

TXO

TXO PRODUCTION CORP.

1800 LINCOLN CENTER BUILDING
DENVER, COLORADO 80264

TELEPHONE (303) 861-4246

February 22, 1984

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

Attn: Norm Stout

RECEIVED
FEB 24 1984

**DIVISION OF
OIL, GAS & MINING**

Re: Quartz State #2
Section 2-T20S-R21E
Grand County, Utah

Gentlemen:

Enclosed are three copies of the APD and 10 point drilling plan for the above referenced well. Also enclosed is an approved copy of the Utah Division of Water Rights for use or purchase of drilling water.

If you have any questions, please do not hesitate to contact me at this office.

Very truly yours,

TXO PRODUCTION CORP.

Terry L. Blankenship
Terry L. Blankenship
Environmental Scientist

TLB/gbp

Enclosures/as stated

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

(Other instructions on reverse side)

5. Lease Designation and Serial No.

ML-40748

6. If Indian, Allottee or Tribe Name

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

DRILL

DEEPEN

PLUG BACK

7. Unit Agreement Name

b. Type of Well

Oil Well

Gas Well

Other

Single Zone

Multiple Zone

8. Farm or Lease Name

Quartz State

9. Well No.

2

2. Name of Operator

TXO Production Corp.

Attn: Terry Blankenship

3. Address of Operator

(303) 861-4246

1800 Lincoln Center Bldg. Denver, CO. 80264

10. Field name or well name

GREATER
Cisco Dome

4. Location of Well (Report location clearly and in accordance with any State requirements.*)
At surface

513' FSL, 659' FEL (SE/4 SE/4) ✓

At proposed prod. zone

11. Sec., T., R., M., or Blk. and Survey or Area

Sec. 2-T20S-R21E

14. Distance in miles and direction from nearest town or post office*

About 15 miles west-northwest of Cisco, Utah

12. County or Parrish 13. State

Grand, Utah

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. line, if any)

513'

16. No. of acres in lease

280

17. No. of acres assigned to this well

40 ✓

18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this lease, ft.

4087

19. Proposed depth

3400

20. Rotary or cable tools

Rotary

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

5585' GR

22. Approx. date work will start*

April 1, 1984

23.

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
11"	8-5/8"	24#	200'	100 sacks
7-7/8"	4-1/2"	10.5#	3400' ✓	225 sacks

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DIVISION OF
OIL, GAS & MINING

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

24.

Signed

R.E. Dashner
R.E. Dashner

Title District Drilling Manager

Date

Feb. 22 / 1984

(This space for Federal or State office use)

Permit No.

Approval Date

Approved by

Title

Conditions of approval, if any:

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE:

BY:

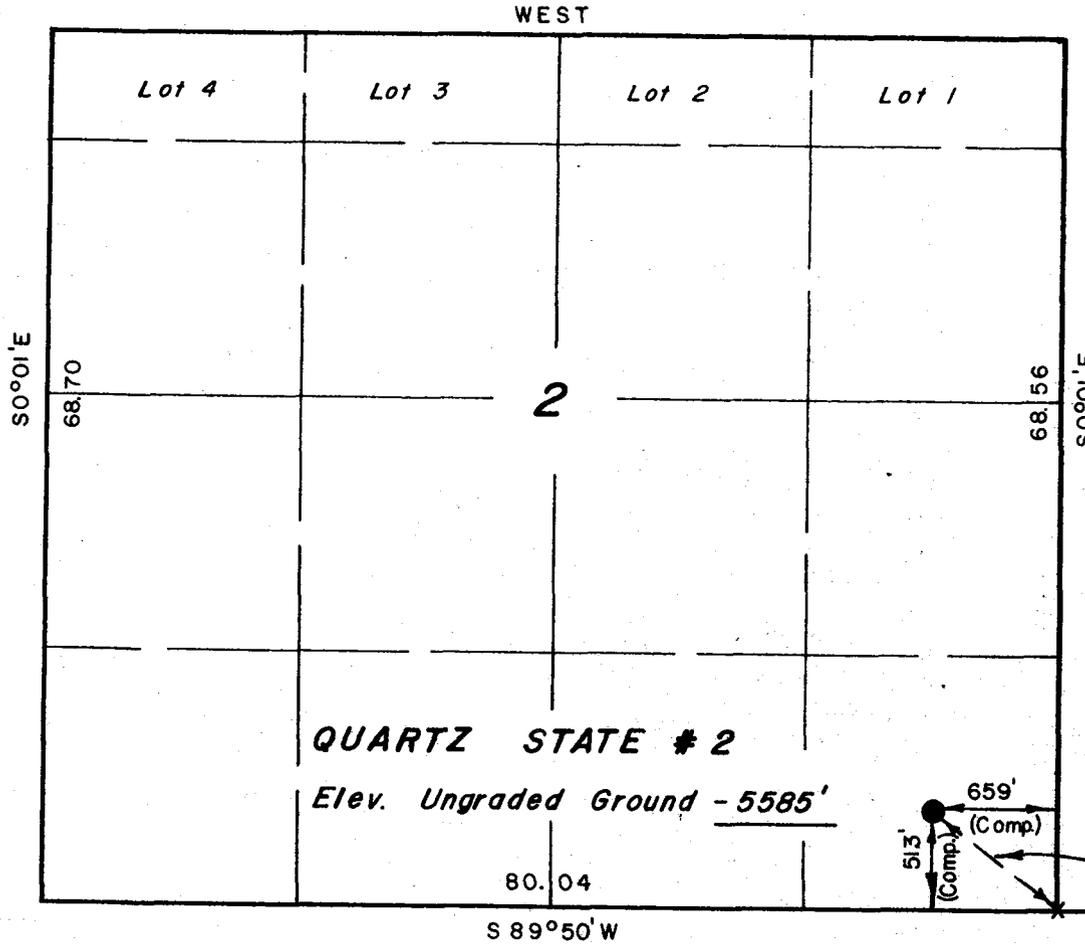
*See Instructions On Reverse Side

[Signature]

T 20 S, R 21 E, S.L.B.&M.

PROJECT
TXO PRODUCTION CORP.

Well location, QUARTZ STATE #2, located as shown in the SE 1/4 SE 1/4 Section 2, T20S, R21E, S.L.B. & M. Grand County, Utah.



DIVISION OF
OIL, GAS & MINING

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CERTIFICATE

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

John J. ...

REGISTERED LAND SURVEYOR
REGISTRATION NO 2454
STATE OF UTAH

S 1/4 Cor. Sec. 1, T20S, R21E, S.L.M.

Revised - 12/22/83

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

SCALE	1" = 1000'	DATE	10/18/83
PARTY	LDT DK	S.B.	REFERENCES GLO Plat
WEATHER	Fair	FILE	TXO PRODUCTION

X = Section Corners Located

Exhibit 2
Survey Plat

OGC-1a ADDENDUM
Quartz State #2
Section 2-T20S-R21E
Grand County, Utah

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**DIVISION OF
OIL, GAS & MINING**

1. SURFACE FORMATION: Mancos Shale

2. ESTIMATED FORMATION TOPS:

Dakota Silt	2629'
Morrison	2950'
Total Depth	3400'

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

Expected Oil Zone: Second Dakota Sand 2700'

Expected Water Zones: Water can be expected in any sand zones from 2629' to T.D.

4. CASING PROGRAM AS PER FORM OGC-1a.

5. 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 1000 psi), will be installed. See Exhibit 1.

B. A choke control, fill and kill lines with minimum working pressure of 2000 psi will be installed.

C. A rotating pack-off head will be installed above the blowout preventer to control flow while drilling with air.

D. The equipment in A and B will be pressure-tested to 2000 psi before drilling surface pipe cement, and the blowout preventer will be tested for operations daily and during trips.

6. MUD PROGRAM:

0'-200' Air or air mist. If necessary, use spud mud at 8.8- 9.2#/gal., vis. 28-32 sec. API.

200'-TD Air or air mist. If necessary, will use 3% KCI mud at 8.6- 8.8#/gal., vis. 35-45 sec. API.

7. AUXILIARY EQUIPMENT:

A. A kelly cock will be kept in the string at all times.

- 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.

8. CORING, LOGGING, TESTING PROGRAM:

- A. No coring is anticipated.
- B. Logging program will consist of the following: DIL-GR from TD to surface pipe, FDC-SNP-GR-CAL from TD to 2000' above TD. If logged wet: FDC-CNL-GR-CAL from TD to 2000' above TD.
- C. No DST's are planned.

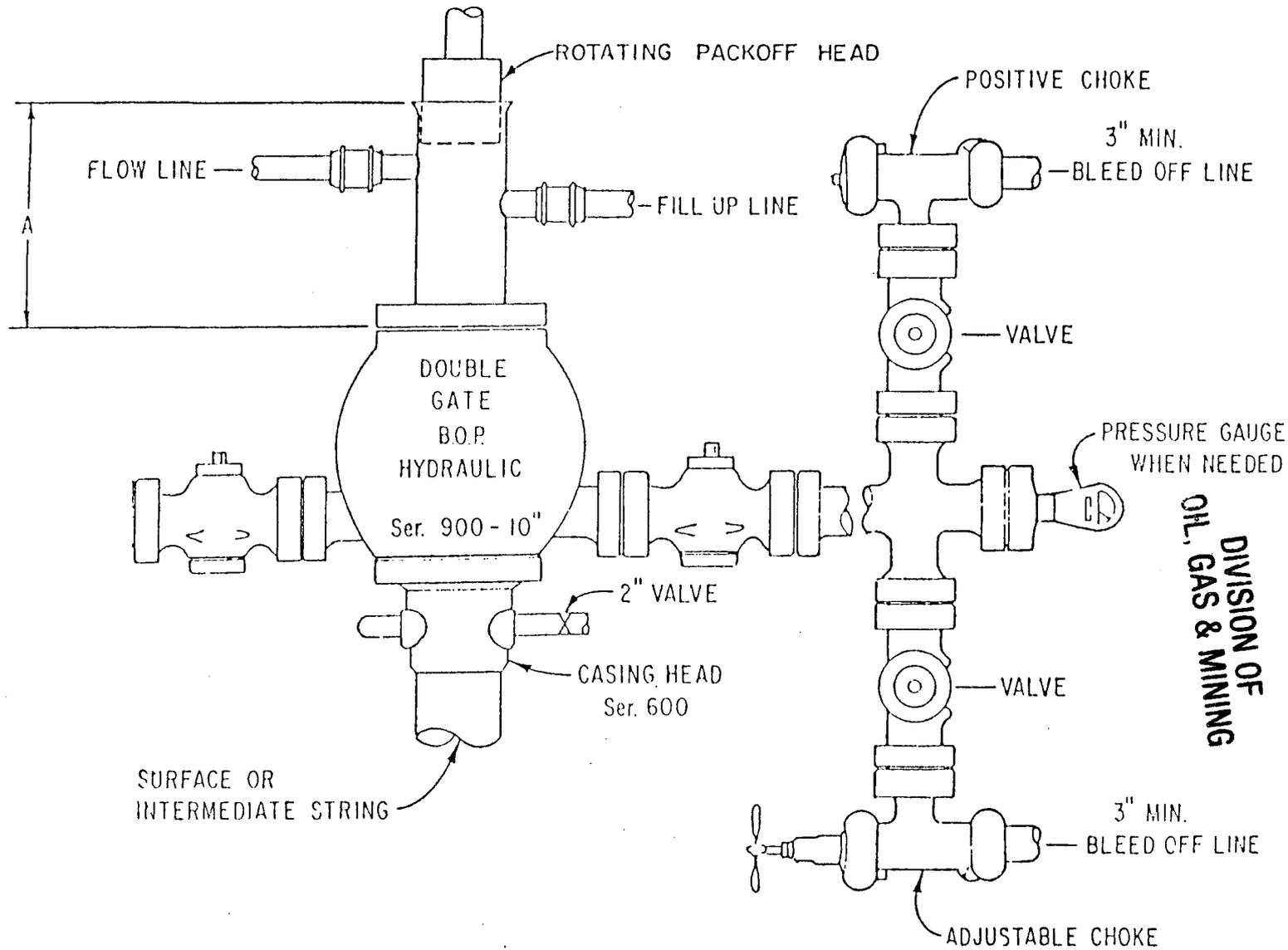
9. ABNORMAL CONDITIONS:

- 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.

10. ANTICIPATED STARTING DATES:

Start location construction	April 1, 1984
Spud date	April 5, 1984
Complete drilling	April 9, 1984
Completed, ready for production	April 20, 1984

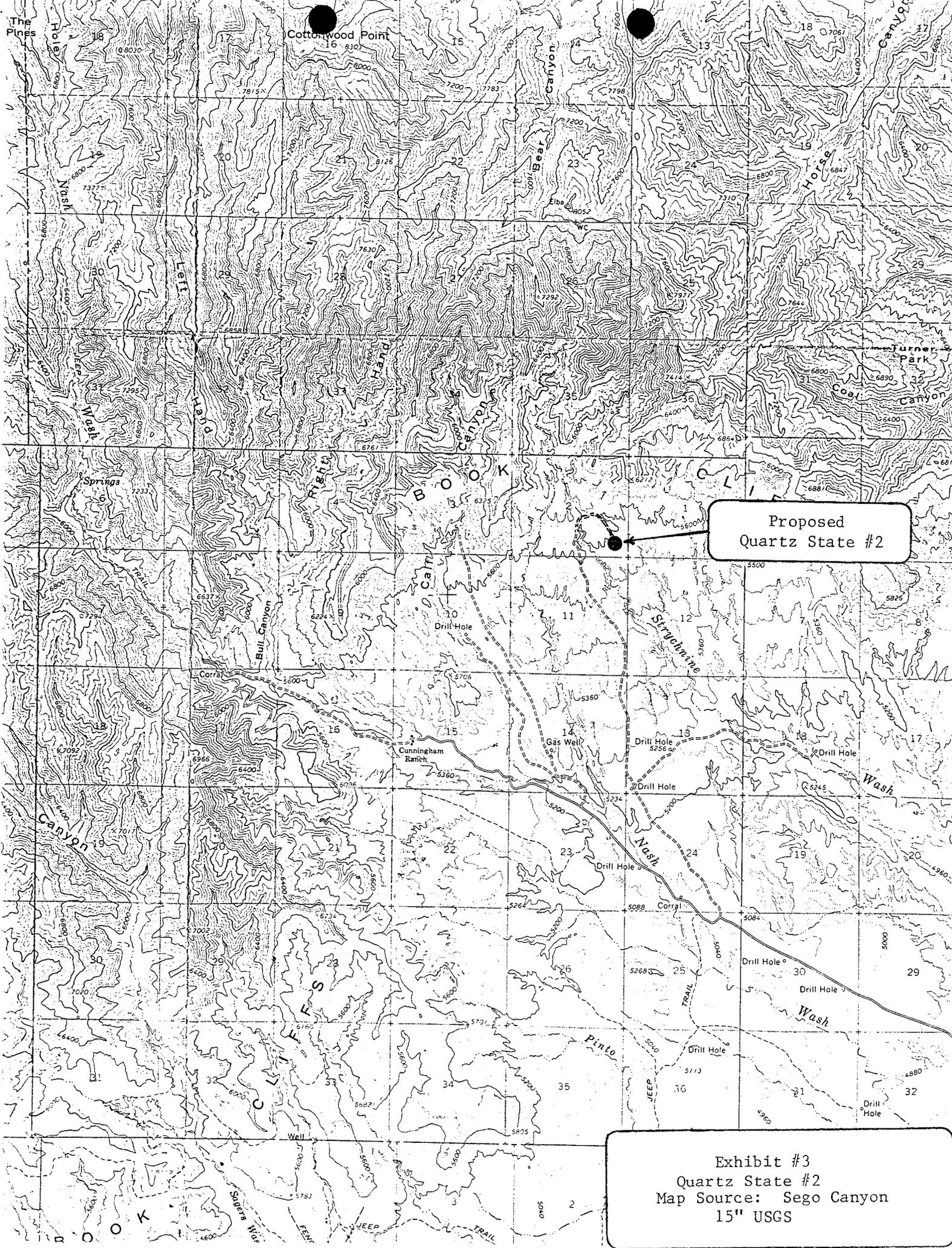
- 11. Productive zones will be perforated, tested and treated as necessary. Gas will be flared during testing. Produced water will be contained in the unlined drilling reserve pit. The extent of treatment of a zone (acidizing and/or fracing) can only be determined after the zone has been tested. A completion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



DIVISION OF
 OIL, GAS & MINING

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EXHIBIT I
 BLOWOUT PREVENTER DIAGRAM



Proposed
Quartz State #2

Exhibit #3
Quartz State #2
Map Source: Sejo Canyon
15" USGS

OPERATOR TXO Production Corp DATE 2-24-84
WELL NAME Quartz State 2
SEC SESE 2 T 20S R 21E COUNTY Grand

43-019-31132
API NUMBER

State
TYPE OF LEASE

POSTING CHECK OFF:

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

PROCESSING COMMENTS:

Water OK - 59567

CHIEF PETROLEUM ENGINEER REVIEW:

2/28/84

APPROVAL LETTER:

SPACING: A-3 _____ UNIT c-3-a 102-16B CAUSE NO. & DATE
 c-3-b c-3-c

SPECIAL LANGUAGE:

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 102-16B

UNIT _____

c-3-b

c-3-c

CHECK DISTANCE TO NEAREST WELL.

CHECK OUTSTANDING OR OVERDUE REPORTS FOR OPERATOR'S OTHER WELLS.

IF POTASH DESIGNATED AREA, SPECIAL LANGUAGE ON APPROVAL LETTER

IF IN OIL SHALE DESIGNATED AREA, SPECIAL APPROVAL LANGUAGE.

VERIFY LEGAL AND SUFFICIENT DRILLING WATER

February 28, 1984

TXO Production Corporation
Attn: Terry Blankenship
1800 Lincoln Center Bldg.
Denver, CO 80264

Re: Well No. Quartz State 2
SESE Sec. 2, T. 20S, R. 21E
513' FSL, 659' FEL
Grand County, Utah

Gentlemen:

Approval to drill the above referenced gas well is hereby granted in accordance with Order of Cause No. 102-16B dated November 15, 1979.

The following actions are necessary to fully comply with this approval:

1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify R. J. Firth, Chief Petroleum Engineer, Telephone (801) 533-5771 (Office), 571-6068 (Home).
4. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-019-31132.

Sincerely,



R. J. Firth
Chief Petroleum Engineer

RJF/gl
Enclosures

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

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 "APPLICATION FOR PERMIT—" for such proposals.)

<p>1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input checked="" type="checkbox"/></p> <p>2. NAME OF OPERATOR <u>TXO PRODUCTION CORP.</u></p> <p>3. ADDRESS OF OPERATOR <u>1800 Lincoln Cntr. Bldg., Denver, Colorado 80264</u></p> <p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface <u>513' FSL & 659' FEL, (SESE) Sec. 2.</u></p> <p>14. PERMIT NO. _____</p>		<p>5. LEASE DESIGNATION AND SERIAL NO. <u>ML-40748</u></p> <p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME <u>N/A</u></p> <p>7. UNIT AGREEMENT NAME <u>N/A</u></p> <p>8. FARM OR LEASE NAME <u>Quartz State</u></p> <p>9. WELL NO. <u>#2</u></p> <p>10. FIELD AND POOL, OR WILDCAT <u>Cisco Dome</u></p> <p>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <u>Sec. 2, T20S-R21E</u></p> <p>12. COUNTY OR PARISH <u>Grand</u></p> <p>13. STATE <u>Utah</u></p>
<p>15. ELEVATIONS (Show whether DF, RT, GR, etc.) <u>5595' KB</u></p>		

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> SHOOT OR ACIDIZE <input type="checkbox"/> REPAIR WELL <input type="checkbox"/> (Other) _____	PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETE <input type="checkbox"/> ABANDON* <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/> FRACTURE TREATMENT <input type="checkbox"/> SHOOTING OR ACIDIZING <input type="checkbox"/> (Other) <u>report of spud.</u>	REPAIRING WELL <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> ABANDONMENT* <input type="checkbox"/>

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

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.)*

Operator spudded the above well with an 11" bit @ 12:45 PM 8/1/84. Drilling contractor is Carmack Well Service. Oral report of spud was given to Gaylyn Larsen with the State of Utah, Division of Oil, Gas, & Mining, on 8/2/84.

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

SIGNED *Maule P. Perry* TITLE Petroleum Engineer DATE August 6, 1984

(This space for Federal or State office use)

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



A DIVISION OF HALLIBURTON COMPANY

REMIT TO
 P.O. BOX 84737
 DALLAS, TEXAS 75284
 DIRECT ANY CORRESPONDENCE TO
 P.O. DRAWER 1431
 DUNCAN, OKLAHOMA 73536

PAGE 1 OF

FIELD TICKET

842095

FORM 1906 R-8

WELL NO AND FARM 2 UNIT STATE		COUNTY Conrad	STATE Utah	DATE August 7, 1987
CHARGE TO TXO		OWNER Same	DUNCAN USE ONLY	
ADDRESS		CONTRACTOR Chemack	LOCATION 1 Vernal	CODE 66685
CITY STATE ZIP		SHIPPED VIA Company Trk	LOCATION 2	CODE
DUNCAN USE ONLY		DELIVERED TO Location	LOCATION 3	CODE
		ORDER NO	BULK MATERIAL DELIVERY TICKET NO B-419386	
		WELL TYPE Wildcat	CODE	
		TYPE AND PURPOSE OF JOB Pump to Abandon		

TERMS INVOICES PAYABLE NET BY THE 20TH OF THE FOLLOWING MONTH AFTER DATE OF INVOICE. UPON CUSTOMER'S DEFAULT IN PAYMENT OF CUSTOMER'S ACCOUNT BY THE LAST DAY OF THE MONTH FOLLOWING THE MONTH IN WHICH THE INVOICE IS DATED CUSTOMER AGREES TO PAY INTEREST THEREON AFTER DEFAULT AT THE HIGHEST LAWFUL CONTRACT RATE APPLICABLE BUT NEVER TO EXCEED 18% PER ANNUM IN THE EVENT IT BECOMES NECESSARY TO EMPLOY AN ATTORNEY TO ENFORCE COLLECTION OF SAID ACCOUNT. CUSTOMER AGREES TO PAY ALL COLLECTION COSTS AND ATTORNEY FEES IN THE AMOUNT OF 20% OF THE AMOUNT OF THE UNPAID ACCOUNT.

PRICE REFERENCE	SECONDARY REF OR PART NO	CODE		DESCRIPTION	UNITS 1		UNITS 2		UNIT PRICE	AMOUNT
		L	D		QTY	MEAS	QTY	MEAS		
N22-017				MILEAGE 3741	240	mi	1	TK 2 nd		516 00
2049-019				Base Charge	2836	FT	1	TK		1260 00
AS PER ATTACHED B TICKET NO. 419386										1743 00

TAX REFERENCES

SUB TOTAL

3519 00

TAX

TAX

TAX

TOTAL

WAS JOB SATISFACTORILY COMPLETED? _____

WAS OPERATION OF EQUIPMENT SATISFACTORY? _____

WAS PERFORMANCE OF PERSONNEL SATISFACTORY? _____

X *Wesley Britton*
 CUSTOMER OR HIS AGENT

B. M. Quinn
 HALLIBURTON OPERATOR

THIS IS NOT AN INVOICE

TAXES, PRICE CHANGES, AND OTHER APPLICABLE DATA WILL BE SHOWN ON OUR INVOICE TO BE SUBMITTED FOR PAYMENT AT A LATER DATE.

CUSTOMER

HALLIBURTON SERVICES
JOB LOG

WELL NO. 2 LEASE Quartz State TICKET NO. 842095
 CUSTOMER TXO PAGE NO. _____
 JOB TYPE P.T.A. DATE 8-7-84

FORM 2013 R-2

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1730							On Location
	1803	3	5			200		Freshwater Ahead
	1805	3	11			250		Mix Cmt
	1808	3	18.5			250		Displace
	1811							P.O.D.H.
								2 1/2 Plug
	2022	5	20			100		Freshwater Ahead (Fill Hole)
	2027	3	5			100		Mix Cmt
	2028	3	1			100		Displace
	2030							P.O.D.H.
								2 1/2 Plug
	2215	3	3			0		Fill Hole
	2216	2	2			0		Mix Cmt
	2217							P.O.D.H.
	2220							Job Complete

Handwritten signature and notes:
 [Signature]
 2 1/2 Plug
 10/20/84

CUSTOMER

**WORK ORDER CONTRACT
AND PRE-TREATMENT DATA**

ATTACH TO
INVOICE & TICKET NO. 81204

FORM 1908 R-4

DISTRICT Warrant Dept

DATE 8-7-84

TO: HALLIBURTON SERVICES YOU ARE HEREBY REQUESTED TO FURNISH EQUIPMENT AND SERVICEMEN TO DELIVER AND OPERATE
THE SAME AS AN INDEPENDENT CONTRACTOR TO: TXO (CUSTOMER)
AND DELIVER AND SELL PRODUCTS, SUPPLIES, AND MATERIALS FOR THE PURPOSE OF SERVICING

WELL NO. 2 LEASE Quarte State SEC. _____ TWP. _____ RANGE _____
FIELD N Core COUNTY Grand STATE Utah OWNED BY _____

THE FOLLOWING INFORMATION WAS FURNISHED BY THE CUSTOMER OR HIS AGENT

FORMATION NAME _____ TYPE _____
FORMATION THICKNESS _____ FROM _____ TO _____
PACKER: TYPE _____ SET AT _____
TOTAL DEPTH _____ MUD WEIGHT _____
BORE HOLE _____
INITIAL PROD: OIL _____ BPD, H₂O _____ BPD, GAS _____ MCF
PRESENT PROD: OIL _____ BPD, H₂O _____ BPD, GAS _____ MCF

	NEW USED	WEIGHT	SIZE	FROM	TO	MAX. ALLOW. P.S.I.
CASING	0	34	4 1/2	0	215	
LINER						
TUBING	0	123	3 1/2	0	1420	1
OPEN HOLE			6 1/4	0	2200	SHOTS/FT.
PERFORATIONS						
PERFORATIONS						
PERFORATIONS						

PREVIOUS TREATMENT: DATE _____ TYPE _____ MATERIALS _____
TREATMENT INSTRUCTIONS: TREAT THRU TUBING ANNULUS CASING TUBING/ANNULUS HYDRAULIC HORSEPOWER ORDERED _____
Play to Abandon As Instructed

CUSTOMER OR HIS AGENT WARRANTS THE WELL IS IN PROPER CONDITION TO RECEIVE THE PRODUCTS, SUPPLIES, MATERIALS, AND SERVICES

THIS CONTRACT MUST BE SIGNED BEFORE WORK IS COMMENCED

- As consideration, the above-named Customer agrees:
- (a) To pay Halliburton in accord with the rates and terms stated in Halliburton's current price lists.
 - (b) Halliburton shall not be responsible for and Customer shall secure Halliburton against any liability for damage to property of Customer and of the well owner (if different from Customer), unless caused by the willful misconduct or gross negligence of Halliburton, this provision applying to but not limited to subsurface damage and surface damage arising from subsurface damage.
 - (c) Customer shall be responsible for and secure Halliburton against any liability for reservoir loss or damage, or property damage resulting from subsurface pressure, losing control of the well and/or a well blowout, unless such loss or damage is caused by the willful misconduct or gross negligence of Halliburton.
 - (d) Customer shall be responsible for and secure Halliburton against any and all liability of whatsoever nature for damages as a result of subsurface trespass, or an action in the nature thereof, arising from a service operation performed by Halliburton hereunder.
 - (e) Customer shall be responsible for and secure Halliburton against any liability for injury to or death of persons, other than employees of Halliburton, or damage to property (including, but not limited to, injury to the well), or any damages whatsoever, irrespective of cause, growing out of or in any way connected with the use of radioactive material in the well hole, unless such damage shall be caused by the willful misconduct or gross negligence of Halliburton.
 - (f) Halliburton makes no guarantee of the effectiveness of the products, supplies or materials, nor of the results of any treatment or service.
 - (g) Customer shall, at its risk and expense, attempt to recover any Halliburton equipment, tools or instruments which are lost in the well and if such equipment, tools or instruments are not recovered, Customer shall pay Halliburton its replacement cost unless such loss is due to the sole negligence of Halliburton. If Halliburton equipment, tools or instruments are damaged in the well, Customer shall pay Halliburton the lesser of its replacement cost or the cost of repairs unless such damage is caused by the sole negligence of Halliburton. In the case of equipment, tools or instruments for marine operations, Customer shall, in addition to the foregoing, be fully responsible for loss of or damage to any of Halliburton's equipment, tools or instruments which occurs at any time after delivery to Customer at the landing until returned to the landing, unless such loss or damage is caused by the sole negligence of Halliburton.
 - (h) Because of the uncertainty of variable well conditions and the necessity of relying on facts and supporting services furnished by others, Halliburton is unable to guarantee the accuracy of any chart interpretation, research analysis, job recommendation or other data furnished by Halliburton. Halliburton personnel will use their best efforts in gathering such information and their best judgment in interpreting it, but Customer agrees that Halliburton shall not be responsible for any damages arising from the use of such information except where due to Halliburton's gross negligence or willful misconduct in the preparation or furnishing of it.
 - (i) Halliburton warrants only title to the products, supplies and materials and that the same are free from defects in workmanship and materials. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, OF MERCHANTABILITY, FITNESS OR OTHERWISE WHICH EXTEND BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE. Halliburton's liability and Customer's exclusive remedy in any cause of action (whether in contract, tort, breach of warranty or otherwise) arising out of the sale or use of any products, supplies or materials in expressly limited to the replacement of such products, supplies or materials on their return to Halliburton or, at Halliburton's option, to the allowance to the Customer of credit for the cost of such items. In no event shall Halliburton be liable for special, incidental, indirect, punitive or consequential damages.
 - (j) Invoices payable NET by the 20th of the following month after date of invoice. Upon Customer's default in payment of Customer's account by the last day of the month following the month in which the invoice is dated, Customer agrees to pay interest thereon after default at the highest lawful contract rate applicable but never to exceed 18% per annum. In the event it becomes necessary to employ an attorney to enforce collection of said account, Customer agrees to pay all collection costs and attorney fees in the amount of 20% of the amount of the unpaid account.
 - (k) This contract shall be governed by the law of the state where services are performed or equipment or materials are furnished.
 - (l) Halliburton shall not be bound by any changes or modifications in this contract, except where such change or modification is made in writing by a duly authorized executive officer of Halliburton.

I HAVE READ AND UNDERSTAND THIS CONTRACT AND REPRESENT THAT I AM AUTHORIZED TO SIGN THE SAME AS CUSTOMER'S AGENT.

SIGNED Wesley Cotton CUSTOMER
DATE 8-7-84
TIME 17:30 A.M. P.M.

We certify that the Fair Labor Standards Act of 1938, as amended, has been complied with in the production of goods and/or with respect to services furnished under this contract.

CUSTOMER

TXO

TXO PRODUCTION CORP.

1800 LINCOLN CENTER BUILDING
DENVER, COLORADO 80264

TELEPHONE (303) 861-4246

RECEIVED

AUG 24 1984

DIVISION OF OIL
GAS & MINING

August 23, 1984

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

Attn: Ms. Dianne R. Nielson
Director

RE: Quartz State #2
Section 2, T20S-R21E
Grand County, Utah

Dear Ms. Nielson:

Enclosed find three (3) copies of Form OGC-1b, "Sundry Notices and Reports on Wells", and a copy of the well history and cementing report for the above referenced well.

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

Sincerely,

TXO PRODUCTION CORP.



Mark E. Repasky
Petroleum Engineer

MER/dek
encls.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

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 "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input checked="" type="checkbox"/> dry		5. LEASE DESIGNATION AND SERIAL NO. ML-40748
2. NAME OF OPERATOR TXO PRODUCTION CORP.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
3. ADDRESS OF OPERATOR 1800 Lincoln Center Bldg., Denver, Colorado 80264		7. UNIT AGREEMENT NAME N/A
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 513' FSL & 659' FEL (SE SE)		8. FARM OR LEASE NAME Quartz State
14. PERMIT NO.		9. WELL NO. #2
15. ELEVATIONS (Show whether DF, RT, OR, etc.) 5595' KB		10. FIELD AND POOL, OR WILDCAT Cisco Dome
		11. SEC., T., R., M., OR BLK. AND SUBST. OR AREA Sec. 2, T20S-R21E
		12. COUNTY OR PARISH Grand
		13. STATE Utah

RECEIVED
AUG 24 1984
DIVISION OF OIL
GAS & MINING

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input checked="" type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	

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

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.) *

Operator has plugged and abandoned the above well. Plugs were set as follows per verbal orders from Ron Firth, State of Utah, Division of Oil, Gas, & Mining.

- Plug #1 from 2850-2950' w/ 25 sxs.
- Plug #2 from 2700-2800' w/ 25 sxs.
- Plug #3 from 165-265' w/ 30 sxs.
- Plug #4 @ surf w/ 10 sxs w/ dry hole marker.

APPROVED BY
8/28/84
John R. Boya

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

SIGNED Mark E. Rymasz TITLE Petroleum Engineer DATE 8/10/84

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

WELL NAME:	Quartz State #2	PTD:	3500'
AREA:	Cisco Dome	ELEVATIONS:	5595' KB, 5585' GL
LOCATION:	Section 2, T20S-R21E (SESE)	CONTRACTOR:	Carmack #20
COUNTY:	Grand	AFE NUMBER:	842189
STATE:	Utah	LSE NUMBER:	74175
FOOTAGE:	513' FSL & 659' FEL	TXO WI:	75%

APCOT FINADEL JOINT VENTURE	Just Mail
P. O. Box 2159, Ste. 1848	
Dallas, Texas 75221	
Attn: Houston Welch	

- 08/02/84 170' (170'), drlg. Mancos. Drlg ahead w/ 11" bit. 8.7, 45. MIRURT. Drill mouse hole. Spud 11" surf hole w/ air @ 12:45 PM 8/1/84. Drill 30'. Hole caved in. Mudded up. Drill 30-170' w/ full returns. DW: 13,790. CW: 13,790. DD 1.
- 08/03/84 225' (55'), NU BOP's. Mancos. 8.7, 45. Drld from 170-225'. Make wiper trip. TOOH. Run 5 jts 8-5/8", 24#, K-55, ST&C csg from 0-215'. Circ w/ mud for 10 min. Pumped 4 BW. Cmt'd w/ 120 sxs 50/50 poz w/ 2% CaCl₂ w/ 1/4#/sx celloflake. Dspl w/ 13.5 BW. 3 bbls cmt to surf. PD @ 5:30 PM. Float held. Full returns. WOC. NU. 1° @ 219'. DW: 10,050. CW: 23,840. DD 2.
- 08/04/84 1235' (1010'), drlg ahead w/ air dust @ 160#. Mancos. TIH. Drill cmt & shoe. Drld to 1235' w/ air dust. 2° @ 338', 2° @ 430', 1-3/4° @ 553', 1-3/4° @ 707', 1-3/4° @ 951', 2° @ 1195'. DW: 7390. CW: 31,230. DD 3.
- 08/05/84 2498' (1263'), TOOH for bit #2. Frontier. Drld from 1235-2498' w/ air dust @ 220#. Circ & cond. TOOH for bit #2. LD square DC. Sample top Niobrara @ 1600'. 1-3/4° @ 1472', 1-3/4° @ 1716', 1-3/4° @ 1964', MR @ 2210', 1-3/4° @ 2457'. DW: 5750. CW: 36,980. DD 4.
- 08/06/84 3127' (622'), drlg w/ air dust @ 340#. Morrison. Fin TIH w/ bit #3. Drld from 2498-2783' w/ air dust. 30 sec 5' connection flare @ 2799'. 30 sec 5' connection flare @ 3037'. 30 sec 5' connection flare @ 3069'. 10 sec 5' connection flare @ 3099', 10 sec 5' connection flare @ 3179'. ST: Kd Silt @ 2600', Kd sd₁ @ 2745' (tr fluor), Kd sd₂ @ 2850' (slight stain), Jm @ 2905', Jm₁ @ 2950' (tr fluor), Jm₂ @ 3135'. DW: 11,296. CW: 48,276. DD 5.
- 08/07/84 3259' (139'), WOO. Morrison. 8.5, 38, 7.2, 10. Drld from 3147-3259' w/ air mist. TD 6-3/4" hole @ 3:30 PM @ 8/6/84. Mud up. Circ & cond. Short trip 900'. No fill. Tight spot @ 3200'. Circ & cond. TOOH. RU Gearhart. Run DIL-CNL-FDC-GR-CAL. Carry 5-10 sec flares after each connection. 6-8' steady flare after 5 min on survey @ 3172'. DW: 14,469. CW: 62,745. DD 6.
- 08/08/84 3259' (0'), RDRT. WOO. LD DC's. TIH w/ DP open ended. Set plugs as follows: plug #1 from 2850-2950' w/ 25 sxs, plug #2 from 2700-2800' w/ 25 sxs, plug #3 from 165-265' w/ 30 sxs, plug #4 @ surf w/ 10 sxs w/ dry hole marker. RR @ 10:30 PM 8/7/84. Well P & A. FINAL REPORT!!! DW: 7519. CW: 70,264. DD 7.



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dianne R. Nielson, Ph.D., Division Director

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

December 6, 1984

TXO Production Corporation
1800 Lincoln Center Building
Denver, Colorado 80264

Gentlemen:

Re: Well No. Quartz State 2 - Sec. 2, T. 20S., R. 21E.
Grand County, Utah - API #43-019-31132

We have received a "Sundry Notice" of subsequent abandonment on the above referred to well dated August 10, 1984, however, we have not received a "Well Completion".

Rule C-5 of The Oil and Gas Conservation General Rules and Regulations and Rules and Practice and Procedure states:

Within ninety (90) days after the suspension of operations on, abandonment of, or the completion of any well drilled for the production of oil and/or gas, and within ninety (90) days after the completion of any further operations on the well, if such operations involved drilling deeper or drilling or redrilling any formation, a well log shall be filed with the Commission on a form prescribed by the Commission, (presently the OGC-3) together with a copy of the electric and radioactivity logs, if run.

We have included the necessary forms to be filled out and submitted to this office in order to bring this well into compliance with the above stated rule.

Page 2
TXO Production Corporation
Well No. Quartz State 2
December 6, 1984

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

Your prompt attention to this matter will be greatly appreciated.

Sincerely,

Claudia Jones
Well Records Specialist

cc: Dianne R. Nielson
Ronald J. Firth
John R. Baza

0017S/1-2

TXO

TXO PRODUCTION CORP.

1800 LINCOLN CENTER BUILDING
DENVER, COLORADO 80264

TELEPHONE (303) 861-4246

December 19, 1984

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

Attn: Claudia Jones
Well Records Specialist

RE: QUARTZ STATE #2
Section 2, T20S-R21E
Grand County, Utah

Dear Ms. Jones:

Please find enclosed two (2) copies of Form OGC-3, "Well Completion or Recompletion Report and Log", for the above referenced well, as per your request dated December 6, 1984.

Please sign in the space provided below and return a copy to this office to indicate that the attached information was received. If there are any further requirements concerning this well, please contact me at this office.

Sincerely,

TXO PRODUCTION CORP.



Mark E. Repasky
Petroleum Engineer

MER/dee
encls.

Received this _____ day
of _____, 1984.

By: _____
State of Utah

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

RECEIVED
DEC 21 1984
DIVISION OF OIL, GAS & MINING

LEASE DESIGNATION AND SERIAL NO.
ML-40748
NAME OF INDIAN, ALLOTTEE OR TRIBE NAME

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____
1b. 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 Cntr. Bldg., Denver, Colorado 80264

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 513' FSL & 659' FEL
At top prod. interval reported below same as above
At total depth same as above

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Quartz State

9. WELL NO.
#2

10. FIELD AND POOL, OR WILDCAT
Great Cisco Dome

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
Sec. 2, T20S-R21E

12. COUNTY OR PARISH
Grand
13. STATE
Utah

14. PERMIT NO. 43-019-31132 DATE ISSUED 12-28-84

15. DATE SPUDDED 8/1/84 16. DATE T.D. REACHED 8/6/84 17. DATE COMPL. (Ready to prod.) N/A 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 5595' KB 19. ELEV. CASINGHEAD 5585'

20. TOTAL DEPTH, MD & TVD 3259' MD & TVD 21. PLUG, BACK T.D., MD & TVD N/A 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY 24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN DIL-CNL-FDC-GR-CAL 27. WAS WELL CORRD No

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24 1/2	215'	11"	120 sxs 50/50 poz	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.	
N/A				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+H
DATE OF TEST _____ HOURS TESTED _____ CHOKE SIZE _____ PROD'N. FOR TEST PERIOD _____ OIL—BBL. _____ GAS—MCF. _____ WATER—BBL. _____ GAS-OIL RATIO _____
FLOW. TUBING PRESS. _____ CASING PRESSURE _____ CALCULATED 24-HOUR RATE _____ OIL—BBL. _____ GAS—MCF. _____ WATER—BBL. _____ OIL GRAVITY-API (CORR.) _____

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) _____ TEST WITNESSED BY _____

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
SIGNED Mark E. Ryasky TITLE Petroleum Engineer DATE 12/19/84

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

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES: SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES		38. GEOLOGIC MARKERS	
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
		MEAS. DEPTH	
		TOP	
		TRUE VERT. DEPTH	
1st Dakota	2764'	2850'	wtr.
2nd Dakota	2850'	2907'	wtr.
Morrison	2907'	2952'	wtr.
1st Morrison	2952'	3130'	wtr.
Dakota Silt			2606'
1st Dakota			2764'
2nd Dakota			2850'
Morrison			2907'