

UTAH OIL AND GAS CONSERVATION COMMISSION

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

Application rescinded 7-24-85

DATE FILED **3-27-84**
 LAND FEE & PATENTED _____ STATE LEASE NO **ML-40914** PUBLIC LEASE NO _____ INDIAN _____

DRILLING APPROVED: **5-29-84 - GAS (CAUSE NO. 102-58)**

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

INITIAL PRODUCTION: _____

GRAVITY API _____

GOR _____

PRODUCING ZONES _____

TOTAL DEPTH: _____

WELL ELEVATION _____

DATE ABANDONED **LA 7-24-85**

FIELD: **3/86 GREATER CISCO**

UNIT: _____

COUNTY: **GRAND**

WELL NO **QUARTZ STATE "A" #1** API **43-019-31154**

LOCATION **1629' FNL** FT. FROM (N) (S) LINE. **1386'** ~~EE~~ ^{EWL} FT. FROM (E) (W) LINE. **SENW** 1/4 - 1/4 SEC. **2**

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
20S	21E	2	TXO PRODUCTION CORP.				



UTAH
NATURAL RESOURCES

To:

From: R. J. Firth

Date:

3/21/84

- For your information and file.
- For necessary action.
- Reply directly to origin with a copy to this office.
- Please draft a reply for signature of _____
_____ and
return by the following date _____.

Other: _____

HOLD FOR HEARING

102-58
APR 5 1984

TXO

TXO PRODUCTION CORP.

1800 LINCOLN CENTER BUILDING
DENVER, COLORADO 80264

TELEPHONE (303) 861-4246

RECEIVED
MAR 27 1984

March 21, 1984

**DIVISION OF
OIL, GAS & MINING**

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

Attention: Norm Stout

Re: Quartz State "A" #1
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 the use or purchase of drilling water.

The Quartz State "A" #1 is located as shown on the attached survey plat due to extreme topographic conditions. Since this location does not comply with the spacing requirements of Order No. 102-16B, particularly with regard to distance from a property or lease line and distance from internal legal subdivision lines, TXO Production Corp. will appear at a hearing of the Utah Board of Oil, Gas & Mining in accordance with the Spacing Order to obtain an exception location.

Please hold this application until after this matter is addressed at a hearing. If you have any questions, please do not hesitate to contact me at this office.

Very truly yours,

TXO PRODUCTION CORP.



Charles K. Curlee
Environmental Manager

CKC/gbp

Enclosures/as stated

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

(Other instructions on reverse side)

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. Lease Designation and Serial No. ML-40914

6. If Indian, Allottee or Tribe Name ---

7. Unit Agreement Name ---

8. Farm or Lease Name Quartz State

9. Well No. "A" #1

10. Field and Pool, or Wildcat GR. Cisco ~~Dome~~ FIELD

11. Sec., T., R., M., or Blk. and Survey or Area Sec. 2-T20S-R21E

12. County or Parrish Grand 13. State Utah

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: T. Blankenship

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 1629' ENL, 1386' ~~EEL~~ Section 2-T20S-R21E
At proposed prod. zone FWL

14. Distance in miles and direction from nearest town or post office.* About 15 miles west-northwest of Cisco, Utah

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. line, if any) 265'

16. No. of acres in lease 115

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. 2551'

19. Proposed depth 3600'

20. Rotary or cable tools Rotary

21. Elevations (Show whether DF, RT, GR, etc.) 5790' GR

22. Approx. date work will start* April 15, 1984

SENW

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#	3500'	225 sacks

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 5/29/84
BY: John R. Baja

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 Title District Drilling Manager Date March 9, 1984
R. E. Dashner

(This space for Federal or State office use)

Permit No. _____ Approval Date _____

Approved by _____ Title _____ Date _____

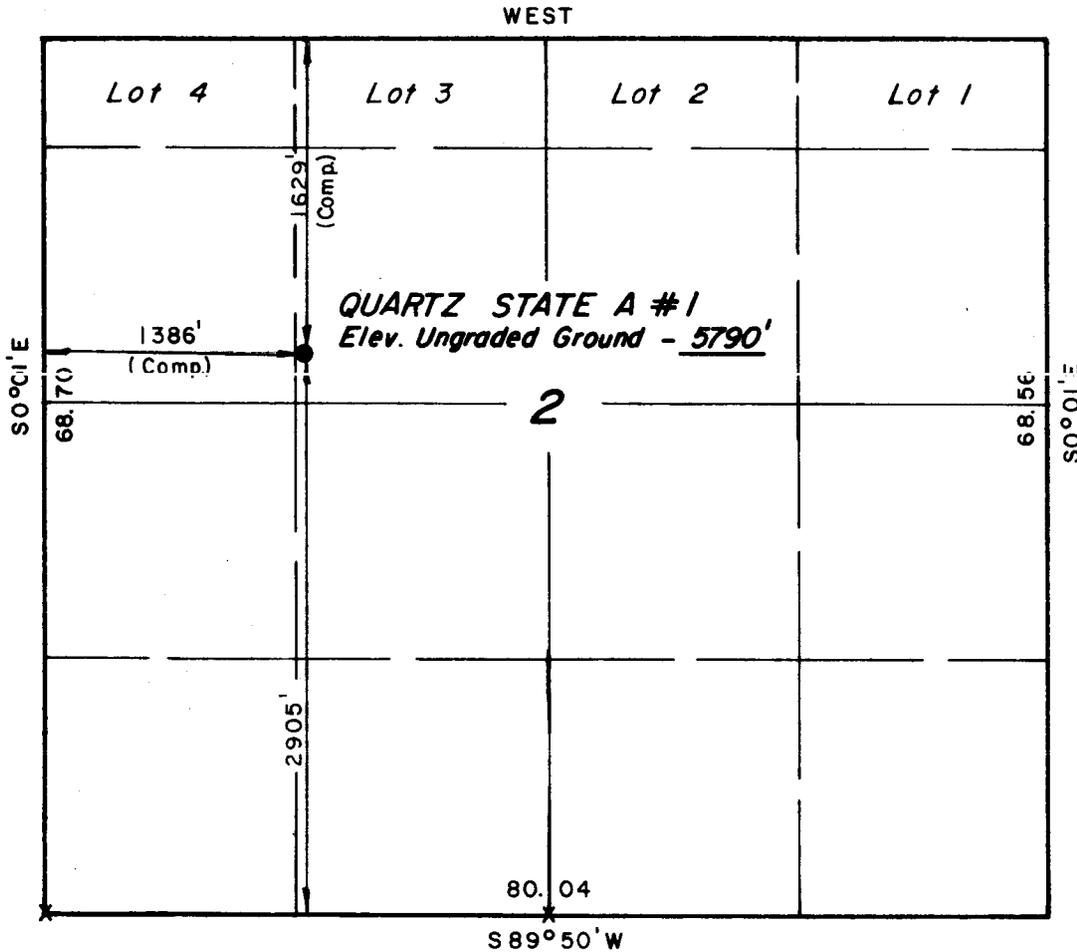
Conditions of approval, if any:

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

PROJECT

TXO PRODUCTION CORP.

Well location, QUARTZ STATE A #1, located as shown in the SE 1/4 NW 1/4 Section 2, T 20S, R 21E, S.L.B.&M. Grand County, Utah.



CERTIFICATE

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

Nelson J. Marshall

REGISTERED LAND SURVEYOR
REGISTRATION NO 2454
STATE OF UTAH

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

SCALE 1" = 1000'	DATE 12/22/83
PARTY DB DK JK RP	REFERENCES GLO Plat
WEATHER COLD	FILE TXO PRODUCTION

X = Section Corners Located

Exhibit 2
Survey Plat

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

1. SURFACE FORMATION: Mancos Shale

2. ESTIMATED FORMATION TOPS:

Dakota Silt	2900'
Morrison	3220'
Total Depth	3600'

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

Water, gas or oil could be expected in the Dakota or Morrison sands.

Expected Water Zones: Water can be expected in any sand zones from 2900' to T.D.

4. CASING PROGRAM AS PER FORM 9-331 C.

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. 35-45 sec. API.

200'-TD Air or air mist. If necessary, will use 3% KCI mud at 8.6- 8.8#/gal., vis. 28-32 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 15, 1984
Spud date	April 20, 1984
Complete drilling	April 24, 1984
Completed, ready for production	May 5, 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.

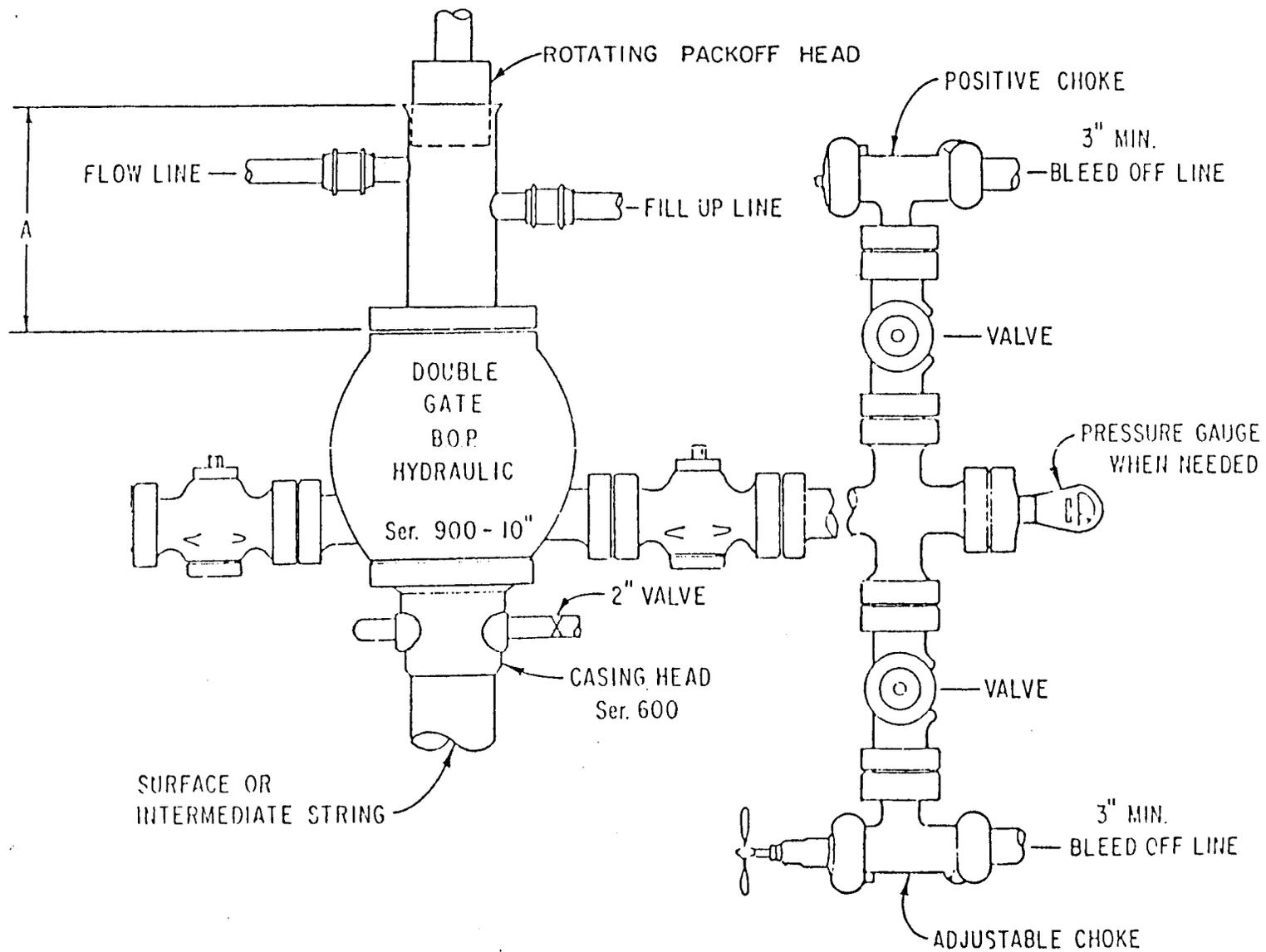
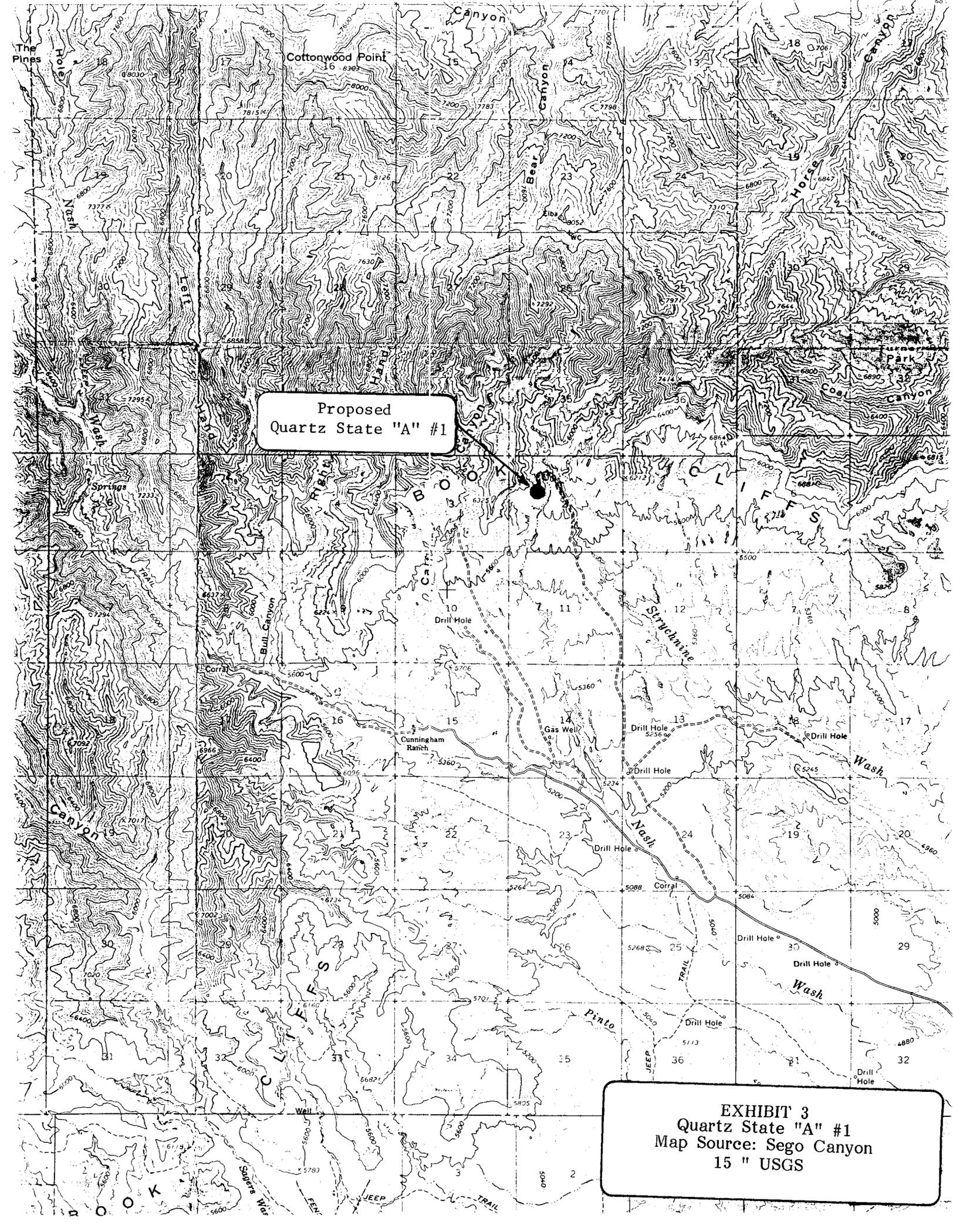


EXHIBIT I
 BLOWOUT PREVENTER DIAGRAM



Proposed
Quartz State "A" #1

EXHIBIT 3
Quartz State "A" #1
Map Source: Seago Canyon
15 " USGS



STATE OF UTAH
NATURAL RESOURCES
Water Rights

1636 West North Temple • Salt Lake City, UT 84116 • 801-533-6071

EWT's →
#9
#2
"A" #1

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dee C. Hansen, State Engineer

January 20, 1984

Attention: K.P. Bow TXO Production Corporation
1800 Lincoln Center Building
Denver, CO 80264

Dear Applicant:

RE: TEMPORARY APPLICATION
NUMBER 01-200 (T59567)

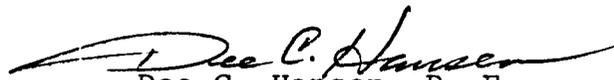
Enclosed is a copy of the above numbered approved Temporary Application. This is your authority to construct your works and to divert the water for the uses described.

While this approved application does give you our permission to divert and use water, it does not grant easements through public or private lands in order to gain access to the source nor to convey the water to the place of use, nor does this approval eliminate the need for such other permits as may be required by this Division or any other agency in implementing your diversion.

This application will expire December 31, 1984, and it is expected that no diversion or use of the water will be done after that date unless another proposal has been made and approved.

Your contact with this office, should you need it is with the Area Engineer, Mark Page. The telephone number is (801)637-1303.

Yours truly,


Dee C. Hansen, P. E.
State Engineer

DCH:slm

Enclosure

EXPLANATORY

The following additional facts are set forth in order to define more clearly the full purpose of the proposed application:

12. The land at the point of diversion is privately owned; however, access to the point of diversion is via a county road. (Section 24).

The land at the point of diversion (in Section 23) is Federal, under the management of the BLM; however, access to the point of diversion is via a county road.

Lined area for additional explanatory text.

(Use page 4 if additional explanatory is needed.)

The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purpose herein described

TXO PRODUCTION CORP. (by Karen P. Brown)
Signature of Applicant*

*If applicant is a corporation or other organization, signature must be the name of such corporation or organization by its proper officer, or in the name of the partnership by one of the partners, and the names of the other partners shall be listed. If a corporation or partnership, the affidavit below need not be filled in. If there is more than one applicant, a power of attorney, authorizing one to act for all, should accompany the Application.

DECLARATION OF CITIZENSHIP

STATE OF UTAH,
County of..... } ss

On the day of, 19....., personally appeared before me, a notary public for the State of Utah, the above applicant who, on oath, declared that he is a citizen of the United States, or has declared his intention to become such a citizen.

My commission expires:

(SEAL)

Notary Public

Lined area for explanatory text.

NOTICE TO APPLICANT

All water in this state, whether above or under the ground, are the property of the public, subject to all existing rights to the use thereof. No appropriation of the unappropriated public water may be made and no rights to the use thereof shall be recognized except Application for such appropriation first be made to the State Engineer.

The approval of this Application is not a Certificate of Appropriation. It is merely your authority to begin construction work, which must be prosecuted diligently to completion. To secure a Certificate of Appropriation under this Application, Proof of Appropriation must be submitted within the time limit allowed by the State Engineer. The amount of water for which Certificate will be issued will depend upon the amount of water actually put to a beneficial use, not to exceed, however, the amount of water specified in this Application. Proof of Appropriation must be made in accordance with the requirements of the law. For further information write the State Engineer.

TEMPORARY APPLICATION FOR APPROPRIATE WATER STATE OF UTAH Application No. 59567 01-200

NOTE:—The information given in the following blanks should be free from explanatory matter, but when necessary, a complete supplementary statement should be made on the following page under the heading "Explanatory."

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, for uses indicated by (X) in the proper box or boxes, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of the Laws of Utah.

- 1. Irrigation [] Domestic [] Stockwatering [] Municipal [] Power [] Mining [] Other Uses [X]
2. The name of the applicant is TXO Production Corp. Attention: K. P. Bow
3. The Post Office address of the applicant is 1800 Lincoln Center Building, Denver, CO 80264
4. The quantity of water to be appropriated second-feet and/or 20.0 acre-feet
5. The water is to be used for Drilling Purposes from January 10 to December 31, 1984

RECEIVED stamp

- 6. The drainage area to which the direct source of supply belongs is
7. The direct source of supply is* Nash Wash (Name of stream or other source)

which is tributary to Sagers Wash, tributary to Colorado river

*Note.—Where water is to be diverted from a well, a tunnel, or drain, the source should be designated as "Underground Water" in the first space and the remaining spaces should be left blank.

- 8. The point of diversion from the source is in Grand County, situated at a point* 1690' FSL, 1215' FWL, Section 24-T20S-R21E, S.L.B&M. (About 13.5 miles west-northwest of Cisco Utah.), and 370' FNL, 1850' FEL, Sec. 23-T20S-R21E.

1) N. 1690 ft. & E. 1215 ft. from SW Cor. Sec. 24, T20S, R21E, SLB&M; 2) S. 370 ft. & W. 1850 ft. from NE Cor. Sec. 23, T20S, R21E, SLB&M. (11 miles NE of Thompson)

Note.—The point of diversion must be located definitely by course and distance or by giving the distances north or south, and east or west with reference to a United States land survey corner or United States mineral monument, if within a distance of six miles of either, or if at a greater distance, to some prominent and permanent natural object. No application will be received for filing in which the point of diversion is not defined definitely.

- 9. The diverting and carrying works will consist of Water will be removed from the source(s) by pump and hauled away by truck.
10. If water is to be stored, give capacity of reservoir in acre-feet height of dam area inundated in acres legal subdivision of area inundated
11. If application is for irrigation purposes, the legal subdivisions of the area irrigated are as follows:
12. Is the land owned by the applicant? Yes No X If "No," explain on page 2.
13. Is this water to be used supplementally with other water rights? Yes No X If "yes," identify other water rights on page 2.
14. If application is for power purposes, describe type of plant, size and rated capacity.
15. If application is for mining, the water will be used in Mining District at the mine, where the following ores are mined
16. If application is for stockwatering purposes, number and kind of stock watered
17. If application is for domestic purposes, number of persons, or families
18. If application is for municipal purposes, name of municipality
19. If application is for other uses, include general description of proposed uses For drilling of oil/gas wells (the Quartz St. #1, "A" #1 and #2).
20. Give place of use by legal subdivision of the United States Land Survey for all uses described in paragraphs 14 to 19, incl. NW/4, SW/4, SE/4 Section 2-T20S-R21E.
21. The use of water as set forth in this application will consume 0.1 second-feet and/or acre-foot of water and second feet and/ or acre feet will be returned to the natural stream or source at a point described as follows:

EXPLANATORY

The following additional facts are set forth in order to define more clearly the full purpose of the proposed application:

12. The land at the point of diversion is privately owned; however, access to the point of diversion is via a county road. (Section 24).

The land at the point of diversion (in Section 23) is Federal, under the management of the BLM; however, access to the point of diversion is via a county road.

Lined area for additional explanatory text.

(Use page 4 if additional explanatory is needed.)

The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purpose herein described

TYD PRODUCTION CORP. (by Karen P. Beau)
Signature of Applicant*

*If applicant is a corporation or other organization, signature must be the name of such corporation or organization by its proper officer, or in the name of the partnership by one of the partners, and the names of the other partners shall be listed. If a corporation or partnership, the affidavit below need not be filled in. If there is more than one applicant, a power of attorney, authorizing one to act for all, should accompany the Application.

DECLARATION OF CITIZENSHIP

STATE OF UTAH,
County of..... } ss

On the day of, 19....., personally appeared before me, a notary public for the State of Utah, the above applicant who, on oath, declared that he is a citizen of the United States, or has declared his intention to become such a citizen.

My commission expires:

(SEAL)

Notary Public



FEEES FOR APPLICATIONS TO APPROPRIATE WATER IN UTAH

Flow rate — c.f.s.	Cost	
0.0 to 0.1	\$ 15.00	
over 0.1 to 0.5	30.00	
over 0.5 to 1.0	45.00	
over 1.0 to 15.0	45.00	plus \$7.50 for each cfs above the first cubic
over 15.0	150.00	foot per second.

Storage — acre-feet		
0 to 20	22.50	
over 20 to 500	45.00	
over 500 to 7500	45.00	plus \$7.50 for each 500 a.f. above the first
over 7500	150.00	500 acre feet.

(This section is not to be filled in by applicant)

STATE ENGINEER'S ENDORSEMENTS

1. Dec. 16, 1983 Application received by mail over counter in State Engineer's office by sp
2. Priority of Application brought down to, on account of
3. 12-21-83 Application fee, \$15.00, received by J.H. Rec. No. 44175
4. Application microfilmed by Roll No.
5. Indexed by Platted by
6. 12-19-83 Application examined by sp
7. Application returned, or corrected by office
8. Corrected Application resubmitted by mail over counter to State Engineer's office.
9. Application approved for advertisement by
10. Notice to water users prepared by
11. Publication began; was completed
12. Notice published in
13. Proof slips checked by
14. Application protested by
15. Publisher paid by M.E.V. No.
16. Hearing held by
17. Field examination by
18. 12-19-83 Application designated for approval SG.
rejection
19. 1/20/84 Application copied or photostated by slm proofread by
20. 1/20/84 Application approved
~~rejected~~
21. Conditions:

This Application is approved, subject to prior rights, as follows:

- a. Actual construction work shall be diligently prosecuted to completion.
- b. Proof of Appropriation shall be submitted to the State Engineer's office by NPR
- c. TEMPORARY APPROVAL -- EXPIRES December 31, 1984.

Dee C. Hansen
Dee C. Hansen, P.E., State Engineer

21. Time for making Proof of Appropriation extended to
22. Proof of Appropriation submitted.
23. Certificate of Appropriation, No., issued

WATER RIGHTS DATA BASE
ENTERED - DATE 12/21/83 BY sp
VERIFIED - DATE _____ BY _____

TEMPORARY

Application No. 59567

01-200

OPERATOR TXO

DATE 5-29-84

WELL NAME Quartz State "A" #1

SEC SE NW 2 T 20 S R 21 E COUNTY Grand

43-019-31154
API NUMBER

State
TYPE OF LEASE

POSTING CHECK OFF:

INDEX

HL

NID

PI

MAP

PROCESSING COMMENTS:

Approved by Board 5/24/84
Water # - 59567 - #01-200

APPROVAL LETTER:

SPACING: A-3 _____ UNIT

c-3-a 102-58 5/24/84
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 102-58

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.

May 29, 1984

TXO Production Corporation
Attn: T. Blankenship
1800 Lincoln Center Bldg.
Denver, Colorado 80264

RE: Well No. Quartz "A" #1
~~Sec. 2, T. 20S, R. 21E~~
1629' FWL, 1386' ~~FWL~~ FWL
Grand County, Utah

Gentlemen:

Approval to drill the above referenced gas well is hereby granted in accordance with Order of Cause No. 102-58 dated May 24, 1984.

In addition, 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 CGG-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, Associate Director, 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 43-019-31154.

Sincerely,


R. J. Firth
Associate Director, Oil & Gas

RJF/as

cc: State Lands
Branch of Fluid Minerals
Enclosures



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

June 24, 1985

TXO Production Corporation
Attn: T. Blankenship
1800 Lincoln Center Building
Denver, Colorado 80264

Mr. Blankenship:

Re: Well No. Quartz State "A" 1 - Sec. 2, T. 20S., R. 21E.,
Grand County, Utah - API #43-019-31154

Due to excessive time delay in commencing drilling operations approval to drill the subject well is hereby rescinded, effective one calendar month from the date of this notice, unless a sundry notice requesting an extension on the application is received prior to July 24, 1985. If any operations have been performed on this well location it is imperative that you notify this division immediately.

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

Sincerely,

John R. Baza
Petroleum Engineer

cc: Dianne R. Nielson
Ronald J. Firth
File

0170S/78