

UTAH OIL AND GAS CONSERVATION COMMISSION

**GAS**

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

DATE FILED **10-8-82**

LAND FEE & PATENTED                      STATE LEASE NO                     

PUBLIC LEASE NO **U-9831**

INDIAN                     

DRILLING APPROVED **1012-82**

SPOUDED IN                     

COMPLETED                      PUT TO PRODUCING                     

INITIAL PRODUCTION                     

GRAVITY API                     

GOR                     

PRODUCING ZONES                     

TOTAL DEPTH                     

WELL ELEVATION                     

DATE ABANDONED: **2-3-84 LA Application rescinded**

FIELD: **SAN ARROYO 3/96**

UNIT                     

COUNTY: **GRAND**

WELL NO **ARCO FEDERAL "B" #2**

API NO. **43-019-31008**

LOCATION **814** FT FROM (W) (S) LINE                      **507**

FT FROM (E) (W) LINE                      **SW SW**

1/4 - 1/4 SEC **6**

TWP	RGE	SEC	OPERATOR
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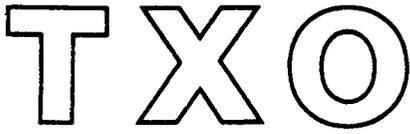
TWP	RGE	SEC	OPERATOR
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16S

25E

6

**TXO PRODUCTION CORP.**



**TXO PRODUCTION CORP.**

1800 LINCOLN CENTER BUILDING  
DENVER, COLORADO 80264

TELEPHONE (303) 861-4246

October 4, 1982

Mr. Norm Stout  
State of Utah  
Division of Oil, Gas & Mining  
4241 State Office Building  
Salt Lake City, Utah 84114

Re: Arco Federal "B" #2  
Section 6-T16S-R25E  
Grand County, Utah

Dear Mr. Stout:

Enclosed please find one copy of the APD/MSUOP for the above-referenced well. Please note that this is a **directional drill proposal** and that the footages at the proposed production zone are 760' FSL and 650' FWL with a 150' target radius.

TXO Production Corp. requests an administrative spacing exception for this prospect, pursuant to spacing order 149-1. The decision to locate this well where it is was based on both topographic and geologic considerations. (See Exhibit 4 of the MSUOP.)

TXO anticipates spudding this well on or about October 14, 1982. Consequently, we request an expeditious review of this application. If you have any questions, please contact me at this office.

Very truly yours,

TXO PRODUCTION CORP.

Paul Urban  
Environmental Scientist

PU/BS  
Enclosure/as stated

**RECEIVED**

OCT 08 1982

DIVISION OF  
OIL, GAS & MINING



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  
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: 77' FSL, 1913' FWL, Section 6-T16S-R25E  
At proposed prod. zone: Dakota Sands 760' FSL, 650' FWL  
Total Depth: 814' FSL, 507' FWL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
Approximately 41 miles NW of Mack, Colorado.

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 650'

16. NO. OF ACRES IN LEASE 697

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 250'

19. PROPOSED DEPTH 6250' MD, 150' TVD

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
7268' GR

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 1/4"	9 5/8"	36#	300'	160 sacks
8 3/4"	7"	20#	2807' MD 2750' TVD	200 sacks
6 1/4"	4 1/2"	10.5#	6499' MD 6250' TVD	150 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	1000
Angle Established	1901'	146'	18.3°	1913'
Initial Objective	5900'	1471'	18.3°	6130'
Total Depth	6250'	1587'	18.3°	6499'

The initial target (Dakota Sands) is located 760' FSL and 650' FWL of Section 6 and is planned with a 150' target radius to comply with applicable State spacing regulations.

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 Dist. Drilling Engineer DATE 10/4/82

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_

APPROVAL DATE **APPROVED BY THE STATE**

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_

**OF UTAH DIVISION OF OIL, GAS, AND MINING**  
DATE: 10-12-82  
BY: Harmon E. Stout

5. LEASE DESIGNATION AND SERIAL NO. U-9831  
6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
7. UNIT AGREEMENT NAME  
8. FARM OR LEASE NAME Arco Federal "B"  
9. WELL NO. #2  
10. FIELD AND POOL, OR WILDCAT San Arroyo  
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 6-T16S-R25E  
12. COUNTY OR PARISH Grand  
13. STATE Utah

OIL, GAS & MINING DIVISION OF UTAH  
OCT 08 1982

9-331 C ADDENDUM  
Arco Federal "B" #2  
Section 6-T16S-R25E  
Grand County, Utah

1. SURFACE FORMATION: Mesaverde
2. ESTIMATED FORMATION TOPS:

Castlegate	2350'	Depths given are true vertical depths (TVD)
Mancos	2550'	
Dakota Silt	5900'	
Morrison	6150'	
Total Depth	6250'	

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

Expected Gas Zones:	Castlegate	2350' (TVD)
	Mancos "B"	2550' (TVD)
	Dakota	5900' (TVD)

Water may be encountered in the Mesaverde 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	1901'	146.0'	18.3°	1913'
Initial objective	5900'	1471.0'	18.3°	6130'
Total Depth	6250'	1587.0'	18.3°	6499'

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 18.3° from vertical is established, the angle will be held to the proposed TD of 6250' (TVD). ~~The bottomhole target (Dakota sand group) is located 760' FSL, 650' FWL of Section 6 and is planned with a 150' 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' Air or air mist. If necessary, will use spud mud at 8.8-9.2#/gal., vis. 28-32 sec. API.
  - 300'-TD Air or air mist. If necessary, will use aerated 3% KCl mud at 8.6-8.8#/gal., vis. 35-45 sec. API.
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. Logging will consist of the following: DISFL-GR from surface to TD, SNP-FDC-GR-CAL from TD to intermediate pipe; if logged wet, CNL-FDC-GR-CAL.
  - C. No DST's are planned.
10. ABNORMAL CONDITIONS:
- A. No abnormal pressures or temperatures are expected.
  - B. No hazardous gases such as H<sub>2</sub>S 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:
- |                               |                   |
|-------------------------------|-------------------|
| Spud date                     | October 30, 1982  |
| Complete drilling             | November 17, 1982 |
| Completed, ready for pipeline | December 1, 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: October 4, 1982

WELL NAME: ARCO Federal "B" #2

LOCATION: 77' FSL, 1913' FWL, Section 6-T16S-R25E, Grand County, Utah.

FEDERAL OIL & GAS LEASE NO.: U-9831

1. EXISTING ROADS

- A. Proposed well site as staked. Refer to Exhibit 2. The drill site for this directionally-drilled well has been staked 77' FSL and 1913' FWL in Section 6-T16S-R25E.
- B. Route and distance from nearest town or locatable reference point to where well access route leaves main road: From Mack, Colorado, proceed west on Highway 6 for 15.5 miles to the Harley Dome Road. Then turn right on the Harley Dome Road and proceed northwest on an improved gravel road for 5.7 miles to a fork. Take the left fork (right fork goes up Bryson Ridge) and proceed west for 0.2 mile to a fork. Take the right fork and proceed northwest for 6.2 miles to a fork. Take the right fork and proceed up East Canyon for 13.3 miles to the beginning of the proposed access road.
- 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: The existing East Canyon Road should not require any upgrading. During wet periods some maintenance may be necessary to allow passage by drillings rigs and well servicing vehicles. Dry periods may necessitate watering the road to control dust.

2. PLANNED ACCESS ROAD

Show all necessary roads to be constructed or reconstructed: An access road, approximately 100 feet long, will be constructed in an north-south direction between the existing road and the south side of the pad. The proposed road will be 18-20 feet wide with a grade of 3% or less. There will be no cattleguards, gates or cutting of fences. Refer to Exhibit 4. A formal right-of-way application for off-lease surface use and the access road is included at the end of the APD/MSUOP.

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-ARCO Federal "B" #1, Sec. 6-T16S-R25E  
Shenandoah 22 East Canyon Unit, Sec. 12-16S-25E
- G. Shut-in Wells-None
- H. Injection Wells-None
- I. Monitoring or Observation Wells for Other Reasons-None

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

A. Exhibit 5 is a one-mile radius locating the following existing facilities owned by the lessee/operator:

- 1. Tank Batteries-ARCO Federal "B" #1, Sec. 6-T16S-R25E
- 2. Production Facilities-ARCO Federal "B" #1, Sec. 6-T16S-R25E
- 3. Oil Gathering Lines-None
- 4. Gas Gathering Lines-ARCO Fed. "B" #1, Sec. 6-T16S-R25E,  
connected to ARCO Mesa line in Sec. 6
- 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 6.
- 2. Dimensions of facilities: Refer to Exhibit 6.
- 3. The production facilities will include a production pit, a blowdown pit, a production unit, a dehydrator and a metering facility. These facilities will be painted either a dark green or light tan in accordance with BLM-specified colors of the Book Cliffs area. The facilities will be located as shown on Exhibit 6. The pit will be located in cut, will contain all water production and will 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.

5. LOCATION AND TYPE OF WATER SUPPLY

- A. Location and type of water supply: Water will be obtained from one of three sources: Westwater Creek, a pond in Section 31-T15S-R23E or West Salt Wash in Colorado. The source selected will depend on water availability and road conditions.
- B. Method of transporting water: The water will be hauled in trucks by a certified water hauler, along the routes 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. Prior to constructing location, vegetation will be stripped from pad and this material will be stockpiled on the east side of the pad. Any trees, on the pad or along the access road, larger than 4" in diameter will be bucked into 4' lengths and removed from the location. Approximately 6" of topsoil will be stripped from the pad area and stockpiled on the south 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 12,900 cubic yards of material will be derived from cuts on location and approximately 5,600 cubic yards of fill is needed. Refer to Exhibit 7.
- D. Show any needed access roads crossing Federal or Indian Lands: The access road will cross BLM administered lands in Sections 6 and 7-T16S-R25E. Refer to Exhibit 4.

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 drilling reserve pit will be fenced on three sides during drilling, and on the fourth side after the rig moves off location.
- G. Statement regarding proper cleanup when rig moves out. When the rig moves out, all trash and refuse will be removed 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 Exhibits 7a and 7b.
- B. Location of mud tank, reserve pit, trash bin, pipe racks and other facilities: Refer to Exhibit 7a.
- C. Rig orientation, parking area: Refer to Exhibit 7a.
- D. Statement regarding pit lining: Reserve pit will be unlined. However, if the sub-surface structure is too porous or is highly fractured, a four 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 as described above.

In the event the well is not a producer, that portion of the access road requested by BLM to 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 December 1, 1982, and will be completed within approximately one year.

11. OTHER INFORMATION

General description of:

- A. Topography, soil characteristics, geologic features, flora, fauna: The drill site is located in a confined canyon bottom. The soil in the area consists of a silty loam. Vegetation is comprised of pinyon pine, juniper, oak brush, sagebrush, herbs and native grasses and covers approximately 50% of the ground. Animals include deer, small mammals and birds.
- 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. An ephemeral stream flows through East Canyon. An archeological survey will be performed and the results will be forwarded to the Moab office of the BLM.

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: October 4, 1982

  
\_\_\_\_\_  
Ronald E. Dashner  
District Drilling Engineer

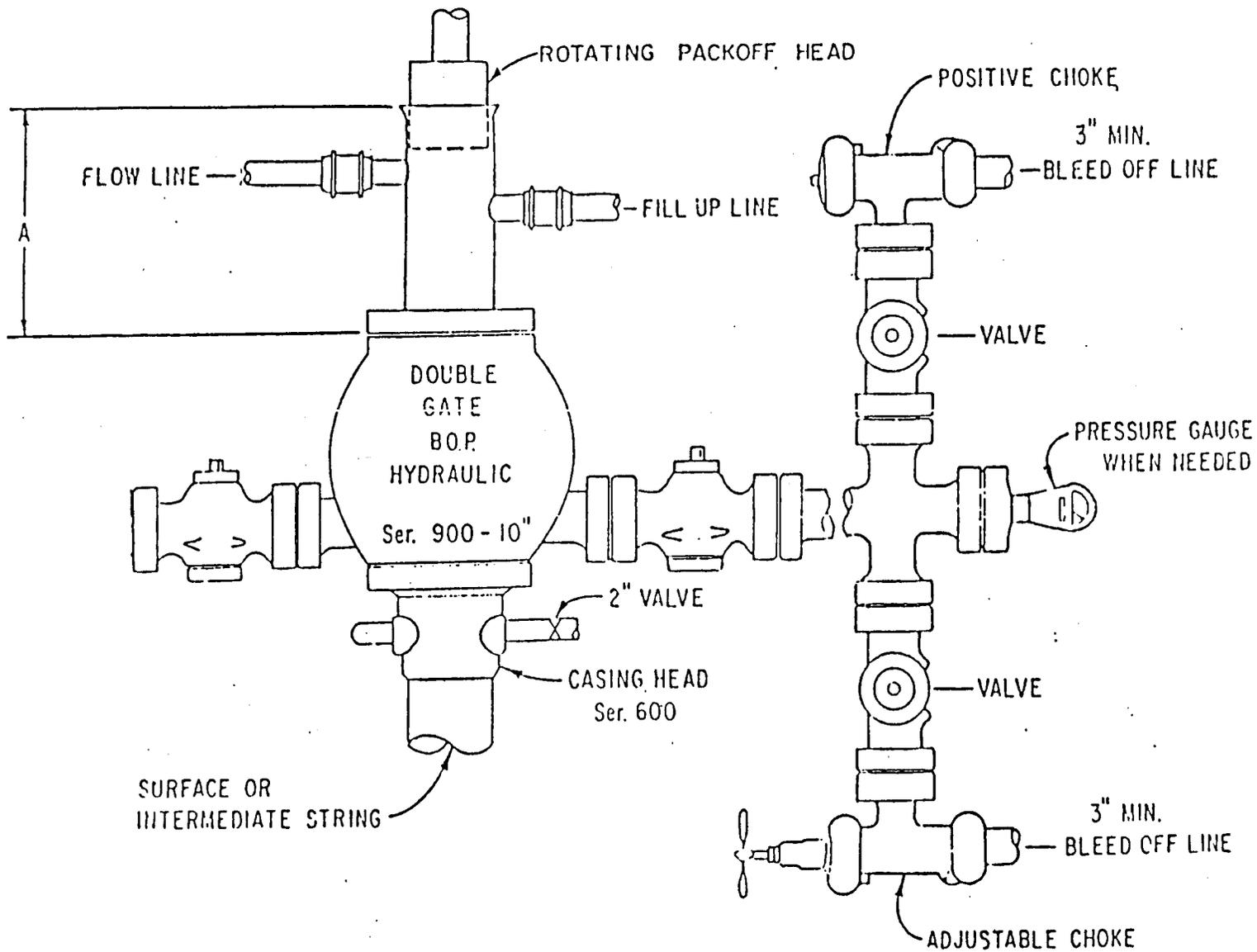
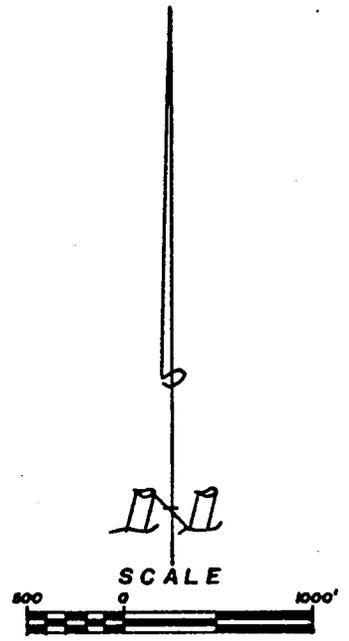
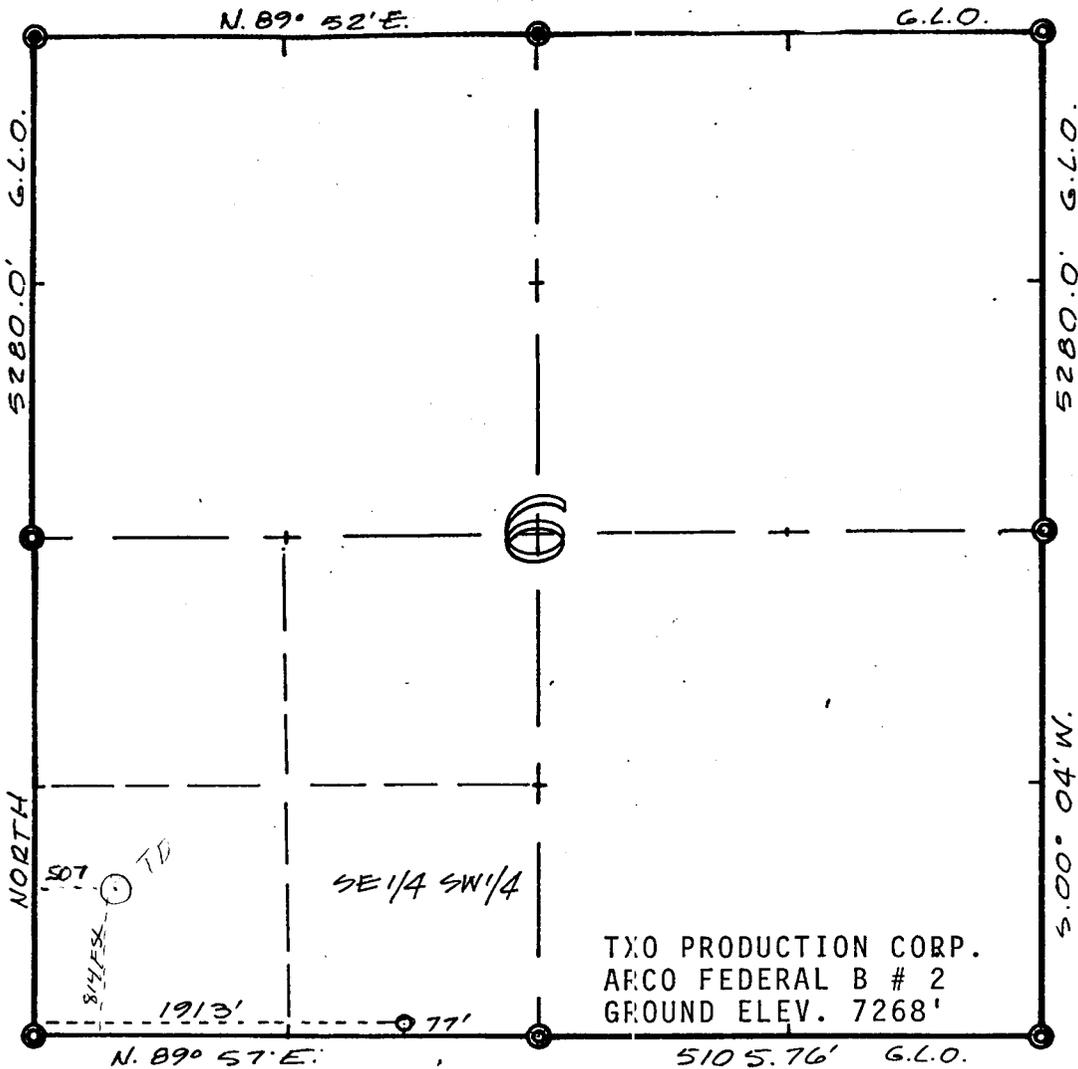


EXHIBIT I  
 BLOWOUT PREVENTER DIAGRAM

SEC. 6, T. 16 S., R. 25 E. OF THE S.L.M.

EXHIBIT # 2



- LEGEND**
- STANDARD LOCATION OF G.L.O. CORNERS.
  - G.L.O. CORNERS FOUND.
  - WELL LOCATION STAKED.
- REFERENCE DOCUMENTS**
- 1924 GLO PLAT
  - SAN ARROYO RIDGE, UT QUADRANGLE, USGS

TXO PRODUCTION CORP.  
ARCO FEDERAL B # 2  
GROUND ELEV. 7268'

THIS WELL LOCATION PLAT WAS PREPARED FOR TXO PRODUCTION CORP.  
AS REQUESTED BY PAUL URBAN, TO LOCATE THE  
ARCO FEDERAL B # 2, 77' F.S.L. & 1913' F.W.L.,  
IN THE SE 1/4 SW 1/4, OF SECTION 6, T. 16 S., R. 25 E. OF THE S.L.M.  
GRAND COUNTY, UTAH.

**SURVEYOR'S CERTIFICATE**

I, LARRY D. BECKER A REGISTERED LAND SURVEYOR  
IN THE STATE OF UTAH DO HEREBY CERTIFY THAT THIS  
SURVEY WAS MADE UNDER MY DIRECT SUPERVISION AND  
THAT THIS PLAT REPRESENTS SAID SURVEY.

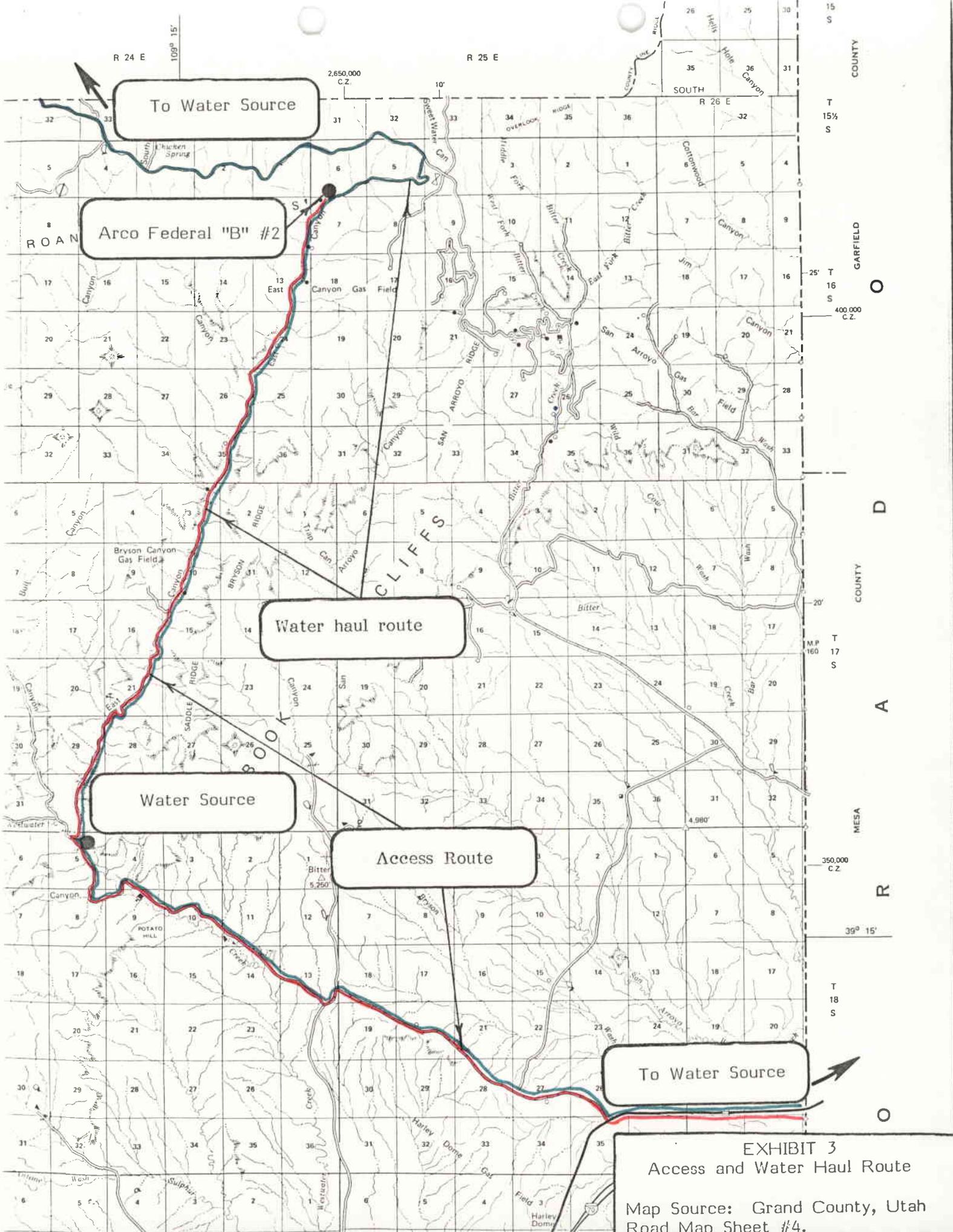
*Larry D. Becker*  
UTAH L.S. NO. 4189

SURVEYED	9/22/82
DRAWN	9/30/82
CHECKED	9/25/82

ENERGY SURVEYS & ENGINEERING CORP.

Exhibit 2  
Survey Plat

SCALE	1" = 1000'
JOB NO.	
SHEET	OF



To Water Source

Arco Federal "B" #2

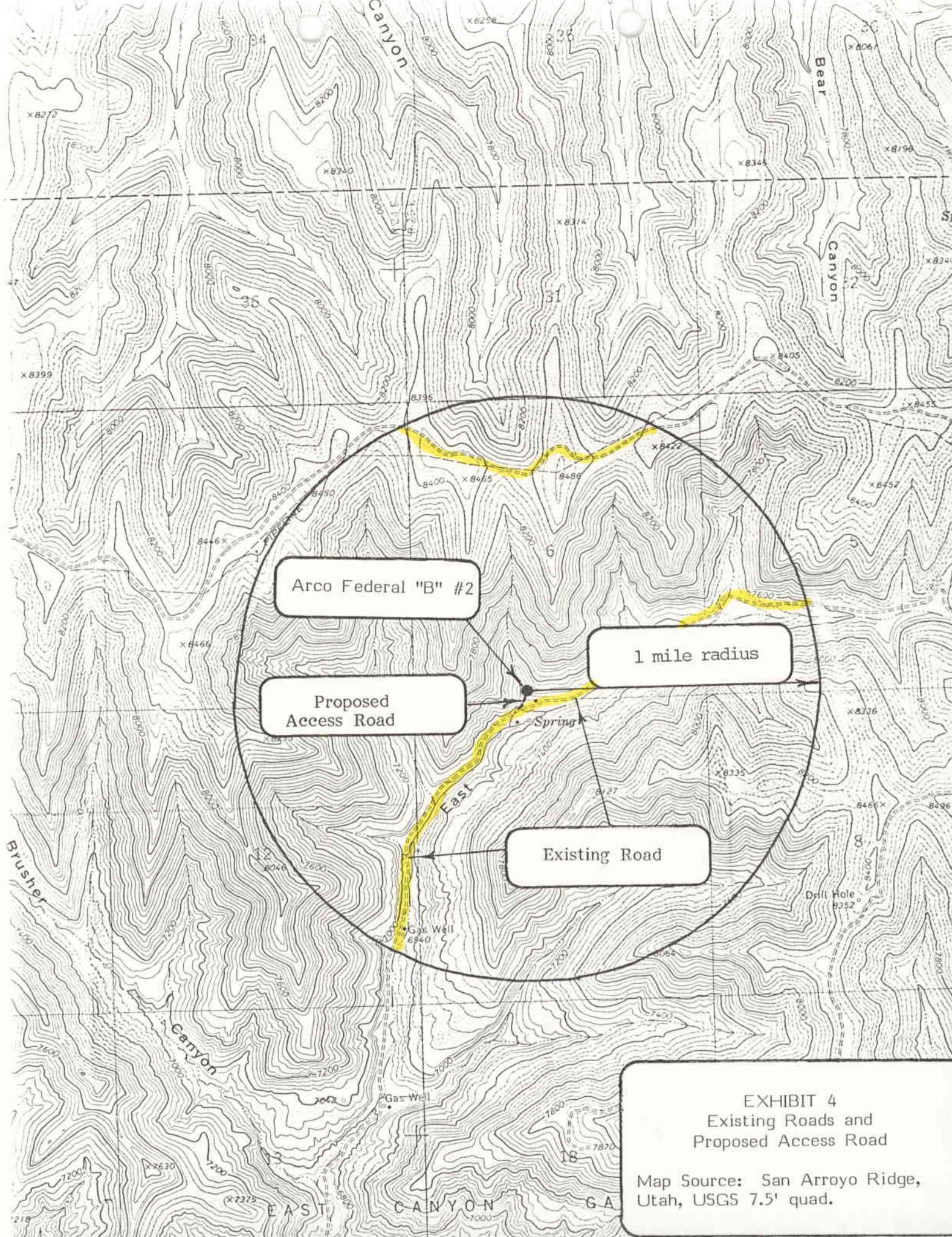
Water haul route

Water Source

Access Route

To Water Source

**EXHIBIT 3**  
 Access and Water Haul Route  
 Map Source: Grand County, Utah  
 Road Map Sheet #4.



Arco Federal "B" #2

Proposed Access Road

1 mile radius

Existing Road

EXHIBIT 4  
Existing Roads and  
Proposed Access Road  
Map Source: San Arroyo Ridge,  
Utah, USGS 7.5' quad.



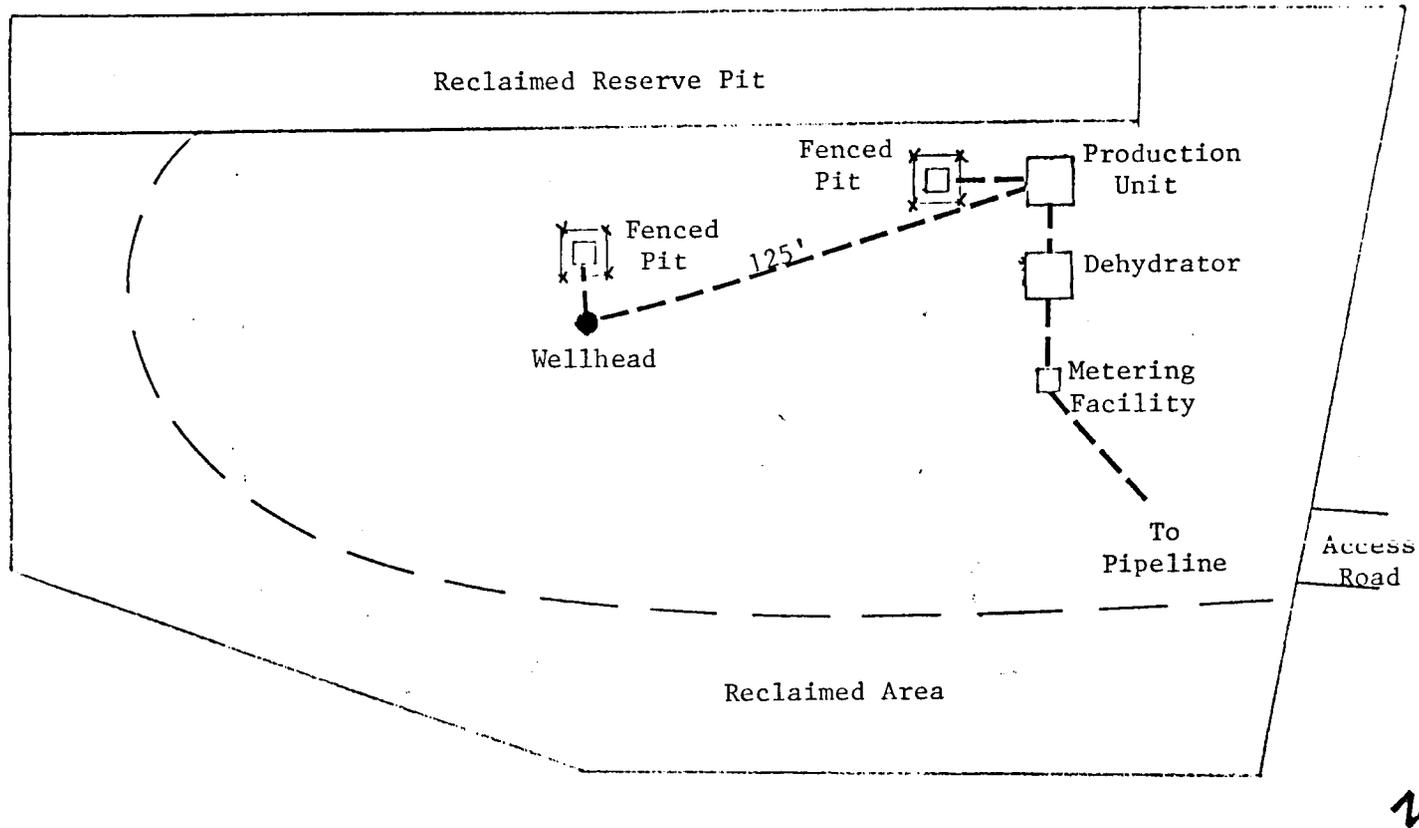


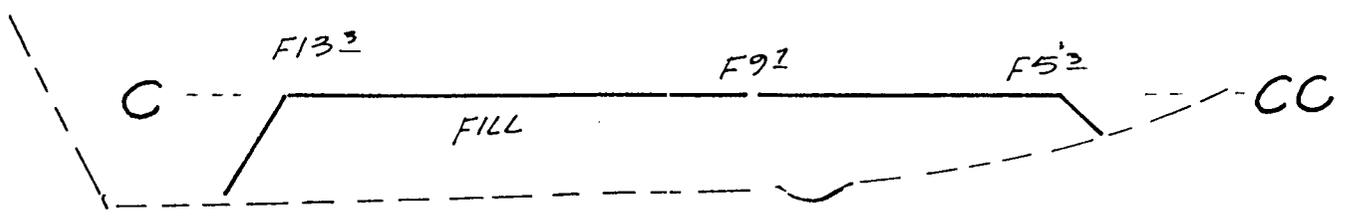
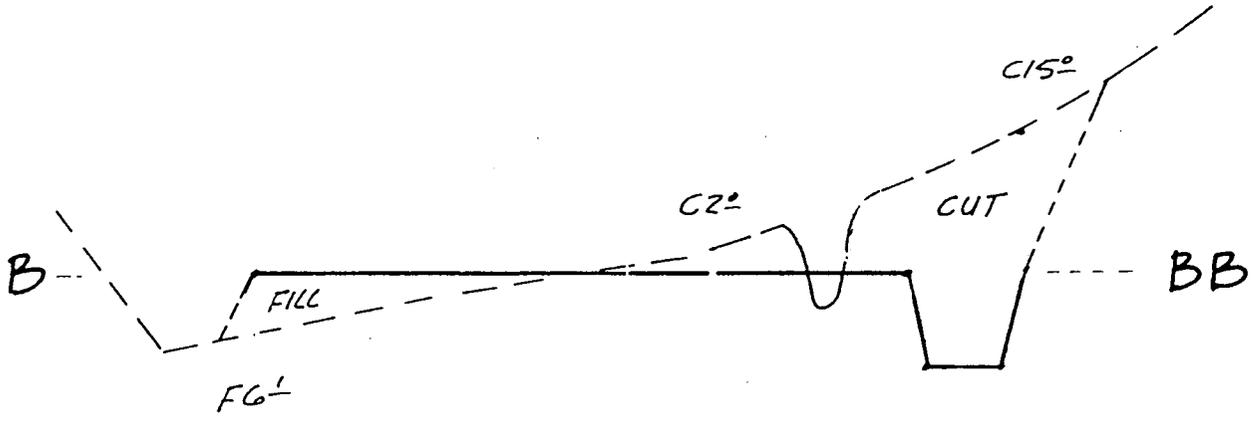
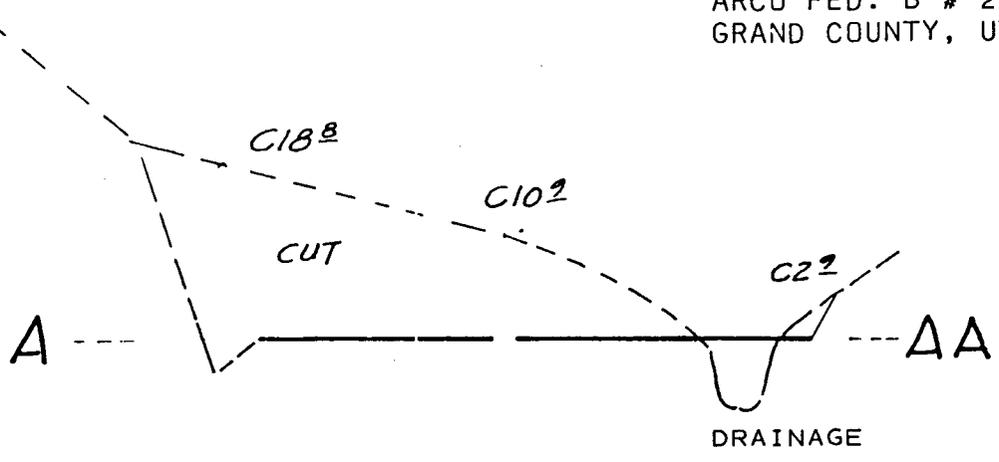
Exhibit 6  
Production  
Facilities

Scale: 1"=50'

- 1) Pit 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.  
ARCO FED. B # 2 LOCATION  
GRAND COUNTY, UTAH



1" = 50' HORIZONTAL  
1" = 20' VERTICAL

CROSS-SECTIONS OF  
ARCO FED. B # 2

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

Serial Number \_\_\_\_\_  
Date & Time Recorded \_\_\_\_\_

TXO Production Corp. hereby applies for rights-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 rights-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 Qualification Number for TXO Production Corp. registered with the New Mexico State Office of the Bureau of Land Management, is NM-43000.

This application is for rights-of-way for an access road (Section I) and a drill site (Section II).

I. ACCESS ROADS

- a. The right-of-way will provide access along an existing road to the well referenced in the APD/MSUOP. Please refer to Map 1.

The existing road will not require upgrading. However, during wet periods some maintenance may be required to allow passage by drilling rigs and well servicing vehicles. Dry periods may necessitate watering the road to control dust.

Further information regarding maintenance of the access road may be found in the APD/MSUOP (see Sections 2 and 10).

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

Section 7 -T 16S -R 25E

- c. The total length of the requested right-of-way is 100 feet. A check for \$ 70.00 will be submitted during the surface inspection of the well and right-of-way route. The check includes \$50.00 for the filing fee and \$20.00 for the monitoring fee.
- d. TXO Production Corp. is exempt from rental payment for access roads per 43 CFR 2803.1-2.

II. DRILL SITE

- a. The right-of-way will be utilized for the purpose of constructing a portion of the drill site referenced in the APD/MSUOP. Please refer to Exhibit 1.

The amount of off lease disturbed area will be approximately 0.7 acre. This drill site will be constructed, maintained and rehabilitated in accordance with the guidelines of the Multipoint Surface Use and Operations Plan.

The proposed drill site has 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 7 -T 16S -R 25E

- c. The total area of the requested right-of-way is 1 acre. A check for the required fees will be submitted during the surface inspection for the well and right-of-way routes.

I hereby certify that I am of legal age and have the authority to execute right-of-way applications for TXO Production Corp., that TXO Production Corp. is authorized to do business in the State of Utah and that I have personally examined the information contained in the application and believe that the information submitted is correct to the best of my knowledge.

Date

October 5, 1982

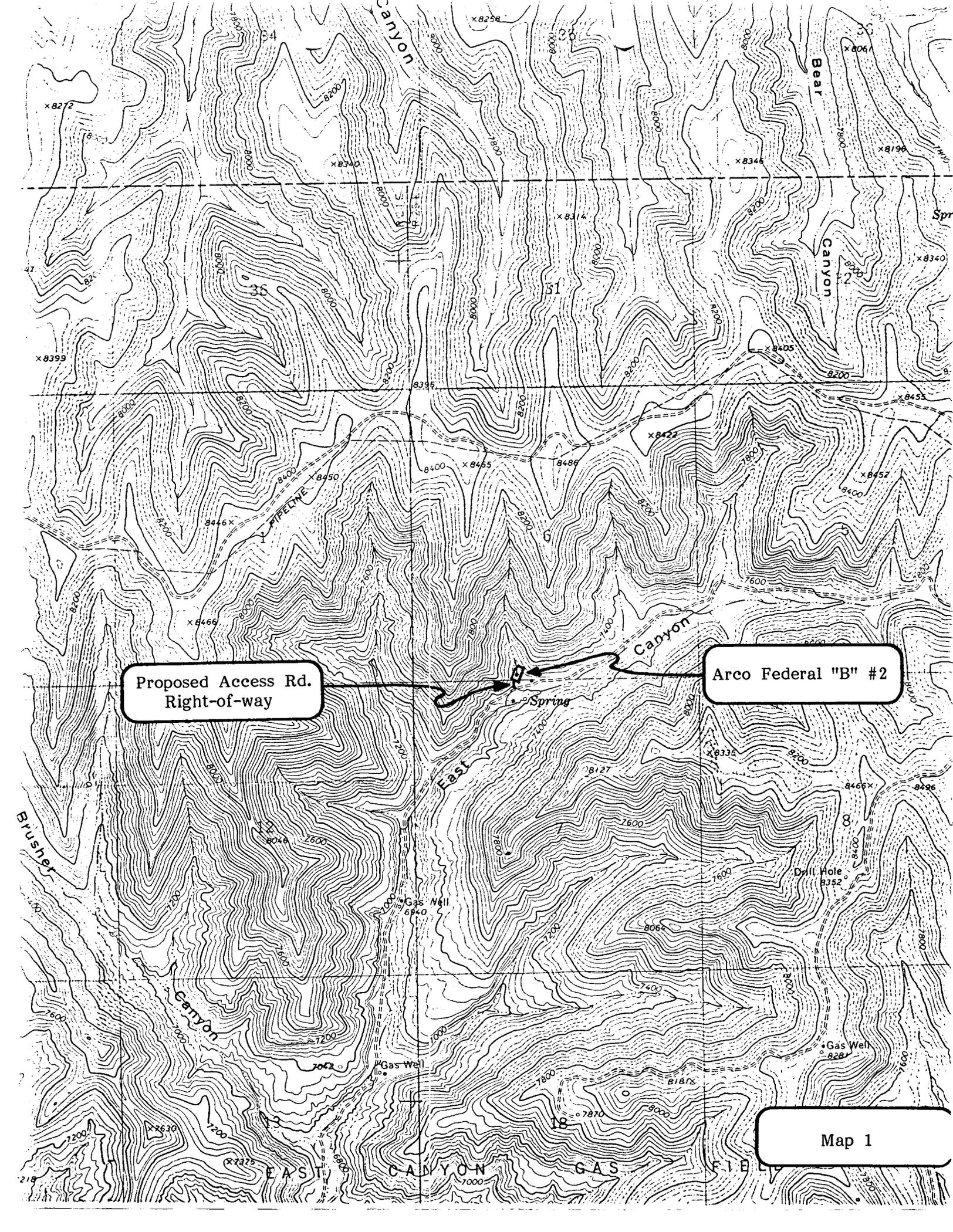
Charles K. Curlee

Charles K. Curlee  
Environmental Manager

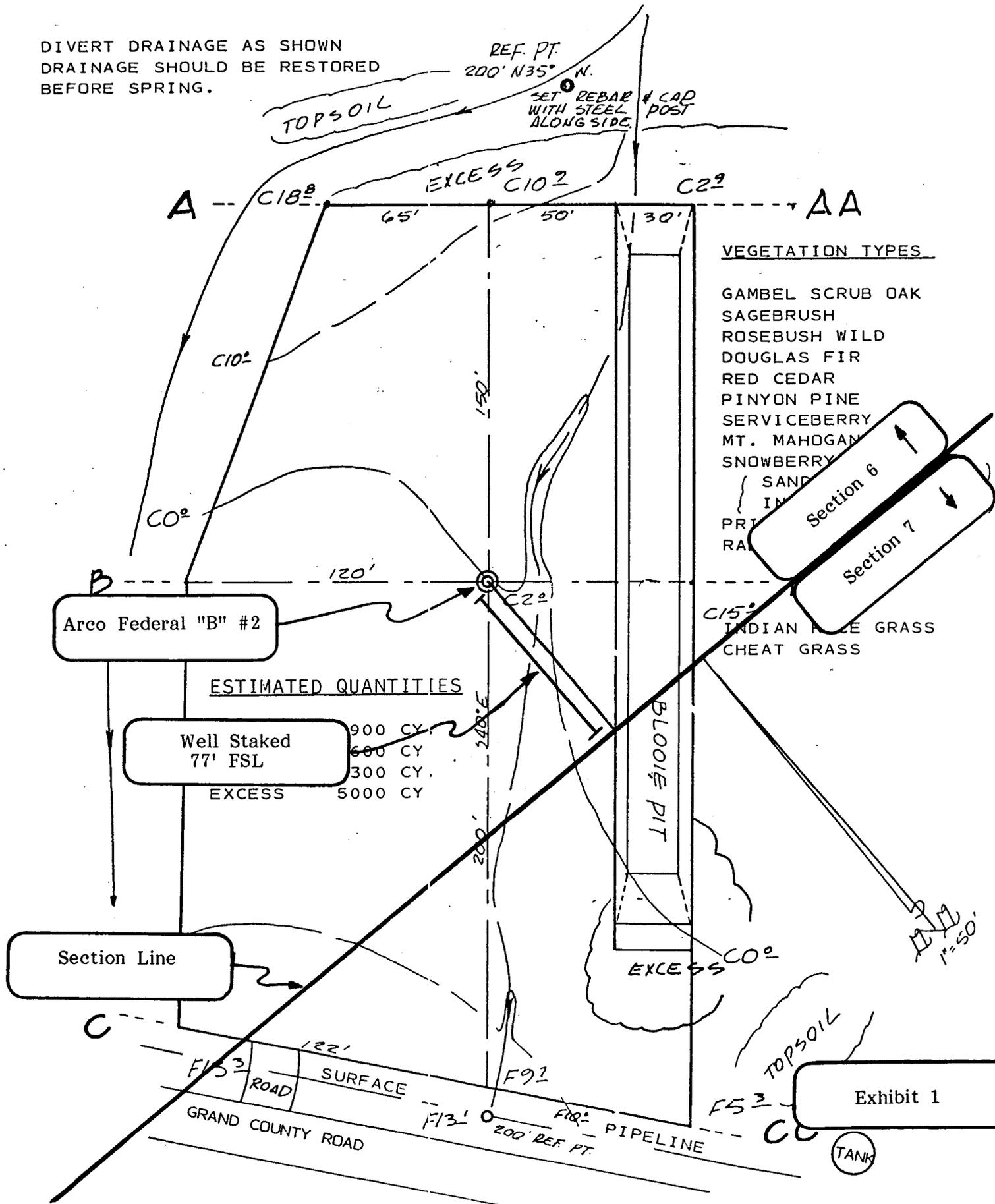
Proposed Access Rd.  
Right-of-way

Arco Federal "B" #2

Map 1



DIVERT DRAINAGE AS SHOWN  
 DRAINAGE SHOULD BE RESTORED  
 BEFORE SPRING.



UNITED STATES DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY  
MINERALS MANAGEMENT SERVICE  
OIL & GAS OPERATIONS RECEIVED

13

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  
 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: 77' FSL, 1913' FWL, Section 6-T16S-R25E  
 At proposed prod. zone: Dakota Sands 760' FSL, 650' FWL  
 Total Depth: 814' FSL, 507' FWL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 Approximately 41 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) 650'

16. NO. OF ACRES IN LEASE 697

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. 250'

19. PROPOSED DEPTH 6250' TVD

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 7268' GR

22. APPROX. DATE WORK WILL START\* October 30, 1982

5. LEASE DESIGNATION AND SERIAL NO. U-9831

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME Arco Federal "B"

9. WELL NO. #2

10. FIELD AND POOL, OR WILDCAT San Arroyo

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 6-T16S-R25E

12. COUNTY OR PARISH Grand

13. STATE Utah

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 1/4"	9 5/8"	36#	300'	160 sacks
8 3/4"	7"	20#	2807' MD 2750' TVD	200 sacks
6 1/4"	4 1/2"	10.5#	6499' MD 6250' TVD	150 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	1000
Angle Established	1901'	146'	18.3°	1913'
Initial Objective	5900'	1471'	18.3°	6130'
Total Depth	6250'	1587'	18.3°	6499'

The initial target (Dakota Sands) is located 760' FSL and 650' FWL of Section 6 and is planned with a 150' target radius to comply with applicable State spacing regulations.

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 Dist. Drilling Engineer DATE \_\_\_\_\_  
 (This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVED BY [Signature] TITLE E. W. Guyton DATE DEC 08 1982  
 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

TXO Production Corporation  
Well No. ARCO B-2  
Section 6, T.16S., R.25E.  
Grand County, Utah  
Lease U-9831

### Supplemental Stipulations

#### CONSTRUCTION:

- 1) The dirt contractor will be furnished with an approved copy of the surface use plan and any additional BLM stipulations prior to any work.
- 2) 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.
- 3) If subsurface cultural material is exposed during construction, work in that spot will stop immediately and the Grand Resource Area Office will be contacted. Salvage or excavation of identified archaeological sites will only be done if damage occurs.
- 4) 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. The proper drainage design and controls shall be used to insure erosion control. This shall include but not be limited to, drainage dips, crowns, and ditching.

New road construction will be limited to an allowable travel surface width of 16 feet. For construction design and survey refer to class III road standards attachment.

Topsoil will be saved along the route on the uphill side.

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.

- 5) Location: Satisfactory as planned; to insure erosion control, reroute drainage to west of pad and use excess fill to berm pad. All drainage from pad should be directed into pits.
- 6) The top 8 inches of soil material will be removed from the location and stockpiled separate from the trees on the south corner of the location. Topsoil along the access will be reserved in place.

Trees greater than 4" in diameter will be bucked up into 4' lengths and piled on the southwest side of the pad.

- 7) The reserve pit will not be lined. 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.
- 8) 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 4 strands of barbed wire. Blooie pit will have a backstop to control flare from burning vegetation off pad.
- 9) A buffer of trees will be left between access road and location to reduce visual effects.
- 10) Adequate and sufficient magnetic compass multi shot directional surveys, (minimum acceptable) will be made through the entire course of the well bore, to determine to the satisfaction of MMS, the trajectory of the directionally drilled well bore, and to assure that the well bore follows the projected trajectory or course, as approved.
- 11) Adequate and sufficient electric/radioactive logs will be run to locate and identify anticipated coal beds in the Cretaceous. Please also provide two copies of drilling logs. Casing and cementing programs will be adjusted to wliminate any potential influence of the well bore or productive hydrocarbon zones on the coal resource. Surface casing program may require adjustment for protection of fresh water aquifers.

## 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.
4. Burning on location during any phase. If drilling or production will require a permit, permits should be obtained from the State Lands and Forestry Office in Moab, (801) 259-8621, Paul Pratt.

## 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. Do not leave any trash in pits.
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 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 as needed on all sloping surfaces as shown below:

### Grade

### Spacing

2%  
2-4%  
4-5%  
+5%

200 ft. spacing  
100 ft. spacing  
75 ft. spacing  
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>		
Agropyron smithii	Western wheatgrass (Bluestem wheatgrass)	1
Elymus canadensis	Canada wildrye	1
Poa fendleriana	Muttongrass	1
<u>Forbs</u>		
Melilotus officinalis	Yellow sweetclover	1
Medicago sativa	Alfalfa	1
<u>Shrubs</u>		
Atriplex canescens	Fourwing saltbush (White greasewood)	2
	Total	<u>7</u>

Broadcast seed will be applied at double the above rate.

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



## ADDITIONAL STIPULATIONS FOR PRODUCTION FACILITIES

Your Application for Permit to Drill also included a submittal for production facilities. These production facilities are approved for the lessee and his designated operator under Section 1 of the Oil and Gas Lease with the following conditions:

- (1) The oil and gas measurement facilities must be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy are to be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. Please provide this office with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports are to be submitted to the Salt Lake City District Oil and Gas Supervisor. Royalty payments will be made on all production volume as determined by the meter measurements or the tank measurements. All measurement facilities must conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.
- (2) Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs must be housed and/or fenced.
- (3) All disturbed areas not required for operations will be rehabilitated.
- (4) All produced liquids must be contained including the dehydrator vent/condensate line effluent. All production pits must be fenced.
- (5) The well activity, the well status and the date the well is placed on production must be reported on Lessee's Monthly Report of Operations, Form 9-329.
- (6) All off-lease storage, off-lease measurement, or commingling on lease or off-lease must have written approval.
- (7) All product lines entering and leaving hydrocarbon storage tanks must be locked/sealed.
- (8) You are reminded of the requirements for handling, storing, or disposing of water produced from oil and gas wells under NTL-2B.
- (9) All materials, trash, junk, debris, etc. not required for production must be removed from the well site and production facility site at the completion of these operations.
- (10) A copy of the Gas Sales Contract will be provided to this office and the Royalty Accounting Department as directed.
- (11) Construction and maintenance for surface use approved under this plan should be in accordance with the surface use standards as set forth in the BLM/GS Oil and Gas Brochure entitled, "Surface Operating Standards for Oil and Gas Exploration and Development." This includes, but is not limited to, such items as road construction and maintenance, handling of top soil and rehabilitation.
- (12) "Sundry Notice and Reports on Wells" (form 9-331) will be filed for all changes of plans and other operations in accordance with 30 CFR 221.58. Emergency approval may be obtained verbally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alternations of facilities, including roads, gathering lines, batteries, measurement facilities, etc., will require the filing of a suitable plan and prior approval by the survey.

OPERATOR TXO Production Corp. DATE 10-8-82

WELL NAME Arcs Sid. "B" #2

SEC SWSW 6 T 16S R 25E COUNTY Grand

43-019-31008  
API NUMBER

Sid.  
TYPE OF LEASE

POSTING CHECK OFF:

- |                                |  |                          |
|--------------------------------|--|--------------------------|
| <input type="checkbox"/> INDEX | <input checked="" type="checkbox"/> HL | <input type="checkbox"/> |
| <input type="checkbox"/> NID   | <input checked="" type="checkbox"/> PI | <input type="checkbox"/> |
| <input type="checkbox"/> MAP   | <input checked="" type="checkbox"/>    | <input type="checkbox"/> |

PROCESSING COMMENTS: RJK. ✓ Directional survey information to be submitted to Division

APPROVAL LETTER:

SPACING:  A-3 \_\_\_\_\_ UNIT  c-3-a 149-1 3-14-73  
CAUSE NO. & DATE

c-3-b  c-3-c

SPECIAL LANGUAGE: administrative exception to spacing granted based upon topography and footage at TD

RECONCILE WELL NAME AND LOCATION ON APD AGAINST SAME DATA ON PLAT MAP.

AUTHENTICATE LEASE AND OPERATOR INFORMATION *FED*

VERIFY ADEQUATE AND PROPER BONDING *FED*

AUTHENTICATE IF SITE IS IN A NAMED FIELD, ETC.

APPLY SPACING CONSIDERATION

*W 1/2 OF SEC 4  
BAILING UNIT # 25 - SHOULD BE 500' FROM  
UNIT BOUNDARY AND  
2000' FROM OTHER GAS  
WELL OF SAME FORMATION.  
ADMIN EXCEPTION  
FOR TOPOGRAPHY*

ORDER 149-1

UNIT \_\_\_\_\_

c-3-b

*E 1/2 ARCO FED 15-1*

c-3-c

*790 FSL 790 FEL*

OUTSTANDING OR OVERDUE REPORTS FOR OTHER WELLS OF THE OPERATOR.

*POTASH - NO*

*165 24E*

*1841 FSL  
1749 FWL } SEC 1*

*677 FNL  
2002 FWL } SEC 7*

*1840 FSL  
2083 FEL } SEC 7*

October 12, 1982

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

RE: Arco Federal "B" #2  
SWSW Sec. 6, T.16S, R.25E  
Grand County, Utah

Dear Mr. Urban:

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. 149-1 dated March 14, 1973. Directional survey information to be submitted to Division. Administrative exception to spacing granted based upon topography and footage at TD.

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

RONALD J. FIRTH - Engineer  
Office: 533-5771  
Home: 571-6068

OR

CLEON B. FEIGHT - Director  
Office: 533-5771  
Home: 466-4455

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 43-019-31008.

Sincerely,



Norman C. Stout  
Administrative Assistant

NCA/as  
cc: Minerals Management Service  
Enclosure

Oil and Gas Operations  
2000 Administration Building  
1745 West 1700 South  
Salt Lake City, Utah 84104

October 12, 1982

TXO Production Corporation  
1800 Lincoln Center Building  
Denver, CO 80264

Re: Rescind Application for Permit to  
Drill  
Well No. "B" 2  
Section 6, T.16S., R.25E.  
Grand County, Utah  
Lease No. U-9831

Gentlemen:

The Application for Permit to Drill the referenced well was approved on February 19, 1981. Since that date no known activity has transpired at the approved location. Under current 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. Your new application was received on October 6, 1982. This office will continue to process the new application.

Sincerely,

(ORIG. SGD) W. P. MARTENS  
Drilling Unit Supervisor

 E. W. Guynn  
District Oil & Gas Supervisor

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

DH/kr

OIL COMPANY  
**Fortune**

50 South Main Street  
Suite 1570  
Salt Lake City, Utah 84144  
Phone: (801) 532-7797

October 25, 1982

**RECEIVED**  
OCT 25 1982

DIVISION OF  
OIL, GAS & MINING

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

Attention: Mr. Cleon Feight

Re: Protest to State Approval  
of TXO Application to Drill  
ARCO Federal B#2 located  
Section 6, T. 16 S., R. 25 E.  
Grand County, Utah

Dear Mr. Feight:

Following our conversation of this date, Fortune Oil Company hereby submits this letter as a formal protest to State of Utah approval of the drilling of the TXO Corporation B #2 well described above. In its Application for Permit, TXO has indicated it wishes to spud this well 77' FSL and 1913' FWL of section 6 and then directionally drill said well structurally down-dip to a point described as 760' FSL and 650' FWL of section 6.

Fortune protests the approval of this location and requests that TXO's Application be suspended until such time as a formal hearing can be held to determine whether or not TXO should not be compelled to locate this well at a legal location in section 6. Fortune would never have been aware of the approval of this location had its personnel not been in the field and observed TXO staking the location. The basis for Fortune's protest is:

1. TXO can locate this well at a legal location at least 500' (and up to 1000' if desired) FSL of section 6 by building a road up the draw immediately north of its requested location. Fortune's representative has been over the entire area around this proposed location and has reported to us that such a road might cost \$50,000 to \$75,000 to build but certainly is feasible. Fortune has recently spent in excess of \$100,000 on a road under similar circumstances building a road into one of its locations.

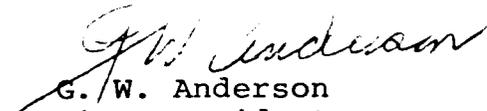
2. Fortune doubts that TXO can drill this well in the manner specified in the TXO application and complete this well at the stated location, without incurring a great deal of risk and expense. Even though the state has requested a directional survey be furnished, what happens if the TXO well does not end up at a legal location in a producing formation?
3. Fortune believes the Oil, Gas and Mining Division overstepped its authority (or to say the least, did not use good judgment) in approving the TXO Application without first notifying adjacent lease owners and giving them a chance to protest TXO's location.

Fortune Oil Company on behalf of itself, Natural Gas Corporation of California, Mono Power Company and Energy Increments, a Division of Carson Water Company, hereby requests that the Division of Oil, Gas and Mining notify TXO that State approval of its Application to Drill this well has been withdrawn and suspended pending a formal hearing to allow Fortune Oil Company et al and their representatives to intercede in this matter.

Your prompt approval of this request will be appreciated.

Very truly yours,

FORTUNE OIL COMPANY

  
G. W. Anderson  
Vice President

GWA/sk

cc:

Minerals Management Service  
Natural Gas Corporation of Calif.  
Mono Power Company  
Energy Increments,  
a Division of Carson Water Company



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

October 27, 1982

Fortune Oil Company  
50 South Main Street, Suite 1570  
Salt Lake City, Utah 84144

Attn: Mr. G. W. Anderson, Vice-President

RE: Fortune Oil Company's Protest to  
State of Utah Approval of TXO  
Production Corporation Application  
To Drill, Arco Federal B-2 Well,  
Sec. 6, T. 16S, R. 25E,  
Grand County, Utah

Dear Mr. Anderson:

In regard to Fortune Oil Company's formal protest of State of Utah approval of the Application to Drill the TXO Production Corporation Federal B-2 Well, this is to advise you that this matter has been scheduled for hearing before the Board of Oil, Gas and Mining at the regular monthly hearing in November. We have also requested TXO Production Corporation delay the spudding of this well until the differing opinions as to the directional drilling procedures and operations might be presented and a determination received from the Board.

The directional drilling issue as expressed in item 2 of your letter of October 25, 1982, appears to be the only possible basis for the Fortune protest submittal. The critical statement and accusation in item 3 of your letter inferring that the Division of Oil, Gas and Mining "overstepped its authority (or to say the least, did not use good judgement) in approving the TXO application without first notifying adjacent lease owners and giving them a chance to protest TXO's location" is not appropriate nor appreciated by the Division Staff. This particular location was approved in complete compliance with the General Rules and Regulations and Rules of Practice and Procedure and the Order of Cause No. 149-1. As this approved location is not an exception location to the Order of Cause No. 149-1, the Division is not obligated to advise adjacent lease owners so that they might protest or intercede in this procedure.

Mr. G. W. Anderson  
Page 2  
October 27, 1982

We hope that during the November hearing that the presentation of suitable scientific and engineering evidence in which the Board must rely for an equitable decision will not be superseded by public airing of contending company complaints and circumstances.

Very truly yours,



R. J. Firth  
Chief Petroleum Engineer

RJF/as

cc: Minerals Management Service  
Natural Gas Corporation of California  
Mono Power Company  
Energy Increments,  
Division of Carson Water Company



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

October 27, 1982

TXO Production Corporation  
1800 Lincoln Center Building  
Denver, Colorado 80264

RE: Arco Federal "B" #2  
Sec. 6, T. 16S, R. 25E  
Grand County, Utah

Gentlemen:

As expressed in our recent telephone conversations with Mr. Bruce Wright, a formal protest has been received by the Division of Oil, Gas and Mining from Fortune Oil Company as to the State of Utah approval of the Application to Drill for the referenced well. This matter has been scheduled for hearing before the Board of Oil, Gas and Mining at the regular monthly meeting in November.

Therefore, we request that TXO Production Corporation delay site preparation and spudding of this well until such time as this matter is presented to and a determination received from the Board. Your cooperation and compliance with this request is appreciated.

Very truly yours,

R. Z. Firth  
Chief Petroleum Engineer

RJF/as  
cc: Fortune Oil Company

Board / Charles R. Henderson, Chairman • John L. Bell • E. Steele McIntyre • Edward T. Beck  
Robert R. Norman • Margaret R. Bird • Herm Olsen

an equal opportunity employer • please recycle paper

# TXO

## TXO PRODUCTION CORP.

1800 LINCOLN CENTER BUILDING  
DENVER, COLORADO 80264

TELEPHONE (303) 861-4248

November 16, 1982

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

Re: Arco Federal "B" #2

Gentlemen:

Enclosed for your review is a Sundry Notice, submitted in triplicate, for the above referenced well. This Sundry Notice **changes the directional drill program** and results in different proposed production zone (target) footages. The new Dakota Sands target footages are 1000' FSL and 650' FWL of Section 6-T16S-R25E. The target radius remains 150'. This change is necessary for compliance with State spacing order Cause No. 149-1.

TXO Production Corp. requests that the application for permit to drill the Arco Federal "B" #2 incorporate the Sundry Notice changes and that approval to drill be issued pursuant to the provisions of Rule C-4. If you have any questions, please contact me at this office.

Very truly yours,

TXO PRODUCTION CORP.



Charles K. Curlee  
Environmental Manager

CKC/JY

Enclosures/as stated

# RECEIVED

NOV 18 1982

DIVISION OF  
OIL, GAS & MINING

A SUBSIDIARY OF TEXAS  
OIL & GAS CORP.



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

MINERALS MANAGEMENT  
SERVICE  
OIL & GAS OPERATIONS  
RECEIVED  
Form Approved.  
Budget Bureau No. 42-R1424  
NOV 18 1982

**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  
TXO Production Corp. Attn: C.K. Curlee

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

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)  
AT SURFACE: 77' FSL, 1913' FWL, Sec. 6-16S-25E  
AT TOP PROD. INTERVAL: 1000' FSL, 650' FWL Sec. 6  
AT TOTAL DEPTH: 1072' FSL, 552' FWL

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

5. LEASE U-9831

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
- - -

7. UNIT AGREEMENT NAME  
- - -

8. FARM OR LEASE NAME  
Arco Federal "B"

9. WELL NO.  
#2

10. FIELD OR WILDCAT NAME  
San Arroyo

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
Section 6-T16S-R25E

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

14. API NO.  
43-019-31008

15. ELEVATIONS (SHOW DF, KDB, AND WD)  
7268' GR

REQUEST FOR APPROVAL TO:                      SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF                      

FRACTURE TREAT                                      

SHOOT OR ACIDIZE                                      

REPAIR WELL    

PULL OR ALTER CASING                              

MULTIPLE COMPLETE                                      

CHANGE ZONES    

ABANDON\*    

(other) Change Directional Drill Program

(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.)\*

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Ft.	Setting Depth	Qty. of Cemen
24"	16"	Corrugated Iron	40'	2 yards
12 1/4"	9 5/8"	36#	300'	160 sacks
8 3/4"	7"	20#	2837' MD	200 sacks
			2770' TVD	
6 1/4"	4 1/2"	10.5#	6549' MD	150 sacks
			6270' TVD	

Please see attachment for directional drill program.

Subsurface Safety Valve: Manu. and Type \_\_\_\_\_ Set @ \_\_\_\_\_ Ft.

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

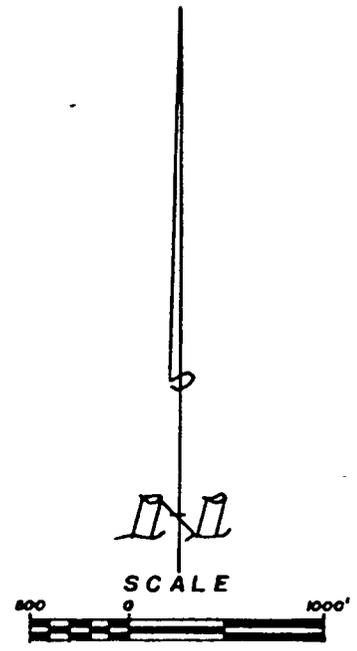
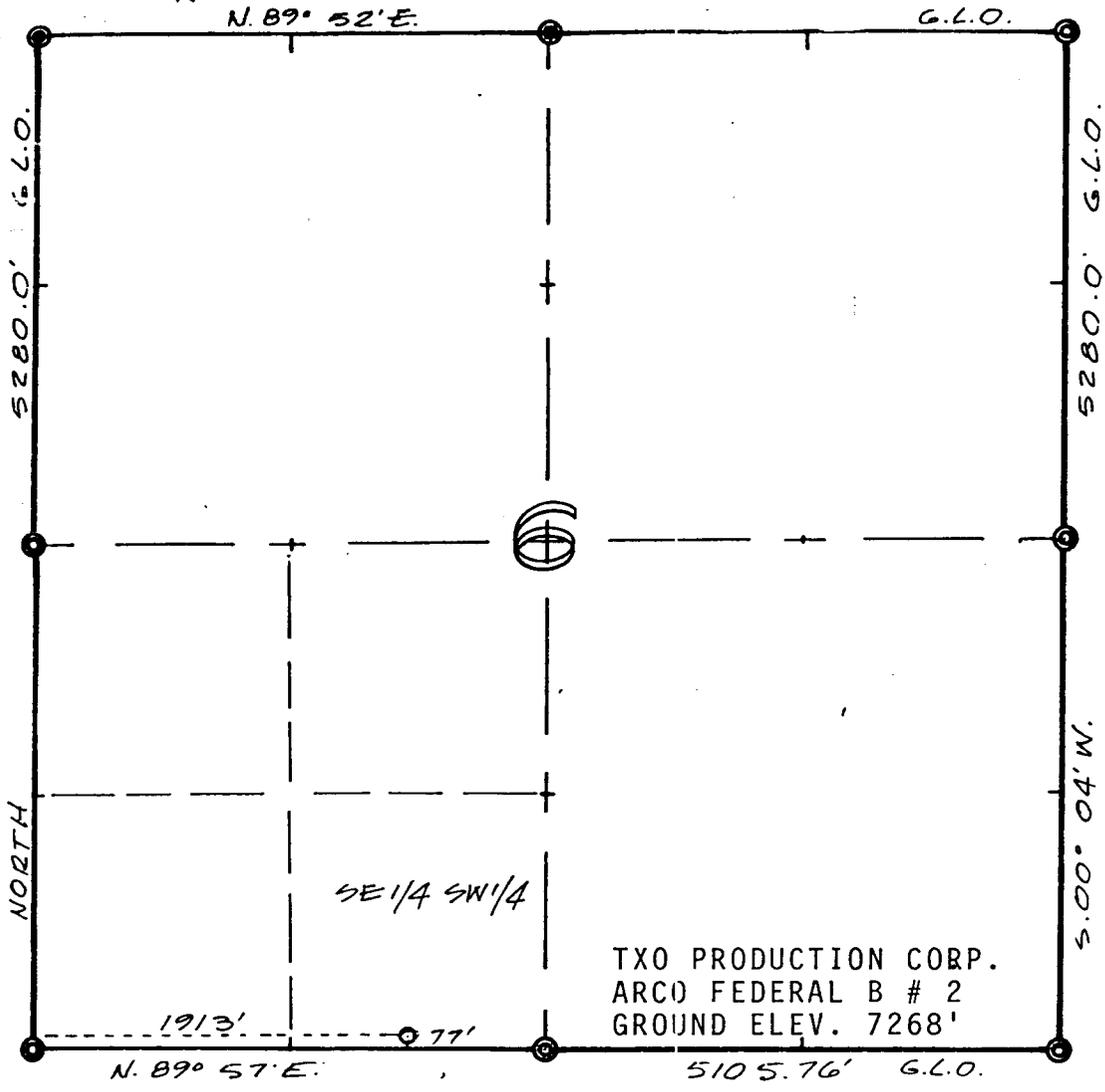
SIGNED R.E. Dashner TITLE Dist. Drlg. Engineer DATE November 12, 1982

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

SEC. 6, T. 16 S., R. 25 E. OF THE S.L.M.

EXHIBIT # 2



**LEGEND**

- STANDARD LOCATION OF G.L.O. CORNERS.
- G.L.O. CORNERS FOUND.
- ⊙ WELL LOCATION STAKED.

**REFERENCE DOCUMENTS**

1924 GLO PLAT  
 SAN ARROYO RIDGE, UT.  
 QUADRANGLE, USGS

THIS WELL LOCATION PLAT WAS PREPARED FOR TXO PRODUCTION CORP.  
 AS REQUESTED BY PAUL URBAN, TO LOCATE THE  
ARCO FEDERAL B # 2, 77' E.S.L. & 1913' F.W.L.,  
 IN THE SE 1/4 SW 1/4, OF SECTION 6, T. 16 S, R. 25 E OF THE S.L.M.  
GRAND COUNTY, UTAH

**SURVEYOR'S CERTIFICATE**

I, LARRY D. BECKER A REGISTERED LAND SURVEYOR  
 IN THE STATE OF UTAH DO HEREBY CERTIFY THAT THIS  
 SURVEY WAS MADE UNDER MY DIRECT SUPERVISION AND  
 THAT THIS PLAT REPRESENTS SAID SURVEY.

*Larry D. Becker*  
 UTAH L.S. NO. 4189

SURVEYED	9/22/82	ENERGY SURVEYS & ENGINEERING CORP.	Exhibit 2 Survey Plat	SCALE	1" = 1000'
DRAWN	9/30/82			JOB NO.	
CHECKED	9/25/82			SHEET OF	

TXO Production Corp.

SUNDRY NOTICE ATTACHMENT

Date: November 12, 1982  
Well Name: Arco Federal "B" #2  
Lease No.: U-9831  
Location: Section 6-T16S-R25E, Grand County, Utah  
Surface: 77' FSL, 1913' FWL  
At Proposed Production Zone: 1000' FSL, 650' FWL

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

	<u>TVD</u>	<u>MD</u>	<u>Horizontal Deviation</u>	<u>Angle</u>
Kickoff Depth	1000'	1000'	0'	0'
Angle Established	1954'	1972'	163'	19.3'
Initial Objective	5920'	6179'	1564'	19.3'
Total Depth	6270'	6549'	1686'	19.3'

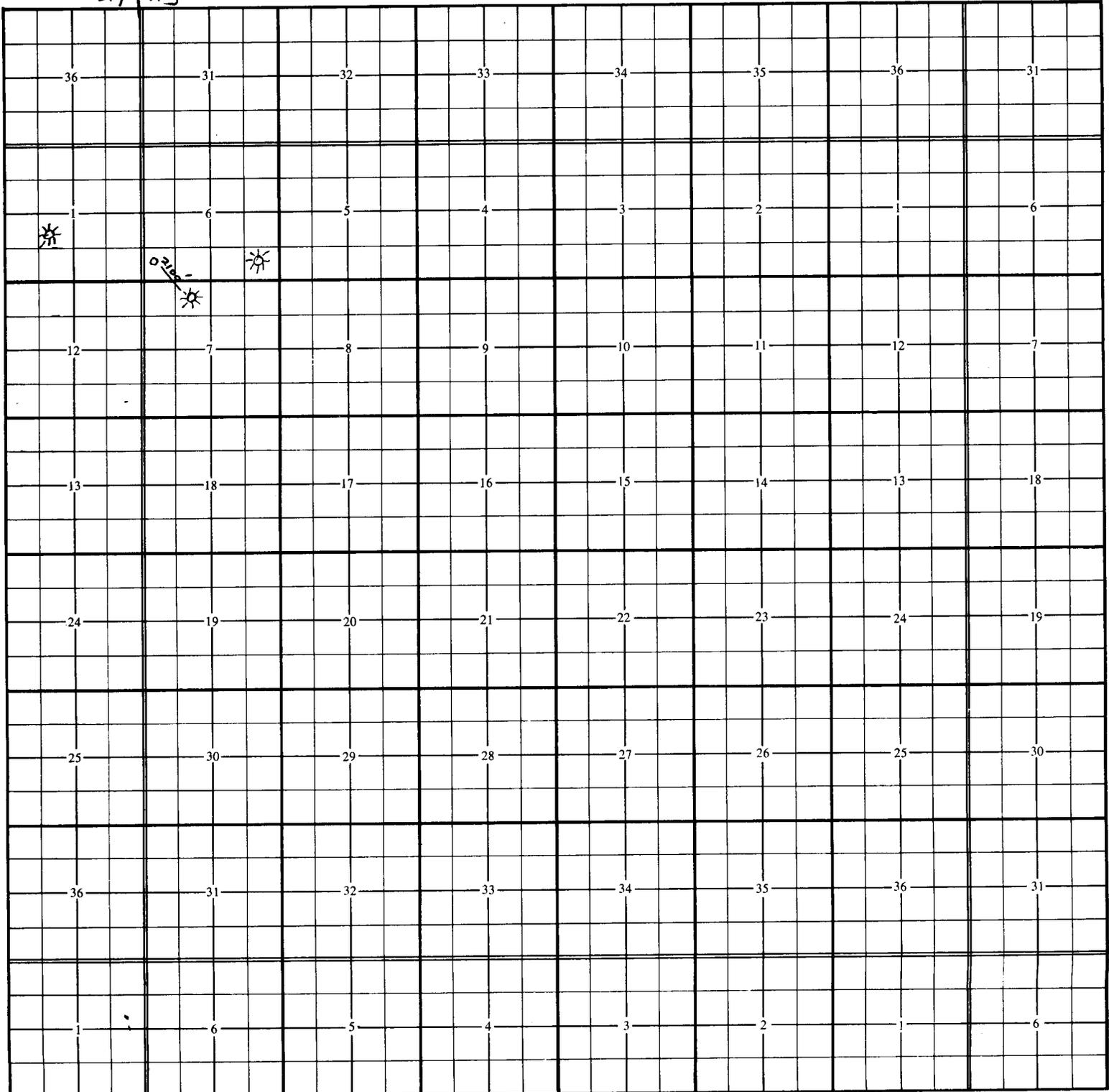
2. The initial, or proposed production, target (Dakota Sands) is located 1000' FSL, 650' FWL of Section 6 and is planned with a 150' target radius to comply with State spacing order Cause No. 149-1.

# TOWNSHIP PLAT

Owner TXO ANCO FEA 13-2 Date 10-12-82

Township 16S Range 24-25E County GRAND

24 | 25





STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

Scott M. Matheson, Governor  
Temple A. Reynolds, Executive Director  
Dr. G. A. (Jim) Shirazi, Division Director

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

January 3, 1984

TXO Production Corp.  
Attn: C.K. Curlee  
1800 Lincoln Center Bldg.  
Denver, Colorado 80264

RE: Well No. Arco Federal 'B' #2  
API #43-019-31008  
1072' FSL, 552' FWL  
Sec. 6, T. 16S, R. 25E.  
Grand County, Utah

Gentlemen:

Due to excessive time delay in commencing drilling operations, approval to drill the subject well is hereby rescinded effective one calendar month from the date of this notice.

A new Application for Permit to Drill must be filed with this office for approval, prior to future drilling of the subject location.

Respectfully,

A handwritten signature in black ink, appearing to read 'Norman C. Stout'.

Norman C. Stout  
Administrative Assistant

NCS/cj