

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: 25' FSL, 364' FWL, Section 9-T16S-R26E
 At proposed prod. zone: Dakota Sands: 650' FSL, 650' FEL, Sec. 8-T16S-R26E
 Total Depth: 733' FSL, 788' FEL, Sec. 8-T16S-R26E

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 2560

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. 4113'

19. PROPOSED DEPTH 4600' TVD

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5778' GR

22. APPROX. DATE WORK WILL START* January 15, 1983

5. LEASE DESIGNATION AND SERIAL NO.
 U-050155-3A OPERATIONS

6. IF INDIAN, ALLOTTEE OR TRIBAL NAME

7. UNIT AGREEMENT NAME REC 91032

8. FARM OR LEASE NAME SALT LAKE CITY, UTAH
 BMG Federal "A"

9. WELL NO. #1

10. FIELD AND POOL, OR WILDCAT San Arroyo

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Surface: Sec. 9-T16S-R26E
 TD: Sec. 8-T16S-R26E

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
11"	8 5/8"	24#	1150'	500 sacks
7 7/8"	4 1/2"	10.5#	5342' MD 4650' TVD	250 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	1400'	0'	0.0°	1400'
Angle Established	2782' 3381'	355' 795.0'	28.5° 43.45°	2842' 3588'
Initial Objective	4300' 4350'	1191' 1723.0'	28.5° 43.45°	4575' 4929'
Total Depth	4600' 4650'	1353' 2007.0'	28.5° 43.45°	4916' 5342'

The initial target (Dakota Sands) is located 650' FSL and 650' FEL of Section 8 and is planned with a 150' target radius to comply with applicable State spacing regulations.

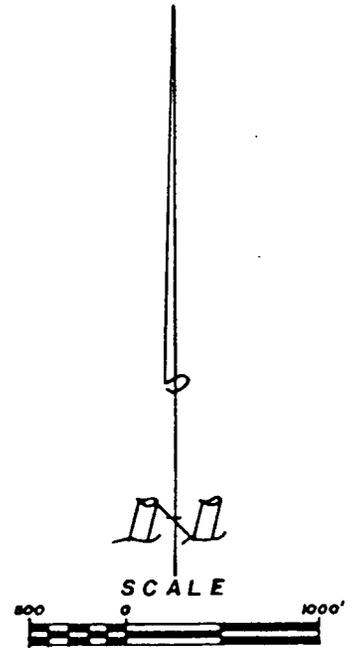
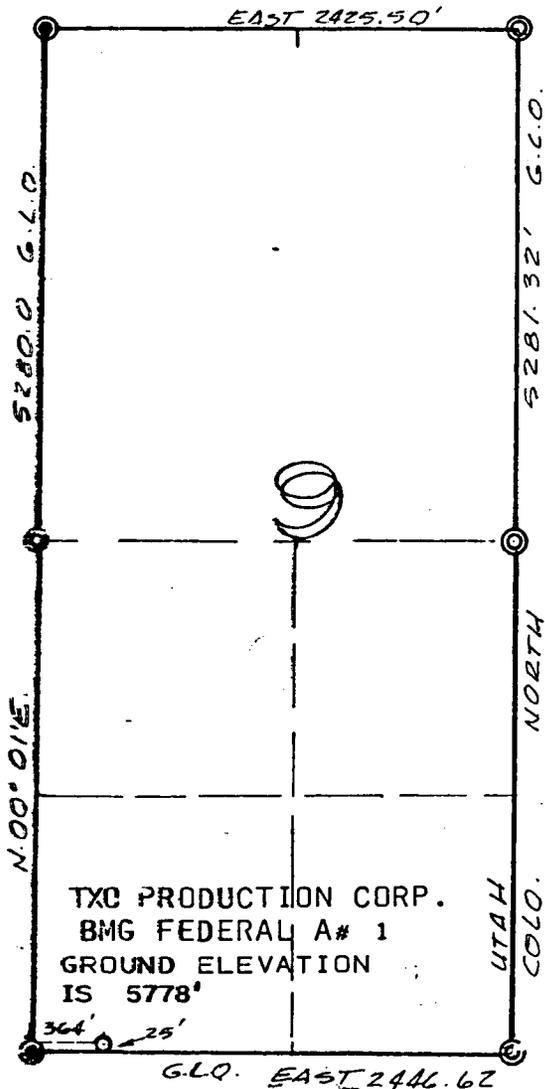
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Ronald E. Dashner TITLE Dist. Drilling Engineer DATE December 7, 1982
 Ronald E. Dashner

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY W. W. Guynn TITLE District Oil & Gas Supervisor DATE MAY 16 1983
 CONDITIONS OF APPROVAL, IF ANY:

NOTICE OF APPROVAL
 CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY.
 FLARING OR VENTING OF GAS IS SUBJECT TO NTL 4-A DATED 1/1/80
 State OIG



- LEGEND**
- STANDARD LOCATION OF G.L.O. CORNERS.
 - G.L.O. CORNERS FOUND.
 - WELL LOCATION STAKED.
- REFERENCE DOCUMENTS**
- 1926 G.L.O. PLAT
 - JIM CANYON, UTAH QUADRANGLE, USGS

BASIS OF BEARING IS THE WEST LINE OF SECTION 9.

THIS WELL LOCATION PLAT WAS PREPARED FOR TXC PRODUCTION CORP.
 AS REQUESTED BY PAUL URBAN, TO LOCATE THE
BMG FEDERAL A # 1, 25' F.S.L. & 364' F.W.L.,
 IN THE SW 1/4 SW 1/4, OF SECTION 9, T. 16 S., R. 26 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.B. NO. 4189



SURVEYED	10-9-82	ENERGY SURVEYS & ENGINEERING CORP.	Exhibit 2 Survey Plat	4 1801	SCALE 1" = 400'
DRAWN	10-20-82				JOB NO.
CHECKED	10-22-82				SHEET

TXO Production Corporation
Well No. BMG "A" 1
Section 8, T. 16 S., R. 26 E.
Grand County, Utah
Lease U-05015-A

Supplemental Stipulations

- 1) Down hole logs will be run to obtain down hole position of well.
- 2) Drainage will be reopened as soon as drilling is completed to reduce erosion to the location.
- 3) Same seed mixture as identified in the Surface Use Plan for TXO Moxa #1 Well will be used.
- 4) Adequate and sufficient electric/radioactive logs will be run to locate and identify anticipated coal beds in the Mesaverde. Please also provide two copies of drilling logs. Casing and cementing programs will be adjusted to eliminate 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.

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.



TXO PRODUCTION CORP.

1800 LINCOLN CENTER BUILDING
DENVER, COLORADO 80264

TELEPHONE (303) 861-4246

December 7, 1982

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

Re: BMG Federal "A" #1
Surface: Section 9-T16S-R26E
T.D.: Section 8-T16S-R26E
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 650' FSL and 650' FEL Section 8-T16S-R26E, 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.)

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



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: 25' FSL, 364' FWL, Section 9-T16S-R26E
 At proposed prod. zone: 650' FSL, 650' FEL, Sec.8-T16S-R26E
 Total Depth: 735' FSL, 788' FEL, Sec.8-T16S-R26E

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
 2560

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.
 4113'

19. PROPOSED DEPTH
 4600' TVD

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5778' GR

22. APPROX. DATE WORK WILL START*
 January 15, 1983

5. LEASE DESIGNATION AND SERIAL NO.
 U-05015

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

7. UNIT AGREEMENT NAME
 - - -

8. FARM OR LEASE NAME
 BMG Federal "A"

9. WELL NO.
 #1

10. FIELD AND POOL, OR WILDCAT
 San Arroyo ✓

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Surface: Sec. 9-T16S-R26E
 TD: Sec. 8-T16S-R26E

12. COUNTY OR PARISH 13. STATE
 Grand Utah

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
11"	8 5/8"	24#	1150'	500 sacks
7 7/8"	4 1/2"	10.5#	4916' MD 4600' TVD	250 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	1400'	0'	0.0°	1400'
Angle Established	2782'	355'	28.5°	2842'
Initial Objective	4300'	1191'	28.5°	4575'
Total Depth	4600'	1353'	28.5°	4916'

The initial target (Dakota Sands) is located 650' FSL and 650' FEL of Section 8 and is planned with a 150' target radius to comply with applicable State spacing regulations.

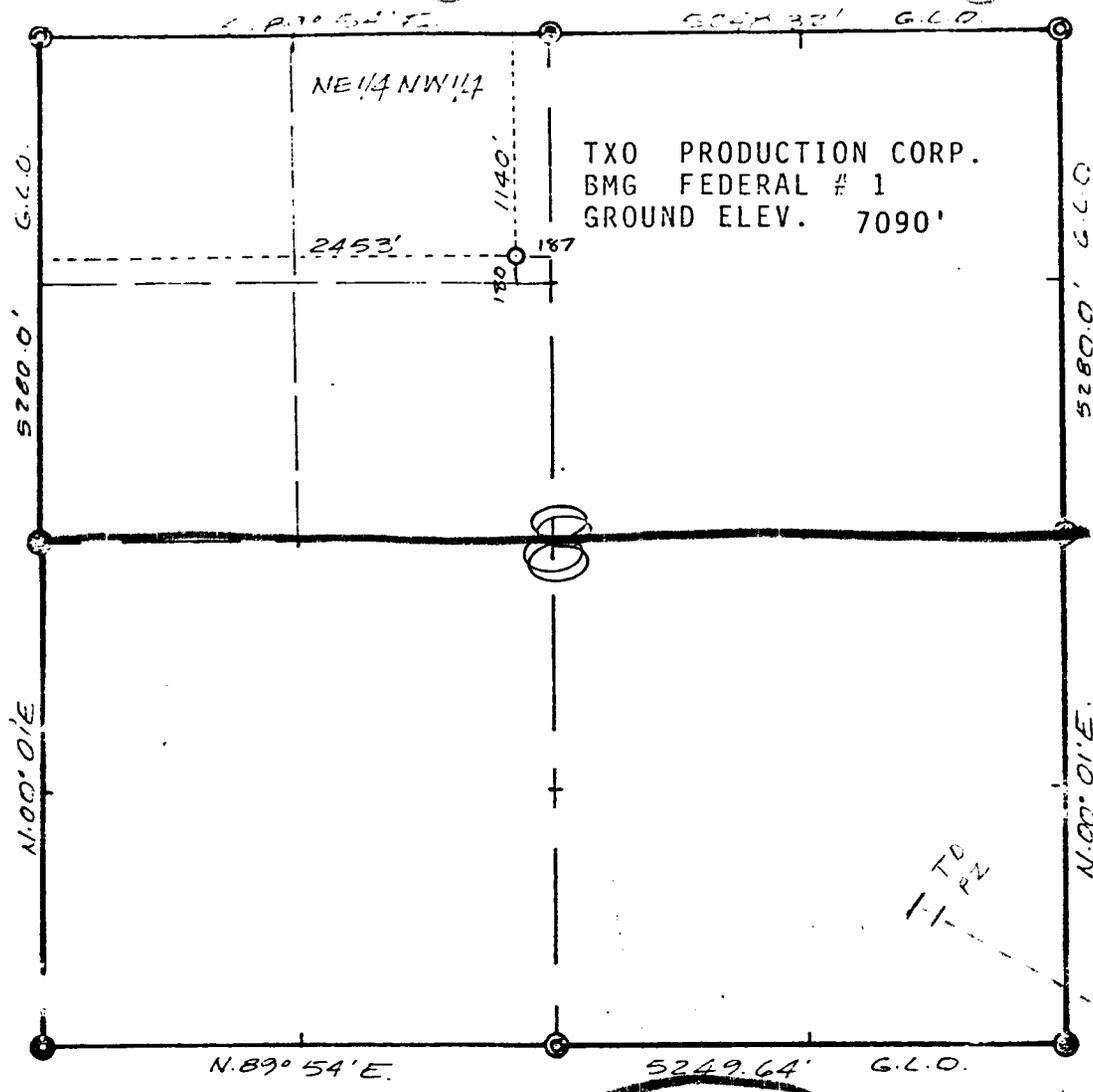
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24. SIGNED Ronald E. Dashner TITLE Dist. Drilling Engineer DATE December 7, 1982
 Ronald E. Dashner

(This space for Federal or State office use)

PERMIT NO. _____
 APPROVED BY _____
 CONDITIONS OF APPROVAL, IF ANY:

APPROVAL DATE
RECEIVED
 APPROVED BY THE STATE
 OF UTAH DIVISION OF
 OIL, GAS, AND MINING
 DATE: 12-10-82
 BY: Norman Stout DIVISION OF
 OIL GAS & MINING



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

REFERENCE DOCUMENTS:
 1926 G.L.O. PLAT
 OLIM CANYON, UTAH
 QUADRANGLE, USGS

TXO
BMG FEDERAL #1
105-26E

BEARINGS ARE BASED ON THE EAST LINE OF SECTION 8

THIS WELL LOCATION PLAT WAS PREPARED FOR: TXO PRODUCTION CORP.
 AS REQUESTED BY PAUL URBAN, TO LOCATE THE
BMG FEDERAL #1, 1140' F.W.L. & 2453' F.W.L.,
 IN THE NE 1/4 NW 1/4, OF SECTION 8, T. 16 S., R. 26 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 I.S. NO. 4108

Exhibit 2
 Survey Plat

SURVEYED	10-8-82
DRAWN	10-22-82
CHECKED	10-22-82

ENERGY SURVEYS & ENGINEERING CORP.

1156 BOOKCLIFF AVE. NO 4
 GRAND JUNCTION, CO. 81501
 970 248-7221

SCALE 1" = 1000'
 JOB NO.
 SHEET

9-331 C ADDENDUM
 BMG Federal "A" #1
 Section 9-T16S-R26E
 Grand County, Utah

1. SURFACE FORMATION: Mesaverde

2. ESTIMATED FORMATION TOPS:

Buck Tongue	450'	Depths given are true vertical depths (TVD)
Castlegate	750'	
Mancos	950'	
Dakota Silt	4300'	
Morrison	4500'	
Total Depth	4600'	

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

Expected Gas Zone: Dakota 4300' (TVD)

Water may be encountered in the Mesaverde and Castlegate formations.

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	1400'	0.0'	0.0°	1400'
Angle established	2782'	355.0'	28.5°	2842'
Initial objective	4300'	1191.0'	28.5°	4575'
Total Depth	4600'	1353.0'	28.5°	4916'

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 28.5° from vertical is established, the angle will be held to the proposed TD of 4600' (TVD). The bottomhole target (Dakota sand group) is located 650' FSL, 650' FEL of Section 8 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.

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.

- 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 H₂S are expected.
- C. While drilling with gas or air, return fluids will be directed through the blow line to the reserve pit. All open fires or ignition sources will be prohibited on location while gas or air drilling. A pilot flame will be maintained at the end of the blow line (located 125' from the wellhead) to insure burning of return gases that are combustible.

11. ANTICIPATED STARTING DATES:

Spud date	January 15, 1983
Complete drilling	January 30, 1983
Completed, ready for pipeline	February 15, 1983

TXO PRODUCTION CORP.
MULTIPOINT SURFACE USE AND OPERATIONS PLAN

DATE: December 6, 1982

WELL NAME: BMG Federal "A" #1

LOCATION: 25' FSL, 364' FWL, Section 9-T16S-R26E, Grand County, Utah.

FEDERAL OIL & GAS LEASE NO.: U-05015

1. EXISTING ROADS

- A. **Proposed well site as staked.** Refer to Exhibit 2. The drill site for this **directionally-drilled well** has been staked 25' FSL and 364' FWL in **Section 9-T16S-R25E.**
- B. **Route and distance from nearest town or locatable reference point to where proposed access route leaves existing road:** From Mack, Colorado, proceed west 2.3 miles on State Highway 6 & 50 to Eight Road in Colorado. Turn right on Eight Road and proceed north 2.7 miles. Turn left, remaining on pavement, and proceed west 3.0 miles to a curve. Continue to follow the well-traveled and maintained road northwest for 3.1 miles to a fork. Take the left fork and proceed 3.1 miles to a fork. Take the right fork (left fork continues up Jim Canyon) and proceed up Prairie Canyon 1.8 miles to a fork. Take the left fork and proceed up Cottonwood Canyon for 1.6 miles to the proposed BMG Federal "A" #1.
- 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 roads 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: The proposed BMG Federal "A" #1 will be drilled from an existing well pad. Consequently, no new access will be required. A formal right-of-way 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-TXO Moxa Federal #1, Sec. 9-T16S-R26E
Tenneco 4 State, Sec. 16-T16S-R26E
Palmer 15 Fed., Sec. 25-T7S-R105W
- 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-None
- 2. Production Facilities-TXO Moxa Federal #1, Sec. 9-T16S-R25E
- 3. Oil Gathering Lines-None
- 4. Gas Gathering Lines-None
- 5. Injection Lines-None
- 6. Disposal Lines-None

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

- 1. Proposed location and attendant lines in relation to the well pad. Refer to Exhibit 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 wild-life: The water production pit will be fenced with four strand barbed 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 West Salt Wash in Colorado.
- 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. Since the well is being drilled on an existing pad, only minimal dirt work will be required. In order to construct an adequate location, fill material will need to be placed in the drainage to the west of the location. This material will be removed immediately following drilling and completion operations. 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. Approximately 5,470 cubic yards of material will be derived from cuts on location and approximately 4,160 cubic yards of fill is needed. Refer to Exhibit 7b.
- D. Show any needed access roads crossing Federal or Indian Lands: The access road will cross BLM administered lands in Section 9-T16S-R26E. 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 fracing 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 4 strand barbed 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. Fill material placed in drainage to west of pad will be removed and the drainage channel reclaimed. 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 adjacent natural contours to the extent practicable. These areas will then be covered with topsoil, disked and reseeded with a seed mixture recommended by BLM.

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 February 5, 1983, 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 Cottonwood Canyon. An archeological survey has been performed and the results 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: December 6, 1982

Ronald E. Dashner
Ronald E. Dashner
District Drilling Engineer

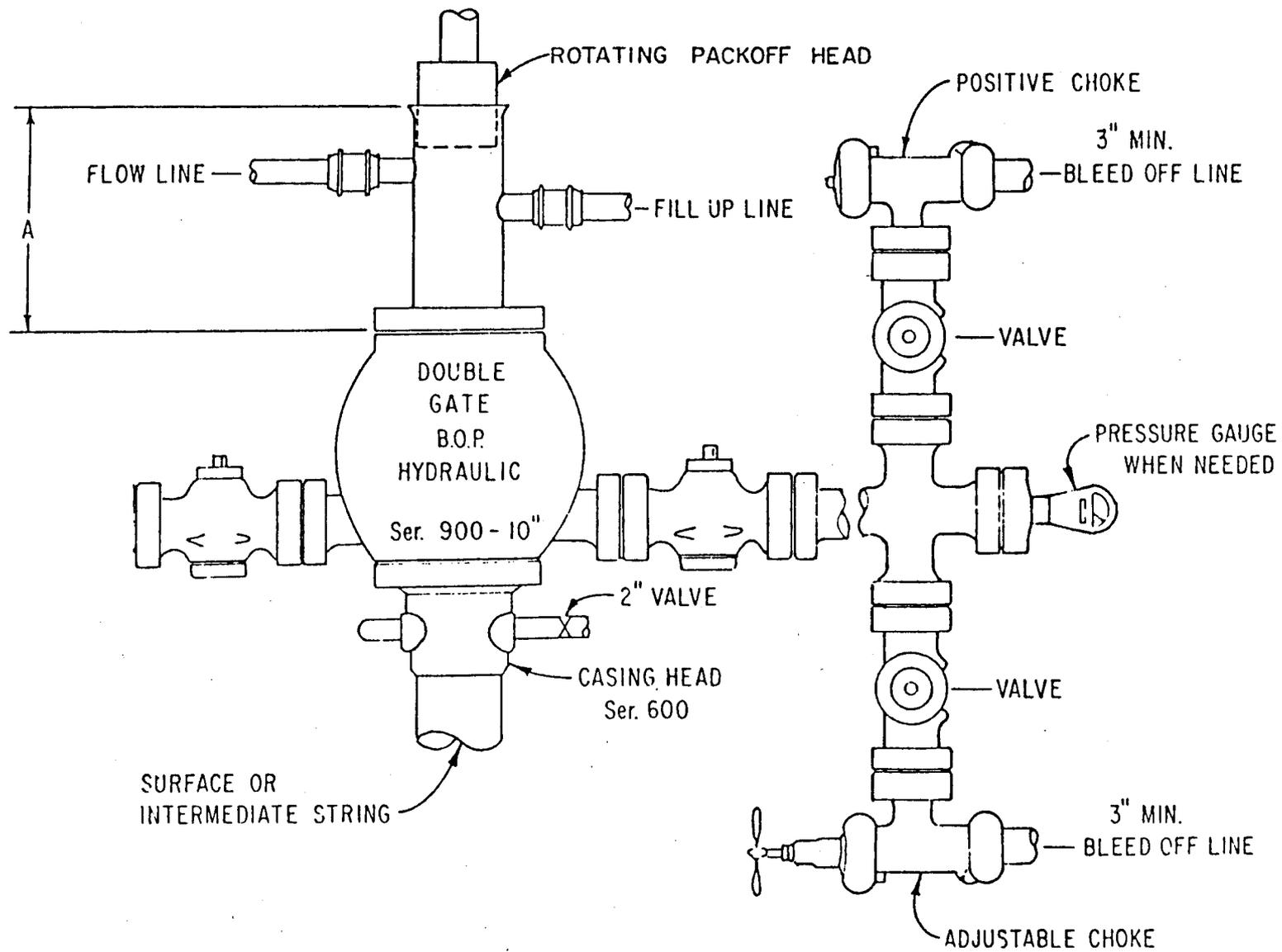
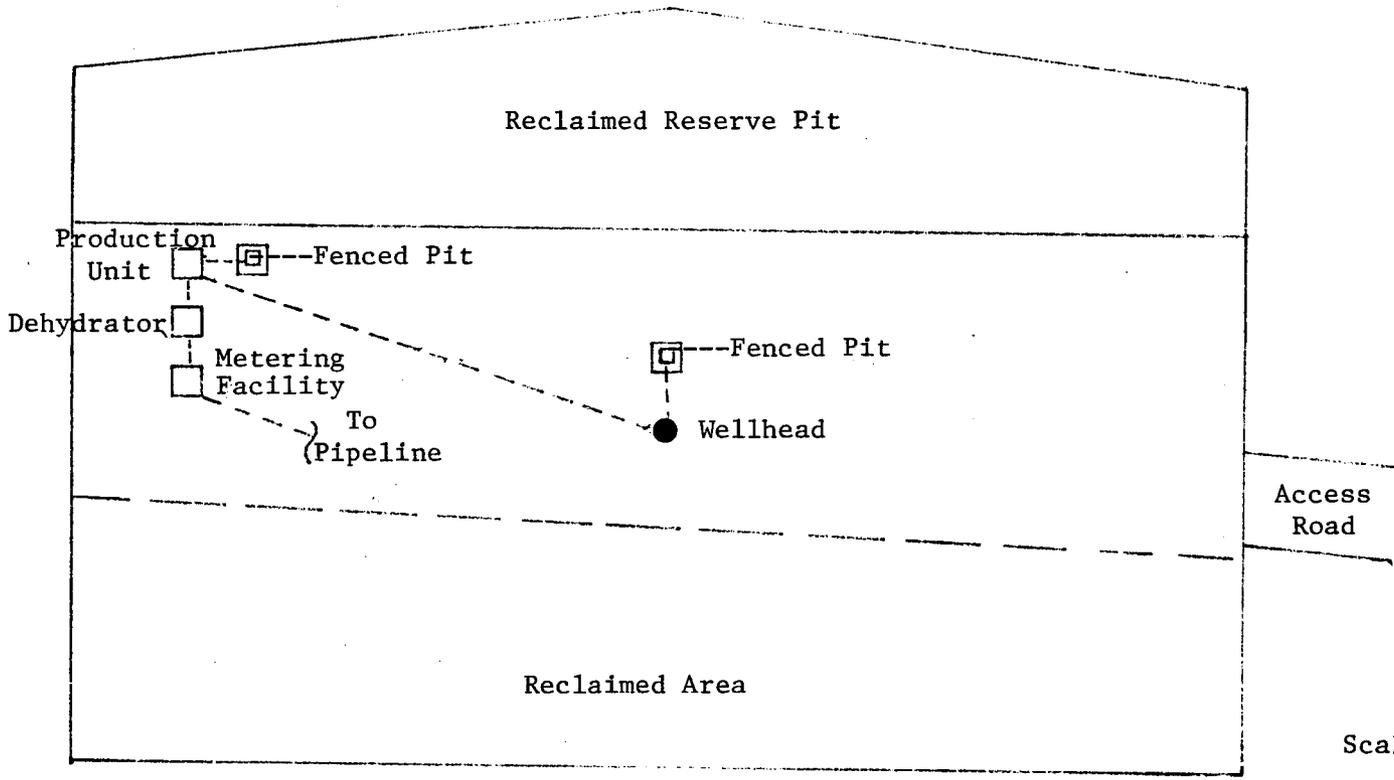
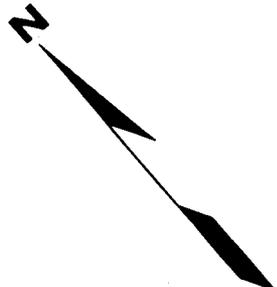


EXHIBIT I
 BLOWOUT PREVENTER DIAGRAM



BMG FEDERAL "A" #1
PRODUCTION FACILITIES

EXHIBIT 6

Scale: 1"=50'

- 1) Pits will be 10' x 10' x 6' deep and will be surrounded by 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 shutdown system will be installed.
- 5) The separator will be an ASME coded vessel.

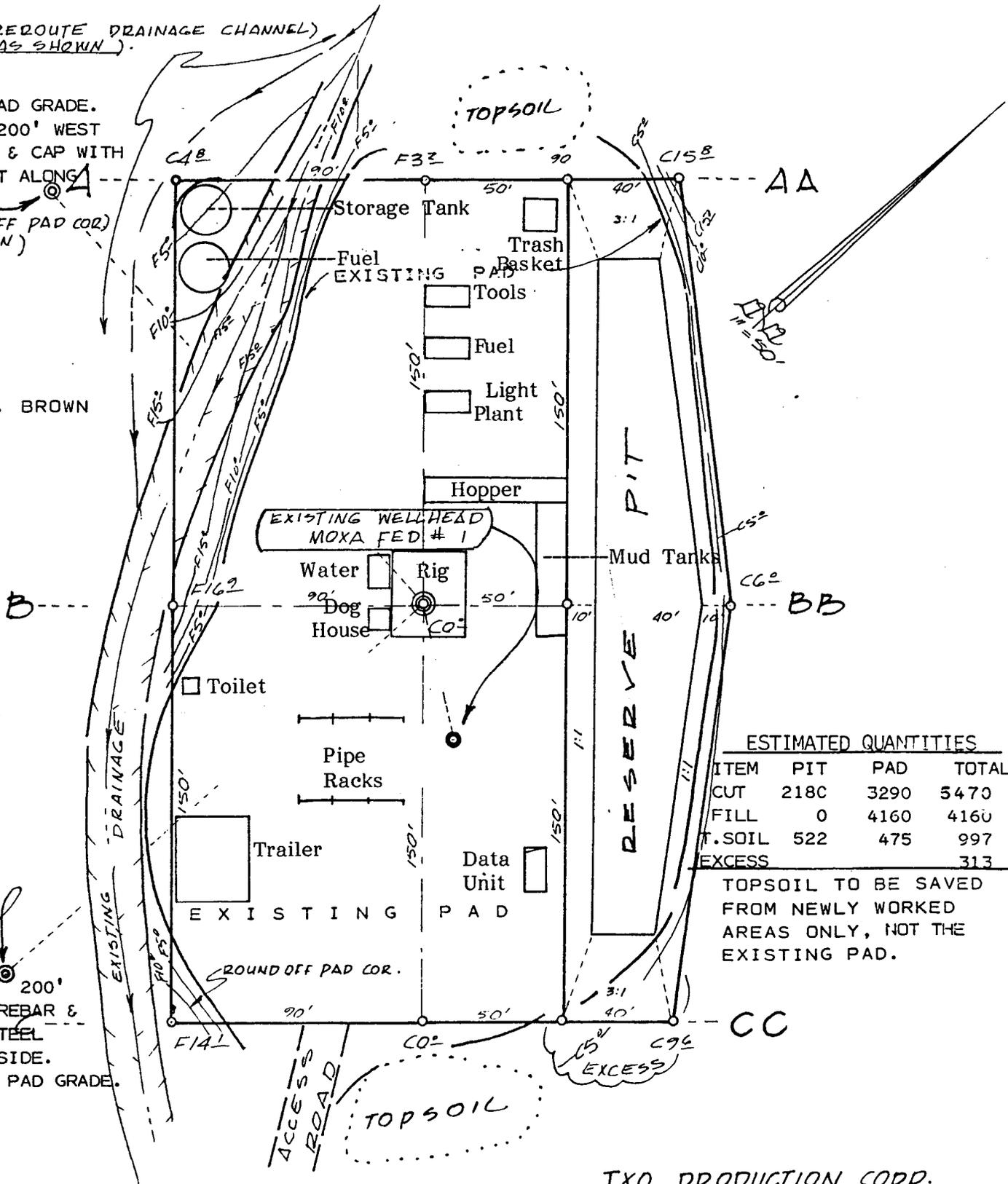
EXHIBIT # 7A PIT & PAD LAYOUT

(REROUTE DRAINAGE CHANNEL)
(AS SHOWN).

C 35.6' PAD GRADE.
REF. PT. 200' WEST
SET REBAR & CAP WITH
STEEL POST ALONG
SIDE. (ROUND OFF PAD COR.)
(AS SHOWN)

OIL IS LT. BROWN
LAY.

REF. PT. 200'
SOUTH SET REBAR &
CAP WITH STEEL
POST ALONGSIDE.
F 27.4' TO PAD GRADE.



ESTIMATED QUANTITIES

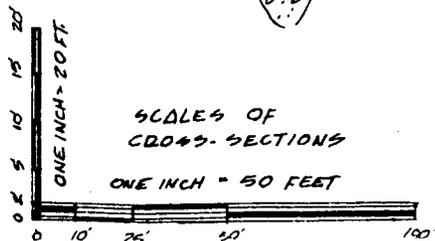
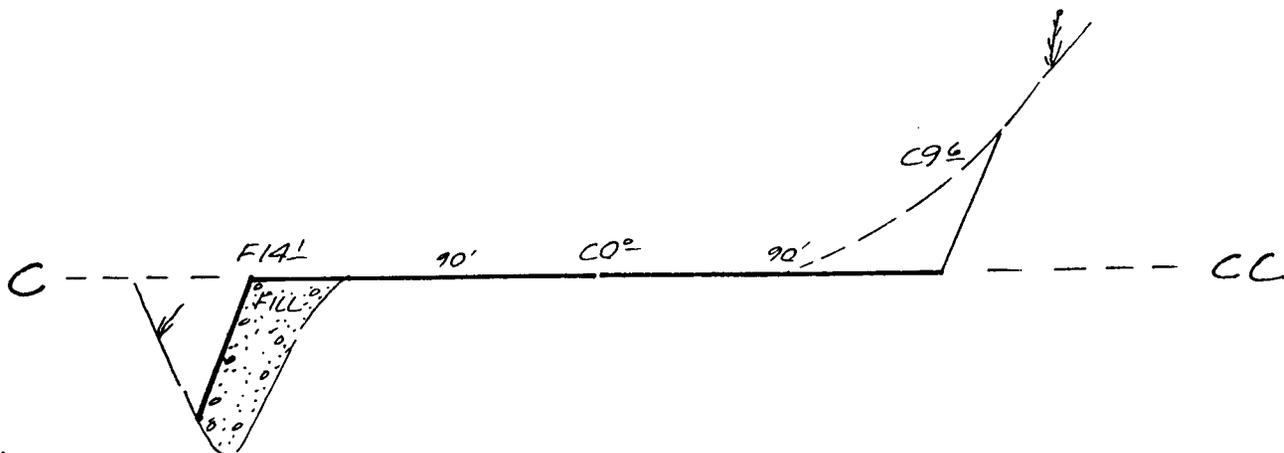
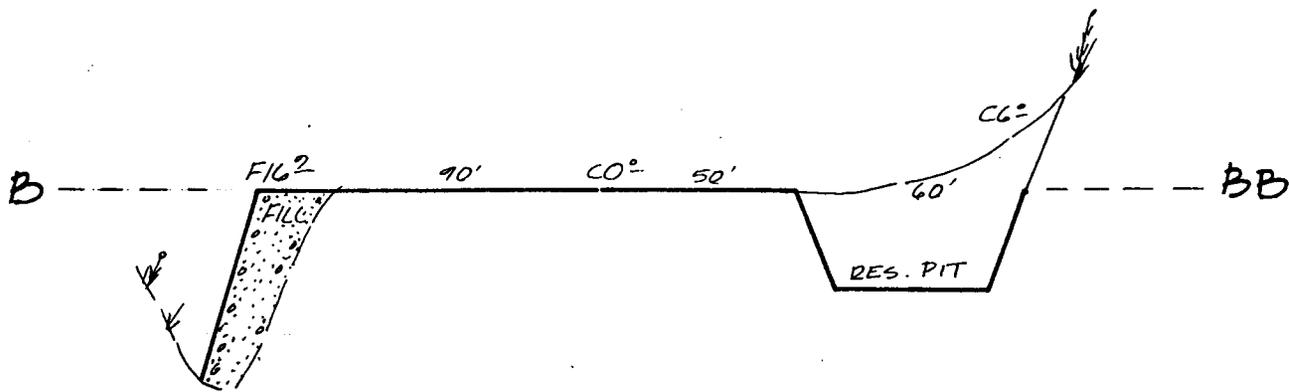
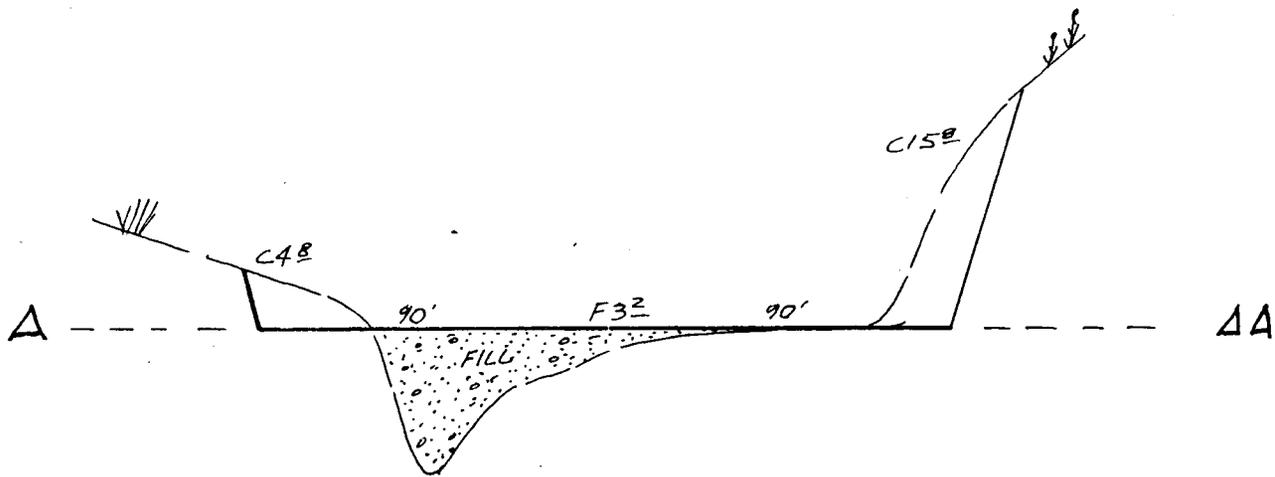
ITEM	PIT	PAD	TOTAL
CUT	2180	3290	5470
FILL	0	4160	4160
T.SOIL	522	475	997
EXCESS			313

TOPSOIL TO BE SAVED
FROM NEWLY WORKED
AREAS ONLY, NOT THE
EXISTING PAD.

TXO PRODUCTION CORP.
PIT & PAD LAYOUT
TXO B.M.G. FEDERAL A#1

PREPARED BY
ENERGY SURVEYS & ENGR. CORP.

EXHIBIT #7B
CROSS-SECTIONS



TXO PRODUCTION CORP.
CROSS-SECTIONS OF
TXO BMG FEDERAL A#1

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 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 9 -T 16S -R 26E

- c. The total length of the requested right-of-way is 25 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 drilling a well from an existing well pad. Please refer to Map 1.

The amount of off lease disturbed area will be approximately 2 acres. 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.

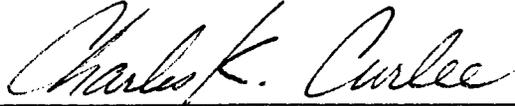
- b. The requested right-of-way is located in Grand County, Utah.
Legal description follows:

Section 9 -T 16S -R 26E

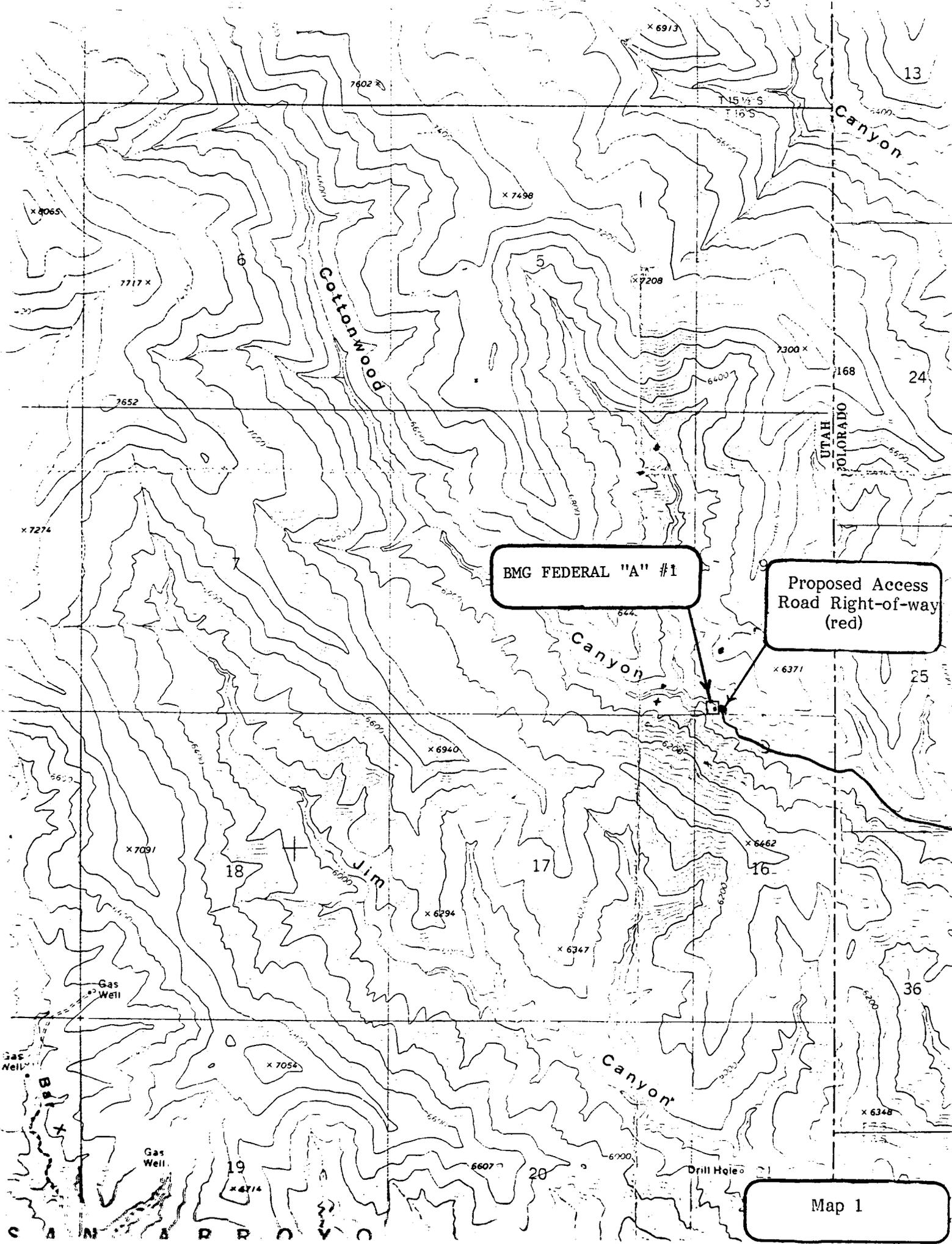
- c. The total area of the requested right-of-way is 2 acres. A check for the required fees will be submitted during the surface inspection for the well and right-of-way routes.

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 December 6, 1982



Charles K. Curlee
Environmental Manager



BMG FEDERAL "A" #1

Proposed Access Road Right-of-way (red)

Map 1

OPERATOR TXO DATE 12-10-82

WELL NAME BMG FED "A" #1

SEC SESE 8' T 10S R 20E COUNTY GRAND

SURFACE SWSW 9

43-019-31023
API NUMBER

FED
TYPE OF LEASE

POSTING CHECK OFF:

INDEX

HL

NID

PI

MAP

PROCESSING COMMENTS:

LAY DOWN DRILLING UNIT

NO GAS WELLS WITHIN 2300' WITH 500' TOLERANCE

FOR SURFACE OBSTRUCTION

RSE

APPROVAL LETTER:

SPACING:

A-3

UNIT

c-3-a

107-1 7-11-65
CAUSE NO. & DATE

c-3-b

c-3-c



DIRECTIONAL SURVEY DATA MUST BE SUBMITTED AT
TIME OF COMPLETION.

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

AUTHENTICATE LEASE AND OPERATOR INFORMATION

VERIFY ADEQUATE AND PROPER BONDING *FE2*

AUTHENTICATE IF SITE IS IN A NAMED FIELD, ETC.

APPLY SPACING CONSIDERATION

ORDER 107-1

UNIT _____

c-3-b

c-3-c

OUTSTANDING OR OVERDUE REPORTS FOR OTHER WELLS OF THE OPERATOR.

POTASH

December 10, 1982

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

RE: Well No. BMGFed. A #1
SESE Sec. 8, T.16S, R.26E
Grand County, Utah

Gentlemen:

gnc Inssofar as this office is concerned, approval to drill the above referred to ~~oil~~ well is hereby granted in accordance with the Order issued in Cause No. 107-1 dated February 11, 1965. Directional survey data must be submitted at time of completion.

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 43-019-31023.

Sincerely,

Norman C. Stout
Administrative Assistant

NCS/as
cc: MMS
Enclosure

JU

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

December 13, 1982

Texas Oil and Gas Corporation
1800 Lincoln Center Building
Denver, Colorado 80264

Re: San Arroyo Field Wells
Grand County, Utah
Moxa Federal No. 1
Section 9, T.16S., R.26E. and
BMG Federal "A" No. 1,
Section 8, T.16S., R.26E.

WC Δ 147'
1730 FSL - 588 FWL

CARD
2700 FSL 1000 FWL

650 FSL 650 FEL

Δ 2300'
500' to LEAUXE

Gentlemen:

A review of our files discloses that they do not contain a copy of the directional survey for the Moxa Federal No. 1, Section 9, T.16S., R.26E. It is necessary that you furnish this office with a copy of the directional survey no later than December 23, 1982 and prior to any approval of the BMG Federal "A" No. 1, Section 8, T.16S., R.26E.

Using the coordinates presented by you for both wells it can be shown that the horizontal distance between the referenced locations is 1643 feet at the top of the Dakota formation.

Since this distance is less than the 2500 feet specified in State of Utah spacing order Cause 107-1 it will be necessary that your application for the BMG Federal "A" No. 1 be modified to conform to the requirements of said cause.

Sincerely,

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

for
E. W. Guynn
District Oil and Gas Supervisor

bcc: 2 wells files
State of Utah

WPM/kr



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

December 15, 1982

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

RE: Well No. BMG Fed. A #1
SESE Sec. 8, T.16S, R.26E
Grand County, Utah

Dear Mr. Urban:

The above referenced well was permitted in error, which permit is hereby rescinded. Regrettably, producing zone location of the Moxa Federal #1 (Sec. 9, T.16S, R.26E) was not properly noted upon receipt of the completion report, and the error in approving the BMG Federal A #1 was based upon the producing zone location shown on the Moxa Federal #1 Application for Permit to Drill.

You may choose to appear before the Board for request to drill BMG Federal A #1 as an exception location to Cause No. 107-1 dated February 11, 1965, if the drilling site cannot be relocated.

Please accept our apologies.

Respectfully,

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

Norman C. Stout
Administrative Assistant

NCS/as

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
TXO Production Corp. Attn: Paul Urban

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

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 25' FSL 364' FWL Sec. 9-16S-26E
AT TOP PROD. INTERVAL: 650' FSL 1242' FEL Sec. 8
AT TOTAL DEPTH: 753' FSL 1506' FEL Sec. 8-16S-26E

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

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"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>		<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>		<input type="checkbox"/>
PULL OR ALTER CASING	<input checked="" 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 Directional Drill Program</u>			

5. LEASE
U-05015

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
SOUTHERN UTAH

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
BMG Federal "A"

9. WELL NO.
#1

10. FIELD OR WILDCAT NAME
San Arroyo

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Surface: Sec. 9-16S-26E
T.D.: Sec. 8-16S-26E

12. COUNTY OR PARISH
Grand

13. STATE
Utah

14. API NO.

15. ELEVATIONS (SHOW DF, KDB, AND WD)
5778' GR

(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.)*

Size of Hole	Size of Casing	Wt. per Foot	Setting Depth	Qty of Cement
24"	16"	Corrugated Iron	40'	2 yards
11"	8 5/8"	24#	1150'	500 sacks
7 7/8"	4 1/2"	10.5#	5342' MD 4650' TVD	250 sacks

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 Ronald E. Dashner TITLE Dist. Drilling Mgr. DATE January 10, 1983
Ronald E. Dashner

(This space for Federal or State office use)

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

TXO Production Corp.
Sundry Notice Attachment

Date: January 10, 1983

Well Name: BMG Federal "A" #1

Lease No.: U-05015

Location: Surface: 25' FSL, 364' FWL Section 9-16S-26E

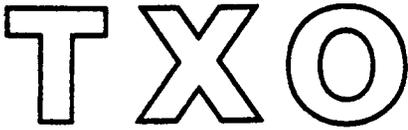
At Proposed Production Zone: 650' FSL, 1242' FEL Section 8-16S-26E

At Total Depth: 753' FSL, 1506' FEL Section 8-16S-26E

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	1400'	1400'	0.0'	0.0°
Angle Established	3381'	3588'	795.0'	43.45°
Initial Objective	4350'	4929'	1723.0'	43.45°
Total Depth	4650'	5342'	2007.0'	43.45°

2. The initial, or proposed production, target (Dakota Sands) is located 650' FSL, 1242' FEL of Section 8-T16S-R26E and is planned with a 150' target radius to comply with applicable State spacing regulations.



TXO PRODUCTION CORP.

1800 LINCOLN CENTER BUILDING
DENVER, COLORADO 80264

TELEPHONE (303) 861-4246

January 24, 1983

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

Attention: Norm Stout, HOLDING FILE

Re: BMG Federal "A" #1
Grand County, Utah

Gentlemen:

Please find enclosed an original and two copies of an Application for Permit to Drill the above-referenced well. An entire application package for this well was submitted to your office on December 7, 1982. On December 15, 1982 your office denied approval of this application because the proposed downhole location was too close to the existing Moxa Federal #1 well. The enclosed application reflects a new downhole location for the proposed BMG Federal "A" #1. Since the surface location has not changed, I am assuming that you can use the survey plats and Multipoint Surface Use and Operations Plan previously submitted for any information you may need associated with this application.

Due to the topographic constraints in the area and the limitations associated with directional drilling, we were not able to locate the downhole location of this well more than 2500' from the Moxa Federal #1. Consequently, TXO Production Corp. requests an administrative exception for this prospect.

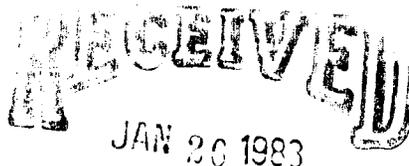
If you have any questions, please contact me at this office.

Very truly yours,

TXO PRODUCTION CORP.

Paul Urban
Environmental Scientist

PU/BS
Enclosures/as stated



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: 25' FSL, 364' FWL, Sec. 9-T16S-R26E
 At proposed prod. zone: 650' FSL, 1242' FEL, Sec. 8-T16S-R26E
 At T.D.: 753' FSL, 1506' FEL, Sec. 8-T16S-R26E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 Approximately 41 miles northwest 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
 2560

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.
 2100
 4113'

19. PROPOSED DEPTH
 4600' TVD

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5778' GR

22. APPROX. DATE WORK WILL START*
 February 25, 1983

5. LEASE DESIGNATION AND SERIAL NO.
 U-05015

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

7. UNIT AGREEMENT NAME
 - - -

8. FARM OR LEASE NAME
 BMG Federal "A"

9. WELL NO.
 #1

10. FIELD AND POOL, OR WILDCAT
 San Arroyo

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Surface: Sec. 9-16S-26E
 T.D.: Sec. 8-16S-26E

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

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
11"	8 5/8"	24#	1150'	500 sack
7 7/8"	4 1/2"	10.5#	5342' MD 4650 TVD	250 sack

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

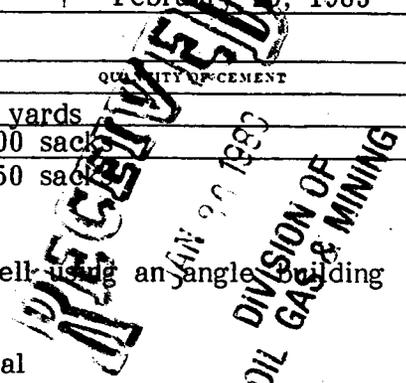
	TVD	MD	Horizontal Deviation	Angle
Kickoff depth	1400'	1400'	0.0'	0.0°
Angle established	3381'	3588'	795.0'	43.45°
Initial objective	4350'	4929'	1723.0'	43.45°
Total Depth	4650'	5342'	2007.0	43.45°

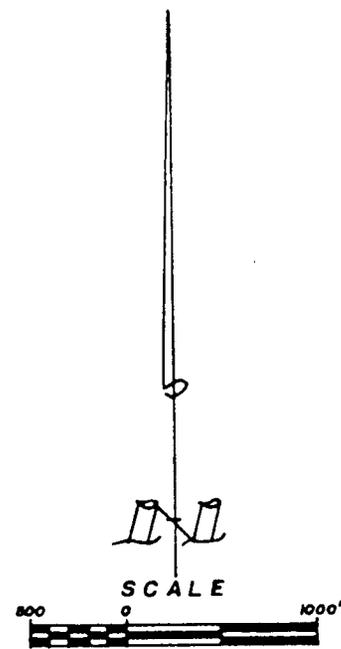
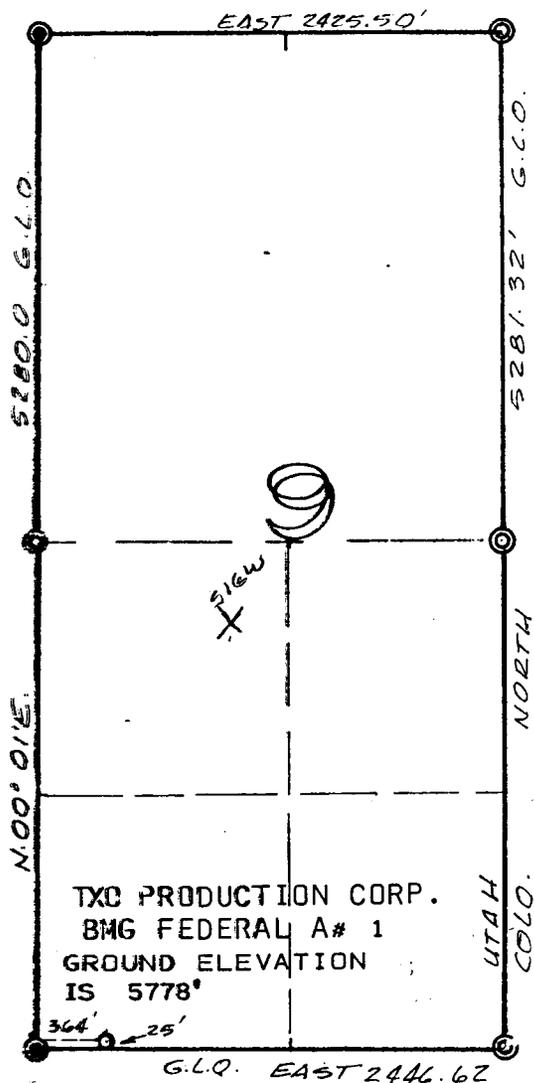
The initial, or proposed production, target (Dakota Sands) is located 650' FSL, 1242' FEL of Section 8-T16S-R26E and is planned with a 150' target radius to comply with State spacing regulations.

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 prevention program, if any.

21. SIGNED Ronald E. Dashner TITLE District Drilling Manager DATE January 24, 1983
 (This space for Federal or State office use)

PERMIT NO. _____ APPROVAL BY _____ TITLE _____
 APPROVED BY _____ TITLE _____
 CONDITIONS OF APPROVAL, IF ANY: _____
APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
 DATE: 1-26-83
 BY: [Signature]





- LEGEND**
- STANDARD LOCATION OF G.L.O. CORNERS.
 - G.L.O. CORNERS FOUND.
 - WELL LOCATION STAKED.
- REFERENCE DOCUMENTS**
- 1926 G.L.O. PLAT
 - JIM CANYON, UTAH QUADRANGLE, USGS

BASIS OF BEARING IS THE WEST LINE OF SECTION 9.

THIS WELL LOCATION PLAT WAS PREPARED FOR TXO PRODUCTION CORP.
 AS REQUESTED BY PAUL URBAN, TO LOCATE THE
BMG FEDERAL A # 1, 25' F.S.L. & 364' F.W.L.,
 IN THE SW 1/4 SW 1/4, OF SECTION 9, T. 16 S.; R. 26 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	10-9-82	ENERGY SURVEYS & ENGINEERING CORP.	Exhibit 2 Survey Plat	SCALE 1" = 1000'	
DRAWN	10-20-82			4	JOB NO.
CHECKED	10-22-82			1501	SHEET OF

OPERATOR TXO PRODUCTIONS CORP

DATE 1-26-83

WELL NAME BMG FED "A" #1

S SEC SE SE 8 T 16E R 26E COUNTY GRAND

SURFACE SWSW 9

43-019-31031

API NUMBER

FED

TYPE OF LEASE

POSTING CHECK OFF:

INDEX

HL

NID

PI

MAP

PROCESSING COMMENTS:

LAY DOWN DRILLING UNIT - APPROX 2100' FROM MOXA FED #1 WELL,
BUT WITHIN ADMIN. TOLERANCE FOR TOPD EXCEPTION AS REQUESTED.
(SINCE THE PREVIOUS APD WAS RESCINDED, THIS APD
RJFV IS ASSIGNED A NEW API NO.)

APPROVAL LETTER:

SPACING:

A-3

UNIT

c-3-a

107-1 2-11-65
CAUSE NO. & DATE

c-3-b

c-3-c

§ _____:

DIRECTIONAL SURVEY DATA MUST BE SUBMITTED AT
TIME OF COMPLETION

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

AUTHENTICATE LEASE AND OPERATOR INFORMATION

VERIFY ADEQUATE AND PROPER BONDING

AUTHENTICATE IF SITE IS IN A NAMED FIELD, ETC.

APPLY SPACING CONSIDERATION

ORDER _____

UNIT _____

c-3-b

c-3-c

OUTSTANDING OR OVERDUE REPORTS FOR OTHER WELLS OF THE OPERATOR.

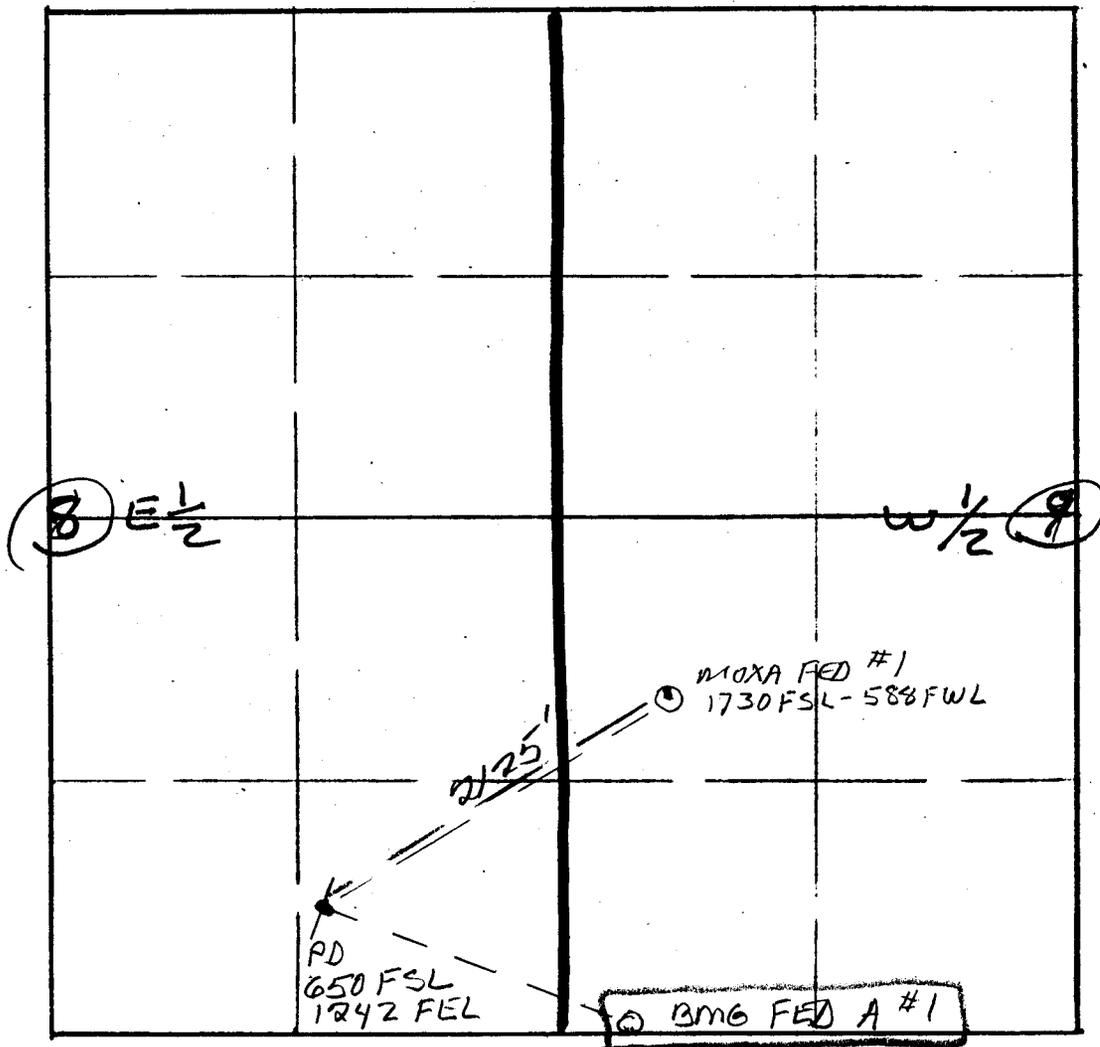
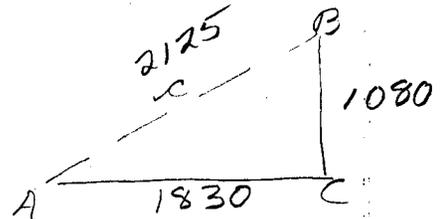
IF POTASH DESIGNATED AREA, SPECIAL LANGUAGE ON APPROVAL LETTER

T/A = 0.5902
 C/A = 0.8612

$$.8612 = \frac{1830}{C}$$

$$.8612C = 1830$$

$$C = \frac{1830}{.8612} = 2,125$$



SCALE: 1" = 1000'

16S, 26E

GRAND

[Signature]
 1-26-83

January 26, 1983

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

RE: Well No. 1 BMG Federal "A"
SESE Sec. 8, T.16S, R.26E
Grand County, Utah

Gentlemen:

Insofar as this office is concerned, approval to drill the above referred to gas well is hereby granted in accordance with the Order issued in Cause No. 107-1 dated February 11, 1965. Directional survey data must be submitted at time of completion.

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 43-019-31031.

Sincerely,


Norman C. Stout
Administrative Assistant

NCS/as
cc: Oil & Gas Operations
Enclosure

NOTICE OF SPUD

Company: TXO

Caller: Bruce Wright

Phone: 303-861-4246

Well Number: BMG #A-1

Location: SE 1/4 SE 1/4 Sec 9-16S-26E

County: Grand State: UT

Lease Number: U-05015

Lease Expiration Date: _____

Unit Name (If Applicable): _____

Date & Time Spudded: 7-21-83 11:PM

Dry Hole Spudder/Rotary: _____

Details of Spud (Hole, Casing, Cement, etc.) 17 1/2" to 40'

Rotary Rig Name & Number: Ueco #8

Approximate Date Rotary Moves In: 7-19-83

FOLLOW WITH SUNDRY NOTICE

Call Received By: Cindy Barts

Date: 7-22-83 1:20 P.M.

cc: well file
B.M. Vernal
UT St. & B
TAT

water right OK

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

NAME OF COMPANY: TXO PRODUCTION CORPORATON

WELL NAME: BMG FEDERAL "A" # 1

SECTION SWSW 9 TOWNSHIP 16S RANGE 26E COUNTY GRAND

DRILLING CONTRACTOR VECO

RIG # 8

SPUDED: DATE 7-21-83

TIME 11PM

How ROTARY

DRILLING WILL COMMENCE _____

REPORTED BY BRUCE WRIGHT

TELEPHONE # 303-861-4246

DATE 7-22-83 SIGNED CF

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
TXO Production Corp.

3. ADDRESS OF OPERATOR
1800 Lincoln Cntr. Bldg., Denver, Co. 80264

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 25' FSL, 364' FWL - Section 9
AT TOP PROD. INTERVAL: 650' FSL, 1242' FEL, Sec 8
AT TOTAL DEPTH: 753' FSL, 1506' FEL, Section 8

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

5. LEASE
U-05015

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
BMG FEDERAL "A"

9. WELL NO.
#1

10. FIELD OR WILDCAT NAME
San Arroyo

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Surf: 9-16S-26E
TD: 8-16S-26E

12. COUNTY OR PARISH Grand 13. STATE Utah

14. API NO.
43-019-31031

15. ELEVATIONS (SHOW DF, KDB, AND WD)
5778' GL

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"/>
SHOOT 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>spudding</u>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

TIGHT HOLE

NOTE: Report only for 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.)*

The above well was spudded @ 11 PM on 7/21/83. The drilling contractor is Veco Drilling, Inc., Rig #8.

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

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

SIGNED R. Bruce Wright TITLE Petroleum Engineer DATE 7/25/83
R. Bruce Wright

(This space for Federal or State office use)

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

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
TXO Production Corp.

3. ADDRESS OF OPERATOR
1800 Lincoln Cntr. Bldg., Denver, Co. 80264

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 25' FSL, 364' FWL - Section 9
AT TOP PROD. INTERVAL: 650' FSL, 1242' FEL, Sec 8
AT TOTAL DEPTH: 753' FSL, 1506' FEL, Section 8

5. LEASE
U-05015

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
BMG FEDERAL "A"

9. WELL NO.
#1

10. FIELD OR WILDCAT NAME
San Arroyo

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Surf: 9-16S-26E
TD: 8-16S-26E

12. COUNTY OR PARISH
Grand

13. STATE
Utah

14. API NO.
43-019-31031

15. ELEVATIONS (SHOW DF, KDB, AND WD)
5778' GL

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

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"/>
SHOOT 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>spudding</u>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

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

TIGHT HOLE

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.)*

The above well was spudded @ 11 PM on 7/21/83. The drilling contractor is Veco Drilling, Inc., Rig #8.

RECEIVED
AUG 01 1983
DIVISION OF
OIL, GAS & MINING

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

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

SIGNED R. Bruce Wright TITLE Petroleum Engineer DATE 7/25/83
R. Bruce Wright

(This space for Federal or State office use)

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

GRAND JUNCTION

245-2906

HUGHES TOOL COMPANY

Date 08-05-83
 Company TXO Production
 Well No. BMG Fed A-1
 Service Ticket No. S105399
 Formation _____
 County Grand
 State Utah
 BJ Service Foreman Charlie Allen
 Company Representative Glenn Hodge
 REMARKS: Plug and Abandon

WELL DATA
 Hole Size: 7 7/8 Depth: 4992
 Casing Size: 3 1/2" DP Wt. 13.3 Depth 4700
 Dlg. Fluid Type mud Wt. 9#
 Stage Collars: _____
 Contractor: Veco Drilling, Rig 8

CEMENT DATA

NO. SACKS	YIELD Cu. Ft./Sk.	CEMENT MIX	CUFF	VOLUME BBLs.	WT.
210	1.141	6 neat	240	42	15.8

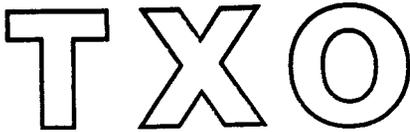
Volume of Displacement 33.3 Bbl.
 Cement Circulated _____ Bbls.
 Circulation During Job? yes

Trucks Used

TIME	RATE BPM	VOLUME BBL	PRESSURE		Job Detail
			TUBING	CASING	
3:15 A					Arrived location, rigged up, safety meeting
11:13	5	5	500		H ₂ O ahead
11:14	4	13	250		1st stage cement 4500'-4700'
11:18	4	33.3	250		displace with mud
12:01 P	4 1/2	5	250		H ₂ O ahead - 2nd stage
12:07	4 1/2	13	250		2nd stage cement 2800-3000'
12:05	4 1/2	20.7	250		displace with mud
12:40	3 1/2	2	100		H ₂ O ahead - 3rd stage
12:41	3 1/2	14	100		3rd stage cement 1100'-1300'
12:45	3 1/2	8.1	100		displace with mud
					10 sacks left on edge of location for surface marker.
1:15					Released
Thank You					

TEXAS OIL & GAS PRODUCTION CORP.
 BMG FEDERAL "A" #1
 SECTION 9 - T16S - R26E
 GRAND COUNTY, UTAH

FORMATION	FORMATION TOPS			
	MEASURED DEPTH	DATUM	TVD DEPTH	DATUM
MESA VERDE	SURFACE	+5793		
BUCK TONGUE	402'	+5391	402'	+5391
CASTLEGATE	777'	+5016	774'	+5019
MANCOS	971'	+4822	960'	+4833
MANCOS "B"	1584'	+4209	1576'	+4217
MANCOS "B" BASE	2475'	+3318	2282'	+3511
FRONTIER	4367'	+1426	4015'	+1778
DAKOTA SILT	4664'	+1129	4270'	+1523
DAKOTA	4734'	+1059	4329'	+1464
MORRISON	4930'	+ 863	4508'	+1285
TOTAL DEPTH	4992'	+ 801	4563'	+1230



TXO PRODUCTION CORP.

1800 LINCOLN CENTER BUILDING
DENVER, COLORADO 80264

TELEPHONE (303) 861-4246

August 11, 1983

STATE OF UTAH
DIVISION OF OIL, GAS, & MINING
4241 State Office Building
Salt Lake City, Utah 84114

Attn: Mr. Cleon B. Feight
Director

RE: BMG FEDERAL "A" #1
Surf: Section 9-T16S-R26E
TD: Section 8-T16S-R26E
Grand County, Utah

Dear Mr. Feight:

Please find enclosed two (2) copies of Form 9-330, "Well Completion or Recompletion Report and Log", and Form 9-331, "Sundry Notices and Reports on Wells", for the above referenced well. Also find enclosed copies of the well history, cementing report, and directional surveys.

If there are any further requirements concerning this well, please contact me at this office.

Sincerely,

TXO PRODUCTION CORP.

R. Bruce Wright

R. Bruce Wright
Petroleum Engineer

RBW/dek
encls.



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 DRY

2. NAME OF OPERATOR
TXO PRODUCTION CORP.

3. ADDRESS OF OPERATOR
1800 Lincoln Cntr. Bldg., Denver, Co. 80264

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 25' FSL & 364' FWL, Section 9
AT TOP PROD. INTERVAL:
AT TOTAL DEPTH: 632' FSL & 1373' FEL, Sec. 8

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

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"/>
SHOOT 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 checked="" type="checkbox"/>
(other)			

5. LEASE
U-05015

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
BMG Federal "A"

9. WELL NO.
#1

10. FIELD OR WILDCAT NAME
San Arroyo

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Surf: Sec. 9, T16S-R26E
TD: Sec. 8, T16S-R26E

12. COUNTY OR PARISH
Grand

13. STATE
Utah

14. API NO.
43-019-31031

15. ELEVATIONS (SHOW DF, KDB, AND WD)
5778' GL

(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.)*

The above well was plugged and abandoned (as per Mr. Bill Martens @ 11:30 PM on 8/4/83) as follows: cmt plugs @ 4500-4700', 2800-3000', 1100-1300', & 10 sxs @ surface. Filled rathole & mousehole w/ cmt & installed dry hole marker. The location was cleaned up and will be rehabilitated as per APD as soon as practical.

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

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

SIGNED R Bruce Wright TITLE Petroleum Engineer DATE 8/11/83

(This space for Federal or State office use)

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

WELL NAME: BMG Federal "A" #1 PTD: 5340'
 AREA: San Arroyo ELEVATIONS: 5778' GL
 LOCATION: Section 9, T16S-R26E CONTRACTOR: Veco #8
 COUNTY: Grand AFE NUMBER: 830605
 STATE: Utah LSE NUMBER: 94288
 FOOTAGE: 25' FSL & 364' FWL TXO WI: 50%

APCOT FINADEL JOINT VENTURE Just Mail
 American Petrofina, Inc.
 P. O. Box 2159
 Dallas, Texas 75221
 Attn: James H. Henderson

MARTIN OIL COMPANY Daily Call
 2323 S. Wadsworth Blvd. Weekly Mail
 Denver, Colorado 80227
 Attn: Kathy Reilly
 Phone: (303) 988-3500

- 07/22/83 40' (40'), WOC & NU. Surf. Dust 100#. Spudded 17-1/2" conductor hole @ 11 PM on 7/21/83. Ran 1 jt 13-3/8" 61#, K-55, ST&C (40'), cmtd w/ 44 sxs pre-mix. DW: 33,850. CW: 33,850. DD 1.
- 07/23/83 292' (252'), survey. Mesaverde. Mist 100#. Hole began getting wet @ 125'. Went to air mist, resumed drlg. DW: 11,150. CW: 45,000.
- 07/24/83 691' (399'), TIH for bit. Mesaverde. Mist 260#. Drld to 606'. TOOH. PU bit #3, navidrill & 2-1/2° bent sub & TIH. Drld to 691'. TOOH. Bit was gauged 8-6-I. PU bit #2, near-bit IBS, & drill string. TIH. Attempt to drill for 1/2 hr. No progress. TOOH. Bit left in hole. TIH w/ DC's open-ended to attempt to screw into bit. DW: 14,045. CW: 59,045. DD 3.

MD	DEV	COURSE DIRECTION	TVD	VERTICAL SECTION	HORIZONTAL COORDINATES		
					S	E	
292'	1/2°	S37E	292'	-1.24	1.02	.77	
600'	1/2°	S16W	600'	-1.49	3.66	1.26	
656'	2°	S83W	656'	-.41	4.46	.33	

- 07/25/83 384' (28'), dress off cmt plug @ 384' PBT. Mesaverde. Mist 95#. TIH to attempt to screw into bit. TOOH. Didn't have bit. TIH & attempt to screw into bit again. TOOH, no bit. Left bit #2, 12-1/4" FDT, serial #CW7233 in hole. PU DP & TIH. Set 200 sxs C1 "G" w/ 5% CaCl₂ & 10% sd from TD to ± 400'. TOOH, LD DP. WOC 8 hrs. TIH to dress off plug @ 11 PM. Tag cmt @ 356'. Drld soft cmt to 384'. TOOH. WOC for 4 more hrs. TIH w/ bit to dress off plug. DW: 12,654. CW: 71,699.
- 07/26/83 585' (201'), drlg. Buck Tongue. Mist 185#. Fin dressing off cmt plug. TIH w/ bit #4 navi-drill, KO plug & begin drlg new hole @ 425'. Drld to 520'. TOOH, bit was 6-2-I. TIH w/ bit #5, drld to 580'. TOOH. Bit was 8-2-I. LD motor & PU bldg assembly as follows: bit, bit sub, 3 pt reamer, float sub, x-over, monel collar, 13 DC's, jars & 3 DC's. Resumed drlg. DW: 18,250. CW: 89,949. DD 5.

MD	DEV	COURSE DIRECTION	TVD	VERTICAL SECTION	HORIZONTAL COORDINATES		
					S	E	W
PLUG BACK TO 384'.							
425'	1/2°	S4E	424.99'	-0.90	2.11	1.18	
460'	1-1/2°	N86W	459.98'	-0.35	2.54	.75	
491'	3°	N79W	490.96'	.68	2.38		.46
523'	4-1/2°	N83W	522.89'	2.52	2.06		2.53
565'	6-1/2°	N83W	564.70'	6.07	1.57		6.52

WELL NAME: BMG Federal "A" #1
 AREA: San Arroyo
 LOCATION: Section 9, T16S-R26E
 COUNTY: Grand
 STATE: Utah
 FOOTAGE: 25' FSL & 364' FWL

PTD: 5340'
 ELEVATIONS: 5778' GL
 CONTRACTOR: Veco #8
 AFE NUMBER: 830605
 LSE NUMBER: 94288
 TXO WI: 50%

07/27/83 963' (378'), drlg. Castlegate. Mist 175#. Drlg ahead varying wt & rpm to control angle & direction. Castlegate @ 778'. DW: 9100. CW: 99,049. DD 6.

MD	DEV	COURSE DIRECTION	TVD	VERTICAL SECTION	HORIZONTAL COORDINATES		
					N	S	W
597'	7-1/2°	N79W	596.46'	9.31		.96	10.37
629'	8-1/2°	N77W	628.15'	13.70		.03	14.73
688'	9-1/2°	N76W	686.42'	22.71	2.12		23.70
751'	11-1/2°	N75W	748.37'	34.11	4.99		34.82
831'	13-1/4°	N76W	808.93'	47.30	8.32		47.68
875'	15°	N78W	869.05'	62.28	11.72		62.43
938'	17-1/2°	N77W	929.54'	79.70	15.54		79.64

07/28/83 1192' (229'), WOC. Mancos. Mist 140#. Drlg ahead, varying wt & rpm to control angle & direction. TD 12-1/4" surf hole @ 8:30 PM on 7/27/83. Blew hole clean. Made 6 std short trip. No tight spots. Had 7' fill. Blew hole clean. TOOH. RU & ran 28 jts 9-5/8", 36#, K-55, ST&C csg (1183'). Shoe set @ 1183'. Float set @ 1140'. Guide shoe, float jt, & float collar were all welded on. RU BJ & cmtd csg. Circ w/ mud for 45 min. Pumped 20 BW. Cmtd w/ 300 sxs 50/50 poz w/ 2% gel, 2% CaCl₂, 1/4#/sx celloflake. Tail w/ 300 sxs Cl "G" w/ 2% CaCl₂, 1/4#/sx celloflake. PD @ 5:40 AM 7/28/83. BP @ 1350#. Float held. Full returns. DW: 44,705. CW: 143,754. DD 7.

MD	DEV	COURSE DIRECTION	TVD	VERTICAL SECTION	HORIZONTAL COORDINATES	
					N	W
999'	19°	N82W	987.47	98.47	19.02	98.42
1061'	21°	N79W	1045.73	119.23	22.52	119.34
1150'	24-1/4°	N77W	1127.88	153.02	29.64	152.83

07/29/83 1381' (189'), drlg. Mancos. Dust 100#. Fin WOC. NU BOP, test to 1000#, OK. PU BHA & TIH. BHA is bit, bit sub, 3 pt reamer, 2 monel collars, 13 DC's, jars, 3 DC's. Drlg cmt, dried up hole. Resumed drlg w/ dust varying wt & rpm to control angle & deviation. DW: 11,250. CW: 155,004. DD 8.

MD	DEV	COURSE DIRECTION	TVD	VERTICAL SECTION	HORIZONTAL COORDINATES	
					N	W
1227'	26-1/4°	N76W	1197.49	186.84	44.85	183.04
1257'	27°	N75W	1224.31	200.19	48.22	196.05
1286'	27-1/4°	N76W	1250.12	213.32	51.53	208.85
1349'	28-1/4°	N75W	1305.88	242.45	58.87	237.25

07/30/83 1925' (544'), drlg. Mancos. Dust 120#. Drlg ahead to 1428'. TOOH & change BHA. New BHA: bit, bit sub, 3 pt reamer, monel, IBS, monel, IBS, DC's. TIH & drlg ahead to 1715'. TOOH to change BHA to incr penetration rate. New BHA is as follows: bit, bit sub, 3 pt reamer, short DC (8.2'), IBS, monel, IBS, monel, IBS & DC's. Resumed drlg. Mancos "B" @ 1585' MD, 1510' TVD. DW: 18,650. CW: 173,654. DD 9.

MD	DEV	COURSE DIRECTION	TVD	VERTICAL SECTION	HORIZONTAL COORDINATES	
					N	W
1402'	29-3/4°	N75W	1352.23	267.99	65.52	262.07
1459'	30-1/4°	N74W	1401.59	296.35	73.14	289.54
1520'	30-3/4°	N75W	1454.15	327.15	81.41	319.37
1611'	31-3/4°	N74W	1531.95	374.12	94.03	364.86
1670'	31-3/4°	N75W	1582.12	405.01	102.33	394.78
1744'	32°	N73W	1644.96	443.92	113.10	432.34
1837'	31-3/4°	N75W	1723.94	492.83	126.63	479.55

WELL NAME: BMG Federal "A" #1
 AREA: San Arroyo
 LOCATION: Section 9, T16S-R26E
 COUNTY: Grand
 STATE: Utah
 FOOTAGE: 25' FSL & 364' FWL

FTD: 5340'
 ELEVATIONS: 5778' GL
 CONTRACTOR: Veco #8
 AFE NUMBER: 830605
 LSE NUMBER: 94288
 TXO WI: 50%

07/31/83 2653' (728'), drlg. Mancos. Dust 140#. Drld ahead to 2088'. Began experiencing torque @ surf. TOOH. LD top IBS & switched out btm IBS w/ 3 pt reamer. TIH & resume drlg. Base of Mancos "B" @ 2406' MD, 2222' TVD. DW: 9500. CW: 183,154. DD 10.

MD	DEV	COURSE DIRECTION	TVD	VERTICAL SECTION	HORIZONTAL COORDINATES	
					N	W
1931'	31°	N74W	1804.19	541.52	139.71	526.71
2025'	29-1/2°	N75W	1885.39	588.64	152.37	572.34
2088'	29°	N74W	1940.36	619.26	160.59	602.01
2144'	28-1/2°	N75W	1989.46	646.06	167.79	627.96
2233'	28°	N75W	2067.86	687.94	178.69	668.65
2356'	27-1/2°	N76W	2176.71	744.81	193.03	724.10
2512'	25-3/4°	N74W	2316.17	814.30	211.13	791.63
2638'	25°	N75W	2430.01	868.03	225.56	843.66

08/01/83 3348' (695'), drlg. Mancos. Dust 150#. Drld to 2823', unable to control direction. TOOH. TIH w/ new BHA. BHA consists of: bit, bit sub, 3 pt reamer, monel collar, IBS, monel collar, DC's. Drld to 3348', unable to control angle drop. TOOH & LD IBS. TIH w/ building assembly & resume drlg. DW: 8600. CW: 191,754. DD 11.

MD	DEV	COURSE DIRECTION	TVD	VERTICAL SECTION	HORIZONTAL COORDINATES	
					N	W
2762'	24°	N78W	2542.85	918.98	237.56	893.66
2793'	23-3/4°	N77W	2571.20	931.38	240.28	905.91
2841'	23°	N78W	2615.26	950.20	244.40	924.50
2903'	23°	N76W	2672.23	974.18	249.85	948.11
2997'	22-1/2°	N76W	2759.02	1010.24	258.64	983.38
3091'	22°	N72W	2846.02	1045.68	268.45	1017.59
3211'	20-1/2°	N72W	2957.86	1089.10	281.89	1056.96
3333'	19-1/2°	N71W	3072.50	1130.78	295.13	1098.53

08/02/83 4290' (942'), drlg. Mancos. Dust 180#. Drlg ahead varying wt & rpm to control angle & direction. DW: 8100. CW: 199,854. DD 12.

MD	DEV	COURSE DIRECTION	TVD	VERTICAL SECTION	HORIZONTAL COORDINATES	
					N	W
3390'	19-3/4°	N71W	3126.19	1149.91	301.36	1116.63
3482'	20-3/4°	N72W	3212.50	1181.71	311.47	1146.82
3574'	21-1/2°	N72W	3298.32	1214.82	321.71	1178.36
3695'	22-3/4°	N72W	3410.41	1260.32	335.80	1221.70
3819'	24-1/2°	N75W	3524.02	1309.84	349.91	1269.35
3913'	25°	N74W	3609.38	1348.99	360.43	1307.27
4006'	25-3/4°	N73W	3693.41	1388.71	371.75	1345.48
4099'	25-1/4°	N73W	3777.35	1428.66	383.79	1383.66
4192'	26-3/4°	N71W	3860.94	1469.38	396.73	1422.33
4286'	28-1/4°	N65W	3944.32	1512.78	412.99	1462.57

08/03/83 4700' (410'), WO fishing tools. Dakota Silt. Dust 180#. Drld to 4611'. TOOH. LD 3 pt reamer. TIH w/ new bit & slick BHA. Drld to 4700'. Blew hole to make connection. Pulled off btm, pulled 21,000# over string wt. Pipe parted. Top of fish @ 473' KB. Pipe parted right above tool jt on pin end. WO fishing tools. DW: 12,150. CW: 212,004. DD 13.

WELL NAME: BMG Federal "A" #1
 AREA: San Arroyo
 LOCATION: Section 9, T16S-R26E
 COUNTY: Grand
 STATE: Utah
 FOOTAGE: 25' FSL & 364' FWL

PTD: 5340'
 ELEVATIONS: 5778' GL
 CONTRACTOR: Veco #8
 AFE NUMBER: 830605
 LSE NUMBER: 94288
 TXO WI: 50%

08/03/83 cont.	MD	DEV	COURSE DIRECTION	TVD	VERTICAL SECTION	HORIZONTAL COORDINATES	
						N	W
	4389'	29°	N63W	4034.73	1561.06	434.62	1506.92
	4503'	31-1/4°	N58W	4133.33	1618.58	462.79	1556.72
	4596'	33°	N55W	4212.09	1666.91	490.09	1597.96
	4659'	31-1/2°	N55W	4265.37	1699.63	509.37	1625.50

08/04/83 4951' (251'), testing well. Morrison. Dust 200#. WO fishing tools. PU overshot w/ cut-lip guide, long barrel & grapple. TIH, rec fish. TOOH to check drill string & bit. TIH & resume drlg. Drl'd to 4951'. Began taking flare. SD & gauged flare. Well flowing through 1-1/4" orifice w/ 6#, FARO 600 MCFD. Dakota Silt @ 4674' MD, 4278' TVD. Dakota @ 4742' MD, 4337' TVD. Morrison @ 4950' MD, 4525' TVD. DW: 10,300. CW: 222,304. DD 14.

MD	DEV	COURSE DIRECTION	TVD	VERTICAL SECTION	HORIZONTAL COORDINATES	
					N	W
4753'	27-3/4°	N50W	4347.09	1744.18	537.66	1662.36
4847'	25°	N46W	4431.30	1783.24	565.60	1693.39
4941'	24-1/2°	N48W	4516.67	1819.79	592.44	1722.17

08/05/83 4992' (41'), TIH to P&A. Morrison. 8.6, 42, 15.2, 8.5. TD 7-7/8" hole @ 8:30 PM 8/5/83. Blow hole & short trip 5 stds. TOOH. RU Wireline & run DIL-GR & SNP-FDC-CAL-GR. LD DC's. TIH open-ended. RU to P&A. Mancos B, 1583 MD, 1503 TVD. Mancos B Base, 2475 MD, 2279 TVD. Dakota Silt 4664 MD, 4268 TVD, Dakota 4734 MD, 4330 TVD, Morrison 4930 MD, 4507 TVD. DW: 24,600. CW: 246,904. DD 15.

MD	DEV	COURSE DIRECTION	TVD	VERTICAL SECTION	HORIZONTAL COORDINATES	
					N	W
4972'	23-3/4°	N46W	4544.99'	1831.50'	601.04	1731.40
4992'	22-3/4°	N46W	4563.43'	1838.57'	606.41	1736.96

Closure Distance & direction -
 1839.77' N70° 45' 17" W

08/06/83 4992' (0'), RD & MORT (RR @ 6 PM 8/5/83). Circ hole w/ mud, got returns to surf after beginning 1st plug. Set cmt plugs as follows: 4500-4700', 2800-3000', 1100-1300', 10 sxs @ surf. ND BOP & wellhead. Will install dry-hole marker. Well P & A'd. FINAL REPORT!!! DW: 11,670. CW: 258,574. DD 16.

**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 DRY

2. NAME OF OPERATOR
TXO PRODUCTION CORP.

3. ADDRESS OF OPERATOR
1800 Lincoln Cntr. Bldg., Denver, Co. 80264

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 25' FSL & 364' FWL, Section 9
AT TOP PROD. INTERVAL:
AT TOTAL DEPTH: 632' FSL & 1373' FEL, Sec. 8

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

5. LEASE
U-05015

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
BMG Federal "A"

9. WELL NO.
#1

10. FIELD OR WILDCAT NAME
San Arroyo

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Surf: Sec. 9, T16S-R26E
TD: Sec. 8, T16S-R26E

12. COUNTY OR PARISH Grand 13. STATE Utah

14. API NO.
43-019-31031

15. ELEVATIONS (SHOW DF, KDB, AND WD)
5778' GL

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"/>
SHOOT 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 checked="" type="checkbox"/>
(other)			

TIGHT HOLE

(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.)*

The above well was plugged and abandoned (as per Mr. Bill Martens @ 11:30 PM on 8/4/83) as follows: cmt plugs @ 4500-4700', 2800-3000', 1100-1300', & 10 sxs @ surface. Filled rathole & mousehole w/ cmt & installed dry hole marker. The location was cleaned up and will be rehabilitated as per APD as soon as practical.

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

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

SIGNED R Bruce Wright TITLE Petroleum Engineer DATE 8/11/83

(This space for Federal or State office use)

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

**ACCEPTED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING**

DATE: 8/13/83
BY: [Signature]

*See Instructions on Revers

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

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

4
13

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____

b. TYPE OF COMPLETION:
NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR. Other _____

2. NAME OF OPERATOR
TXO PRODUCTION CORP.

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 25' FSL & 364' FWL, Section 9.

At top prod. interval reported below

At total depth
632' FSL & 1373' FEL,
Section 8

14. PERMIT NO. 43-019-31031
DATE ISSUED 5/16/83

5. LEASE-DESIGNATION AND SERIAL NO.
U-05015

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
BMG Federal "A"

9. WELL NO.
#1

10. FIELD AND POOL, OR WILDCAT
San Arroyo

11. SEC. T. R., M., OR BLOCK AND SURVEY OR AREA
Surf. Sec. 9-T16S-R26E
TD: Sec. 8-T16S-R26E

12. COUNTY OR PARISH
Grand

13. STATE
Utah

15. DATE SPUDDED 7/21/83
16. DATE T.D. REACHED 8/4/83
17. DATE COMPL. (Ready to prod.)
18. ELEVATIONS (DF, REB, RT, GR, ETC.)* 5778' GR
19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 4992 MD/4563 TVD
21. PLUG, BACK T.D., MD & TVD Surface
22. IF MULTIPLE COMPL., HOW MANY*
23. BY ROTARY TOOLS A11
24. CABLE TOOLS none

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME OF INTERVAL(S)*
25. WAS DIRECTIONAL SURVEY MADE? Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN
DIL-GR, FDC-SNP-GR-CAD
27. WAS WELL CORDED? No

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

CASINO SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9-5/8"	36#	1183'	12-1/4"	600 SXS	none

29. LINER RECORD				30. TUBING RECORD			
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED	DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33.* PRODUCTION

DATE FIRST PRODUCTION
PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)
WELL STATUS (Producing or shut-in) P & A

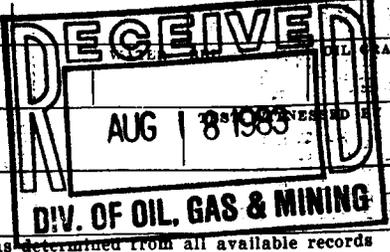
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

35. LIST OF ATTACHMENTS

Well history, directional surveys, plugging record.
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED R. Bruce Wright TITLE Petroleum Engineer DATE 8/11/83



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



ROCKY MOUNTAIN GEO-ENGINEERING CO.

WELL SITE GEOLOGY - MUD LOGGING

2450 INDUSTRIAL BLVD.

PHONE 243-3044

GRAND JUNCTION, COLORADO 81501

September 19, 1983

Texas Oil & Gas Production Corp.
1800 Lincoln Center Building
Denver, Colorado 80264

Attn: Emily Hundley-Goff

Enclosed are the Formation Tops for BMG Federal "A" #1 which include the TVD depths.

We apologize. The TVD depths should have been included on the log. We are sending each of the parties on the distribution list a revised Formation Top chart with these TVD depths.

Sorry we caused you this trouble. Again, we regret the error. Please accept our apologies.

Sincerely,

Johnnie Lackey
Secretary

CONFIDENTIAL

ENC. 1

XXC: TXO, Dallas, Tx-1
USGS, SLC, UT-1
STATE OF UT, SLC-1
APCOT FINADEL, Dallas-1
MARTIN OIL, Denver-1

RECEIVED
SEP 22 1983

DIVISION OF
OIL, GAS & MINING

CUSTOMER : TXO PRODUCTION CO.

WELL # : BMG FEDERAL A#1

LOCATION : GRAND CO. UTAH

DATE : 7/21/83

JOB TYPE : DIRECTIONAL CONTROL

JOB # : D-2130

SURVEYOR : RALPH NICKEL

DEPTHS : 0-4972'

DECL. : 13.5 EAST

ELEV. : 5790'

FILE # : RM-A6

RADIUS OF CURVATURE METHOD

LANE OF PROPOSAL : N 68.74 W

PRINT FORMAT='DECIMAL DEGREES'



 * THIS SURVEY IS CORRECT TO THE *
 * BEST OF MY KNOWLEDGE AND IS *
 * SUPPORTED BY ACTUAL FIELD DATA.*
 *
 * *Ralph Nickel* *
 * COMPANY REPRESENTATIVE *

 INITIAL STATION DATA:

MEASURED DEPTH FEET	INCLINATION ANGLE DEG.	HOLE DIRECTION DEG.	COURSE LENGTH FEET	TRUE VERTICAL DEPTH FEET	SUBSEA DEPTH FEET	VERTICAL SECTION FEET	RECTANGULAR COORDINATES N/S	E/W	DOGLEG SEVERITY DG/100FT
4972.00	23.75	N 46.00 W	31.00	4544.86	-1245.10	1831.30	599.86 N	1731.60 W	3.58

CLOSURE DIRECTION DISTANCE
 N 70.89 W 1832.60

MEASURED DEPTH FEET	INCLINATION ANGLE DEG.	HOLE DIRECTION DEG.	COURSE LENGTH FEET	TRUE		RECTANGULAR		DOGLEG SEVERITY DG/100F
				VERTICAL DEPTH FEET	SUBSEA DEPTH FEET	VERTICAL SECTION FEET	COORDINATES N/S E/W	
0.00	0.00	N 00.00 E	0.00	0.00	-5790.00	0.00	0.00 N 0.00 E	0.00
292.00	.50	S 35.00 E	292.00	292.00	-5498.00	-1.06	1.04 S .73 E	.17
425.00	.50	S 01.00 E	133.00	424.99	-5365.00	-1.78	2.13 S 1.08 E	.22
460.00	1.50	N 84.00 W	35.00	459.99	-5330.00	-1.54	2.50 S .69 E	4.68
491.00	3.00	N 76.00 W	31.00	490.96	-5299.00	-.35	2.29 S .51 W	4.93
523.00	4.50	N 81.00 W	32.00	522.89	-5267.10	1.71	1.87 S 2.56 W	.79
565.00	6.50	N 80.00 W	42.00	564.70	-5225.30	5.65	1.20 S 6.53 W	4.77
597.00	7.50	N 77.00 W	32.00	596.46	-5193.50	9.49	.43 S 10.35 W	3.33
629.00	8.50	N 74.00 W	32.00	628.15	-5161.90	13.92	.69 N 14.66 W	3.39
688.00	9.50	N 74.00 W	59.00	686.42	-5103.60	23.11	3.23 N 23.54 W	1.69
751.00	11.50	N 72.00 W	63.00	748.36	-5041.60	34.55	6.59 N 34.51 W	3.23
813.00	13.25	N 74.00 W	62.00	808.92	-4981.10	47.80	10.47 N 47.22 W	2.91
875.00	15.00	N 75.00 W	62.00	869.04	-4921.00	62.86	14.52 N 61.80 W	2.85
938.00	17.50	N 75.00 W	63.00	929.52	-4860.50	80.38	19.08 N 78.83 W	3.97
999.00	19.00	N 79.00 W	61.00	987.45	-4802.60	99.28	23.37 N 97.43 W	3.20
1061.00	21.00	N 77.00 W	62.00	1045.71	-4744.30	120.20	27.78 N 118.17 W	3.41
1150.00	24.25	N 74.00 W	89.00	1127.85	-4662.20	154.19	36.35 N 151.31 W	3.87
1227.00	26.25	N 76.00 W	77.00	1197.49	-4592.50	186.84	44.85 N 183.03 W	2.82
1257.00	27.00	N 75.00 W	30.00	1224.30	-4565.70	200.19	48.22 N 196.05 W	2.91
1316.00	27.25	N 76.00 W	29.00	1250.12	-4539.90	213.32	51.53 N 208.85 W	1.79
1349.00	28.25	N 75.00 W	63.00	1305.87	-4484.10	242.45	58.87 N 237.25 W	1.75
1402.00	29.75	N 75.00 W	53.00	1352.22	-4437.80	267.99	65.52 N 262.07 W	2.83
1520.00	30.75	N 75.00 W	118.00	1454.15	-4335.80	327.08	80.91 N 319.49 W	.85
1611.00	31.75	N 74.00 W	91.00	1531.95	-4258.10	374.05	93.52 N 364.98 W	1.24
1670.00	31.75	N 75.00 W	59.00	1582.12	-4207.90	404.94	101.82 N 394.90 W	.89
1744.00	32.00	N 73.00 W	74.00	1644.96	-4145.00	443.85	112.59 N 432.46 W	1.47
1937.00	31.75	N 75.00 W	93.00	1723.94	-4066.10	492.76	126.13 N 479.67 W	1.17
1931.00	31.00	N 74.00 W	94.00	1804.19	-3985.80	541.45	139.21 N 526.83 W	.97
2025.00	29.50	N 75.00 W	94.00	1885.39	-3904.60	588.57	151.86 N 572.46 W	1.68
2088.00	29.00	N 74.00 W	63.00	1940.36	-3849.60	619.19	160.09 N 602.12 W	1.11

MEASURED DEPTH FEET	INCLINATION ANGLE DEG.	HOLE DIRECTION DEG.	COURSE LENGTH FEET	TRUE		VERTICAL SECTION FEET	RECTANGULAR COORDINATES		DOGLEG SEVERITY DC/100F
				VERTICAL DEPTH FEET	SUBSEA DEPTH FEET		N/S	E/W	
2144.00	28.50	N 75.00 W	56.00	1989.45	-3800.60	646.00	167.29 N	629.09 W	1.24
2233.00	28.00	N 75.00 W	89.06	2067.95	-3722.20	687.97	178.19 N	668.77 W	.56
2356.00	27.50	N 76.00 W	123.00	2176.70	-3613.30	744.74	192.53 N	724.22 W	.56
2512.00	25.75	N 74.00 W	156.00	2316.16	-3473.80	814.23	210.62 N	791.74 W	1.26
2638.00	25.00	N 75.00 W	126.00	2430.00	-3360.00	867.95	225.05 N	843.77 W	.69
2762.00	24.00	N 78.00 W	124.00	2542.83	-3247.20	918.89	237.05 N	893.76 W	1.29
2793.00	23.75	N 77.00 W	31.00	2571.18	-3218.80	931.29	239.77 N	905.61 W	1.53
2841.00	23.00	N 78.00 W	48.00	2615.24	-3174.80	950.11	243.89 N	924.60 W	1.77
2903.00	23.00	N 76.00 W	62.00	2672.31	-3117.70	974.08	249.34 N	948.20 W	1.26
2997.00	22.50	N 76.00 W	94.00	2759.00	-3031.00	1010.10	258.13 N	983.47 W	.53
3091.00	22.00	N 72.00 W	94.00	2846.00	-2944.00	1045.60	267.94 N	1017.70 W	1.70
3211.00	20.50	N 72.00 W	120.00	2957.84	-2832.20	1089.10	281.38 N	1059.10 W	1.25
3333.00	19.50	N 71.00 W	122.00	3072.48	-2717.50	1130.80	294.62 N	1098.70 W	.87
3390.00	19.75	N 71.00 W	57.00	3126.17	-2663.80	1149.90	300.85 N	1116.80 W	.44
3482.00	20.75	N 72.00 W	92.00	3212.48	-2577.50	1181.70	310.95 N	1147.00 W	1.13
3574.00	21.50	N 72.00 W	92.00	3298.30	-2491.70	1214.80	321.20 N	1178.50 W	.82
3695.00	22.75	N 72.00 W	121.00	3410.38	-2379.60	1260.20	335.28 N	1221.80 W	1.03
3819.00	24.50	N 75.00 W	124.00	3523.99	-2266.00	1309.70	349.39 N	1269.40 W	1.71
3913.00	25.00	N 74.00 W	94.00	3609.35	-2180.70	1348.80	359.91 N	1307.30 W	.69
4016.00	25.75	N 73.00 W	93.00	3693.38	-2096.60	1388.50	371.23 N	1345.50 W	.53
4099.00	25.25	N 73.00 W	93.00	3777.32	-2012.70	1428.50	382.94 N	1383.90 W	.54
4192.00	26.75	N 71.00 W	93.00	3860.91	-1929.10	1469.20	395.54 N	1422.60 W	1.87
4286.00	28.25	N 65.00 W	94.00	3944.28	-1845.70	1512.60	411.79 N	1462.80 W	3.35
4389.00	29.00	N 63.00 W	103.00	4034.69	-1755.30	1561.70	433.42 N	1507.10 W	1.18
4503.00	31.25	N 58.00 W	114.00	4133.29	-1656.70	1618.30	461.58 N	1556.90 W	2.96
4596.00	33.00	N 55.00 W	93.00	4212.05	-1578.00	1666.60	488.87 N	1598.10 W	2.55
4659.00	31.50	N 55.00 W	63.00	4265.32	-1524.70	1699.20	508.15 N	1625.60 W	2.38
4753.00	27.75	N 50.00 W	94.00	4347.02	-1443.00	1743.80	536.42 N	1662.40 W	4.77
4849.00	25.00	N 46.00 W	96.00	4433.02	-1357.00	1793.70	564.95 N	1694.10 W	3.41
4941.00	24.50	N 48.00 W	92.00	4516.57	-1273.40	1819.50	591.22 N	1722.30 W	1.06

MEASURED DEPTH FEET	INCLINATION ANGLE DEG.	HOLE DIRECTION DEG.	COURSE LENGTH FEET	TRUE		VERTICAL SECTION FEET	RECTANGULAR COORDINATES		DOGLEG SEVERITY DG/100FT
				VERTICAL DEPTH FEET	SUBSEA DEPTH FEET		N/S	E/W	
4972.00	23.75	N 46.00 W	31.00	4544.86	-1245.10	1831.30	599.86 N	1731.60 W	3.58



TXO PRODUCTION CO.

WELL #
BMG FEDERAL A#1

LOCATION
GRAND CO. UTAH

DATE
7/21/83

JOB TYPE
DIRECTIONAL CONTROL

JOB #
D-2130

SURVEYOR
RALPH NICKEL

DEPTHS
0-4972'

DECL.
13.5 EAST

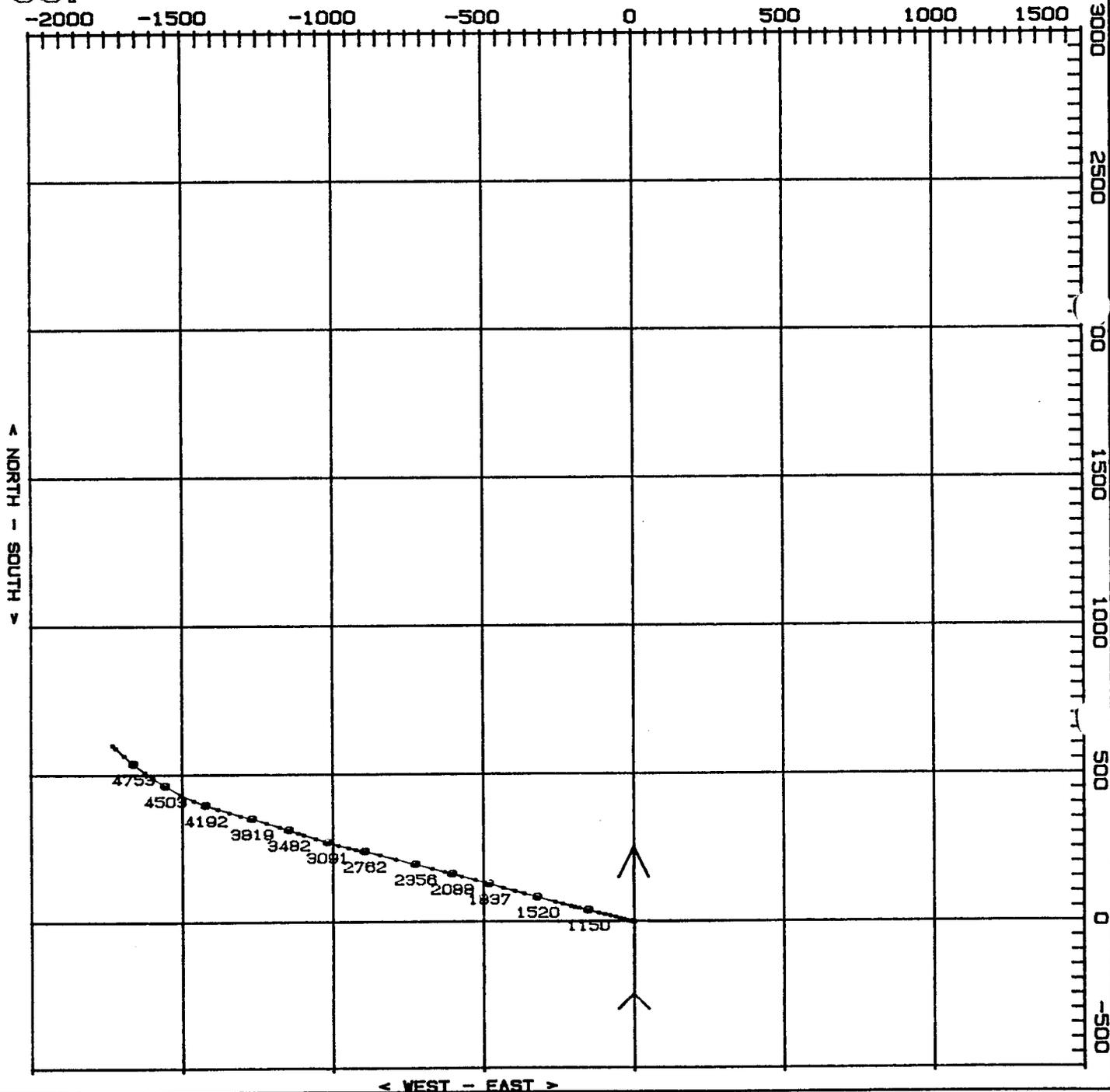
ELEV.
5790'

FILE #
RM-A6

FINAL STATION DATA:
MD. 4972
TYD. 4544.86
N/S 599.86
E/W -1731.6

CLOSURE DIRECTION
N 70.89 W
CLOSURE DISTANCE
1832.6

1 IN. = 500 FT.



Form 3160-3
(November 1983)
(formerly 9-331C)

SUBMIT IN TRIPPLICATE*
(Other instructions on
reverse side)

Form approved
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.
U-05015- UTU 24628 Surf
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA
7. UNIT AGREEMENT NAME
NA
8. FARM OR LEASE NAME
BMG FEDERAL "A"
9. WELL NO.
#1
10. FIELD AND POOL, OR WILDCAT
SAN ARROYO
11. SEC., T., R., M., OR BLM.
AND SURVEY OR AREA
SURF: SEC. 9, T16S-R26E
TD: SEC. 8, T16S-R26E
12. COUNTY OR PARISH
GRAND
13. STATE
UTAH

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL DEEPEN PLUG BACK
b. TYPE OF WELL
OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
LONE MOUNTAIN PRODUCTION COMPANY

3. ADDRESS OF OPERATOR
P.O. BOX 3394 BILLINGS, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface
25' FSL, 364' FWL SEC. 9, T16S-R26E
At proposed prod. zone
DAKOTA: 561' FSL, 1298' FEL SEC. 8, T16S-R26E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
APPROXIMATELY 41 MILES NW OF MACK, CO

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 2560
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. 4113'
19. PROPOSED DEPTH 4563' TVD/4992' MD
20. ROTARY OR CABLE TOOLS ROTARY
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5778' GR
22. APPROX. DATE WORK WILL START* JUNE 6, 1994

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"	48#	40'	44 SKS PREMIX
*12 1/2"	9 5/8"	36#	1183'	600 SKS
7 7/8"	4 1/2"	10.5#	4992'	175 SKS

THE BMG "A" #1 WAS DRILLED TO THE PROPOSED DEPTH (4563' TVD, 4992' MD) BY TXO PROD. CORP. AUGUST 6, 1983. IT WAS PLUGGED & ABANDONED (SEE ATTACHED SUNDRY). LONE MOUNTAIN PURCHASED THE "A"-1 IN OCTOBER 1992 FROM MARATHON OIL & NOW REQUESTS TO RE-ENTER, DRILL OUT TO TD, SET 4 1/2" CASING & COMPLETE.

ITEM 4 IS ACTUAL DISTANCES MEASURED (SEE ATTACHED DIRECTIONAL SURVEY) & THE ITEMS MARKED * UNDER NO. 23 ARE ACTUAL SIZES, WEIGHTS, LENGTHS, AND VOLUMES STILL IN PLACE.

APR 1994
received
BLM
Moab District

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 [Signature] TITLE PETROLEUM ENGINEER DATE 4-5-94

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY [Signature] TITLE Associate District Manager DATE 5/26/94

FLARING OR VENTING OF GAS IS SUBJECT TO NE 4-A
Dated 1/1/90

CONDITIONS OF APPROVAL ATTACHED

*See Instructions On Reverse Side

1 .CUSTOMER :TXO PRODUCTION CO.
 2 .WELL # :BMC FEDERAL A#1
 3 .LOCATION :GRAND CO. UTAH
 4 .DATE :7/21/83
 5 .JOB TYPE :DIRECTIONAL CONTROL
 6 .JOB # :D-2130
 7 .SURVEYOR :RALPH NICKEL
 8 .DEPTHS :0-4972'
 9 .DECL. :13.5 EAST
 10.ELEV. :5790'
 11.FILE # :RM-A6

DOGLEG

RADIUS OF CURVATURE METHOD
 PLANE OF PROPOSAL: N 68.74 W
 PRINT FORMAT='DECIMAL DEGREES'

 * THIS SURVEY IS CORRECT TO THE *
 * BEST OF MY KNOWLEDGE AND IS *
 * SUPPORTED BY ACTUAL FIELD DATA.*
 * *
 * *Ralph Nickel* *
 * COMPANY REPRESENTATIVE *

 FINAL STATION DATA:

MEASURED DEPTH FEET	INCLINATION ANGLE DEG.	HOLE DIRECTION DEG.	COURSE LENGTH FEET	TRUE VERTICAL DEPTH FEET	SUBSEA DEPTH FEET	VERTICAL SECTION FEET	RECTANGULAR COORDINATES N/S	E/W	DOGLEG SEVERITY DG/100F
4972.00	23.75	N 46.00 W	31.00	4544.86	-1245.10	1831.30	599.86 N	1731.60 W	3.58

CLOSURE DIRECTION DISTANCE
 N 70.89 W 1832.60

MEASURED DEPTH FEET	INCLINATION ANGLE DEG.	HOLE DIRECTION DEG.	COURSE LENGTH FEET	TRUE		VERTICAL SECTION FEET	RECTANGULAR COORDINATES		DOGLEG SEVERITY DG/100FT
				VERTICAL DEPTH FEET	SUBSEA DEPTH FEET		N/S	E/W	
2144.00	28.50	N 75.00 W	56.00	1989.45	-3800.60	646.00	167.29 N	628.08 W	1.24
2233.00	28.00	N 75.00 W	89.00	2067.85	-3722.20	687.87	178.19 N	668.77 W	.56
2356.00	27.50	N 76.00 W	123.00	2176.70	-3613.30	744.74	192.53 N	724.22 W	.56
2512.00	25.75	N 74.00 W	156.00	2316.16	-3473.80	814.23	210.62 N	791.74 W	1.26
2638.00	25.00	N 75.00 W	126.00	2430.00	-3360.00	867.95	225.05 N	843.77 W	.69
2762.00	24.00	N 78.00 W	124.00	2542.83	-3247.20	918.89	237.05 N	893.76 W	1.29
2793.00	23.75	N 77.00 W	31.00	2571.18	-3218.80	931.29	239.77 N	906.01 W	1.53
2841.00	23.00	N 78.00 W	48.00	2615.24	-3174.80	950.11	243.89 N	924.60 W	.77
2903.00	23.00	N 76.00 W	62.00	2672.31	-3117.70	974.08	249.34 N	948.20 W	1.26
2997.00	22.50	N 76.00 W	94.00	2759.00	-3031.00	1010.10	258.13 N	983.47 W	.53
3091.00	22.00	N 72.00 W	94.00	2846.00	-2944.00	1045.60	267.94 N	1017.70 W	1.70
3211.00	20.50	N 72.00 W	120.00	2957.84	-2832.20	1089.10	281.38 N	1059.10 W	1.25
3333.00	19.50	N 71.00 W	122.00	3072.48	-2717.50	1130.80	294.62 N	1098.70 W	.87
3390.00	19.75	N 71.00 W	57.00	3126.17	-2663.80	1149.90	300.85 N	1116.80 W	.44
3482.00	20.75	N 72.00 W	92.00	3212.48	-2577.50	1181.70	310.95 N	1147.00 W	1.15
3574.00	21.50	N 72.00 W	92.00	3298.30	-2491.70	1214.80	321.20 N	1178.50 W	.82
3695.00	22.75	N 72.00 W	121.00	3410.38	-2379.60	1260.20	335.28 N	1221.80 W	1.03
3819.00	24.50	N 75.00 W	124.00	3523.99	-2266.00	1309.70	349.39 N	1269.40 W	1.71
3913.00	25.00	N 74.00 W	94.00	3609.35	-2180.70	1348.80	359.91 N	1307.30 W	.69
4006.00	25.75	N 73.00 W	93.00	3693.38	-2096.60	1388.50	371.23 N	1345.50 W	.93
4099.00	25.25	N 73.00 W	93.00	3777.32	-2012.70	1428.50	382.94 N	1383.80 W	.54
4192.00	26.75	N 71.00 W	93.00	3860.91	-1929.10	1469.20	395.54 N	1422.60 W	.37
4286.00	28.25	N 65.00 W	94.00	3944.28	-1845.70	1512.60	411.79 N	1462.80 W	3.35
4389.00	29.00	N 63.00 W	103.00	4034.69	-1755.30	1561.70	433.42 N	1507.10 W	1.10
4503.00	31.25	N 58.00 W	114.00	4133.29	-1656.70	1618.30	461.58 N	1556.90 W	2.96
4596.00	33.00	N 55.00 W	93.00	4212.05	-1578.00	1666.60	488.87 N	1598.10 W	2.55
4659.00	31.50	N 55.00 W	63.00	4265.32	-1524.70	1699.20	508.15 N	1625.60 W	2.38
4753.00	27.75	N 50.00 W	94.00	4347.02	-1443.00	1743.80	536.42 N	1662.40 W	4.77
4849.00	25.00	N 46.00 W	96.00	4433.02	-1357.00	1783.70	564.95 N	1694.10 W	3.41
4941.00	24.50	N 48.00 W	92.00	4516.57	-1273.40	1819.50	591.22 N	1722.30 W	1.06

MEASURED DEPTH FEET	INCLINATION ANGLE DEC.	HOLE DIRECTION DEC.	COURSE LENGTH FEET	TRUE VERTICAL DEPTH FEET	SUBSEA DEPTH FEET	VERTICAL SECTION FEET	RECTANGULAR COORDINATES N/S	E/W	DOGLEG SEVERIT DG/100F
4972.00	23.75	N 46.00 W	31.00	4544.86	-1245.10	1831.30	599.86 N	1731.50 W	3.58

DICG

TXO PRODUCTION CO.

WELL #
BMG FEDERAL A#1

LOCATION
GRAND CO. UTAH

DATE
7/21/83

JOB TYPE
DIRECTIONAL CONTROL

JOB #
D-2130

SURVEYOR
RALPH NICKEL

DEPTHS
0-4972'

DECL.
13.5 EAST

ELEV.
5790'

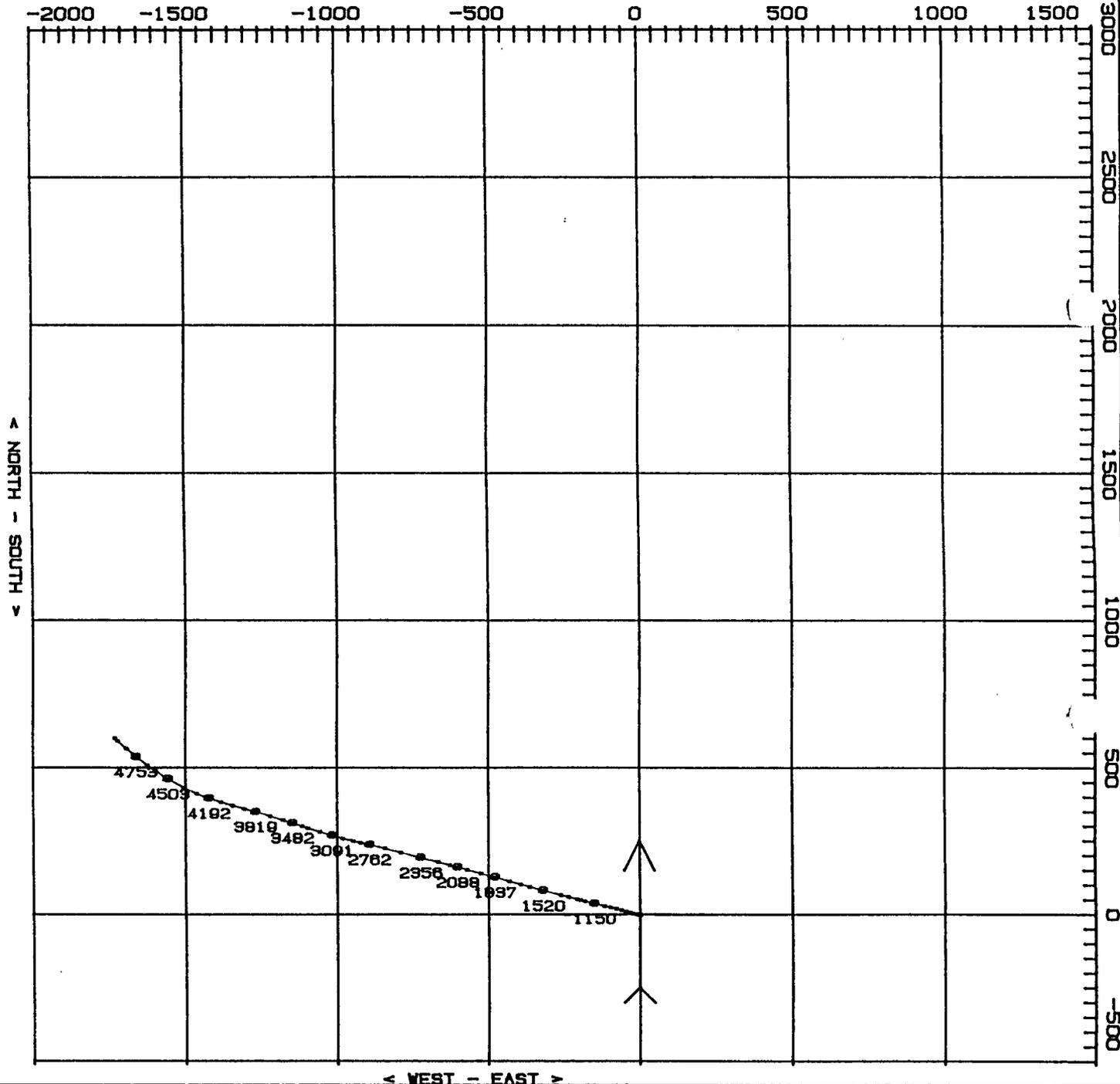
FILE #
RM-A6

FINAL STATION DATA:

MD. 4972
TVD. 4544.86
N/S 599.86
E/W -1731.6

CLOSURE DIRECTION
N 70.89 W
CLOSURE DISTANCE
1832.6

1 IN. = 500 FT.



LONE MOUNTAIN PRODUCTION COMPANY

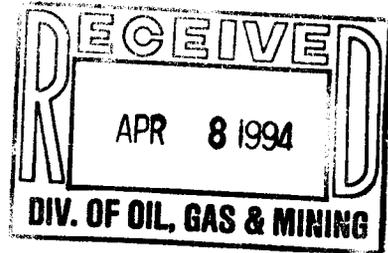
Mailing Address:
P.O. Box 3394
Billings, MT 59103-3394

(406) 245-5077
FAX 248-6321

Shipping Address:
100 North 27th Street
Suite 450
Billings, MT 59101

April 5, 1994

Ron Firth
State of Utah
Dept. of Natural Resources
Division of Oil, Gas, & Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180



RE: APPLICATION FOR PERMIT TO DRILL
SW $\frac{1}{4}$ SW $\frac{1}{4}$ SEC. 9-T16S-R26E
GRAND COUNTY, UTAH

BMG Federal "A" #1

Dear Ron:

Enclosed in duplicate is an APD to re-enter the above referenced well. We plan to do this work in mid May to mid June.

If any further information is needed please give me or Joe Dyk a call.

Very truly yours,

Lone Mountain Production Company

A handwritten signature in cursive script that reads "Jim Routson".

James G. Routson
President

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.
U-05015

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA

7. UNIT AGREEMENT NAME
NA

8. FARM OR LEASE NAME
BMG FEDERAL "A"

9. WELL NO.
#1

10. FIELD AND POOL, OR WILDCAT
SAN ARROYO

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA
SURF: SEC. 9, T16S-R26E
TD: SEC. 8, T16S-R26E

12. COUNTY OR PARISH
GRAND

13. STATE
UTAH

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
OIL WELL GAS WELL OTHER

SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
LONE MOUNTAIN PRODUCTION COMPANY

3. ADDRESS OF OPERATOR
P.O. BOX 3394 BILLINGS, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface
25' FSL, 364' FWL SEC. 9, T16S-R26E
At proposed prod. zone
DAKOTA: 561' FSL, 1298' FEL SEC. 8, T16S-R26E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
APPROXIMATELY 41 MILES NW OF MACK, CO

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	2560	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.	4113'	19. PROPOSED DEPTH	4563' TVD/4992' MD	20. ROTARY OR CABLE TOOLS	ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5778' GR

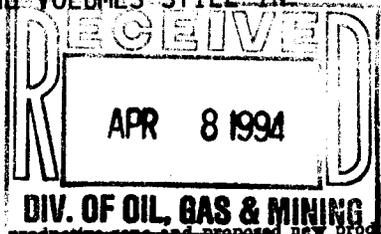
22. APPROX. DATE WORK WILL START*
JUNE 6, 1994

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"	48#	40'	44 SKS PREMIX
*12 1/4"	9 5/8"	36#	1183'	600 SKS
7 7/8"	4 1/2"	10.5#	4992'	175 SKS

THE BMG "A" #1 WAS DRILLED TO THE PROPOSED DEPTH (4563' TVD, 4992' MD) BY TXO PROD. CORP. AUGUST 6, 1983. IT WAS PLUGGED & ABANDONED (SEE ATTACHED SUNDRY). LONE MOUNTAIN PURCHASED THE "A"-1 IN OCTOBER 1992 FROM MARATHON OIL & NOW REQUESTS TO RE-ENTER, DRILL OUT TO TD, SET 4 1/2" CASING & COMPLETE.

ITEM 4 IS ACTUAL DISTANCES MEASURED (SEE ATTACHED DIRECTIONAL SURVEY) & THE ITEMS MARKED * UNDER NO. 23 ARE ACTUAL SIZES, WEIGHTS, LENGTHS, AND VOLUMES STILL IN PLACE.



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: [Signature] TITLE: PETROLEUM ENGINEER

(This space for Federal or State office use)

PERMIT NO. 43-019-31031 APPROVAL DATE: 4-5-94

APPROVED BY: [Signature] TITLE: WELL SPACING

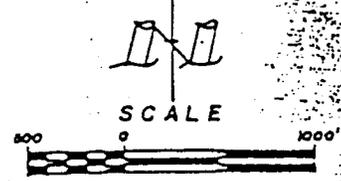
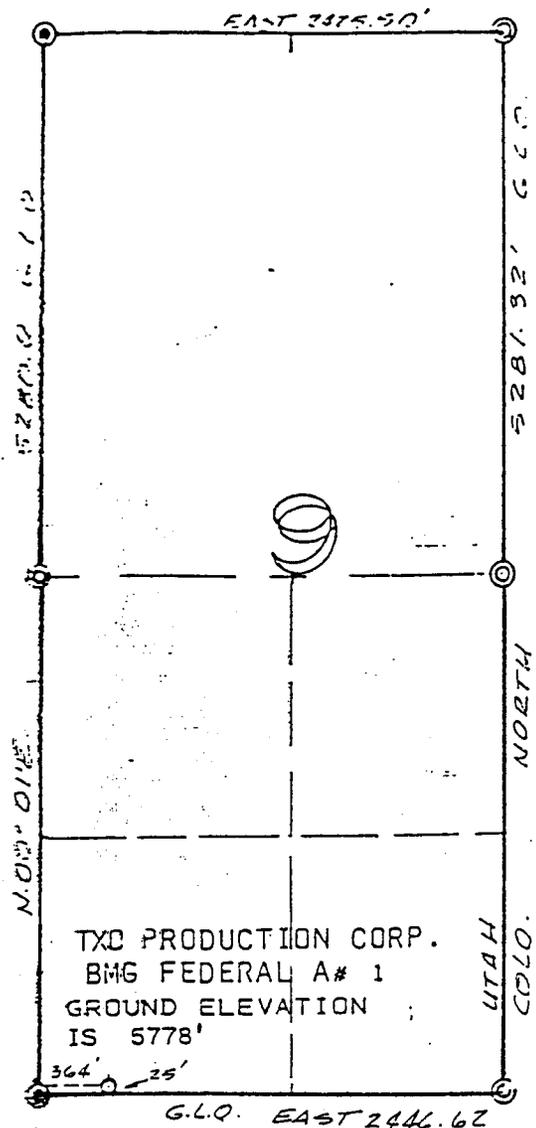
DATE: 6-1-94

BY: [Signature]

CONDITIONS OF APPROVAL, IF ANY:

Case No. 107-1

*See Instructions On Reverse Side

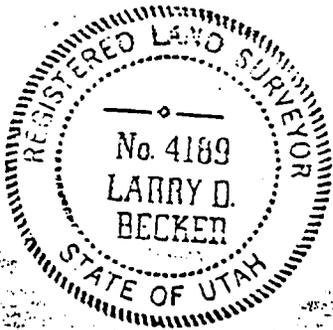


- LEGEND**
- STANDARD LOCATION OF G.L.O. CORNERS.
 - ⊙ G.L.O. CORNERS FOUND.
 - WELL LOCATION STAKED.

- REFERENCE DOCUMENTS**
- 1926 G.L.O. PLAT
 - JIM CANYON, UTAH QUADRANGLE, USGS

BASIS OF BEARING IS THE WEST LINE OF SECTION 9.

THIS WELL LOCATION PLAT WAS PREPARED FOR TXD PRODUCTION CORP.
 AS REQUESTED BY PAUL URBAN, TO LOCATE THE
BMG FEDERAL A # 1, 25' F.S.L. & 364' F.W.L.,
 IN THE SW 1/4 SW 1/4, OF SECTION 9, T. 16 S.; R. 26 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

FORM 3160-3 ADDENDUM

BMG Federal "A" #1

Section 9, T16S-R26E

Grand County, Utah

1. SURFACE FORMATION: Mesaverde
2. ACTUAL FORMATION TOPS: (from electric logs run 8/4/83)

Buck Tongue	450'
Castlegate	750'
Mancos	950'
Dakota Silt	4664' MD
Morrison	4930' MD
TD	4991' MD

3. DEPTH AT WHICH OIL, GAS, WATER, OR OTHER MINERAL BEARING ZONES WILL BE ENCOUNTERED:

Gas Zone: Dakota 4758' MD

4. DIRECTIONAL DRILL PROGRAM:

As indicated on Form 3160-3, the well has been drilled as a directional well. Attached as part of this application is the actual directional survey as measured at the time the well was drilled.

5. CASING PROGRAM: As per Form 3160-3. Conductor pipe and surface casing are still in place.

6. PRESSURE CONTROL EQUIPMENT:

A. After drilling out the existing 10 sk surface plug, a 9" x 3M psi wellhead and casing extension will be welded on to the existing surface casing. A double ram type blowout preventer with blind rams and pipe rams, minimum working pressure of 2000 psi (bottomhole pressure estimated at 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. All equipment will be pressure tested to 2000 psi before drilling the surface casing plug from 1100' to 1300'. In addition, function tests will be performed daily and each trip when out of the hole.

7. MUD PROGRAM:

A low solids, non-dispersed system will be used from surface casing to TD. Mud weight will range from 8.9 to 9.3 ppg with viscosity of 32-45 sec./qt. Due to cement plugs set when the well was abandoned, SAPP (sodium acid pyrophosphate) or sodium bicarbonate will be used to maintain adequate rheological fluid properties

8. AUXILIARY EQUIPMENT

- A. A kelly cock will be used.
- B. A sub with full opening valve will be kept on the derrick floor to stab into the drill pipe when the kelly is not in use.

9. CORING, LOGGING AND TESTING PROGRAM:

- A. No coring is planned.
- B. No logging will be run. Logs run on August 4, 1983 are adequate.
- C. No DST's are planned.

10. ABNORMAL DRILLING CONDITIONS

- A. No abnormal pressures or temperatures are expected.
- B. No hazardous gases such as H₂S are expected.

11. ANTICIPATED START DATES

Spud date	June 6, 1994
Completed drilling	June 14, 1994
Completed, ready for pipeline	June 25, 1994

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.)

LONE MOUNTAIN PRODUCTION COMPANY
MULTIPOINT SURFACE USE AND OPERATION PLAN

DATE: April 5, 1994

WELL NAME: BMG Federal "A" #1

LOCATION: 25' FSL, 364' FWL, Section 9, T16S-R26E, Grand County , Utah

FEDERAL OIL & GAS LEASE NO.: U-05015

1. EXISTING ROADS

- A. This well was drilled and abandoned on August 6, 1993. The existing dry hole marker marks the proposed re-entry. Refer to Exhibit 2.
- B. Route and distance from nearest town or locatable reverence point to where proposed access route leaves existing road: From Mack, Colorado, proceed west 2.3 miles on State Highway 6 & 50 to Eight Road in Colorado. Turn right on Eight Road and proceed north 2.7 miles. Turn left, remaining on pavement and proceed west 3.0 miles to a curve. Continue to follow the well-traveled and maintained road northwest for 3.1 miles to a fork. Take the left fork and proceed 3.1 miles to a fork. Take the right fork (left fork continues up Jim Canyon) and proceed up Prairie Canyon 1.8 miles to a fork. Take the left fork and proceed up Cottonwood Canyon for 1.6 miles to the BMG Federal "A" #1.
- C. The existing roads are all weather surfaces and should not require and upgrading.

2. PLANNED ACCESS ROAD

The BMG Federal "A" #1 re-entry will be drilled on the existing P&A'd well location. In addition, the "A" #1 pad is also the pad for the existing and currently producing Moxa Federal #1. Consequently, no new access will be required.

3. LOCATION OF EXISTING WELLS

Exhibit 5 is a one mile radius locating and identifying the following:

- A. Water wells - None
- B. Abandoned wells - None (other than proposed re-entry)
- C. Temporarily abandoned wells - None
- D. Disposal wells - None
- E. Drilling wells - None
- F. Producing wells: Moxa Federal #1; S9, T16S-R26E
State 16-4; S16, T16S-R26E
Federal 25-15; S25, T7S-R105W

State 16-12; S16, T16S-R26E
BMG Federal 1; S8, T16S-R26E
BMG Federal 2, S8, T16S-R26E
BMG Federal 3, S8, T16S-R26E
BMG Federal 4, S8, T16S-R26E
BMG Federal 7, S17, T16S-R26E

- 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 - None
- 2. Production Facilities - Moxa Federal #1, S9, T16S-R26E
State 16-4; S16, T16S-R26E
Federal 25-15; S25, T7S-R105W
State 16-12; S16, T16S-R26E
BMG Federal 1; S8, T16S-R26E
BMG Federal 2, S8, T16S-R26E
BMG Federal 3, S8, T16S-R26E
BMG Federal 4, S8, T16S-R26E
BMG Federal 7, S17, T16S-R26E
- 3. Oil gathering lines - None
- 4. Gas gathering lines - various 3-1/2" steel lines as indicated on Exhibit 5
- 5. Injection lines - None
- 6. Disposal lines - None

B. Proposed new production facilities, together with dimensions are shown in relation to the well pad in Exhibit 6. The production facilities will include a production pit, blowdown pit, production unit, dehydrator and metering facility. These facilities will be painted either a dark green or desert tan in accordance with BLM specified colors of the Book Cliffs area. The pit will be located in cut and will contain all water production and will be constructed in accordance with Onshore Oil & Gas Rule No. 7 specifications. All connection work will be done by an oil field service company using standard oil field materials. The water production pit will be fenced with four strand barbed wire to protect livestock and wildlife.

5. LOCATION AND TYPE OF WATER SUPPLY

A. Water will be obtained from West Salt Wash in Colorado and will be hauled by a certified water hauler along the routes shown of Exhibit 3. No water well will be drilled

6. SOURCES OF CONSTRUCTION MATERIALS

- A. Since the well is being drilled on an existing pad, only minimal dirt work will be required. In order to construct an adequate location, fill material will need to be placed in the drainage to the west of the location. This material will be removed immediately following drilling and completion operations. Additional material, if needed, will be purchased from the dirt contractor.
- B. All affected land is federal and under the management of the Bureau of Land Management.
- C. Materials other than that on location should not be required to construct the pad.
- D. The access road crosses BLM administered land in Section 9, T16S-R26E.

7. METHODS OF HANDLING WASTE DISPOSAL

- A. Drill cuttings will be contained and disposed of in the reserve pit.
- B. Drilling fluids will be contained and disposed of in the reserve pit.
- C. Produced fracturing fluids will be directed to the reserve pit for evaporation.
- D. 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. A flare pit (if necessary) will be fenced with 4 strand barbed wire and flagged to protect livestock and wildlife. The drilling reserve pit will be fenced on three sides during drilling and on the fourth side after the drilling rig moves off location.
- G. When the rig moves off location, all trash and refuse will be removed from the location and hauled to a sanitary landfill. All pits will be filled after drying and the area restored as under item ten of this plan

8. ANCILLARY FACILITIES

No ancillary facilities (camps or airstrips) are planned.

9. WELL SITE LAYOUT ATTACHMENT AND PROPOSED RIG LAYOUT

- A. Exhibits 7a and 7b show drill pad cross section, rig orientation, parking area, location of mud tank, reserve pit, trash bin, pipe racks and other facilities. The reserve pit will be unlined.

10. PLANS FOR RESTORATION OF SURFACE

- A. Upon completion of the well, the site will be cleared of all debris and the mouse and rat holes filled. Fill material placed in the drainage to the west of the pad will be removed and the drainage channel reclaimed. 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 adjacent natural contours to the extent practicable. These areas will then be covered with topsoil, disked and reseeded with a seed mixture recommended by the BLM.
- 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. Rehabilitation will commence when drilling operations are completed. approximately June 14, 1994, and will be completed within approximately one year.

11. OTHER INFORMATION

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. The affected land is federally owned and the primary surface uses are oil and gas production and ranching. There are no live streams in the immediate area. An ephemeral stream flows through Cottonwood Canyon. An archeological report was performed prior to when the well was originally drilled and is on file at the Moab office of the BLM.

12. LESSEE'S OR OPERATOR'S REPRESENTATIVES

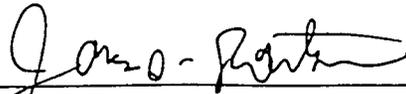
Joel V. Dyk
1360 Highway 6 & 50
Loma, Colorado 81524
(303) 858-7546

13. CERTIFICATION

I hereby certify that I, or a person under my direct supervision, have inspected the proposed drill site and access road; that I am familiar with the conditions that 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 Lone Mountain Production Company and it's contractors and

subcontractors in conformity with this plan and the terms and conditions under which it is approved.

DATE: April 5, 1994



James G. Routson
President

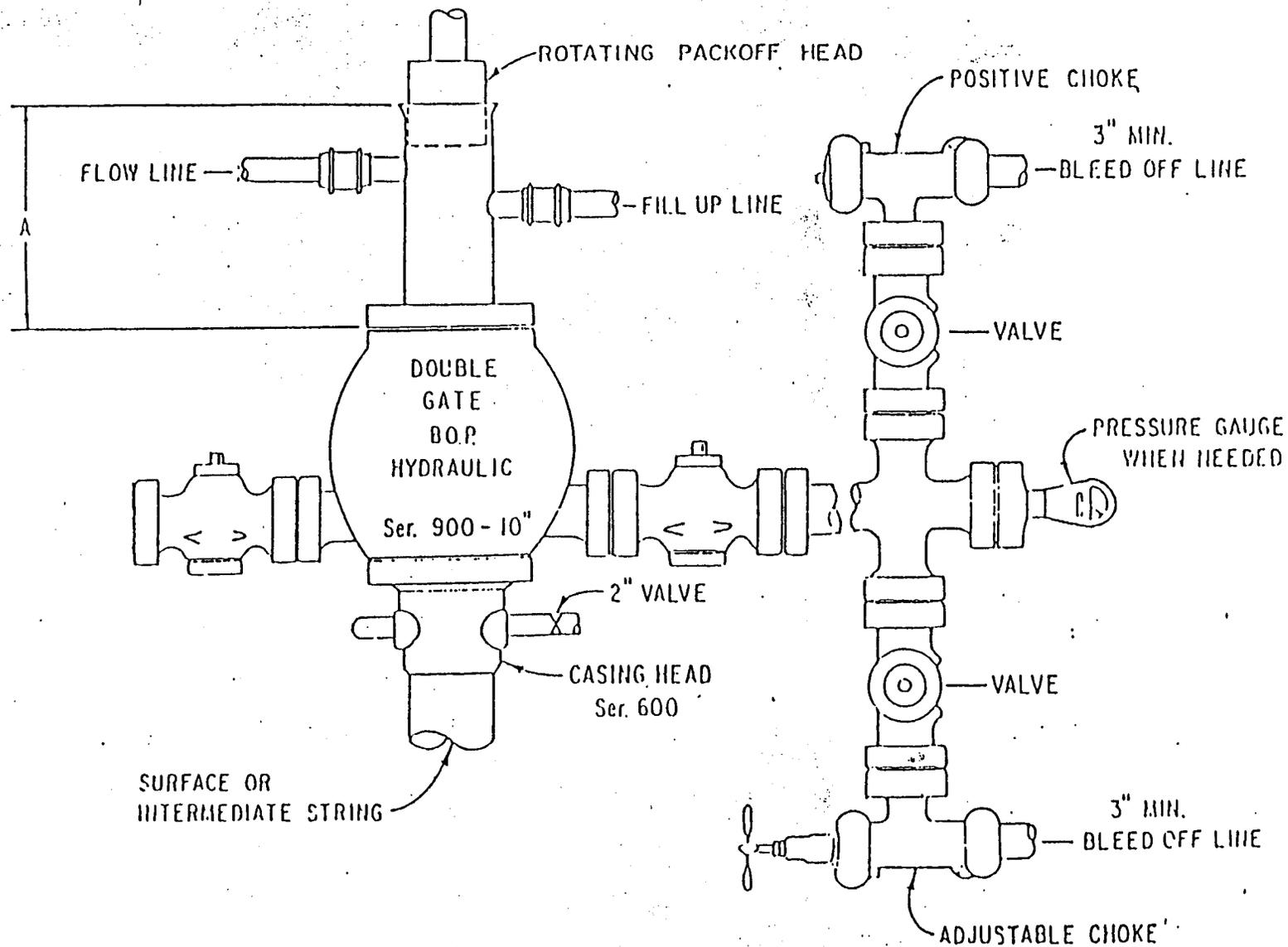
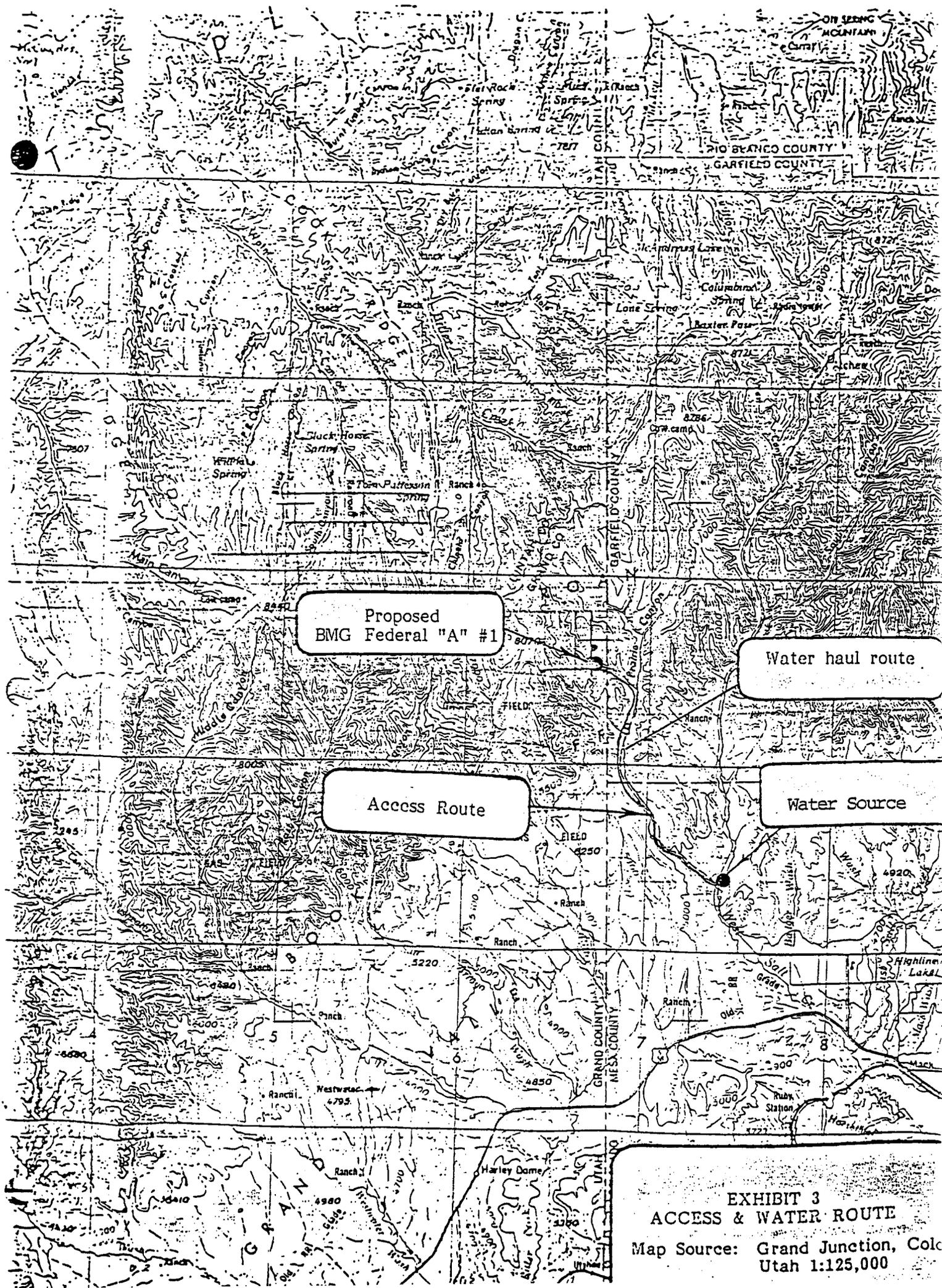


EXHIBIT I
 BLOWOUT PREVENTER DIAGRAM



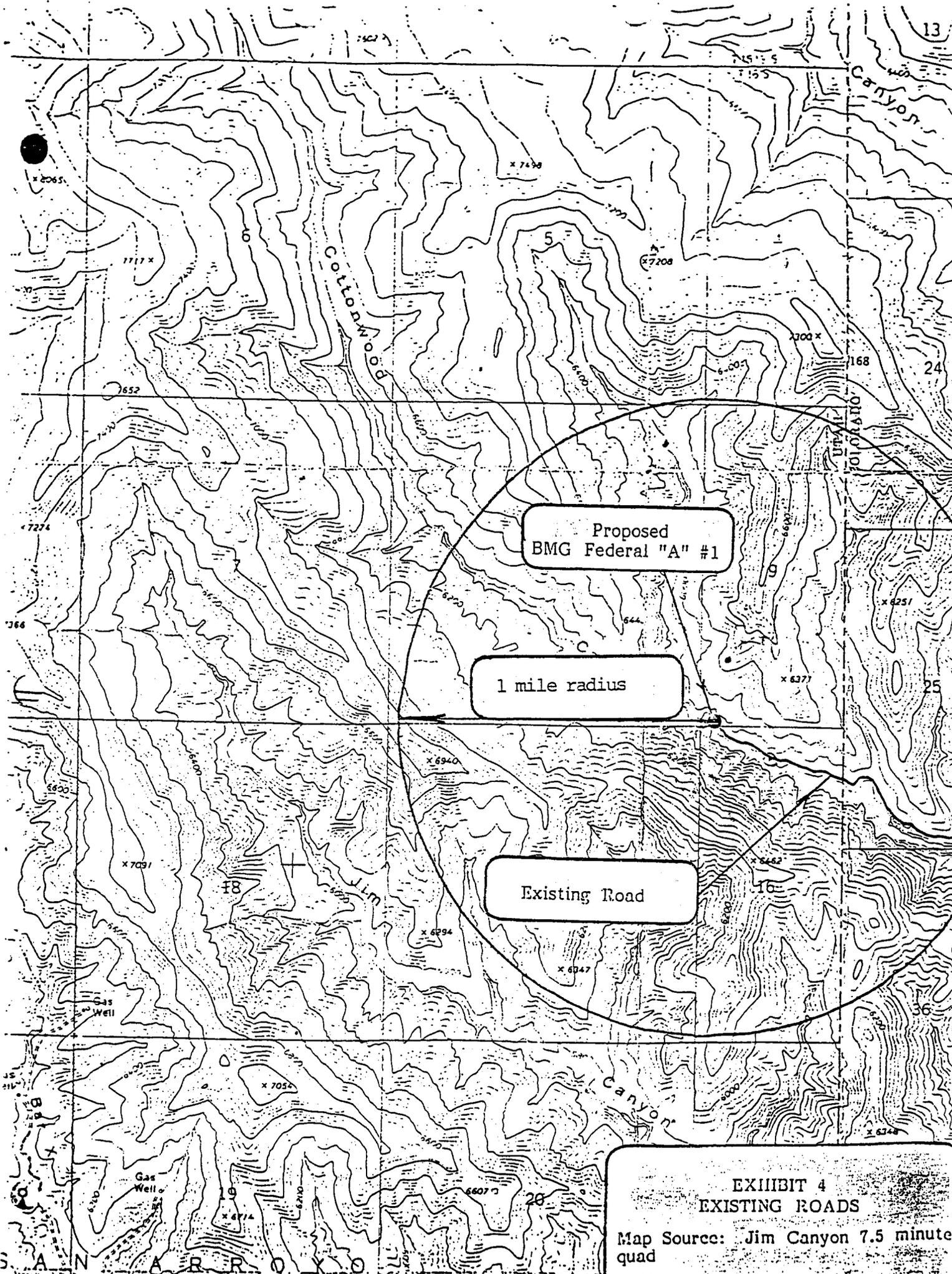
Proposed
BMG Federal "A" #1

Water haul route

Access Route

Water Source

EXHIBIT 3
ACCESS & WATER ROUTE
 Map Source: Grand Junction, Colo
 Utah 1:125,000

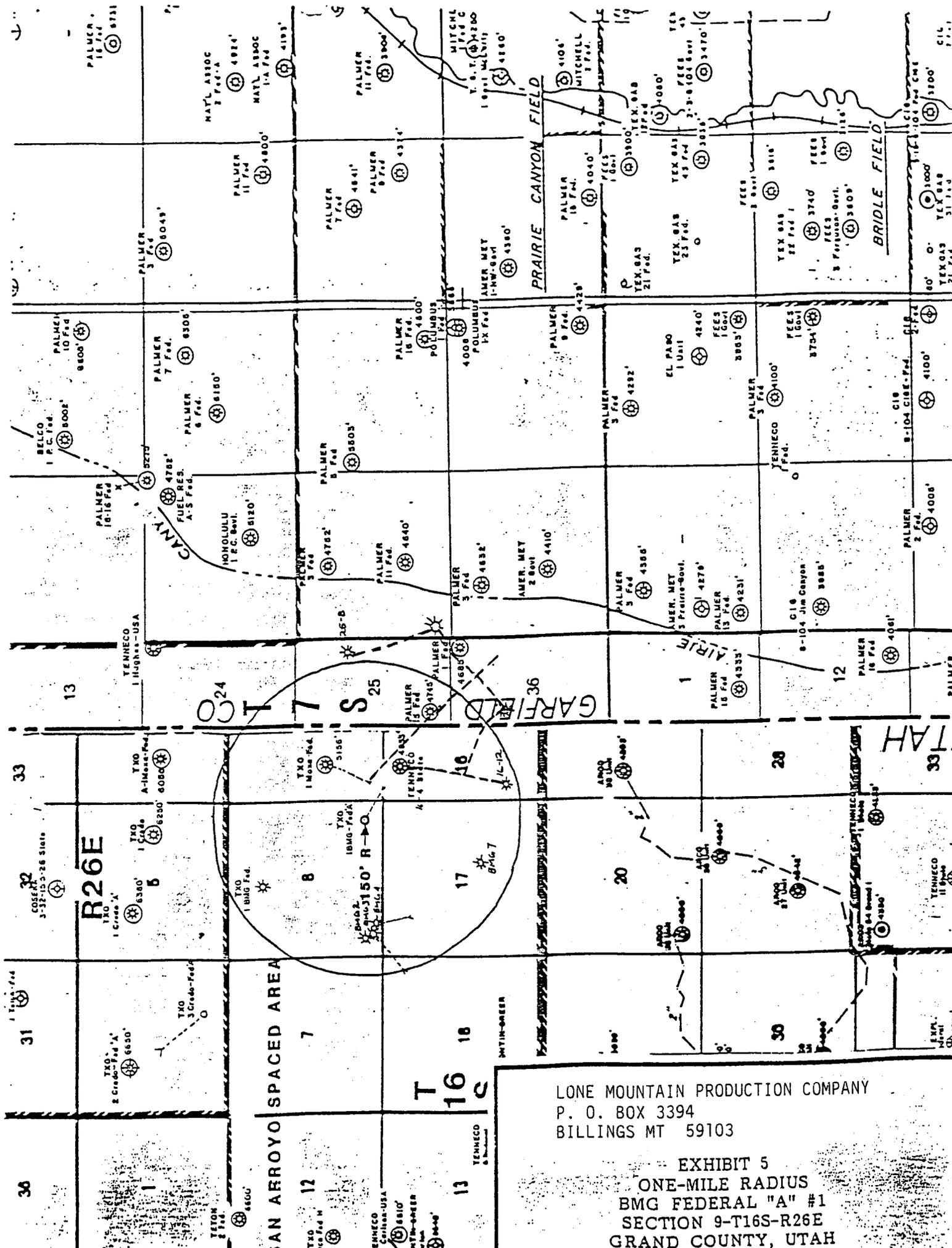


Proposed
BMG Federal "A" #1

1 mile radius

Existing Road

**EXHIBIT 4
EXISTING ROADS**
Map Source: Jim Canyon 7.5 minute
quad



LONE MOUNTAIN PRODUCTION COMPANY
 P. O. BOX 3394
 BILLINGS MT 59103

EXHIBIT 5
 ONE-MILE RADIUS
 BMG FEDERAL "A" #1
 SECTION 9-T16S-R26E
 GRAND COUNTY, UTAH

Reclaimed Reserve Pit

Production Unit

Fenced Pit

Dehydrator

Metering Facility

To Pipeline

Fenced Pit

Wellhead

Access Road

Reclaimed Area

Scale: 1"=50'

- 1) Pits will be 10' x 10' x 6' deep and will be surrounded by 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 shutdown system will be installed.
- 5) The separator will be an ASME coded vessel.

BMG FEDERAL "A" #1

PRODUCTION FACILITIES

EXHIBIT 6

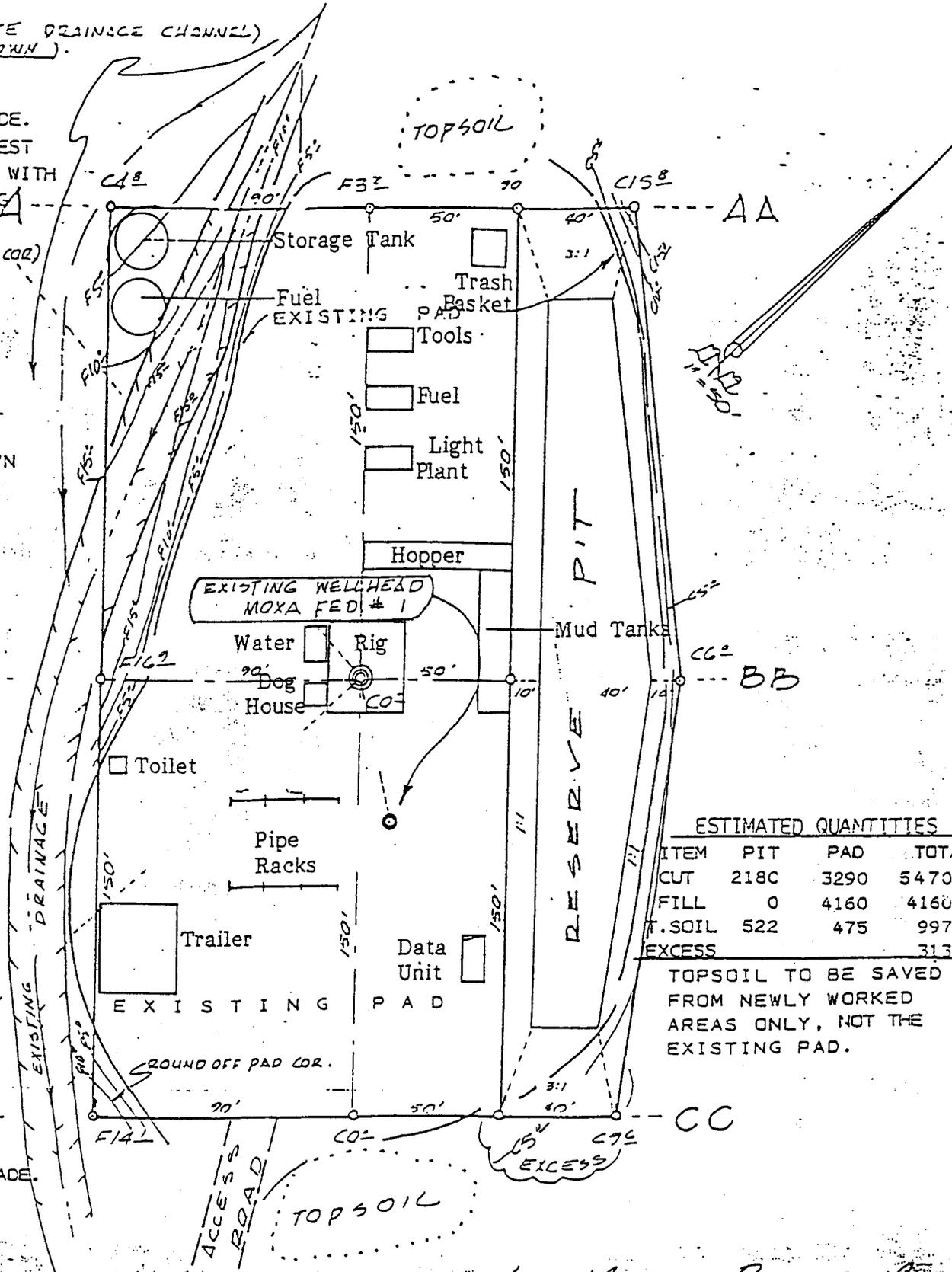
EXHIBIT # 7A PIT & PAD LAYOUT

(REROUTE DRAINAGE CHANNEL)
(AS SHOWN)

C 35.6' PAD GRADE.
REF. PT. 200' WEST
SET REBAR & CAP WITH
STEEL POST ALONG
SIDE.
(ROUND OFF PAD COR)
(AS SHOWN)

OIL IS LT. BROWN
LAY.

REF. PT. 200'
SOUTH SET REBAR &
CAP WITH STEEL
POST ALONGSIDE.
F 27.4' TO PAD GRADE.



ESTIMATED QUANTITIES

ITEM	PIT	PAD	TOTAL
CUT	218C	3290	5470
FILL	0	4160	4160
T.SOIL	522	475	997
EXCESS			313

TOPSOIL TO BE SAVED
FROM NEWLY WORKED
AREAS ONLY, NOT THE
EXISTING PAD.

LONE MOUNTAIN PRODUCTION CO.
PIT & PAD LAYOUT
B.M.G. FEDERAL A#1

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/08/94

API NO. ASSIGNED: 43-019-31031

WELL NAME: BMG FEDERAL "A" 1 (RE-ENTRY)
OPERATOR: LONE MOUNTAIN PROD. CO (N7210)

PROPOSED LOCATION:
SWSW 09 - T16S - R26E
SURFACE: 0025-FSL-0364-FWL
BOTTOM: 0561-FSL-1298-FEL
GRAND COUNTY
SAN ARROYO FIELD (250)

INSPECT LOCATION BY: / /		
TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: FED
LEASE NUMBER: U-05015-A (BH)
U-24638 (Surface)

RECEIVED AND/OR REVIEWED:

Y Plat
 ___ Bond: Federal[] State[] Fee[]
 (Number _____)
N Potash (Y/N)
N Oil shale (Y/N)
N Water permit
 (Number _____)
N RDCC Review (Y/N)
 (Date: _____)

LOCATION AND SITING:

___ R649-2-3. Unit: _____
 ___ R649-3-2. General.
 ___ R649-3-3. Exception.
 Drilling Unit.
 Board Cause no: 107-1
 Date: 2-11-65

COMMENTS: ~~WELL SPACED (ALREADY DRILLED)~~
Re-entry.

STIPULATIONS:
1 Directional survey information.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.
U-05015 U-24638 Surf.

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA

7. UNIT AGREEMENT NAME
NA

2. NAME OF OPERATOR
LONE MOUNTAIN PRODUCTION COMPANY

8. FARM OR LEASE NAME
BMG FEDERAL "A"

3. ADDRESS OF OPERATOR
P.O. BOX 3394 BILLINGS, MT 59103

9. WELL NO.
#1

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface
25' FSL, 364' FWL SEC. 9, T16S-R26E
At proposed prod. zone
DAKOTA: 561' FSL, 1298' FEL SEC. 8, T16S-R26E

10. FIELD AND POOL, OR WILDCAT
SAN ARROYO

11. SEC. T., R., M., OR BLK. AND SURVEY OR AREA
SURF: SEC. 9, T16S-R26E
TD: SEC. 8, T16S-R26E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
APPROXIMATELY 41 MILES NW OF MACK, CO

12. COUNTY OR PARISH | 13. STATE
GRAND | UTAH

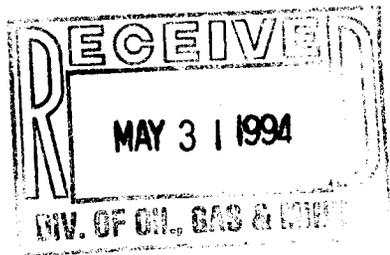
10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)	650'	16. NO. OF ACRES IN LEASE	2560	17. NO. OF ACRES ASSIGNED TO THIS WELL	320
13. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	4113'	19. PROPOSED DEPTH	4563' TVD/4992' MD	20. ROTARY OR CABLE TOOLS	ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5778' GR

22. APPROX. DATE WORK WILL START*
JUNE 6, 1994

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT



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 [Signature] TITLE PETROLEUM ENGINEER DATE 4-5-94

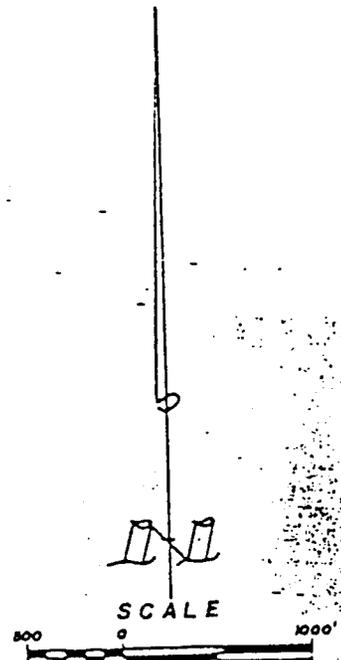
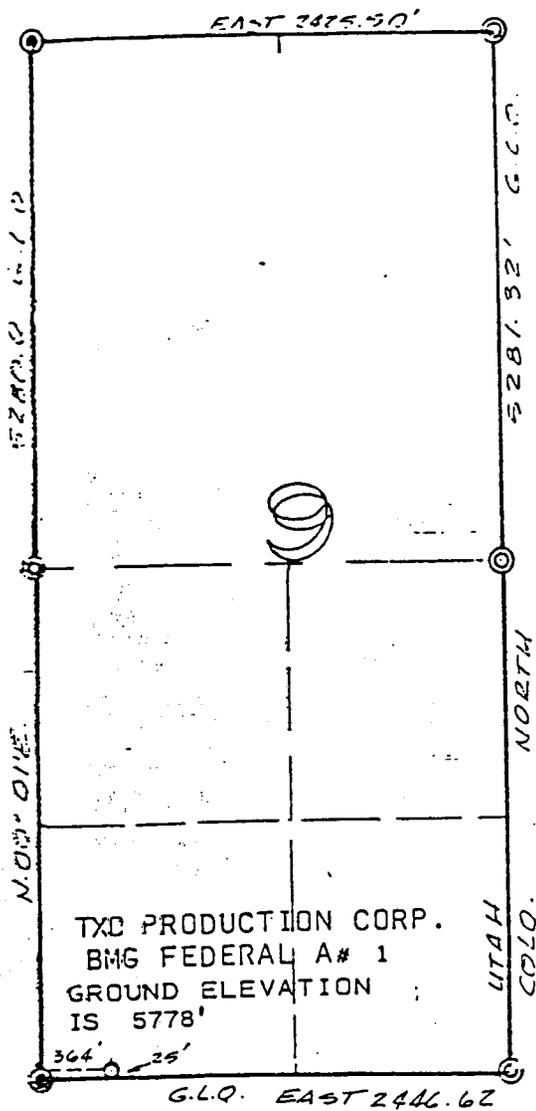
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY /S/ WILLIAM C. STRINGER TITLE Associate District Manager DATE MAY 26 1994

CONDITIONS OF APPROVAL ATTACHED
FLARING OR VENTING OF GAS IS SUBJECT TO NTL 4-A Dated 1/1/80
*See Instructions On Reverse Side

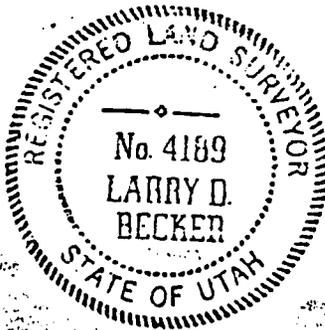
pcam



- LEGEND**
- STANDARD LOCATION OF G.L.O. CORNERS.
 - ⊙ G.L.O. CORNERS FOUND.
 - WELL LOCATION STATED.
- REFERENCE DOCUMENTS**
- 1926 G.L.O. PLAT
 - JIM CANYON, UTAH
 - QUADRANGLE, USGS

BASIS OF BEARING IS THE WEST LINE OF SECTION 9.

THIS WELL LOCATION PLAT WAS PREPARED FOR TXO PRODUCTION CORP.
 AS REQUESTED BY PAUL URBAN, TO LOCATE THE
BMG FEDERAL A # 1, 25' F.S.L. & 364' F.W.L.,
 IN THE SW 1/4 SW 1/4, OF SECTION 9, T. 16 S., R. 26 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

Lone Mountain Production Company
BMG Federal A-1 (Re-entry)
Lease U-05015-A
Surface Location: SW/SW Section 9, T16S, R26E (Lease U-24638)
Bottomhole Location: SW/SE Section 8, T16S, R26E (Lease U-05015-A)
Grand County, Utah

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Lone Mountain Production Company is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by UT 0719 (Principal - Lone Mountain Production Company) via surety consent as provided for in 43 CFR § 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR § 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR § 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions and the approved plan will be made available to field representatives to insure compliance.

A. DRILLING PROGRAM

1. This action requires concurrent approval from the State of Utah, Division of Oil, Gas and Mining (DOGM).
2. The surface location of this well is on lease U-24638, while the bottomhole location of the producing interval is on lease U-05015-A. If lease U-24638 should terminate during the life of this well, a right-of-way will have to be secured to cover the surface facilities.
3. The proposed 2M BOP system is adequate. The BOP system shall be maintained and tested in accordance with Onshore Oil and Gas Order No. 2.
4. Centralizers shall be run, at a minimum, on the bottom three joints of each casing string.
5. If a gas meter run is constructed, it will be located on lease within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and will be buried downstream of the meter until it leaves the pad. Meter runs will be housed and/or fenced. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR § 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

B. SURFACE USE PLAN

1. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer. Within five working days the authorized officer will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,
- a timeframe for the authorized officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the authorized officer are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the authorized officer will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The authorized officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the authorized officer that the required mitigation has been completed, the operator will then be allowed to resume construction.

2. The use of water from West Salt Creek (Mesa County, Colorado) has been identified as a water depletion to the Colorado River and potentially affecting the T&E fish species. The impacts from the depletion will be offset with the one-time contribution of \$12.34 per acre-foot of water to:

National Fish and Wildlife Foundation
The Bender Building
1120 Connecticut Avenue, N.W.
Washington, D.C. 20036

Payments should be accompanied by a cover letter that identifies the project and biological opinion that is requiring the payment, the amount of the payment enclosed, check number, the balance of payment still due, the name and address of the payor, the name and address of the BLM office authorizing the project, and the address of the FWS office issuing the biological opinion. This information will be used by the Foundation to notify the payor, the BLM, and FWS when payment has been received.

3. In order to protect deer winter range, no drilling will be allowed from December 1 through April 15. The limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation may be specified in writing by the authorized officer.
4. Surface disturbance and vehicular travel will be limited to the approved location and access route. Any additional area needed will be approved in advance.
5. Cross-country traffic will be suspended during periods of wet weather to reduce soil rutting and soil compaction.
6. The access road will be rehabilitated or brought to Resource (Class III) Road Standards within sixty (60) days of dismantling the drilling rig. If upgraded, the road must be maintained at these standards until the well is properly abandoned. If this time frame cannot be met, the Area Manager will be notified so that temporary drainage control can be installed along the access road.
7. The reserve pit will be located in cut material, with at least 50% of the pit volume below original ground level.
8. To minimize the amount of fugitive dust and spray escaping from the blooie pit, the blooie line will be directed into a sloped bank of subsoil.
9. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.6. When the well is abandoned, the abandonment marker must be at least four feet above restored ground level and must be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).
10. At the end of drilling operations and prior to reclamation of the reserve pit, the fourth side of the pit will be fenced and the top of the pit will be covered with netting of one inch or less to prevent access by birds.
11. In the event the well pad or road is graveled or surfaced, the material will be removed prior to recontouring the surface for rehabilitation.

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the Resource Area, Natural Resource Protection Specialist at least 48 hours prior to commencing construction of location.

Spud- The spud date will be reported to the Resource Area Office 24 hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within 24 hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the District Office on a weekly basis.

Monthly Reports of Operations- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR § 3162.3-2. Safe drilling and operating practices must be observed.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the District Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the Resource Area in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Area Manager is to be notified.

First Production- Should the well be successfully completed for production, the District Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five (5) business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Resource Area Office. The Resource Area Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR § 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the District Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the authorized officer. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

Produced Water- Produced waste water may be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted to the District Office for approval pursuant to Onshore Oil and Gas Order No. 7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the District Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the District Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the District Office within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR § 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Manager or his representative, or the appropriate surface managing agency.

NOTIFICATIONS

Notify Rich McClure or Jack Johnson of the Grand Resource Area in Moab, Utah, at (801) 259-8193 for the following:

2 days prior to commencement of dirt work, construction and reclamation;

1 day prior to spudding;

3 hours prior to testing BOPE

If the person at the above number cannot be reached, notify the Moab District Office at (801) 259-6111. If unsuccessful, contact the person listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab District Office, Branch of Fluid Minerals at (801) 259-6111. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer

Office: (801) 259-6111
Home: (801) 259-2214

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

3. LEASE DESIGNATION AND SERIAL NO.
U-05075 U-24638 S₁

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA

7. UNIT AGREEMENT NAME
NA

8. FARM OR LEASE NAME
BMG FEDERAL "A"

9. WELL NO.
#1

10. FIELD AND POOL, OR WILDCAT
SAN ARROYO

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA
SURF: SEC. 9, T16S-R26E
TD: SEC. 8, T16S-R26E

12. COUNTY OR PARISH | 13. STATE
GRAND | UTAH

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
LONE MOUNTAIN PRODUCTION COMPANY

3. ADDRESS OF OPERATOR
P.O. BOX 3394 BILLINGS, MT 59103 43-019-31031

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
25' FSL, 364' FWL SEC. 9, T16S-R26E
At proposed prod. zone
DAKOTA: 561' FSL, 1298' FEL SEC. 8, T16S-R26E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
APPROXIMATELY 41 MILES NW OF MACK, CO

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
2560

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.
4113'

19. PROPOSED DEPTH
4563' TVD/4992' MD

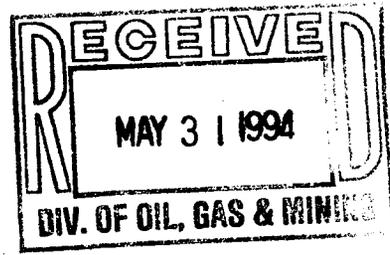
20. ROTARY OR CABLE TOOLS
ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5778' GR

22. APPROX. DATE WORK WILL START*
JUNE 6, 1994

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
--------------	----------------	-----------------	---------------	--------------------



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 [Signature] TITLE PETROLEUM ENGINEER DATE 4-5-94

(This space for Federal or State office use)

PERMIT NO. 43-019-31031 APPROVAL DATE _____

APPROVED BY /S/ WILLIAM C. STRINGER TITLE Associate District Manager DATE MAY 26 1994

FLARING OR VENTING OF GAS IS SUBJECT TO NTL 4-A Dated 1/1/80
CONDITIONS OF APPROVAL ATTACHED

*See Instructions On Reverse Side

Docm



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-358-3940 (Fax)
801-538-5319 (TDD)

June 1, 1994

**Lone Mountain Production Company
P.O. Box 3394
Billings, Montana 59103**

Re: BMG Federal "A" #1 Well, Surface Location 25' FSL, 364' FWL, Sec. 9, T. 16 S., R. 26., Bottom Hole Location 561' FSL, 1298' FEL, SW SW, Sec. 8, T. 16 S., R. 26 E., Grand County, Utah

Gentlemen:

Pursuant to the order issued by the Board of Oil, Gas and Mining in Cause No. 107-1 dated February 11, 1965, approval to reenter and drill the referenced well is hereby granted.

In addition, the following specific actions are necessary to fully comply with this approval.

1. In accordance with Utah Admin. R. 649-3-11, Directional Drilling, submittal of a complete angular deviation and directional survey report is required.
2. Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules.
3. Notification to the Division within 24 hours after drilling operations commence.
4. Submittal of Entity Action Form, Form 6, within five working days following commencement of drilling operations and whenever a change in operations or interests necessitates an entity status change.
5. Submittal of the Report of Water Encountered During Drilling, Form 7.
6. Prompt notification prior to commencing operations, if necessary, to plug and abandon the well. Notify Frank R. Matthews, Petroleum Engineer, (Office) (801)538-5340, (Home) (801)476-8613, or K. Michael Hebertson, Reclamation Specialist, (Home) (801)269-9212.

Page 2
Lone Mountain Production Company
BMG Federal "A" #1 Well
June 1, 1994

7. Compliance with the requirements of Utah Admin. R. 649-3-20, Gas Flaring or Venting, if the well is completed for production.

This approval shall expire one year after date of issuance unless substantial and continuous operation is underway or a request for an extension is made prior to the approval expiration date. The API number assigned to this well is 43-019-31031.

Sincerely,



R.J. Firth
Associate Director

ldc
Enclosures
cc: Grand County Assessor
Bureau of Land Management, Moab District Office
WOH

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Lone Mountain Production Company

3. Address and Telephone No.

P. O. Box 3394, Billings, MT 59103 (406) 245-5077

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

At Surface: 25' FSL & 364' FWL Section 9: T16S-R26E
At Total Depth: 632' FSL & 1373' FEL Section 8: T16S-R26E

5. Lease Designation and Serial No.
U-05015

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

BMG Federal A No. 1

9. API Well No.

43-019-31031

10. Field and Pool, or Exploratory Area

San Arroyo

11. County or Parish, State

Grand County, Utah

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- Notice of Intent
 Subsequent Report
 Final Abandonment Notice

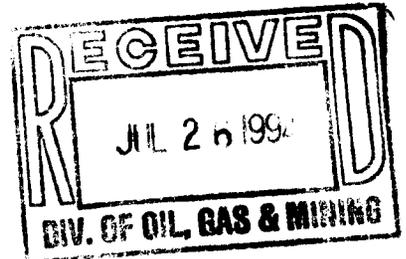
TYPE OF ACTION

- Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other Commence re-entry
 Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut-Off
 Conversion to Injection
 Dispose Water

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

13. 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.)*

Rigged up Veco Rig No. 16 on July 18-19, 1994. Tested BOP's, witnessed by Jack Johnson of BLM. Commenced re-entry at 5:00 a.m., July 20, 1994.



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

Signed

James D. Bonham

Title President

Date 7-21-94

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial No.

U-05015

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

(RE-ENTRY)

2. Name of Operator

Lone Mountain Production Company

3. Address and Telephone No.

P. O. Box 3394 Billings, MT 59103 (406) 245-5077

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

At Surface: 25' FSL & 364' FWL Section 9: T16S-R26E
At Total Depth: 632' FSL & 1373' Fel Section 8: T16S-R26E

8. Well Name and No.

BMG Federal A No. 1

9. API Well No.

43-019-31031

10. Field and Pool, or Exploratory Area

San Arroyo

11. County or Parish, State

Grand County, Utah

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

Notice of Intent
 Subsequent Report
 Final Abandonment Notice

TYPE OF ACTION

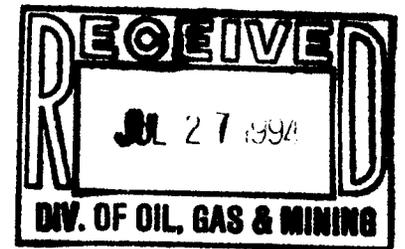
Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other Status Report

Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut-Off
 Conversion to Injection
 Dispose Water

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

13. 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.)*

Drilled out to original TD 4992'. Reached TD @ 8:00 p.m., 7/23/94. Ran 4 1/2", 10-5#, J-55 casing to 4992', cemented with 175 sx 10-0 Thixotropic cement. pBTD 4957'. Rig released @ 4:40 p.m., 7/24/94. Currently WOCT.



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

Signed John S. Rantan Title President Date 7/25/94

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

LONE MOUNTAIN PRODUCTION COMPANY

Mailing Address:
P.O. Box 3394
Billings, MT 59103-3394

(406) 245-5077
FAX 248-6321

Shipping Address:
100 North 27th Street
Suite 450
Billings, MT 59101

July 26, 1994

Utah Division of Oil, Gas & Mining
3 Triad Center, Suite 350
355 W. North Temple
Salt Lake City, Utah 84180

RE: ENTITY ACTION FORM
BMG FEDERAL A NO. 1
SESE SEC. 8: T16S-R26E
GRAND COUNTY, UTAH

Gentlemen:

Please find enclosed in duplicate the Entity Action Form(form 6) for the referenced well, which was re-entered at 5:00 a.m. on July 20, 1994. If further information is needed, please advise.

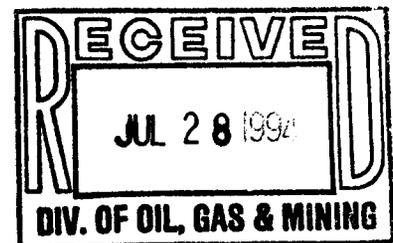
Very truly yours,

LONE MOUNTAIN PRODUCTION COMPANY

Brenda Nelson

Brenda Nelson for
James G. Routson, President

Enclosures



ENTITY ACTION FORM - FORM 6

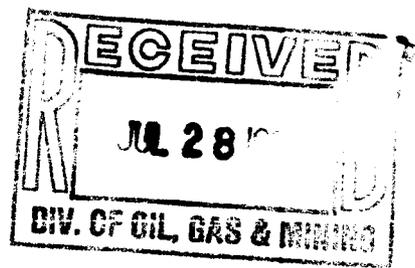
OPERATOR Lone Mountain Production Co.
ADDRESS P. O. Box 3394
Billings, MT 59103

OPERATOR ACCT. NO. N 7210

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
A	99999	11650	43-019-31031	BMG Federal A No. 1	SESE	8	16S	26E	Grand	7/20/94	
WELL 1 COMMENTS: Well was re-entered at 5:00 a.m., July 20, 1994 We chose action code A because well was drilled as a dry hole in 1983, and its entity number probably has been discontinued.											
WELL 2 COMMENTS: Entity added 8-2-94, no entity previously assigned. Lee											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

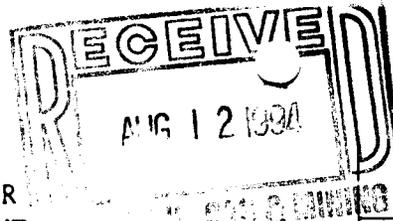
- ACTION CODES** (See instructions on back of form)
- A - Establish new entity for new well (single well only)
 - B - Add new well to existing entity (group or unit well)
 - C - Re-assign well from one existing entity to another existing entity
 - D - Re-assign well from one existing entity to a new entity
 - E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.



Jane S. Parker
Signature
President 7/26/94
Title Date
Phone No. (406) 245-5077

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



FORM APPROVED
Budget Bureau No 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial No

U-05015-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

RE-ENTRY SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Lone Mountain Production Company

3. Address and Telephone No.

P. O. Box 3394, Billings, MT 59103-3394

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

At surface: 25' FSL & 364' FWL Sec. 9: T16S-R26E
At TD: 632' FSL & 1373' FEL Sec. 8: T16S-R26E

8. Well Name and No.

BMG Federal A No.1

9. API Well No.

43-019-31031

10. Field and Pool, or Exploratory Area

San Arroyo

11. County or Parish, State

Grand County, UT

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Completion</u>	<input type="checkbox"/> Dispose Water

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

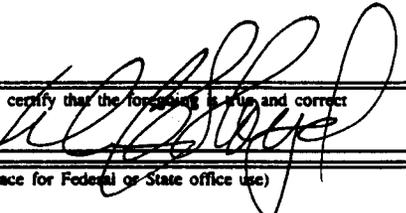
13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Lone Mountain Production Company intends to complete the BMG Federal A No. 1 as per the attached completion procedure.

We hope to commence operations on or about August 25, 1994.

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**

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

Signed  Title Petroleum Engineer Date 8-9-94

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

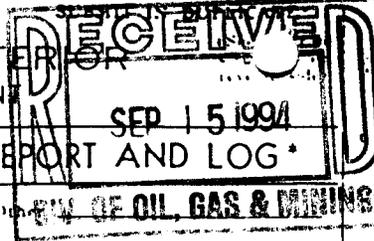
BMG FEDERAL NO. A-1

COMPLETION PROCEDURE

4-1/2" 10.5#/ft J-55 STC casing
Set @ 4992' MD, float @ 4957' MD
cemented w/175 sx 10-0.

- 1 Rig up mast truck and wireline truck. Run GR-CBL-VDL logs from PBTD to TOC. Rig down wireline truck.
- 2 MIRU service rig. NU tubing head, frac spool, and BOPE. PU 3-3/4" bit and 4-1/2" casing scraper and TIH to PBTD. Circulate well clean. Pressure test casing, tubing head and BOP's to 4000 psi. Drop standing valve and test tubing to 7000 psi. Swab well dry and POOH w/tubing.
- 3 Rig up wireline truck and perforate the Dakota with one 0.31" jet shot at each depth as follows: 4762', 4800', 4808', 4812', 4869', 4875', 4879', 4883', 4904', 4908'; all measured depths, 10 holes total. Correlate to FDC/Sidewall Neutron/GR log dated 8/4/83. Rig down wireline truck.
- 4 TIH w/4-1/2" packer, SN and 2-3/8" tubing. Set packer at 4730'. Acidize perms w/600 gallons 15% MSR and 20 ball sealers. Displace acid w/21 bbls of 4% KCl water.
- 5 Swab load back. Release packer and lower to 4920' to knock balls off perms. Swab well dry and POOH w/tubing, SN and packer. LD packer.
- 6 TIH w/ SN and 2-3/8" tubing to $\pm 4510'$. Land w/blast joint and N-80 pup joint in top of string. Rig up service company and triple entry foam frac the Dakota perms with 20,000# 100 mesh sand and 80,000# 20-40 sand in 75 DHQ foam. Frac at 31-34 BPM total rate.
- 7 Flow well back at 1/4 BPM for 15 minutes to initiate forced closure. Open well and flow back. Displace annulus with nitrogen. Flow back to clean up overnight.
- 8 LD blast joint and N-80 pup. Reverse out sand to PBTD with well gas. Flange well up with SN @ $\pm 4920'$. RDMO service rig. Flow well to continue cleanup and test rate.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



LEASE DESIGNATION AND SERIAL NO.
J-05015-A
OF INDIAN ALLOTTEE OR TRIBE NAME
LEASE AGREEMENT NAME

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL GAS WELL DRY OTHER
b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP EN PILL BACK DIFF REPAIR Other _____

2. NAME OF OPERATOR
LONE MOUNTAIN PRODUCTION COMPANY (RE-ENTRY)

3. ADDRESS OF OPERATOR
P.O. BOX 3394 BILLINGS, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface **25' FSL & 364' FWL**
At top prod. interval reported below
561' FSL & 1298' FEL (SEC 8)
At total depth
632' FSL & 1373' FEL

14. PERMIT NO. **43-019-31031** DATE ISSUED **6-1-94**

9. WELL NO.
BMG FEDERAL A NO. 1

10. FIELD AND POOL, OR WILDCAT
SAN ARROYO

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SURF: SEC. 9, T16S-R26E
BHL: SEC 8, T16S-R26E

12. COUNTY OR PARISH
GRAND 13. STATE
UTAH

15. DATE SPUDDED **7/20/94** 16. DATE T.D. REACHED **7/23/94** 17. DATE COMPL. (Ready to prod.) **9/11/94** 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* **5794' KB** 19. ELEV. CASINGHEAD **5778'**

20. TOTAL DEPTH, MD & TVD **4992' MD, 4563 TVD** 21. PLUG, BACK T.D., MD & TVD **4962' MD, 4536 TVD** 22. IF MULTIPLE COMPL., HOW MANY* **----** 23. INTERVALS DRILLED BY **-----** ROTARY TOOLS **YES** CABLE TOOLS **-----**

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
4762'-4908' (MD) DAKOTA (DKTA)
4355'-4485' (TVD) 25. WAS DIRECTIONAL SURVEY MADE
SEE APD

26. TYPE ELECTRIC AND OTHER LOGS RUN
GR/CBL/CCL (SEE APD) 27. WAS WELL CORED
NO

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	48#	40'	17 1/2"	44 sks PREMIX	---
9 5/8"	36#	1183'	12 1/4"	600 sks	---
4 1/2"	10.5#	4992'	7 7/8"	175 sks 10-0 THIXOTROPIC	----

29. LINER RECORD

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

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	4784.5	NA

31. PERFORATION RECORD (Interval, size and number)
4762', 4800', 4808', 4812', 4869', 4875', 4879'
4883', 4904', 4908'
0.31" DIA, 2 JSPF, 20 Holes Total

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.
DEPTH INTERVAL (MD) **As Perfed** AMOUNT AND KIND OF MATERIAL USED
150,000# 20/40 sd in 1012 BBLs
CROSS LINKED BORATE

33. PRODUCTION
DATE FIRST PRODUCTION _____ PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) _____ WELL STATUS (Producing or shut-in)
SI WOPI

DATE OF TEST **9-11-94** HOURS TESTED **15 HRS** CHOKE SIZE **1/2"** PROD'N. FOR TEST PERIOD **-----** OIL—BBL. **463** GAS—MCF. **463** WATER—BBL. _____ GAS-OIL RATIO _____
FLOW. TUBING PRESS. **107 PSI** CASING PRESSURE **258** CALCULATED 24-HOUR RATE **-----** OIL—BBL. **741** GAS—MCF. **741** WATER—BBL. _____ OIL GRAVITY-API (CORR.) _____

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) **VENTED** TEST WITNESSED BY **JOE DYK**

35. LIST OF ATTACHMENTS
NONE

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
SIGNED TITLE **PETROLEUM ENGINEER** DATE **9-13-94**

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCT 19 1994

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

5. Lease Designation and Serial No.
U-05015-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

SUNDRY NOTICES AND REPORTS ON WELLS

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Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Lone Mountain Production Company

3. Address and Telephone No.

P. O. Box 3394, Billings, MT 59103-3394

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

At surface: 25' FSL, 364' FWL Sec. 9: T16S-R26E

At TD: 632' FSL, 1373' FEL Sec. 8: T16S-R26E

8. Well Name and No.

BMG Federal A No.1

9. API Well No.

43-019-31031

10. Field and Pool, or Exploratory Area

San Arroyo

11. County or Parish, State

~~Uintah~~ County, UT
Grand

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

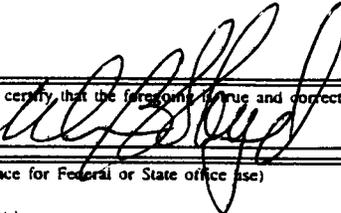
TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input checked="" type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

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

13. 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.)*

This sundry notice serves as notification of first production. The BMG Federal A No. 1 was turned on for 200 mcf/d on October 14, 1994.

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

Signed  Title Petroleum Engineer Date 10-17-94

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any: