundry Notice dated February 26, 1982.

If you again desire to drill at these locations, please resubmit new complete APD packages in triplicate.

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

Sincerely,

E. W. Gynn
District Oil and Gas Supervisor

DEI/dh

bcc: Well Files
State O&G ✓
State BLM
BLM Moab
APD Control

RECEIVED
MAR 16 1982

DIVISION OF
OIL, GAS & MINING