

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.
U-38842

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Federal

9. WELL NO.
6-16

10. FIELD AND POOL, OR WILDCAT
Undesignated *Bar X*

11. SEC., T., E., M., OR BLK.
AND SURVEY OR AREA
SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 6-T17S-R25E SLM

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, 408 Petroleum Building, B...

4. LOCATION OF WELL (Report location clearly and in accordance with an approved plat)
At surface
685' FSL, 456' FEL
At proposed prod. zone
Same

RECEIVED
APR 14 1986

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
22 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) 456

16. NO. OF ACRES ASSIGNED TO THIS WELL
662.090

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2448

19. PROPOSED DEPTH
5545 *Morrison*

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6589 GL, 6600 KB

22. APPROX. DATE WORK WILL START*
May 31, 1986

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8" new	32.30# L.S.	200'	150 sacks Class "G"(to surface)
8-3/4"	7" new	20# L.S.	1800'	150 sacks 50-50 Pozmix
6-1/4"	4-1/2" new	11.6# N-80	5545'	175 sacks RFC

- Surface formation is the Mesaverde.
- Anticipated geologic markers are: Castlegate 1560, Mancos 1700, Dakota Silt 5045, Dakota Sand 5122, Morrison 5280.
- Gas is anticipated in the Dakota and Morrison. No oil or other minerals are anticipated. No water sands are expected.
- Proposed casing program: See Item No. 23 above.
- Pressure control equipment: See attached well control plan and schematic of drilling contractor's BOP stack, BOP's will be tested before drilling out from under surface casing and checked daily.
- Air or mist drilling will be used to drill the surface hole and intermediate hole unless water is encountered. If water is encountered, chemical-gel type mud will be used, the well will be air drilled from under intermediate casing to total depth.

(continued on page 2)

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 James D. Rouben TITLE Petroleum Engineer DATE April 10, 1986

(This space for Federal or State office use)

PERMIT NO. 43-019-31226

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

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

DATE 5-27-86 DATE _____
BY John R. Bay
WELL SPACING: 13-g 5/22/86

*See Instructions On Reverse Side

Application for Permit to Drill, Deepen, or Plug Back
6-16
SE¼ SE¼ Section 16-T17S-R25E SLM
Grand County, Utah
Lease U-38842

Page 2

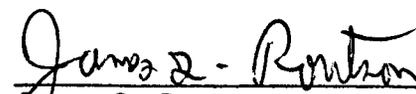
7. Auxiliary equipment: See well control plan.
8. The logging program will consist of a DIL log from TD to base of intermediate casing, GR-FDC-CNL logs from TD to 500' above the Dakota Silt, and a cased hold GR-CNL from 1800' to 1300'. No cores or DST's are planned.
9. No abnormal pressures or temperatures are anticipated. No poisonous gas is anticipated.
10. Anticipated spud date is May 31, 1986. Completion operations should commence within 30 days of rig release.
11. Survey plats are attached.
12. The gas is dedicated to Southwest Gas Company.
13. Designation of Operator forms from Quinoco are attached.
14. The well will be drilled under Quinoco's bond.

WELL CONTROL PLAN

1. Surface Casing: 9-5/8" O.D., 32.3 #/ft., L.S., Short T&C, set at 200' or deeper, cemented with pump and plug method back to the surface or bottom of cellar.
2. Casinghead Flange: 9-5/8" x 10"-900 series casinghead with two 2"-2000 psi L.P. outlets.
3. Intermediate Casing: 7", 20#, L.S., set at 1800' and cemented with 150 sacks.
4. Blowout Preventor: A 10" 3000 psig W.P. double gate hydraulic shaffer BOP (or equivalent) with drillpipe rams and blind rams. All fill, kill and choke lines will be minimum of 2" 2000 psi W.P. A Grant rotating head will be used while air and mist drilling. A new rubber will be installed prior to drilling through the Dakota. BOP's will be worked daily. Blind rams will be checked during trips. BOP's will be tested to 1000 psi prior to drilling shoe joint on surface casing and intermediate casing.
5. Auxiliary Equipment: (a) Drill pipe floats will be allowed at contractor's discretion. (b) Visual monitoring of air returns will be maintained. (c) Upper kelly cock will be used. (d) Stabbing valve will be kept on floor.
6. Anticipated bottom hole pressure is less than 1000 psi at 5122 or a gradient of .195 psi/ft or less. No abnormal temperatures or hydrogen sulfide gas are anticipated.

LONE MOUNTAIN PRODUCTION COMPANY

By:

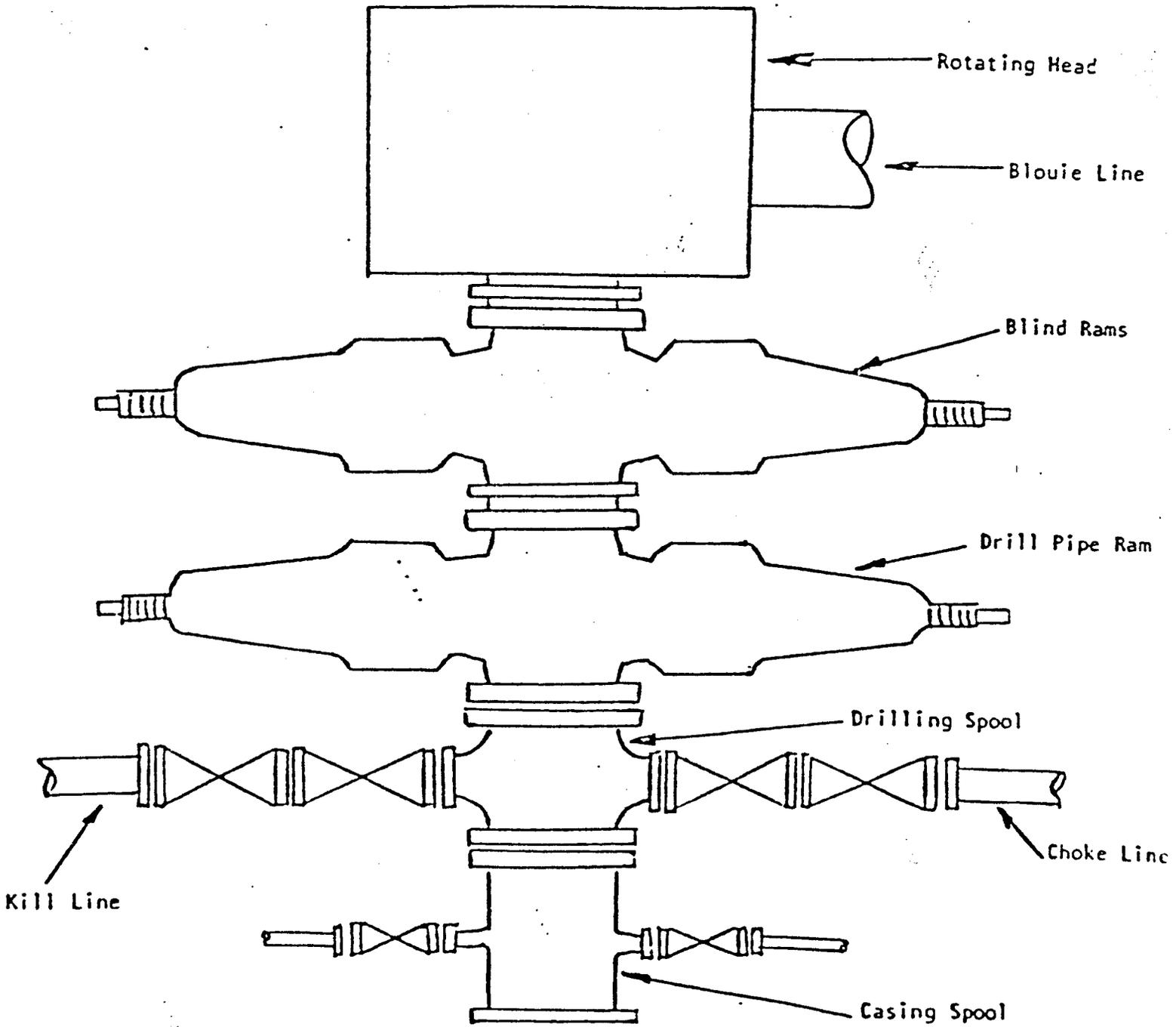


James G. Routson
Petroleum Engineer

SCHEMATIC OF BOP STACK

Air drilled wells using 900 series wellhead equipment.

Interval from 200' to total depth.



SURFACE USE PROGRAM

Lone Mountain Production Company
6-16 QUINOCO USA
SE/¼ SE/¼ Sec. 16-T17S-R25E, S.L.M.
Grand County, Utah

1. Existing Roads

See Vicinity Map, Topo and Access Map, and Plat #1. This proposed well is located approximately 22 air miles northwest of Mack, Colorado. It is reached by going west of Mack on Old Highway 6&50 3.5 miles west of the Colorado-Utah border. Turn right and go 5.6 miles to the "T" intersection. Turn right and go 2.6 miles north to the "Y", turn right and go 7.4 miles up San Arroyo Canyon. All of the existing roads used for access are county roads. Lone Mountain will share maintenance on those gravel/dirt roads with Grand County and the other oil and gas operators in the area. The existing roads are colored green on the reference map.

2. Access Roads to be Constructed and Reconstructed

The 1.4 miles of new access road will be constructed with 18 foot wide running surface with total disturbed width varying from 30 to 100 feet as topography demands. A portion of the road will contain grades up to 12%. These grades are necessary to climb through sand-stone rims. The road will be insloped 1.5% and water will be drained across the road using water dips. No fences are crossed and no culverts are planned during drilling.

A portion of this new road passes outside of the lease boundary into Section 7. Lone Mountain hereby applies for an access road right-of-way for the 1200 feet of road in the NE¼ NE¼ of Section 7, Township 17 South, Range 25 East. The required \$50.00 filing and \$20.00 monitoring fees are attached.

3. Location of Existing Wells

See Map #3. There are 7 producing wells and 1 abandoned well within 1 mile of the proposed location.

4. Location of Production Facilities

a) On Well Pad. See Plat #4. (Paint everything dark green.)

5. Location and Type of Water Supply

The water source for this well is West Salt Creek. The pickup point is on Old Highway 6&50 about 2.5 miles west of Mack, Colorado. The water will be hauled over the well access road.

6. Source of Construction Materials

No construction materials will be used other than native materials. Soil from cuts will be used in fills. No outside material will be brought in.

7. Methods for Handling Waste Disposal

Cuttings will be buried in the reserve pit at clean up. Garbage and other waste material will be contained in a trash cage. This cage will be dumped at an approved sanitary land fill. Human waste will be disposed of in chemically treated sanitary pits.

Drilling fluids will be contained in the reserve pit and left to evaporate. Any fluids produced during testing operations will be collected in a test tank. If a test tank is not available, the fluids will be contained in the reserve pit. Any spills of oil, gas, salt water or noxious fluid will be cleaned up and removed.

If the well is productive, produced water will be disposed of on site for 30 days only, or 90 days with the permission of the District Manager. After that time, application will be made for approval of permanent disposal method in compliance with old MMS Order NTL-2B, and the rules and regulations of the State of Utah.

8. Ancillary Facilities

No ancillary facilities are planned.

9. Wellsite Layout

See Plat #2 - Pit and Pad Layout
See Plat #2A - Cross Sections of Pit and Pad
See Plat #3 - Rig Layout

The location will be constructed large enough to accommodate the drilling rig and associated equipment with allowance made for future completion and fracturing equipment.

The location construction will begin by stripping and stockpiling all available (4-6") topsoil. The stockpile will be along the north uphill edge of the location.

The reserve pit will be constructed along the east side of the well pad. the pit will be fenced on three sides during drilling and closed on the fourth side at rig release. The fence will be maintained through completion and while the pit area is drying.

10. Plans for Reclamation of the Surface

If the well is productive, the reserve pit will be allowed to dry and then backfilled. All of the area not necessary for production will be resloped, covered with available topsoil and revegetated using a seed

10. (Continued)

formula supplied by the BLM.

If the well is abandoned, the entire area of disturbance will be returned to a reasonable contour approximating the topography of the surrounding area. The topsoil will be distributed over the recontoured area and revegetated using the appropriate seed formula.

Clean-up will begin after completion rig release and resloping should be completed by the Fall of 1986.

11. Surface Ownership

All lands involving new construction are Federal lands. Section 6 is the entire lease area.

12. Other Information

The well site is on a bench on the east ridge of San Arroyo Canyon. The vegetation is sparse and includes juniper, sagebrush, western wheatgrass, Indian rice grass and a few annual plants.

13. Lessee's or Operator's Representatives and Certification

James G. Routson
Lone Mountain Production Company
P.O. Box 3394
Billings, Montana 59103
Office Phone: 406/245-5077
Home Phone: 406/245-8797

Ken Currey
Field Consultant
P.O. Box 1491
Fruita, Colorado 81521
Office/Home: 303/858-3257
Mobile: 303/245-3660, Unit 5858

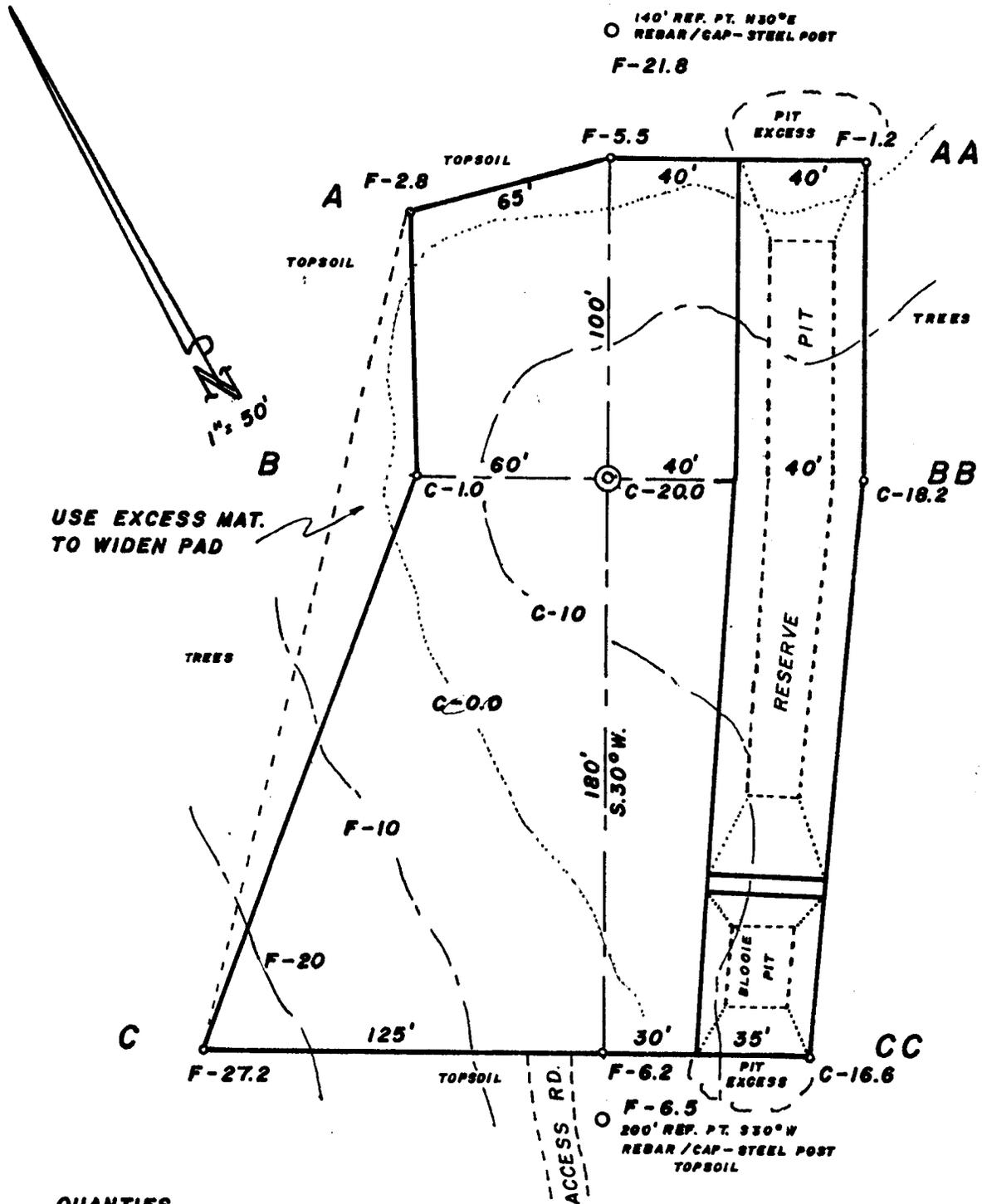
I hereby certify that I, or persons under my supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Lone Mountain Production Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

April 10, 1986
Date

James G. Routson
James G. Routson

PIT & PAD LAYOUT

PLAT NO. 2



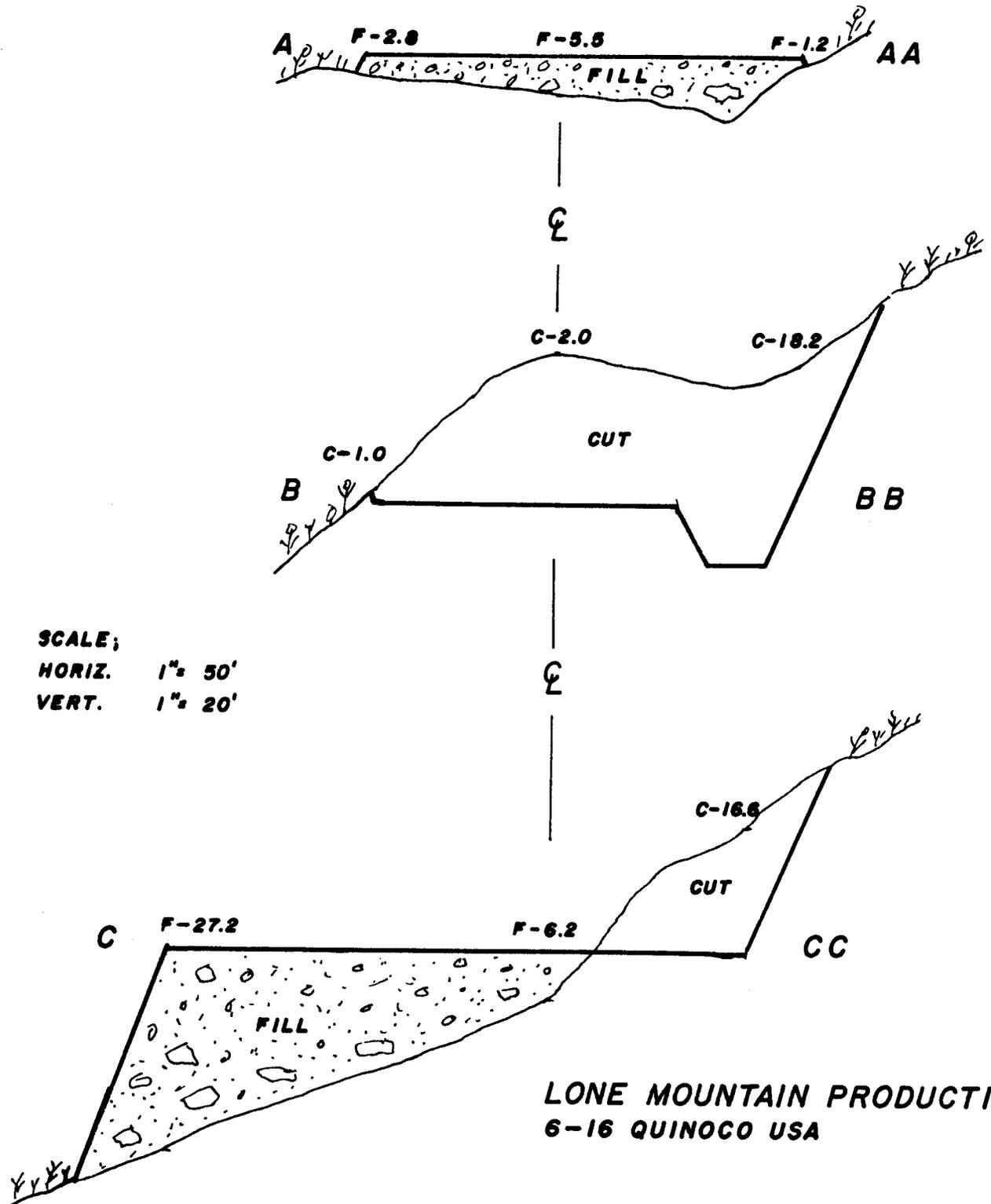
USE EXCESS MAT. TO WIDEN PAD

QUANTITIES	
TOPSOIL	870 C.Y.
PIT CUT	2000 "
CUT	12073 "
FILL	5400 "
EXCESS	5803 "

LONE MOUNTAIN PRODUCTION
6-16 QUINOCO USA

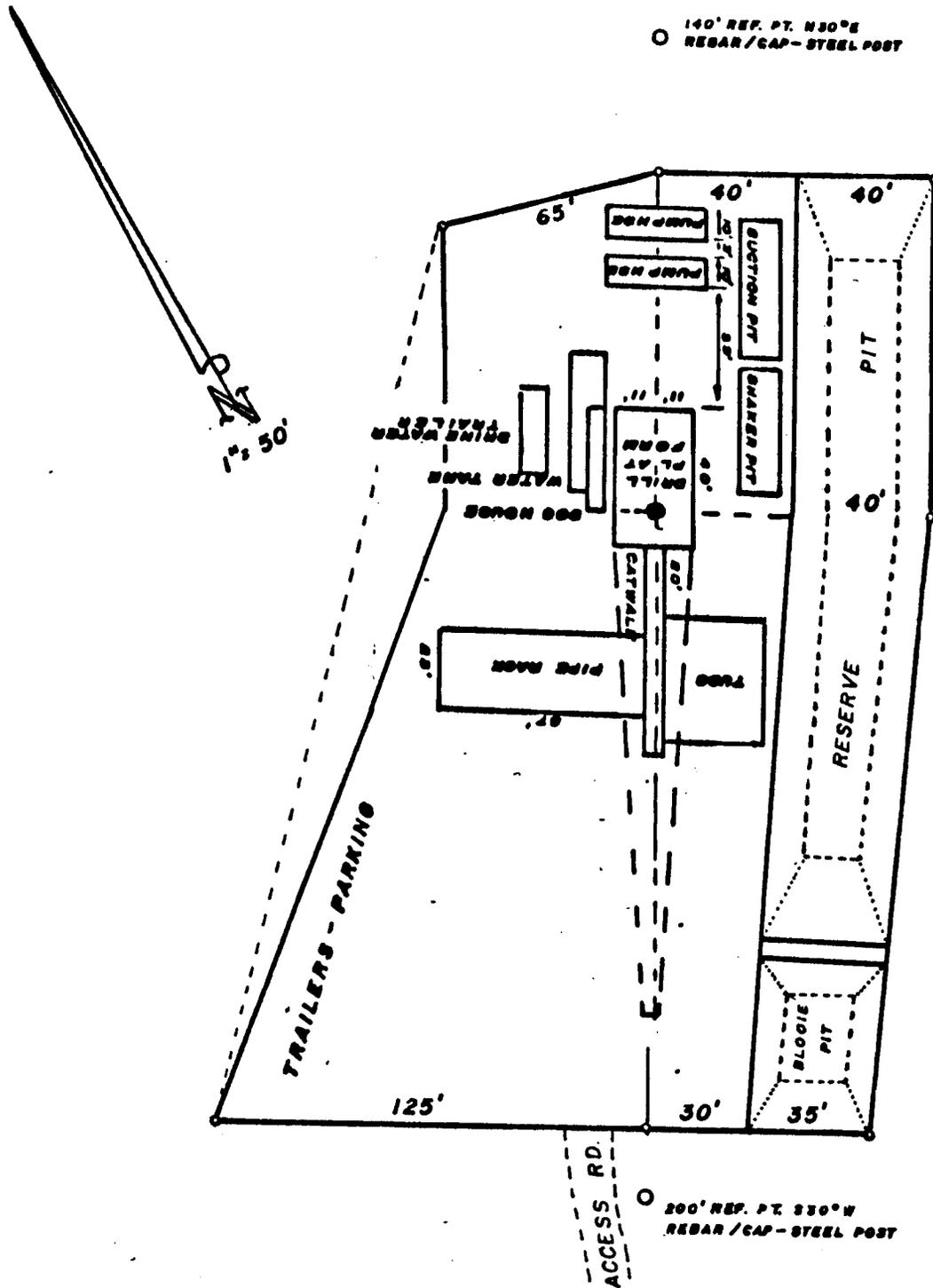
CROSS-SECTIONS

PLAT NO. 2A



RIG LAYOUT

PLAT NO. 3

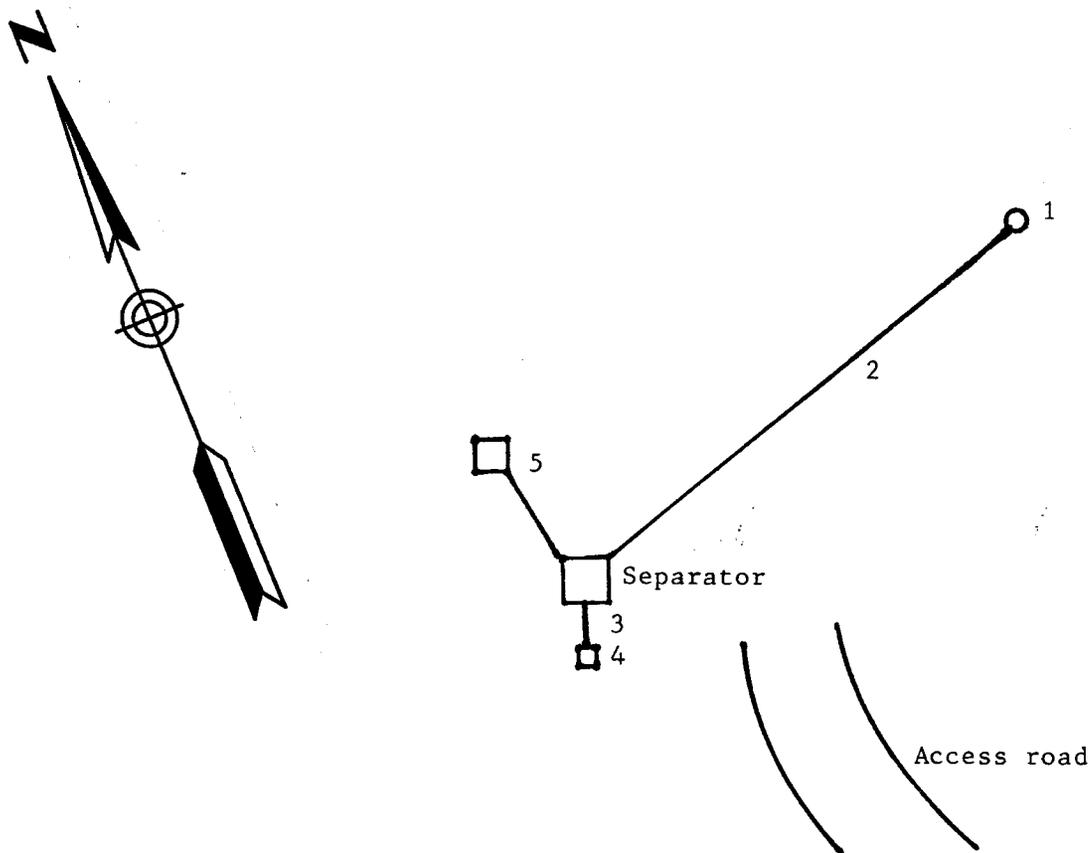


LONE MOUNTAIN PRODUCTION
6-16 QUINOCO USA

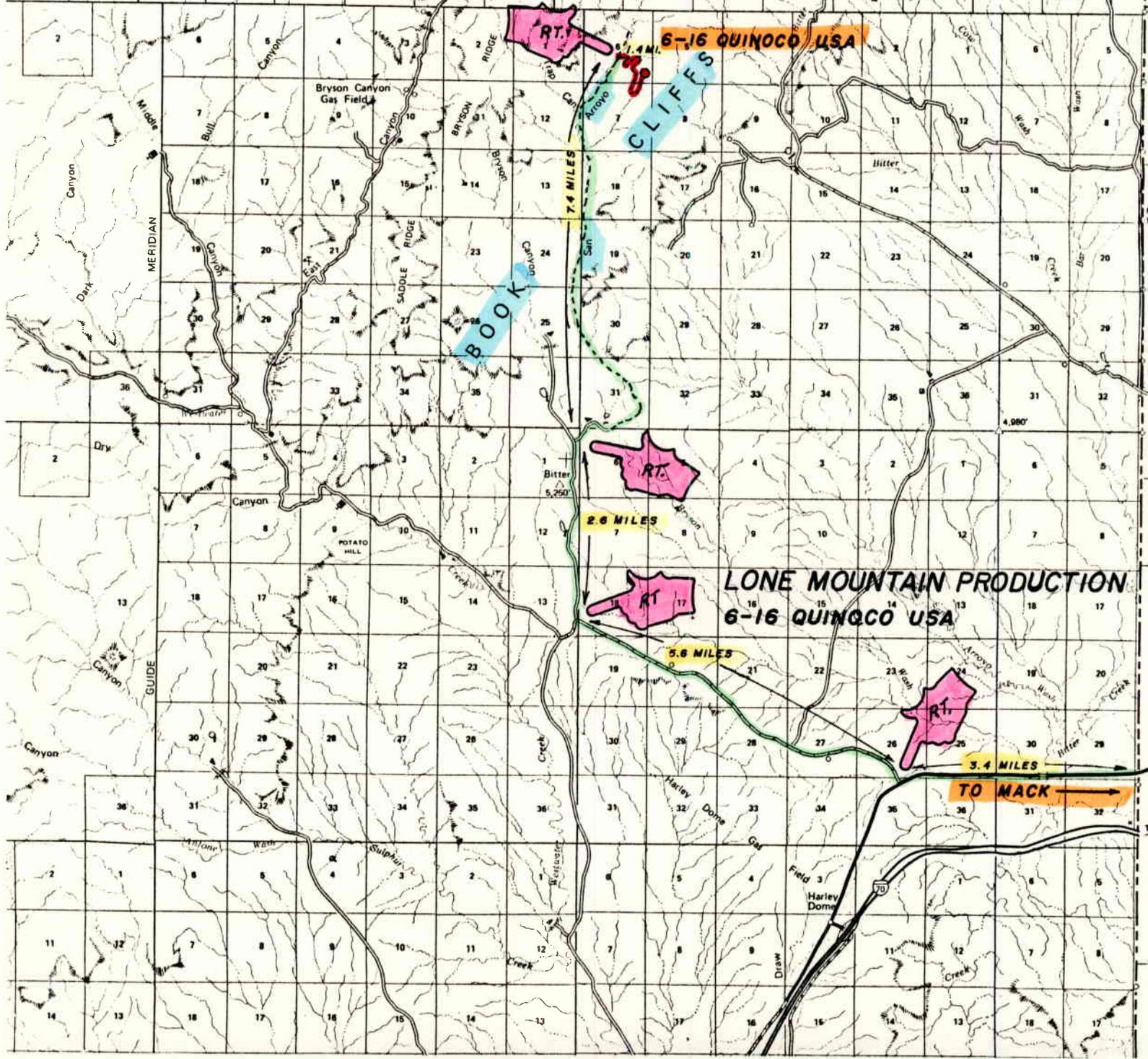
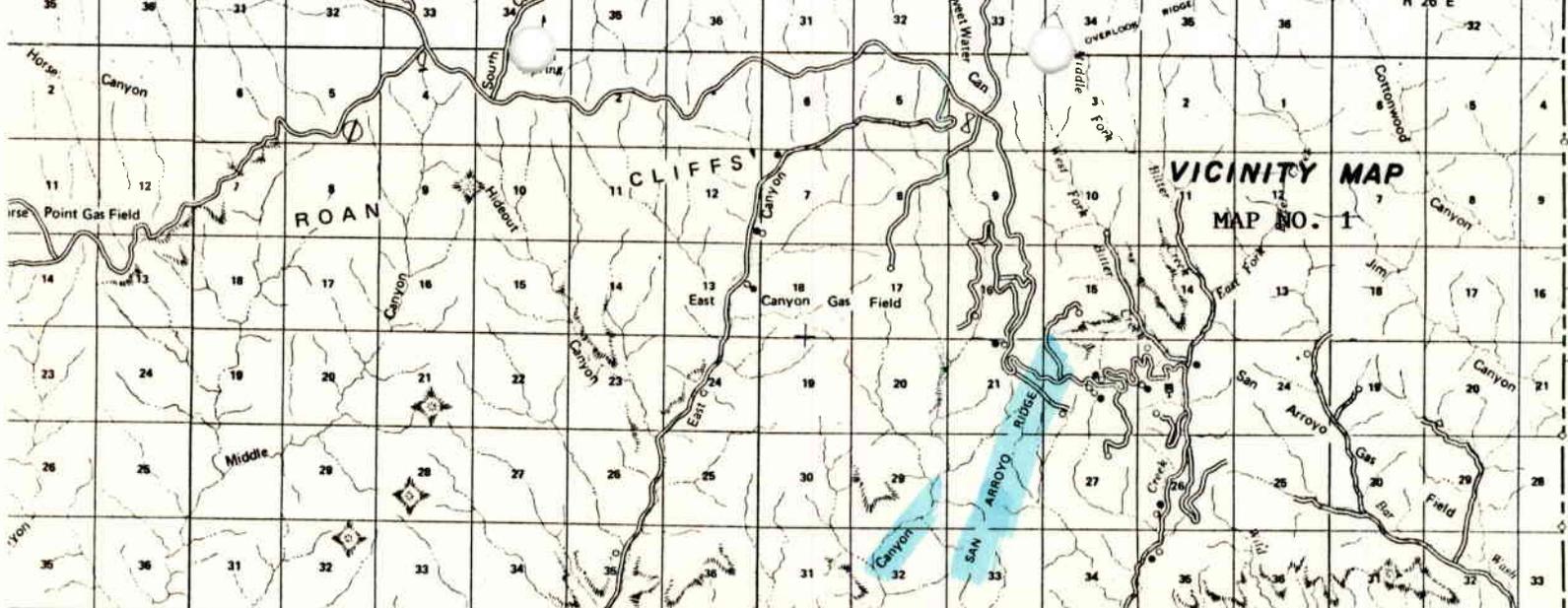
PLAT NO. 4

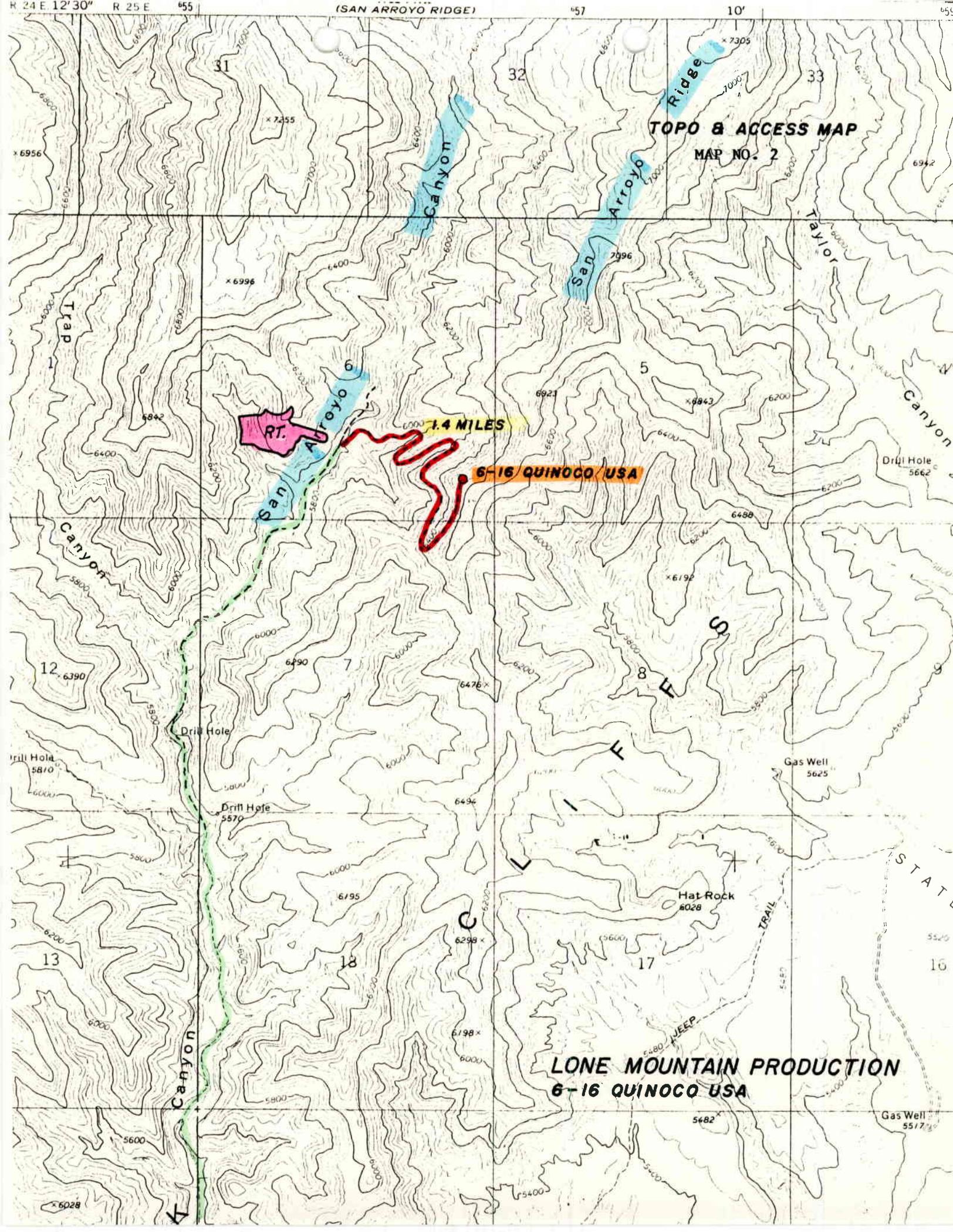
Facilities Schematic

No. 6-16 Quinoco USA



1. Wellhead will be a 6"-900 series flanged top. Tubing head will be 10"-900 x 6"-3000 psi with two 2" 3000 psi flanged valves. Tree will be 2" screwed x 2000 psi W.P.
2. Line between wellhead and separator will be approximately 100 feet in length and constructed of 2-3/8" .218 wall seamless, welded, wrapped and buried approximately 5 feet deep.
3. Line between separator and meter will be 2-3/8" OD seamless, .218 wall, welded, coated, wrapped and buried, and will be approximately 25 feet in length.
4. Meter run will be American 2" run, or equivalent, 1000 psi static rating, 100" of water differential rating.
5. Pit, if necessary, will be 10' x 10', enclosed by dikes and fenced.





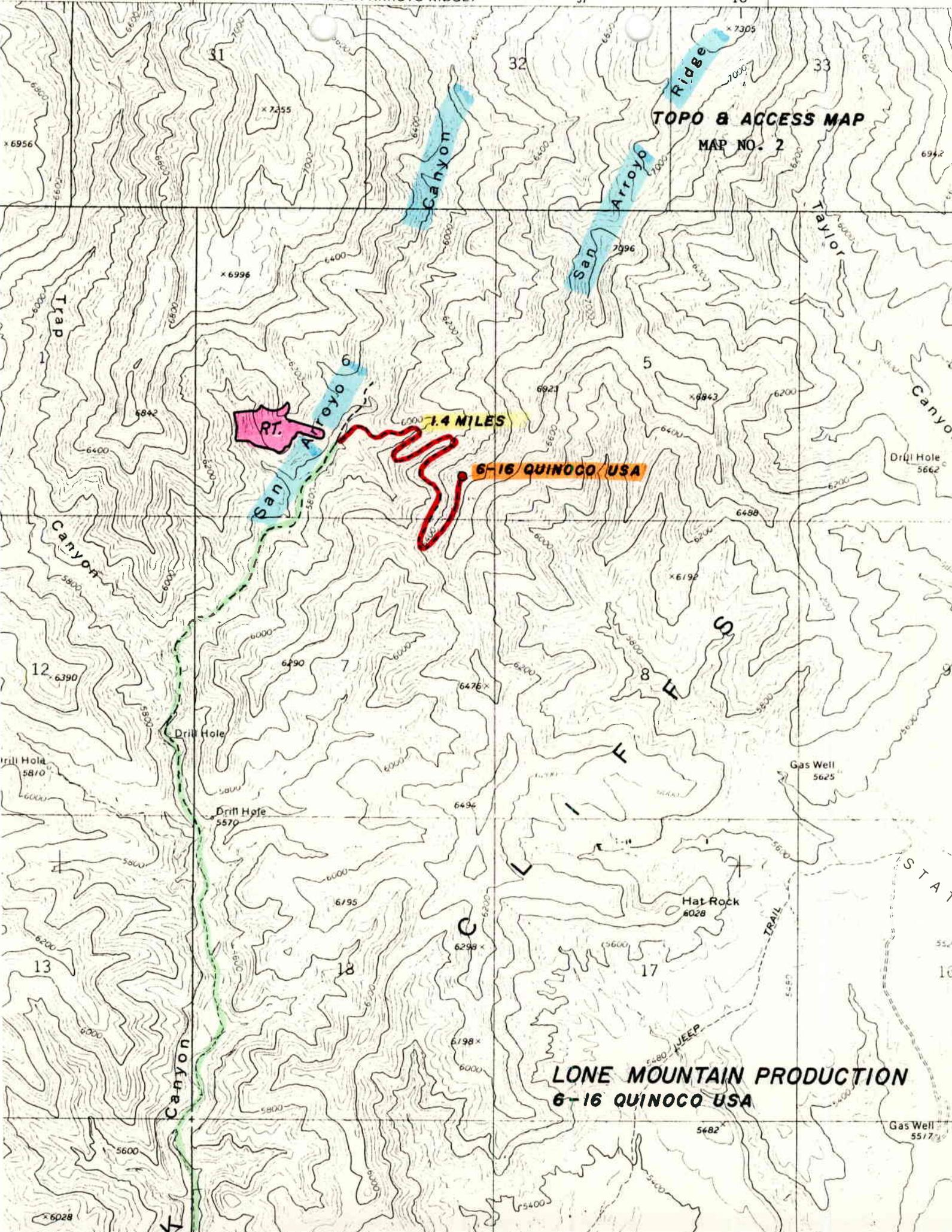
TOPO & ACCESS MAP
MAP NO. 2

RT.

1.4 MILES

6-16 QUINOCO USA

LONE MOUNTAIN PRODUCTION
6-16 QUINOCO USA



DESIGNATION OF OPERATOR

RECEIVED
APR 14 1986

The undersigned is, on the records of the Bureau of Land Management, holder of lease

**DIVISION OF
OIL, GAS & MINING**

DISTRICT LAND OFFICE: Moab, Utah
SERIAL No.: U-38842

and hereby designates

NAME: LONE MOUNTAIN PRODUCTION COMPANY
ADDRESS: P.O. Box 3394, 408 Petroleum Building, Billings, MT 59103

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

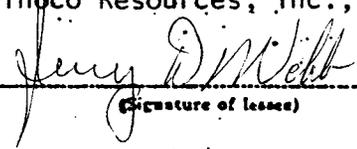
Township 17 South, Range 25 East
Section 6: SE/4
Grand County, Utah

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

QUINOCO OIL AND GAS INCOME PROGRAM 1983-2
QUINOCO OIL AND GAS INCOME PROGRAM 1983-3
QUINOCO OIL AND GAS INCOME PROGRAM 1983-4
By: Quinoco Resources, Inc., Managing General
Partner



(Signature of lessee)

4-1-86

(Date)

P.O. Box 378111, Denver, Colorado 80237

(Address)

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DIVISION OF OIL, GAS & MINING

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CARSON WATER COMPANY

E. F. Kulas

E. F. Kulas (Signature of lessee)
Vice President, Energy Division

March 28, 1986
(Date)

P.O. Box 15015, Las Vegas, NV 89114
(Address)

OPERATOR Lone Mountain Production DATE 4-25-86

WELL NAME Federal 6-16

SEC SE SE 6 T 175 R 25E COUNTY Grand

43-019-31226
API NUMBER

Fed
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

Bond approval - 13-6

Water - Mack Co.

APPROVAL LETTER:

SPACING:

203

UNIT

302

13-6 5/22/86
CAUSE NO. & DATE

302.1

STIPULATIONS:



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

May 27, 1986

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

Gentlemen:

Re: Well Name: Federal 6-16 - SE SE Sec. 6, T. 17S, R. 25E
685' FSL, 456' FEL - Grand County, Utah

Approval to drill the referenced well is hereby granted in accordance with the Interim Order of the Board of Oil, Gas and Mining in Cause No. 13-6 dated May 22, 1986.

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

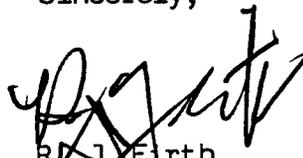
1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.
4. Compliance with the requirements and regulations of Rule 311.3, Associated Gas Flaring, Oil and Gas Conservation General Rules.
5. Prior to commencement of the proposed drilling operations, plans for toilet facilities and the disposal of sanitary waste at each drill site shall be submitted to the local health department having jurisdiction. Any such drilling operations and any subsequent well operations must be conducted in accordance with applicable State and local health department regulations. A list of all local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 533-6163.

Page 2
Lone Mountain Production Company
Well Name: Federal 6-16
May 27, 1986

6. 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 43-019-31226.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

as
Enclosures
cc: Branch of Fluid Minerals
D. R. Nielson

8159T

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

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 DRILL DEEPEN PLUG BACK

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

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 LONE MOUNTAIN PRODUCTION COMPANY

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 22 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) 456

16. NO. OF ACRES IN LEASE 662.090

17. NO. OF ACRES ASSIGNED TO THIS WELL 160

18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1984

19. PROPOSED DEPTH 5545

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 6589 GL, 6600 KB

22. APPROX. DATE WORK WILL START*
 May 31, 1986

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 Undesignated

11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA
 SE 1/4 SE 1/4 Sec. 6-T17S-R25E SLM

12. COUNTY OR PARISH 13. STATE
 Grand Utah

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RECEIVED
 JUN 02 1986
 DIVISION OF
 OIL, GAS & MINING

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24. SIGNED James D. Rounton TITLE Petroleum Engineer DATE April 10, 1986
 (This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY Kenneth V. Rhee TITLE Acting DISTRICT MANAGER DATE 30 MAY 1986

CONDITIONS OF APPROVAL, IF ANY:
 FLARING OR VENTING OF GAS IS SUBJECT OF NTL 4-A DATED 1/1/80
 CONDITIONS OF APPROVAL ATTACHED

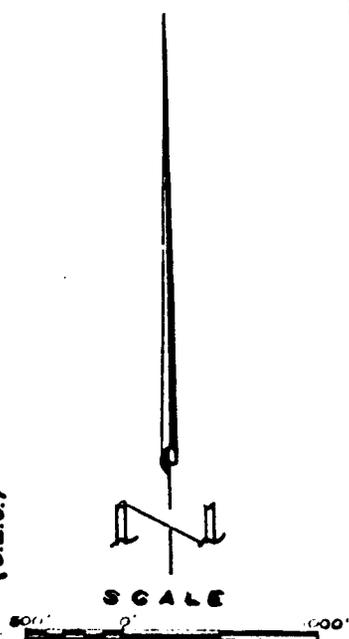
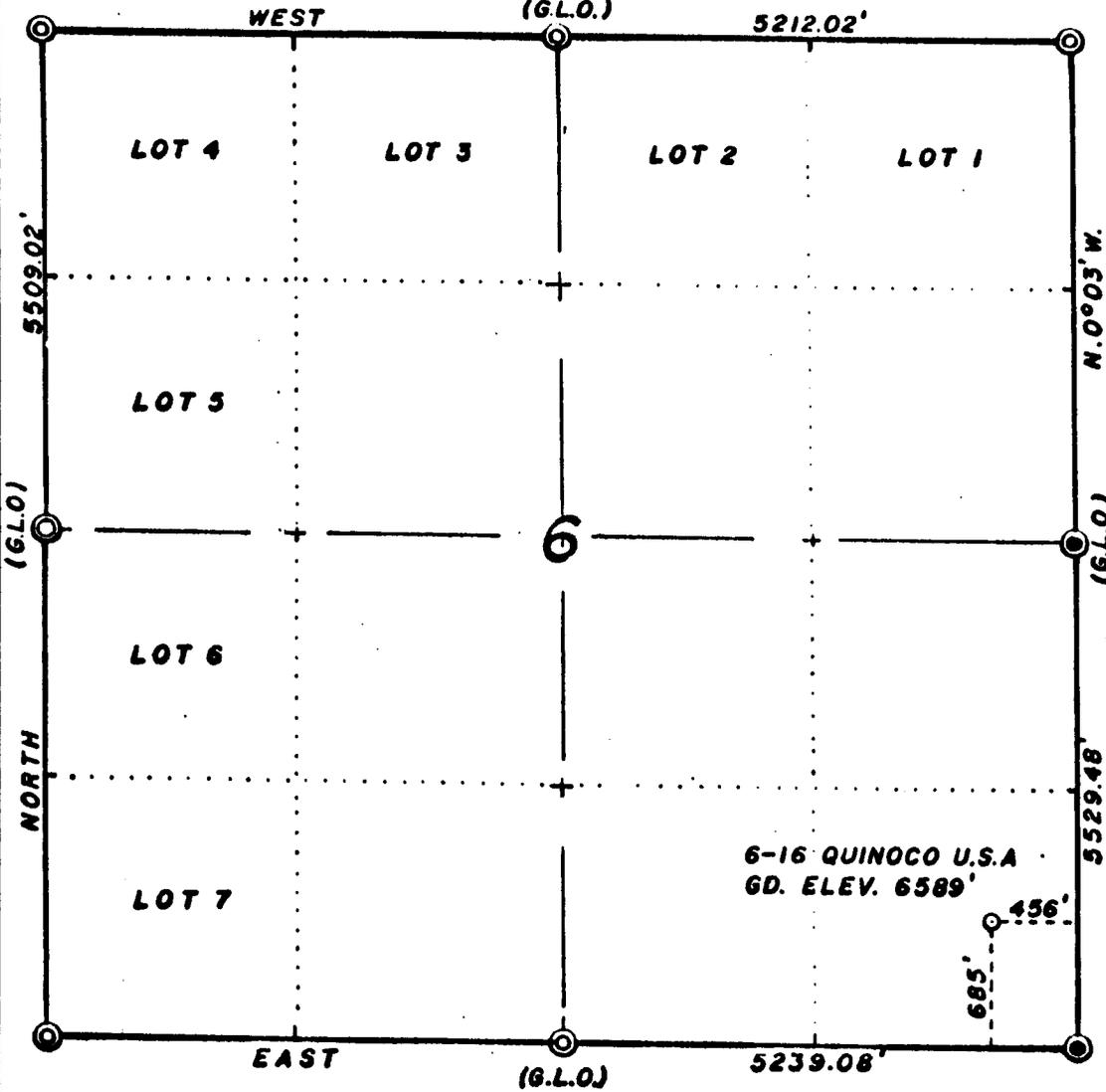
*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

STATE OF UTAH-DOG M

SEC. 6, T. 17S., R. 25 E. OF THE S.L.B.M.

PLAT NO. 1



- LEGEND**
- ⊙ STANDARD LOCATION OF OLD SECTION CORNERS
 - ⊙ OLD CORNERS FOUND
 - ⊙ WELL LOCATION STATED.
- REFERENCE DOCUMENTS**
- 1927 GLO PLAT
 - BRYSON CANYON QUADRANGLE, USGS

6-16 QUINOCO U.S.A.
 GD. ELEV. 6589'
 685'
 456'

THIS WELL LOCATION PLAT WAS PREPARED FOR LONE MOUNTAIN PRODUCTION TO LOCATE THE 6-16 QUINOCO U.S.A. _____, 685' F.S.L. & 456' F.E.L. IN THE SE 1/4 SE 1/4, OF SECTION 6, T. 17S., R. 25 E. OF THE S.L.B.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

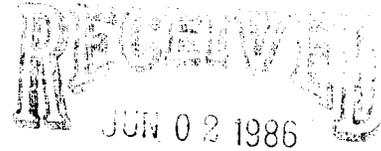
SURVEYED	3-18-86
DRAWN	3-17-86
CHECKED	3-17-86

ENERGY SURVEYS & ENGINEERING CORP.

715 HORIZON DRIVE, SUITE 230
 GRAND JUNCTION, CO 81501
 (303) 846-7281

SCALE 1" = 1000'
 JOB NO
 SHEET OF

Lone Mountain Production Company
Well No. Federal 6-16
Sec. 6, T. 17 S., R. 25 E.
Grand County, Utah
Lease U-38842



CONDITIONS OF APPROVAL

DIVISION OF
OIL, GAS & MINING

A. DRILLING PROGRAM

Cement will be circulated to surface on surface casing.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Order 1, 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 the field representative to insure compliance.

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the District Office. If operations are to be suspended, prior approval of the District Office will be obtained and notification given before resumption of operations.

The spud date will be reported orally to the District Office within a minimum of 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. If the spudding occurs on a weekend or holiday, the written report will be submitted on the following regular work day.

In accordance with Onshore Order No. 1 this well will be reported on Form 3160-6, "Monthly Report of Operations", starting with the month in which operations commence and continued each month until the well is plugged and abandoned. This report will be sent to the District Office, P.O. Box 970, Moab, Utah 84532.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported to the Area Office in accordance with requirements of NTL-3A.

If a replacement rig is needed for completion operations, a Sundry Notice (Form 3160-5) to that effect will be filed for prior approval from the District Office, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergency situations verbal approval to bring on a replacement rig will be approved through the District Office.

Whether the well is completed as a dry hole as 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 3164. 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. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Moab District Manager.

If the well is to be completed for production the Area Office is to be contacted in order to set up a pre-production conference. When the well is placed in a producing status the District Office is to be notified by telegram or other written communication within five working days.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

No well abandonment operations will be commenced without the prior approval of the District Office. In the case of newly-drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the District Office. A Subsequent Report of Abandonment (Form 3160-5) will be sent to the District Office within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. 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 Office, or the appropriate surface managing agency. Upon completion of approved plugging a dry hole marker will be erected in accordance with 43 CFR 3162.6. The top of the marker will be closed or capped. The following minimum information will be permanently placed on the marker; "Fed" or "Ind", as applicable, "Lease number", "Well number", location of well by 1/41/4 section, township, and range.

B. SURFACE USE PROGRAM

The operator will contact the Grand Resource Area at (801) 259-8193, forty-eight (48) hours prior to beginning any dirt work on this location.

Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional area needed will be approved by the Area Manager in advance.

The access road will be rehabilitated or brought to Resource (Class III) Road Standards within sixty (60) days of dismantling of the drilling rig. 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.

Immediately upon completion of drilling, the location, and surrounding areas will be cleared of all remaining debris, materials, trash, and junk not required for production.

Produced waste water will be confined to a (lined/unlined) pit for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to Onshore Oil and Gas Order No. 3 (NTL-2B).

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.

Gas meter runs for each well will be located within five hundred (500) feet of the wellhead. The gas flowline will be buried from the wellhead to the meter along with any other sections occurring on the pad. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three (3) months on new meter installations and at least quarterly thereafter. The Area Manager will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration reports will be submitted to the Resource Area Office. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

All permanent (onsite for six (6) months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective, earth tone color to match the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within six (6) months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded.

The operator or his contractor will notify the Grand Resource Area at (801) 259-8193 forty-eight (48) hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

At the time this location and access is determined to be abandoned and rehabed, an appropriate seed list will be provided by the Grand Resource Area.

Your contact with the District Office is:

Greg Noble , Petroleum Engineer Office Phone: (801)259-6111

Home Phone: (801) 259-8811

District Address:

82 East Dogwood, P.O. Box 970
Moab, Utah 84532

Your contact with the Grand Resource Area Office is:

Jeff Robbins Office Phone: (801)259-8193

Home Phone: (801) 259-8193

Area Office Address:

Sand Flats Road, P.O. Box M
Moab, Utah 84532

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE*
(Other instructions
versus this)

070336

Budget Bureau No. 1004-0135
Expires August 31, 1985

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 checked="" type="checkbox"/> OTHER		5. LEASE DESIGNATION AND SERIAL NO U-38842
2. NAME OF OPERATOR LONE MOUNTAIN PRODUCTION COMPANY		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR P.O. Box 3394, 408 Petroleum Bldg., Billings, MT 59103		7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 685' FSL, 456' FEL		8. FARM OR LEASE NAME Federal
14. PERMIT NO. 43-019-31225	15. ELEVATIONS (Show whether DF, RT, GR, etc.) 6589 GL, 6600 KB	9. WELL NO. 6-16
		10. FIELD AND POOL, OR WILDCAT Undesignated
		11. SEC., T., R. M., OR BLK. AND SUBDIVISION OR AREA SE74 SE74 Sec. 6-T17S-R25E
		12. COUNTY OR PARISH Grand
		13. STATE Utah

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) Spud	

(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.)*

Spudded Well at 3:00 P.M., 6/26/86. Veco Rig No. 2. Verbal notification phoned to BLM, Moab, Utah at 9:00 A.M., 6/26/86. Verbal notification phoned to Ron Firth, Utah Division of Oil, Gas & Mining at 9:00 A.M., 6/27/86.

RECEIVED
JUN 30 1986

DIVISION OF
OIL, GAS & MINING

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

SIGNED James R. Rowton TITLE Petroleum Engineer DATE 6/27/86

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
(Other instructions reverse side)

Budget Bureau No. 1004-115
Expires August 31, 1985

071010

5. LEASE DESIGNATION AND SERIAL NO
U-38842

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON

(Do not use this form for proposals to drill or to deepen or plug back. Use "APPLICATION FOR PERMIT" for such proposals.)

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JUL 09 1986

1. OIL WELL GAS WELL OTHER UNIT AGREEMENT NAME

2. NAME OF OPERATOR LONE MOUNTAIN PRODUCTION COMPANY DIVISION OF FEDERAL

3. ADDRESS OF OPERATOR P.O. Box 3394, 408 Petroleum Bldg., Billings, MT 59103 OIL, GAS & MINING

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 685' FSL, 456' FEL

10. FIELD AND POOL, OR WILDCAT Bar X

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SE/4 SE/4 Sec. 6-T17S-R25E

12. COUNTY OR PARISH Grand 13. STATE Utah

14. PERMIT NO. 43-019-31226 15. ELEVATIONS (Show whether DF, RT, GR, etc.) 6589 GL, 6600 KB

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

NOTICE OF INTENTION TO: TEST WATER SHUT-OFF PULL OR ALTER CASING FRACTURE TREAT MULTIPLE COMPLETE SHOOT OR ACIDIZE ABANDON* REPAIR WELL CHANGE PLANS (Other)

SUBSEQUENT REPORT OF: WATER SHUT-OFF REPAIRING WELL FRACTURE TREATMENT ALTERING CASING SHOOTING OR ACIDIZING ABANDONMENT* (Other) Status Report

(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.)
Drilled 12-1/4" hole to 217'. Ran 9-5/8", 36#, J-55 casing to 211'. Cemented to surface with 175 sx class "G", 3% CaCl2.
Drilled 8-3/4" hole to 1817'. Ran 7", 23#, J-55 casing to 1795'. Cemented with 150 sx 50-50 pozmix, 3% CaCl2.
Drilled 6-1/4" hole to 5690'. Ran 4-1/2", 11.6#, N-80 casing to 5590'. Cemented with 175 sx. 10-0 RFC.

Log tops:
Castlegate 1498 (+5102)
Mancos 1634 (+4966)
Dakota Silt 5017 (+1583)
Dakota Sand 5090 (+1510)
Morrison 5256 (+1344)

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JUL 09 1986

Rig released at 12:00 Noon, July 7, 1986.

DEPARTMENT OF OIL, GAS & MINING

18. I hereby certify that the foregoing is true and correct
SIGNED James R. Penton TITLE Petroleum Engineer DATE 7/7/86

(This space for Federal or State office use)
APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

071723

RECEIVED
JUL 11 1986

**DIVISION OF
OIL, GAS & MINING**

LONE MOUNTAIN PRODUCTION COMPANY

NO. 6-16 QUINOCO USA

SE/SE SECTION 6, T17S, R25E

GRAND COUNTY, UTAH

GEOLOGIC REPORT

BY

BILL NAGEL

ROCKY MOUNTAIN GEO-ENGINEERING COMPANY

WELL SUMMARY

OPERATOR: LONE MOUNTAIN PRODUCTION COMPANY
WELL NAME: NO. 6-16 QUINOCO USA
LOCATION: SE/SE SECTION 6, T17S, R25E
FOOTAGE: 685' FSL - 500' FEL
COUNTY: GRAND
STATE: UTAH
AREA: SOUTH SAN ARROYO
ELEVATION: 6589 GL - 6600 KB
SPUD DATE: 6/26/86
COMPLETION DATE: 7/4/86
DRILLING ENGINEER: GLENN ROSS
WELLSITE GEOLOGY: ROCKY MOUNTAIN GEO-ENGINEERING COMPANY
WELLSITE GEOLOGIST: BILL NAGEL
DRILLING CONTRACTOR: VECO DRILLING, INC.
RIG NO.: #2
TOOL PUSHER: DAVE SCHMALZ
HOLE SIZE: 12¼" TO 225'; 8 3/4" TO 1805'; 6¼" TO T.D.
CASING RECORD: 9 5/8" TO 216'; 7" TO 1795'
AIR COMPRESSORS: VECO AIR
ELECTRIC LOGGING: GEARHART
TYPE OF LOGS RUN: DIL-SP-GR: FDC-CLN-GR
OBJECTIVE: DAKOTA, MORRISON
TOTAL DEPTH: DRILLER 5569' - LOGGER 5561'
STATUS:

LONE MOUNTAIN PRODUCTION CO.
 NO. 6-16 QUINOCO USA
 SE/SE SECTION 6-T17S-R25E
 GRAND COUNTY-UTAH

WELL CHRONOLOGY

1986 DATE	MDNT DEPTH	FTG/ DAY	DAILY OPERATIONS
6/26	-0-	98	RIG UP - DRL RAT & MOUSE HOLE - DRLG SURFACE - WORK STUCK PIPE
6/27	98	127	WORK STUCK PP - MIX MUD - REPAIR DRIVE LINE - WORK STUCK PP - DRLG - LAY DN BAD DC - DRLG - POOH & RUN CSG - CMT CSG & WOC - NIPPLE UP
6/28	225	736	NIP UP - CHG SWIVEL PACKING - PRESS TEST - NIP DN - WO BOP PARTS - NIP UP - DRL CMT - DRLG
6/29	961	844	DRLG - POOH & LAY DN 6" DC - RUN 7" CSG - CMT & WOC - NIP UP - PRESS TEST
6/30	1805	1499	UNLOAD HOLE - DRL CMT & SHOE - DRY HOLE - DRLG - REPAIR BLOOIE LINE - DRLG
7/1	3304	1346	POOH - CHG BIT & RIH - DRLG - WORK ON ROTATER HEAD - DRLG - WORK ON BLOOIE LINE - DRLG
7/2	4650	664	DRLG - PULL 10 STDS - MUD UP - RIH & DRL AHEAD
7/3	5314	143	DRLG - POOH FOR NB
7/4	5457	88	CHG BIT - RIH & DRL AHEAD

LONE MOUNTAIN PRODUCTION CO.
 NO. 6-16 QUINOCO USA
 SE/SE SEC. 6-17S-25E
 GRAND COUNTY, UTAH

SAMPLE DESCRIPTION

4790-4820	100%	SH dkgy frm blk-ply
4820-4850	100%	SH dkgy-blk frm blk-ply
4850-4910	100%	SH blk frm blk-ply carb ip
4910-4940	100%	SH blk-dkgy frm blk-ply /occ carb ip
	TR	CALC FRAG
4940-4970	100%	SH dkgy frm blk-ply /occ sdy
4970-5000	90%	SH AA
	10%	SS clr fg uncons msrt sbrd
5000-5015	90%	SH AA + slty
	10%	SS AA
5015-5030	80%	SH AA
	20%	SS clr-ltbrn mcmt-uncons msrt sbrd calc
5030-5045	60%	SH AA
	40%	SS clr-ltbrn mcmt uncons msrt sbang-sbrd calc
5045-5060	80%	SH dkgy frm blk-ply sdy /occ GLAC INCL
	20%	SS AA
5060-5075	90%	SH AA
	10%	SS clr-ltbrn uncons msrt sbrd calc
5075-5090	90%	SH dkgy frm blk-ply sdy
	10%	SS AA w/ABNT BENT wh plty sft
5090-5105	100%	SH blk frm blk-ply carb
5105-5120	80%	SH dkgy frm blk-ply /occ sdy
	20%	SS clr-ltbrn fg uncons msrt sbang-sbrd
5120-5135	70%	SH AA
	30%	SS AA w/ABNT BENT wh plty sft
5135-5150	70%	SH AA
	30%	SS clr-ltbrn fg msrt mcmt sbang-sbrd
	TR	BENT AA
5150-5165	50%	SH dkgy /occ mgy frm blk-ply
	50%	SS clr f-vfg m-wcmt msrt sbang-sbrd
	TR	BENT AA
5165-5180	60%	SS clr f-vfg m-wcmt msrt sbang-sbrd
	40%	SH AA
5180-5195	90%	SS clr-f-vfg uncons msrt sbang-sbrd w/
	TR	FLOR yel/CUT slo strmg
	10%	SH AA
5195-5210	80%	SS AA w/
	TR	FLOR AA/CUT yel slo strmg
	20%	SH m-dkgy frm blk-ply
5210-5225	80%	SS clr f-vfg uncons m-wsrt sbang-sbrd
	20%	SH AA
5225-5240	100%	SS AA
	TR	CHT clr crm
5240-5255	100%	SS clr f-vfg uncons m-wsrt sbang-sbrd w/
	TR	FLOR yel/CUT yel slo strmg
5255-5270	70%	SH dkgy frm blk-ply
	30%	SS clr ltgy f-vfg m-wcmt msrt sbang-sbrd /occ cly fl w/
	ABNT	BENT wh sft plty
5270-5280	100%	SH dkgy lt-mgrn ltgy frm-sft blk-ply /occ sdy w/
	TR	BENT AA
5280-5290	100%	SH AA

LONE MOUNTAIN PROD. CO.
 NO. 6-16 QUINOCO USA
 SAMPLE DESCRIPTION CONT.

5290-5300	90%	SH dkgy lt-mgy grn frm-sft blk-ply /occ sdy
	10%	SS ltgy-ltgrn vfg wcmt msrt sbrd cly fl
5300-5310	90%	SH dkgy-grn purp red sft-frm blk-ply /occ sdy
	10%	SS AA w/
	TR	BENT ltbrn ply sft
5310-5320	100%	SH AA w/
	TR	BENT AA
5320-5330	100%	SH dkgy grn purp red sft-frm blk-ply
	TR	BENT AA
5330-5340	60%	SH AA
	40%	SS clr-wh f-vfg wcmt sil cmt msrt sbang-sbrd tt
	TR	BENT AA
5340-5350	100%	SH dkgy grn red sft-frm blk-ply /occ sl sdy
	TR	BENT AA
5350-5360	90%	SH AA
	10%	SS
	TR	CHT crm & TR BENT AA
5360-5380	100%	SH dkgy red grn yel sft-frm ply /occ slty
5380-5390	100%	SH dkgy red purp grn ltgy sft-frm ply /occ slty
5390-5400	90%	SH AA
	10%	SS clr-ltgy vfg m-wcmt msrt sbrd-sbang cly fl
5400-5410	80%	SH lt-mgy grn ltbrn red frm-sft ply /occ sl slty & sdy
	20%	SS ltgy-ltgrn vfg m-wcmt msrt sbrd-sbang cly fl
5410-5420	50%	SH AA
	50%	SS clr-ltgy f-vfg wcmt sil cmt msrt sbang-sbrd tt
5420-5430	80%	SH lt-mgy grn red sft-frm ply /occ blk /occ sl slty
	20%	SS AA
	TR	CHT crm
5430-5440	100%	SH AA
5440-5450	90%	SH AA
	10%	SS clr-ltgy f-vfg m-wcmt sil cmt msrt sbang-sbrd /occ cly fl
5450-5460	100%	SH red /occ grn frm blk /occ ply
5460-5470	100%	SH AA w/ABNT CVGS from trip
5470-5480	100%	SH red ltgy ltgrn sft-frm blk-ply
5480-5490	70%	SH AA
	30%	SS ltgy f-vfg wcmt msrt sbrd-sbang cly fl
5490-5500	50%	SH red grn ltgy frm blk-ply /occ sdy
	50%	SS ltgy-ltred f-vfg m-wcmt msrt sbang-sbrd cly fl
5500-5510	70%	SH AA
	30%	SS ltgy-ltgrn f-vfg m-wcmt msrt sbang-sbrd cly fl
5510-5520	90%	SH red grn ltgy purp frm blk-ply
	10%	SS AA
5520-5530	90%	SH AA
	10%	SS clr-ltgy /occ ltred f-vfg wcmt msrt sbang-sbrd cly fl
5530-5540	90%	SH red grn ltgy frm blk-ply
	10%	SS AA
5540-5550	60%	SS clr-ltgy f-vfg m-wcmt msrt sbang-sbrd cln-sl cly fl w/
	TR	Ø & TR dd 0 STN
	40%	SH AA
5550-5560	80%	SH ltgy ltgrn red purp frm-sft ply-blky /occ sdy
	20%	SS clr-ltgy vfg m-wcmt msrt sbang-sbrd cly fl
5560-5569	80%	SH AA
	20%	SS ltgrn vfg m-wcmt m-wsrt sbang-sbrd cly fl

LONE MOUNTAIN PRODUCTION CO.
NO. 6-16 QUINOCO USA
SE/SE, SECTION 6, T17S-R25E
GRAND COUNTY-UTAH

FORMATION TOPS			
FORMATION	SAMPLE	E-LOG	SEA LEVEL DATUM
MESAVERDE	SURFACE		
CASTLEGATE		1499	+5101
MANCOS		1710	+4890
FRONTIER	4795	4751	+1849
DAKOTA SILT	5050	5026	+1574
DAKOTA	5128	5121	+1479
MORRISON	5266	5258	+1342

GEOLOGIC SUMMARY
AND
ZONES OF INTEREST

Lone Mountain Production Company's well No. 6-16 Quinoco USA was a Dakota and Morrison test in the South San Arroyo Area. The well was located in the SE/SE Section 6, T17S, R25 E of Grand County, Utah. Spudded in the Mesaverde Formation on 26 June, 1986, the well was drilled to a total depth of 5569' in the Morrison Formation on 4 July, 1986. Because of damp hole conditions, the well was air drilled to 5258' before mudding up. Geological coverage began at 4790'.

FRONTIER FM (4751' - 5026')

The Frontier Formation was predominantly shale with sandstone beds near the base. The shale was dark gray, black, firm, blocky-to-platy and occasionally sandy, silty and carbonaceous. The sandstone was light brown-to-clear, unconsolidated, medium cemented, very fine-to-fine grained, medium sorted and subangular-to-subrounded.

At 4885'-4895' in the carbonaceous zone a gas increase of 9 units was noted and the background gas remained 2 units.

DAKOTA SILT (5026' - 5121')

The Dakota Silt was composed of interbedded sandstone and shale with occasional bentonite beds. The shale was dark gray, occasionally black, firm, blocky-to-platy and sandy with occasional glauconite inclusions. The sandstone was clear-to-light brown, very fine-to-fine grained, unconsolidated, medium sorted, subrounded-to-subangular and calcareous. No shows were observed in the Dakota Silt.

DAKOTA FM (5121' - 5258')

The Dakota Formation contained interbedded sandstone and shale. The upper sands of the Dakota between 5121' and 5181' were clear, occasionally light brown, very fine-to-fine grained, medium-to-well cemented, medium sorted and subangular-to-subrounded.

A gas show of 90 units occurred in the upper sandstone at 5128' to 5145'. Although there was no flare during this gas increase, the next connection produced a flare with 400 units of connection gas. Electric logs showed this sandstone to have a trace of crossover, 16% porosity and 52% water saturation at 5131'-5138'.

The center of the Dakota Formation was predominantly a massive sandstone between 5181'-5236'. This sandstone was clear, very fine-to-fine grained, unconsolidated, medium-to-well sorted and subangular-to-subrounded with a trace of yellow fluorescence and a slow streaming cut at 5180'-5210'. Much of this massive sandstone was washed out which produced poor electric log reading. One zone which did not wash out was at 5215'-5222' had fair crossover with 20% porosity and 47% water saturation. No gas show was noted in this massive sandstone.

LONE MOUNTAIN PRODUCTION CO.
NO. 6-16 QUINOCO USA
GEOLOGIC SUMMARY CONTINUED

The lower Dakota sandstone, 5238'-5258', was clear, very fine-to-fine grained, unconsolidated, medium-to-well sorted and subrounded-to-subangular with a trace of yellow fluorescence and a slow streaming cut at 5240'-5255'. During the drilling of this lower sandstone, the hole became damp at 5255' with what appeared to be condensate. No gas shows occurred in this lower sandstone. Electric logs show this sand to have a trace of crossover with 16% porosity and 55% water saturation.

MORRISON FM (5258' - T. D.)

The Morrison Formation was primarily shale with occasional sandstone beds. Shale was red, light gray, light green, purple, yellow, soft-to-firm, platy-to-blocky and occasionally sandy and bentonitic. Sandstone was clear-to-light gray, light green, light red, very fine-to-fine grained, medium-to-well cemented, medium sorted, subangular-to-subrounded and occasionally clay filled.

There were two sandstones in the Morrison Formation of interest. The first, 5466'-5478', had the total gas increase from 30-42 units with 8.5% porosity, 78% water saturation and a trace of crossover. The second sandstone, 5520'-5544', was clean with a trace of visual porosity and a trace of dead oil. A 45 unit gas increase was noted between 5525'-5544'. Electric logs show a four foot zone at 5526'-5530' to have good crossover with 18% porosity and 43% water saturation.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

(See other In-
structions on
reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

16

072803

WELL COMPLETION OR RECOMPLETION REPORT

RECEIVED
JUL 21 1986

1a. TYPE OF WELL: OIL WELL GAS WELL DRY
b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR. Other

2. NAME OF OPERATOR
LONE MOUNTAIN PRODUCTION COMPANY

3. ADDRESS OF OPERATOR
P.O. Box 3394, 408 Petroleum Building, Billings, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface **685' FSL 456' FEL**
At top prod. interval reported below **Same**
At total depth **Same**

14. PERMIT NO. **43-019-31226** DATE ISSUED **5/27/86**

5. LEASE DESIGNATION AND SERIAL NO.
U-38842

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Federal

9. WELL NO.
No. 6-16 Quinoco USA

10. FIELD AND POOL, OR WILDCAT
Bar-X

11. SEC. T., R., M., OR BLOCK AND SURVEY OR AREA
**SE/4 SE/4 Section 6
T17S-R25E SLBM**

12. COUNTY OR PARISH
Grand 13. STATE
Utah

15. DATE SPUNDED **6/26/86** 16. DATE T.D. REACHED **7/4/86** 17. DATE COMPL. (Ready to prod.) **7/18/86** 18. ELEVATIONS (DF, RKB, RT, OR, ETC.)* **6589 GL, 6600 KB** 19. ELEV. CASINGHEAD **6590**

20. TOTAL DEPTH, MD & TVD **5690** 21. PLUG, BACK T.D., MD & TVD **5578** 22. IF MULTIPLE COMPL., HOW MANY* **---** 23. INTERVALS DRILLED BY **0-TD** ROTARY TOOLS **0-TD** CABLE TOOLS **---**

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
**Dakota 5128-5158, 5182-5236
Morrison 5520-5545** 25. WAS DIRECTIONAL SURVEY MADE
No

26. TYPE ELECTRIC AND OTHER LOGS RUN
GR-FDC-CNL, DIL, GR-CBL-VDL 27. WAS WELL CORRED
No

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9-5/8"	36# J-55	211	12 1/4"	175 sx (to surface)	None
7"	23# J-55	1795	8-3/4"	150 sx	None
4 1/2"	11.6# N-80	5590	6 1/2"	175 sx (top at 4310)	None

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
None					2-3/8"	5539	None

31. PERFORATION RECORD (Interval, size and number)
**1 shot each, .31" diameter, as follows:
5131, 5133, 5135, 5190, 5193, 5203, 5217,
5219, 5226, 5527, 5529; 11 holes total**

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5131-5529	700 gallons 15% MRS acid
5131-5529	Foam frac with 587 bbls 5% HCl
	1.825 MMSCF Nitrogen; 20,000#
	100 mesh sand, 40,000# 20-40 sand.

33.* PRODUCTION

DATE FIRST PRODUCTION **7/17/86** PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) **Flowing** WELL STATUS (Producing or shut-in) **Shut-in**

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
7/18/86	18	3/4"	→		805	0	
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
74	432	→	0	1073	0		

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) **Vented** TEST WITNESSED BY **Ralph Snow**

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 James G. Routson TITLE **Petroleum Engineer** DATE **7/18/86**

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

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):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Castlegate	1498	1570	Tight - Water	Mesaverde	Surface	+5102
Dakota	5128	5158	Tight - gas	Castlegate	1498	+4966
Dakota	5182	5230	Tight - gas	Mancos	1634	+1583
Dakota	5243	5250	Tight - condensate	Dakota Silt	5017	+1510
Morrison	5520	5545	Tight - gas	Dakota Sand	5090	+1344
				Morrison	5256	

38. GEOLOGIC MARKERS



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
4241 State Office Building
Salt Lake City, UT 84114

DIVISION OF
OIL, GAS & MINING

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well Name & Number No. 6-16 Quinoco USA

Operator LONE MOUNTAIN PRODUCTION COMPANY Address P.O. Box 3394, Billings, MT 59103

Contractor Veco Drilling Address P.O. Box 1705, Grand Junction, CO 81502

Location SE 1/4 SE 1/4 Sec. 6 T. 17S R. 25E County Grand

Water Sands

<u>Depth</u>		<u>Volume</u>	<u>Quality</u>
From	To	Flow Rate or Head	Fresh or Salty
1.	<u>No measurable flows of water encountered.</u>		
2.	<u></u>		
3.	<u></u>		
4.	<u></u>		
5.	<u></u>		

(Continue on reverse side if necessary)

Formation Tops

Castlegate 1498, Mancos 1634, Dakota Silt 5017, Dakota Sand 5090, Morrison 5256

Remarks

- NOTE: (a) Report on this form as provided for in Rule C-20, General Rules and Regulations and Rules of Practice and Procedure.
- (b) If a water analysis has been made of the above reported zone, please forward a copy along with this form.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on
verse side)

101624

1. DATE OF EXPIRY
Expires August 31, 1985
2. LEASE DESIGNATION AND SERIAL NO.

U-38842

3. IF INDIAN, ALLOTTEE OR TRIBE NAME

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 GAS WELL OTHER

2. NAME OF OPERATOR
Lone Mountain Production Company

3. ADDRESS OF OPERATOR
P.O. Box 3394, 408 Petroleum Bld., Billings, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.
See also space 17 below.)
At surface
685' FSL, 456' FEL

14. PERMIT NO. **43-019-31226**

15. ELEVATIONS (Show whether DF, RT, OR, etc.)
6589 GL, 6600 KB

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Federal

9. WELL NO.
6-16

10. FIELD AND POOL, OR WILDCAT
Bar-X

11. SEC., T., R., E., W., OR P.R. AND SURVEY OR AREA
SE 1/4 SE 1/4 Sec. 6-T17S-R25E

12. COUNTY OR PARISH **Grand**

13. STATE **Utah**

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"/>	FILL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETION <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 type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	

(Other) **Notice of First Delivery**

(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.)*

First delivered to Southwest Gas Company through Northwest Pipeline 10/9/86 at 3:00 P.M. Verbal notification phoned to Greg Noble, BLM, Moab District Office at 9:50 A.M. on 10/10/86.

RECEIVED
OCT 14 1986
DIVISION OF
OIL, GAS & MINING

18. I hereby certify that the foregoing is true and correct
SIGNED James R. Peterson TITLE Petroleum Engineer DATE 10/10/86

(This space for Federal or State office use)
APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

LONE MOUNTAIN PRODUCTION COMPANY

P.O. BOX 3394
408 PETROLEUM BUILDING
BILLINGS, MONTANA 59103-3394
(406) 245-5077
FAX 248-6321

December 12, 1991

Bureau of Land Management
P. O. Box 970
Moab, Utah 84532

Gentlemen:

Enclosed please find, in triplicate, the **Sundry Notice Report - Temporarily Abandoned Status** for the following wells located in Grand County, Utah:

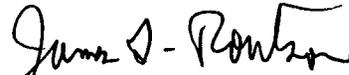
- Federal Lease U-38842
Federal No. 6-16
SE SE Sec. 6: T17S-R25E

- Federal Lease SL-064807
Bar-X Unit No. 4
NE NE Sec. 18: T17S-R26E

If you are in need of further information, please advise.

Yours very truly,

Lone Mountain Production


James G. Routson

JGR:lw

Enclosures

cc: Utah Division of Oil, Gas & Mining (duplicate)

RECEIVED

DEC 16 1991

DIVISION OF
OIL GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
(Other instructions
verse side)

Budget Bureau No. 1001-013
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.
U-38842

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Federal

9. WELL NO.

#6-16

10. FIELD AND POOL, OR WILDCAT

Bar-X

11. SEC., T., R., M., OR BLK. AND
SUBSET OR AREA

SE SE Sec. 6: T17S-R25E

12. COUNTY OR PARISH 13. STATE

Grand

Utah

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
Lone Mountain Production Company

3. ADDRESS OF OPERATOR
408 Petroleum Bldg., P.O. Box 3394, Billings, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.
See also space 17 below.)
At surface **685' FSL, 456' FEL, Section 6**

14. PERMIT NO.
43-019-31226

15. ELEVATIONS (Show whether DF, RT, OR, etc.)
6589' GL, 6600' KB

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

Temporarily abandon

X

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

(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.) *

Lone Mountain Production Company hereby requests a 1-year Temporarily Abandoned Status for this well. The well has been shut-in since September 3, 1987, with a production test in August 1988. The well cannot be produced profitably due to low gas prices and high line pressures on the Northwest Pipeline gathering system. Lone Mountain is investigating the possibility of tying this well into its' low-pressure Bar-X gathering system in mid-1992.



DEC 16 1991

DIVISION OF
OIL GAS & MINING

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

James G. Routson

SIGNED

James G. Routson

TITLE

Petroleum Engineer

DATE

12/12/91

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

LONE MOUNTAIN PRODUCTION COMPANY

P.O. BOX 3394
408 PETROLEUM BUILDING
BILLINGS, MONTANA 59103-3394
(406) 245-5077
FAX 248-6321

RECEIVED

JAN 14 1993

**DIVISION OF
OIL GAS & MINING**

January 11, 1993

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

Re: Annual Status Report
Sundry Notices
Grand County, Utah

Gentlemen:

Enclosed in triplicate are Sundry Notices for two wells located in Grand County, Utah which are currently shut in and are expected to remain so for more than the next 60 days.

Very truly yours,

Lone Mountain Production Company


James G. Routson
President

Enclosures

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

RECEIVED

JAN 14 1993

<p>DIVISION OF OIL, GAS & MINING</p> <p>SUNDRY NOTICES AND REPORTS ON WELLS</p> <p>(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>		<p>5. LEASE DESIGNATION & SERIAL NO. U-38842</p>
<p>1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER</p>		<p>7. UNIT AGREEMENT NAME</p>
<p>2. NAME OF OPERATOR Lone Mountain Production Company</p>		<p>8. FARM OR LEASE NAME Federal</p>
<p>3. ADDRESS OF OPERATOR P.O. Box 3394, Billings, MT 59103</p>		<p>9. WELL NO. No. 6-16</p>
<p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 685' FSL, 456' FEL, Sec. 6-T17S-R25E At proposed prod. zone Same</p>		<p>10. FIELD AND POOL, OR WILDCAT Bar-X</p>
<p>14. API NO. 43-019-31226</p>		<p>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 6-T17S-R25E</p>
<p>15. ELEVATIONS (Show whether DF, RT, GR, etc.) 6589 GL 6600 KB</p>		<p>12. COUNTY Grand</p>
		<p>13. STATE Utah</p>

18. 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 type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Annual Status Report</u> <input checked="" type="checkbox"/>	
(Other) <input type="checkbox"/>		(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	
APPROX. DATE WORK WILL START _____		DATE OF COMPLETION _____	

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.)

* Must be accompanied by a cement verification report.

The Federal No. 6-16 well will remain shut in until gas prices increase and a low pressure system in the area is operational, at which time an attempt will be made to establish commercial production from the well.

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

SIGNED James D. Peterson TITLE Petroleum Engineer DATE Feb. 22, 1993

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

See Instructions On Reverse Side

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN
TRIPLICATE*
(Other Instructions on
reverse side)

Form Approved.
Budget Bureau No. 1004-0135
Expires : March 31, 1993

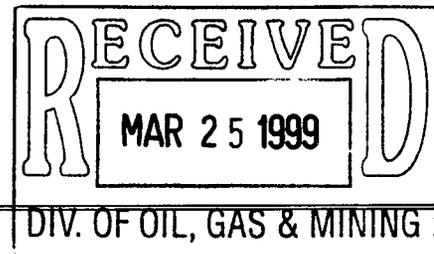
<p align="center">SUNDRY NOTICES AND REPORTS ON WELLS</p> <p align="center">Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT--" for such proposals</p> <p align="center">SUBMIT IN TRIPLICATE</p> <p>b. TYPE OF WELL</p> <table style="width:100%;"> <tr> <td>OIL WELL <input type="checkbox"/></td> <td>GAS WELL <input checked="" type="checkbox"/></td> <td>OTHER <input type="checkbox"/></td> <td>SINGLE ZONE <input type="checkbox"/></td> <td>MULTIPLE ZONE <input type="checkbox"/></td> </tr> </table> <p>2. NAME OF OPERATOR Lone Mountain Production Company</p> <p>3. ADDRESS OF OPERATOR P. O. Box 3394, Billings, Montana 59103 (406) 245-5077</p> <p>4. LOCATION OF WELL (Footage, Sec. T., R., M., or Survey Description) 685' FSL, 456' FEL Section 6-T17S-R25E (SESE)</p>	OIL WELL <input type="checkbox"/>	GAS WELL <input checked="" type="checkbox"/>	OTHER <input type="checkbox"/>	SINGLE ZONE <input type="checkbox"/>	MULTIPLE ZONE <input type="checkbox"/>	<p>5. LEASE DESIGNATION AND SERIAL NO. U-38842</p> <p>6. IF INDIAN, ALLOTEE OR TRIBE NAME</p> <p>7. IF UNIT OR CA, AGREEMENT DESIGNATION</p> <p>8. WELL NAME and No. Federal No. 6-16</p> <p>9. API WELL NO. 43-019-31226</p> <p>10. Field and Pool, or Exploratory Area Bar-X</p> <p>11. County or Parish, State Grand County, Utah</p>
OIL WELL <input type="checkbox"/>	GAS WELL <input checked="" type="checkbox"/>	OTHER <input type="checkbox"/>	SINGLE ZONE <input type="checkbox"/>	MULTIPLE ZONE <input type="checkbox"/>		

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"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input checked="" type="checkbox"/> Other <u>Request for extension of shut-in status</u>	<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 of Water <small>(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form)</small>

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

The Federal No. 6-16 is a Dakota well which is capable of commercial production but is remote and costly to operate. It is a relatively new well in an area with no ground water or corrosive gas, so mechanical integrity of the casing does not present a problem.

Last fall we flagged a potential road ROW to connect the wells we operate on top of San Arroyo with the wells we operate in San Arroyo Canyon. The existing road to the Federal No. 6-16 would be connected to the road servicing the Hancock Federal No. 2, located approximately 3/8 mile to the northeast, in the NWNW Sec 5-T17S-R25E. This road will greatly reduce winter snow plowing costs, but will also require the pumpers to drive by the Federal No. 6-16 daily, thus making it a part of our normal operations. We will pursue the new road ROW again this summer.



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

Signed: James R. Parker

Title: **President**

Date: **March 22, 1999**

(This space for Federal or State office use)

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

COPY SENT TO OPERATOR
Date: 5-4-99
Initials: CHP

APPROVED BY: _____
CONDITIONS OF APPROVAL IF ANY

TITLE: **Date:** 3-29-99

DATE: _____

By: [Signature]

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.