

LONE MOUNTAIN PRODUCTION COMPANY

P.O. Box 3394
408 Petroleum Building
Billings, Montana 59103-3394
(406) 245-5077

RECEIVED
JUL 07 1986

July 2, 1986

**DIVISION OF
OIL, GAS & MINING**

State of Utah
Division of Oil, Gas & Mining
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Attn: Ron Firth,
Associate Director
Division of Oil, Gas & Mining

Dear Ron:

Enclosed for your approval are APD's for our No.'s 17-1 and 8-10 Hancock Federal Wells (in duplicate). Attached to each APD is a Designation of Operator form from Burton W. Hancock.

If you have any questions or comments, please feel free to call.

Very truly yours,

LONE MOUNTAIN PRODUCTION COMPANY


James G. Routson

JGR:bp

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 Bldg, Billings, WY

4. LOCATION OF WELL (Report location clearly and in accordance with any State or Federal well location regulations)
 At surface: 950' FNL, 803' FEL, Section **NE NE**
 At proposed prod. zone: **NE NE**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 17 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)
 803'

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 2331'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5535 GL, 5546 KB

5. LEASE DESIGNATION AND SERIAL NO.
 U-05003

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 Federal

9. WELL NO. Hancock
 Federal No. 17-1

10. FIELD AND POOL, OR WILDCAT
 State Line

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 NE/4 NE/4
 17-17S-25E SLBM

12. COUNTY OR PARISH
 Grand

13. STATE
 Utah

16. NO. OF ACRES IN LEASE
 1006.48

17. NO. OF ACRES ASSIGNED TO THIS WELL
 160

19. PROPOSED DEPTH
 4275'

20. ROTARY OR CABLE TOOLS
 Rotary

22. APPROX. DATE WORK WILL START*
 September 14, 1986

RECEIVED
 JUL 07 1986

DIVISION OF
 OIL, GAS & MINING

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" new	24# H-40STC	300'	175 sx class G to surf.
7-7/8"	4-1/2" new	10.5# J-55LTC	4275'	175 sx RFC

- Surface formation is the Mancos.
- Anticipated geologic markers are: Dakota Silt 3606', Dakota 3680', Morrison 3810', Salt Wash 4208'.
- Gas is anticipated in the Dakota, Morrison and in the Salt Wash. 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 unless water is encountered. If water is encountered, chemical-gel type mud will be used. The well will be air drilled from under surface 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. Bouton TITLE Petroleum Eng. DATE July 2, 1986

(This space for Federal or State office use)

PERMIT NO. 43-019-31229 APPROVAL DATE APPROVED BY THE STATE

APPROVED BY _____ TITLE OF UTAH DIVISION OF

CONDITIONS OF APPROVAL, IF ANY: _____ DATE 8-4-86
 BY John R. Dupa

*See Instructions On Reverse Side WELL SPACING: 13-6 6/26/86

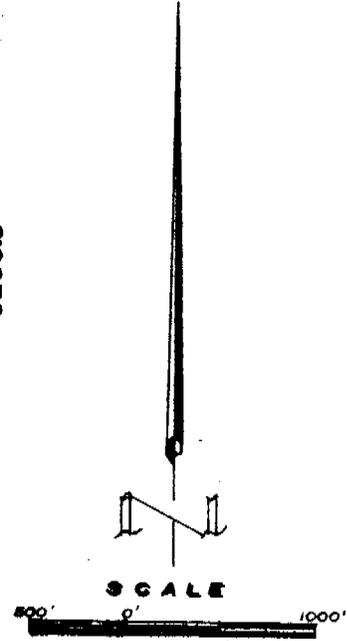
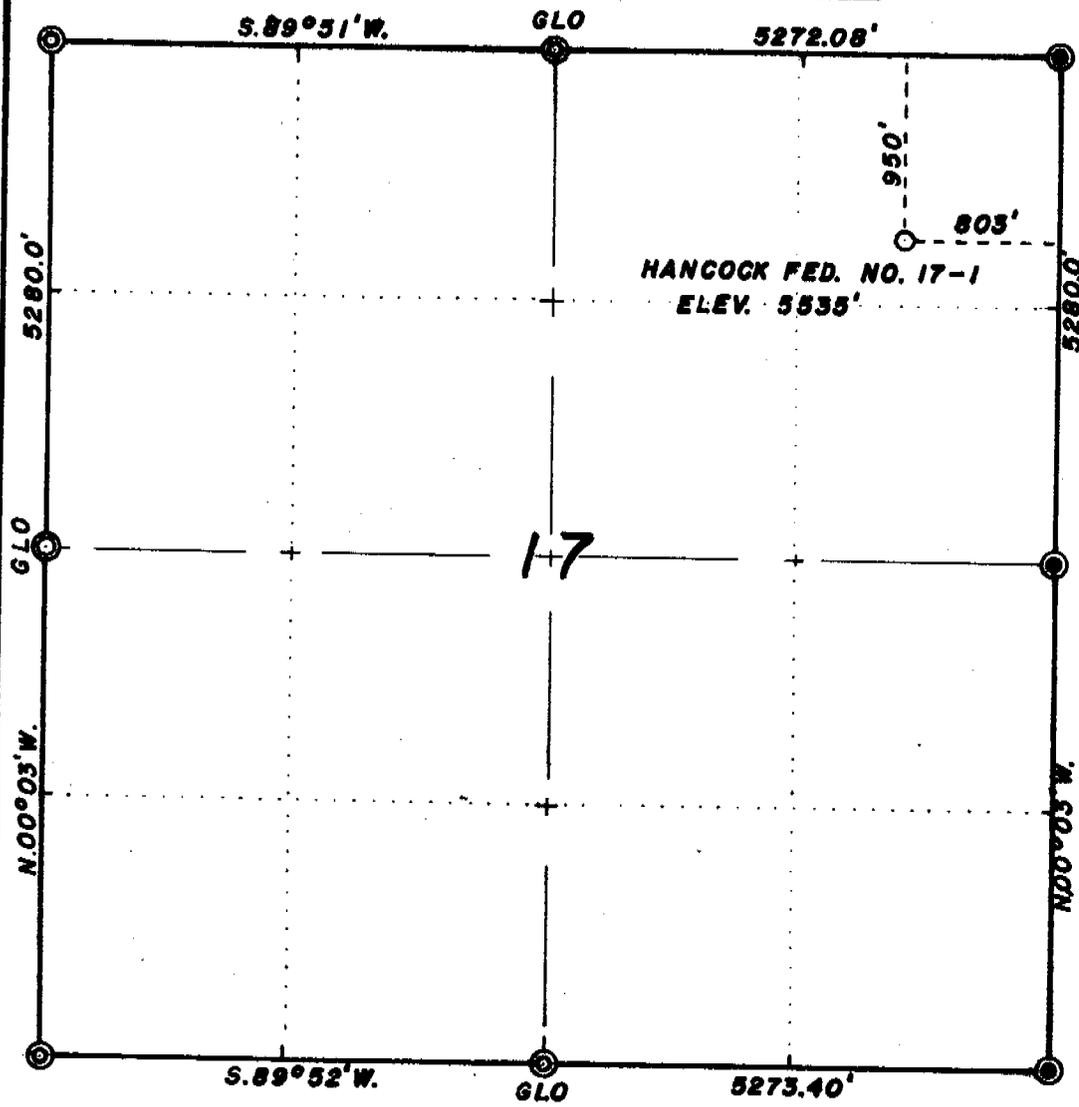
Application for Permit to Drill,
Deepen, or Plug Back
Hancock Federal No. 17-1
NE/4 NE/4 Section 17-T17S-R25E
Grand County, Utah
Lease U-05003

Page 2

7. Auxiliary equipment: See well control plan.
8. The logging program will consist of a DIL log from TD to base of surface casing, and GR-FDC-CNL logs from TD to above the Frontier. 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 September 14, 1986. Completion operations should commence within 30 days of rig release.
11. Survey plats are attached.
12. The gas is dedicated to Northwest Pipeline Corporation.
13. The spacing unit will be the NE/4 of Section 17.
14. Designation of Operator forms from Hancock to Lone Mountain Production Company are attached.
15. The well will be drilled under Hancock's bond.

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

PLAT NO. 1



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

THIS WELL LOCATION PLAT WAS PREPARED FOR BURTON W. HANGCOCK TO LOCATE THE HANGCOCK FED. NO. 17-1, 950' F.N. L. & 803' F.E. L. IN THE NE 1/4 NE 1/4, OF SECTION 17, T. 17 S., 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	6-14-88
DRAWN	6-16-88
CHECKED	6-16-88

ENERGY SURVEYS & ENGINEERING CORP.

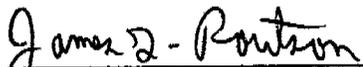
715 HORIZON DRIVE, SUITE 330
GRAND JUNCTION, CO 81501
(303) 245-7221

SCALE 1" = 1000'
JOB NO.
SHEET OF

WELL CONTROL PLAN

1. Surface Casing: 8-5/8" O.D., 24#/ft., Grade H-40, ST&C, set at 300' or deeper, cemented with pump and plug method back to the surface or bottom of cellar.
2. Casinghead Flange: 8-5/8" x 8" - 900 Series casinghead with two 2" 2000 psi L.P. Outlets.
3. Intermediate Casing: None.
4. Blowout Preventor: An 8" 3000 psig W.P. double gate hydraulic shaffer BOP (or equivalent) with drill pipe 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. 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.
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 3680' or a gradient of .272 psi/ft or less. No abnormal temperatures or hydrogen sulfide gas are anticipated.

LONE MOUNTAIN PRODUCTION COMPANY



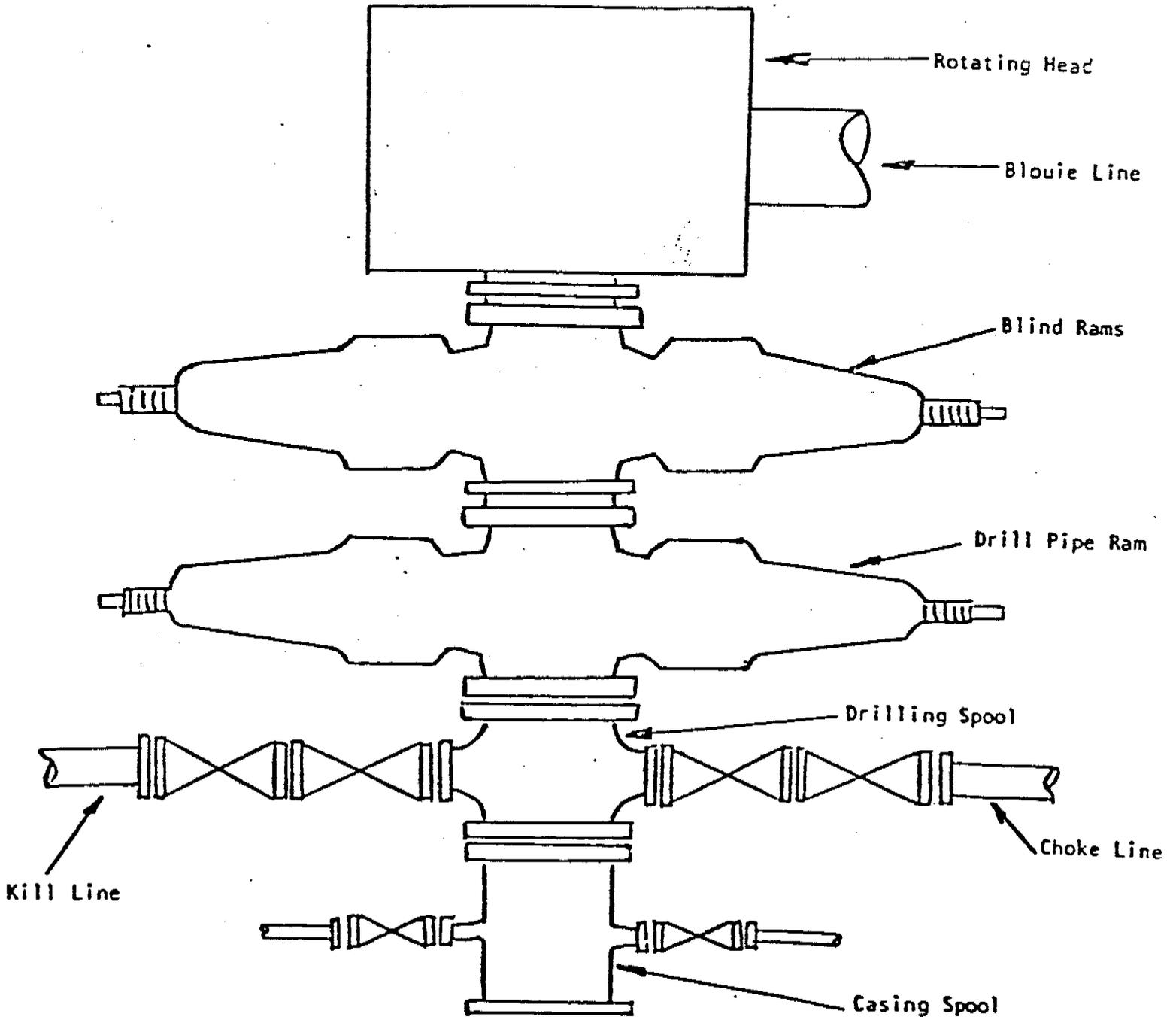
James G. Routson
Petroleum Engineer

Hancock Federal No. 17-1

SCHEMATIC OF BOP STACK

Air drilled wells using 900 series wellhead equipment.

Interval from 300' to total depth.



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

DESIGNATION OF OPERATOR

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

STATE OFFICE: Salt Lake City, Utah
SERIAL NO.: U-05003

and hereby designates

NAME: Lone Mountain Production Company
ADDRESS: Post Office Box 3394, Billings, Montana 59103

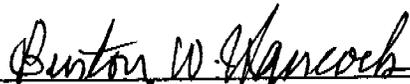
as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the authorized officer may serve written or oral instructions in securing compliance with the Operating Regulations (43 CFR 3160) with respect to (describe acreage to which this designation is applicable):

Township 17 South, Range 25 East
Section 17: NE/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 authorized officer of any change in the designated operator.



(Signature of lessee)

BURTON W. HANCOCK
1799 Hamilton Avenue
San Jose, California 95125
(Address)

June 10, 1986
(Date)

This form does not constitute an information collection as defined by 44 U.S.C. 3502 and thereto does not require OMB approval.

SURFACE USE PROGRAM

Lone Mountain Production Company
Hancock Federal No. 17-1
NE/4 NE/4, Sec. 17-T17S-R25E, S.L.M.
Grand County, Utah

1. Existing Roads

See maps #1 and #2 and Plat #1. This proposed well is located approximately 17 air miles northwest of Mack, Colorado. It is reached by going west of Mack on Old Highway 6&50 4.5 miles west to 2 road. Turn right and go 4.1 miles to the state line fence. Continue northwesterly up 2 road 5.9 miles. Turn left and go 0.9 mile past the corrals. Turn left and go west 0.5 mile to the beginning of the new road. 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

See maps #1 and #2. The 0.15 mile of new road will be constructed as Moab-BLM class 3 road. It will be necessary to bury a section of existing pipeline. This line is owned and operated by Burton W. Hancock. The pipeline will be buried 15 feet each side of the road ditches to a depth of 4 feet below the ditch bottoms. Total disturbed width will be 35 feet.

3. Location of Existing Wells

See Map #3. There are 2 producing wells, 1 temporarily abandoned well, and 1 proposed location 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.

Surface Use Program - Page 2

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 State Petroleum Engineer. After that time, application will be made for approval of permanent disposal method in compliance with 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 east and south sides of the location.

The reserve pit will be constructed along the north 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 formula supplied by the State of Utah.

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 begin by the Fall of 1986.

11. Surface Ownership

All lands involving new construction are private surface owned by Mr. Larry McIntyre. Burton W. Hancock has an agreement with Mr. McIntyre for such use.

12. Other Information

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

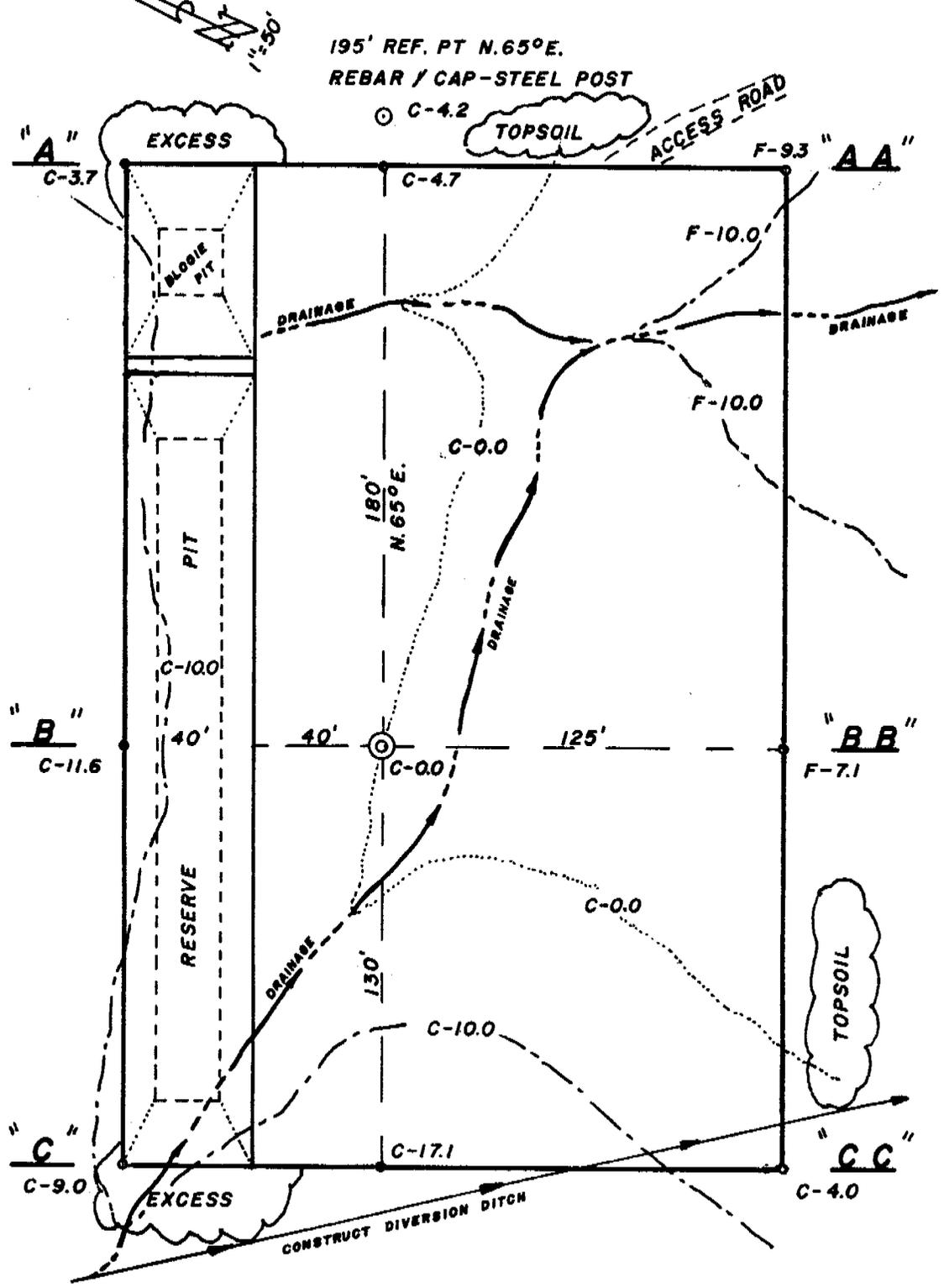
Surface Use Program - Page 4

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

July 2, 1986
Date

James G. Routson
James G. Routson

**PLAT NO. 2
PIT & PAD LAYOUT**



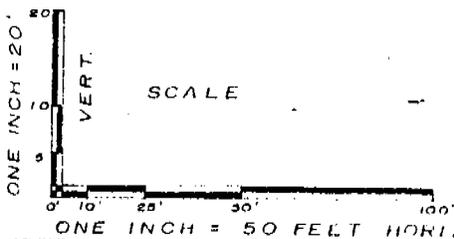
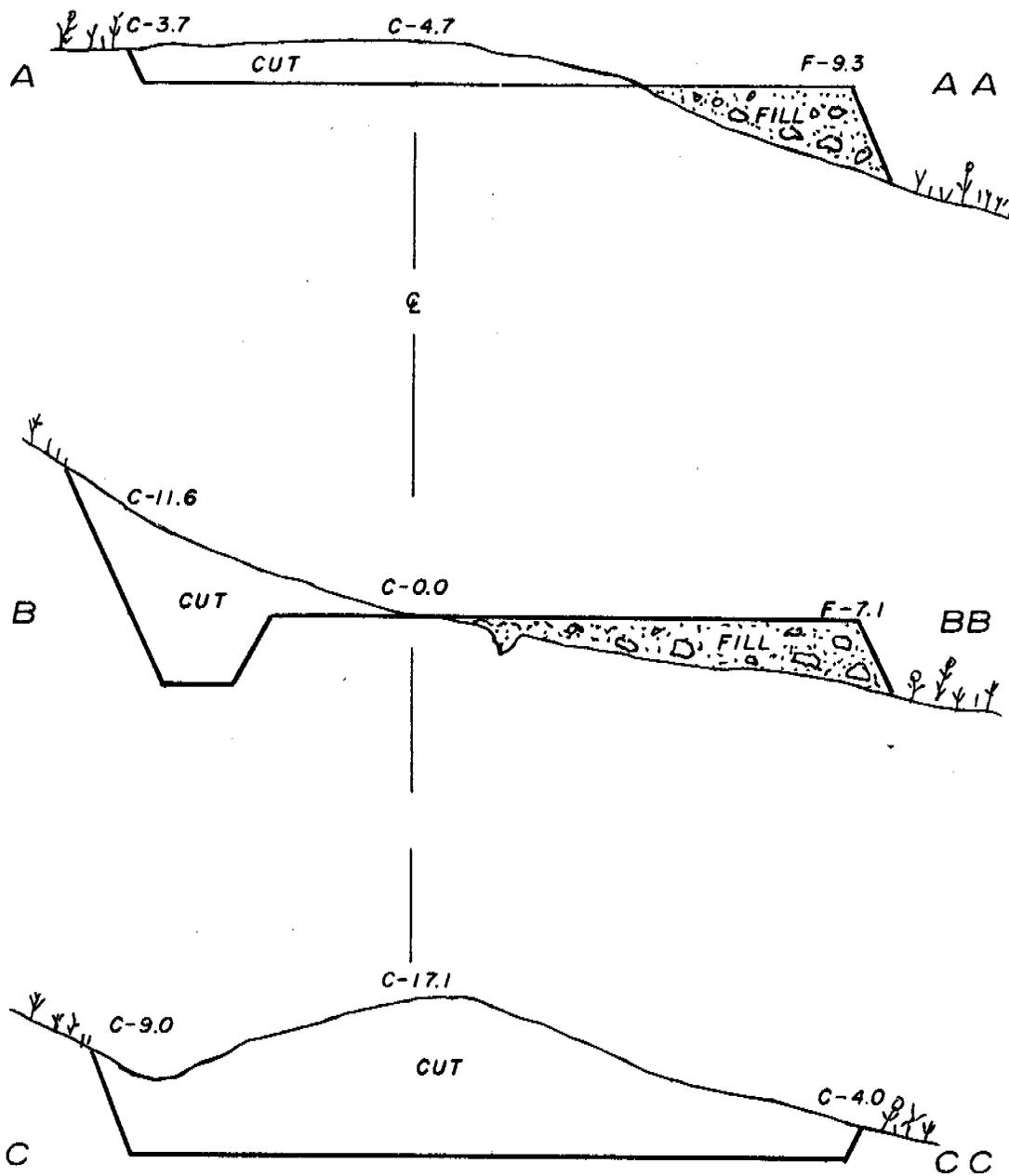
QUANTITIES

	CU. YDS.	CU. YDS.
CUT.....	6893	
FILL.....	529	
TOPSOIL.....	177	
PIT CUT.....	2378	
EXCESS.....	8765	

C-30.1 200' REF. PT. S.65°W.
REBAR / CAP-STEEL POST

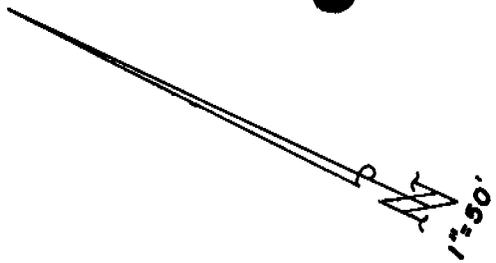
BURTON W. HANCOCK
HANCOCK FED. NO. 17-1

CROSS-SECTIONS
OF PIT & PAD
PLAT NO. 2A

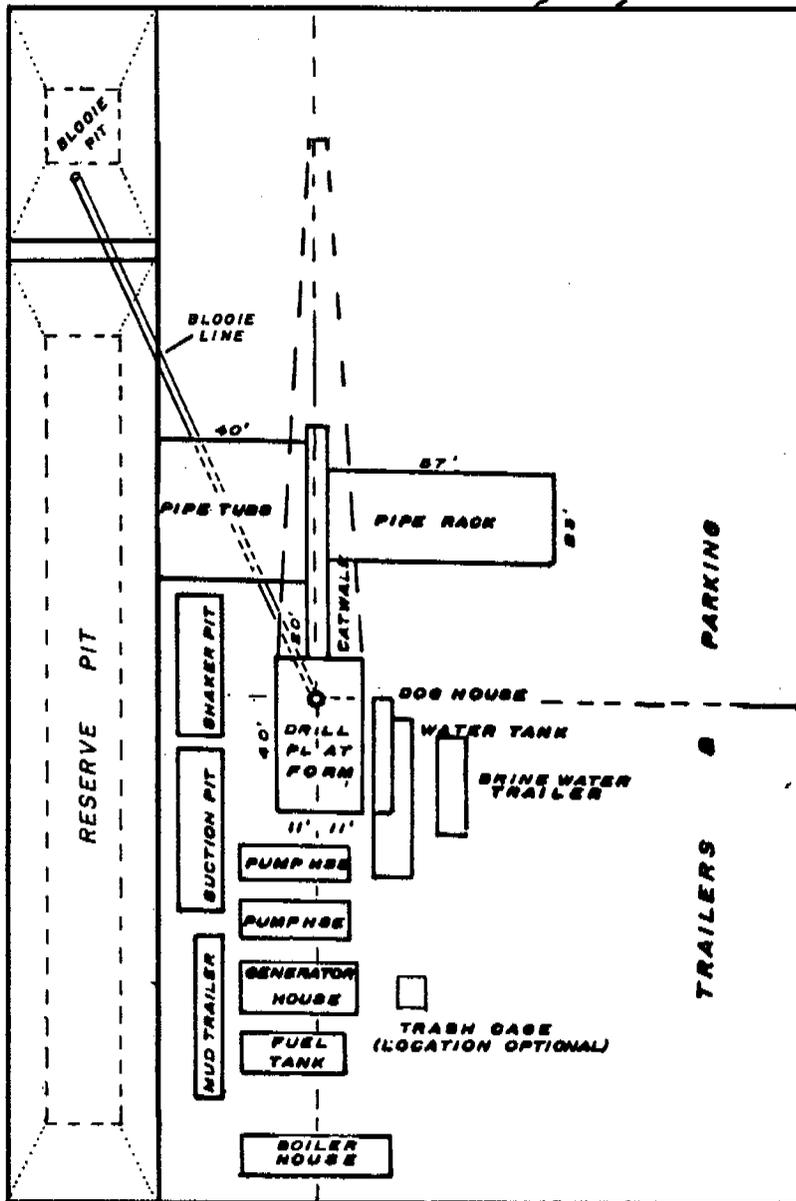


BURTON W. HANCOCK
 HANCOCK FED. NO. 17-1

RIG LAYOUT
PLAT NO. 3

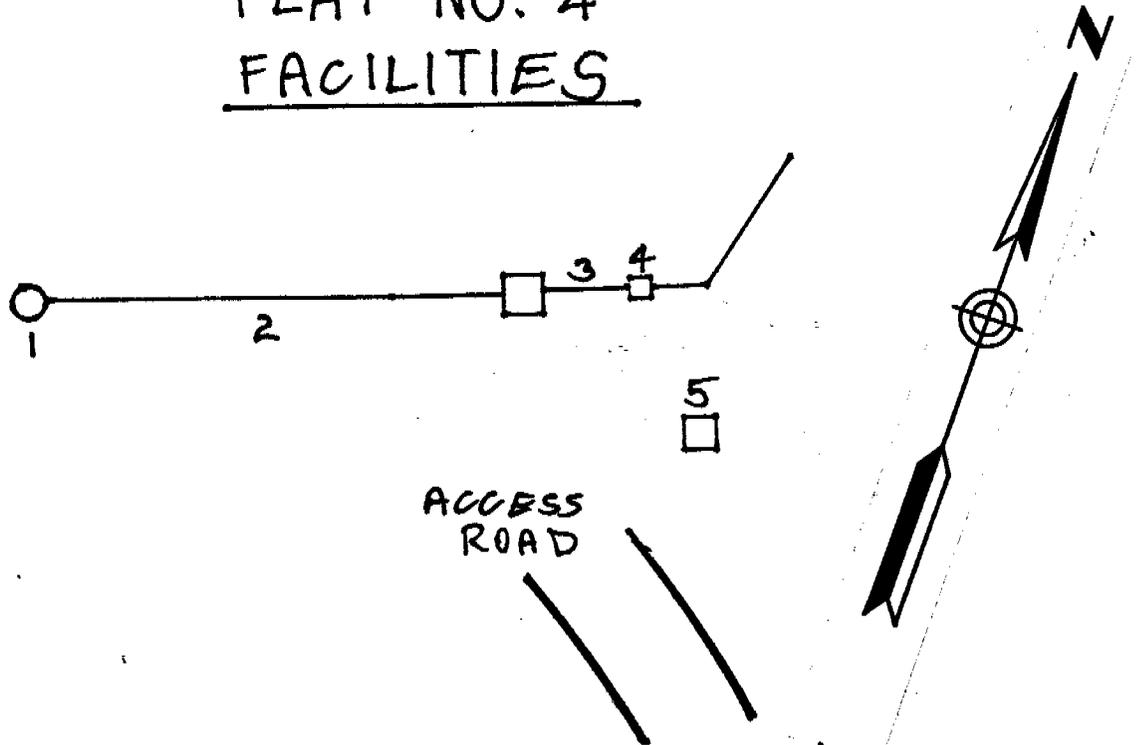


ACCESS RD.



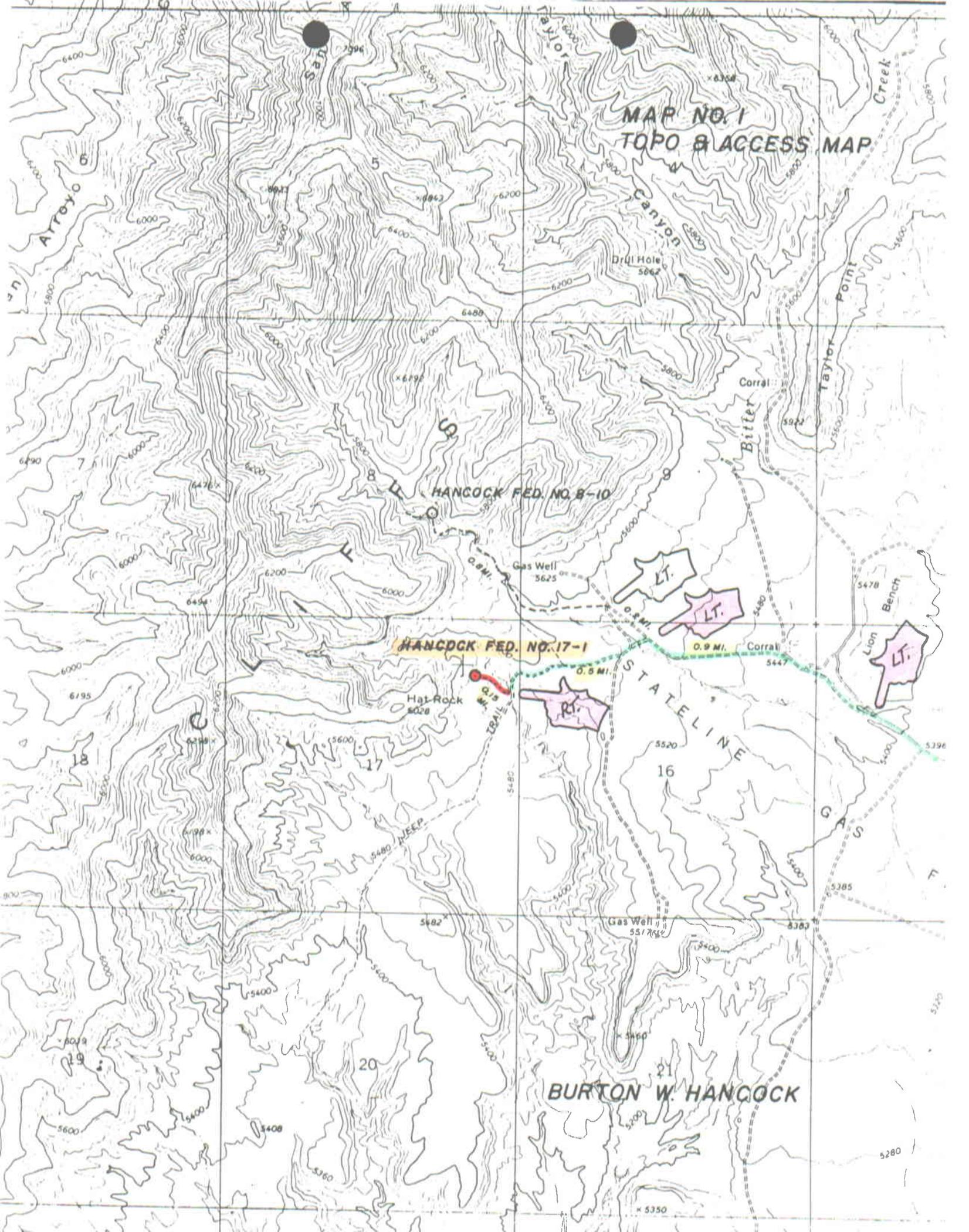
BURTON W. HANCOCK
HANCOCK FED. NO. 17-1

PLAT NO. 4
FACILITIES



1. Wellhead will be an 8-5/8" Larkin Fig. 92 or equivalent. Tubing head will be a 4 1/2" x 6"-900 Series with two 2" 3000 psi screwed 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 4" or 4.028 OD seamless, 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 will be 10'x 10', enclosed by dikes and fenced.

MAP NO. 1
TOPO & ACCESS MAP



COUNTY

MAP NO. 2 VICINITY MAP

R 24 E

100° 15'

2,880,000
C.Z.

R 26 E

SOUTH

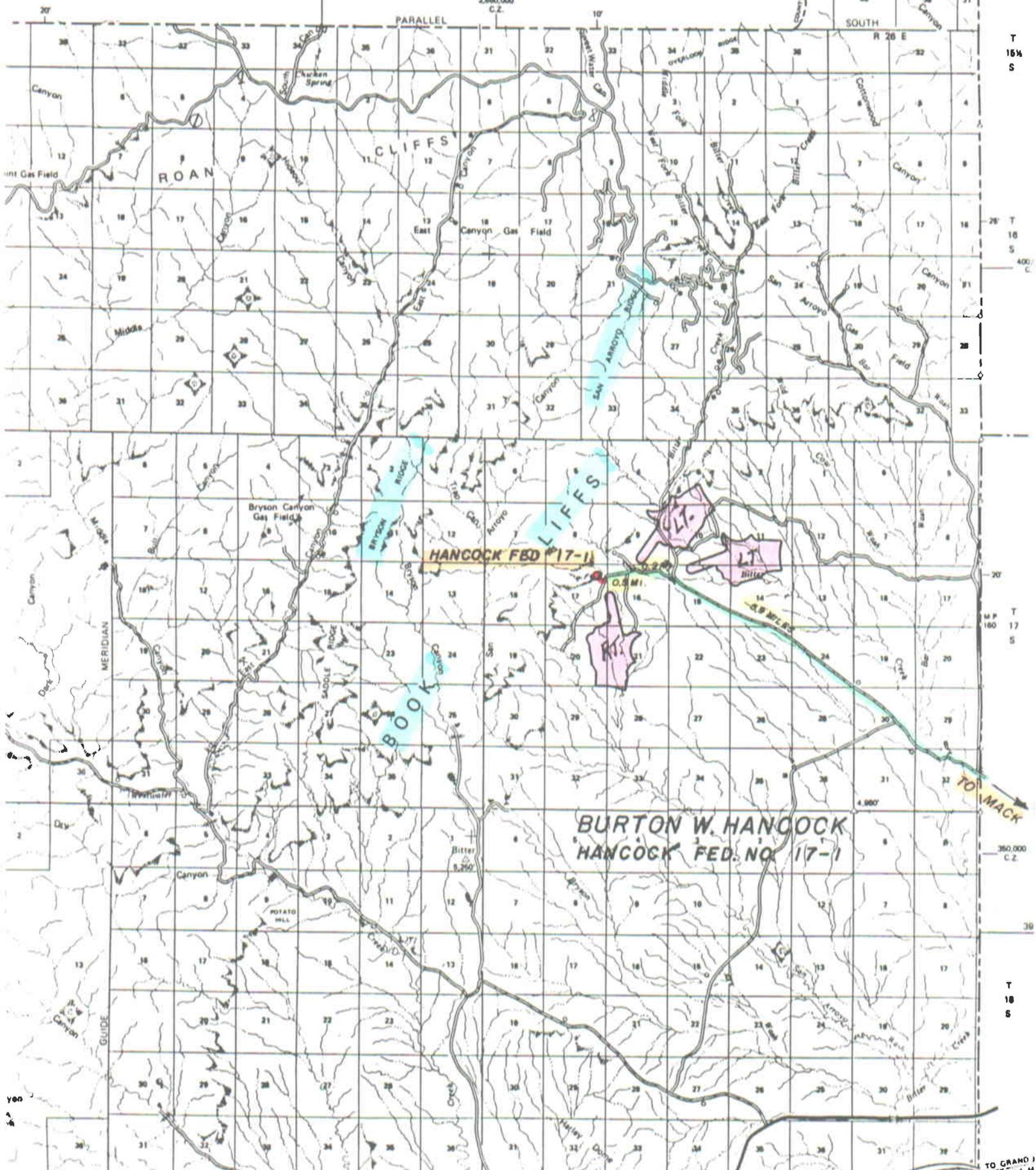
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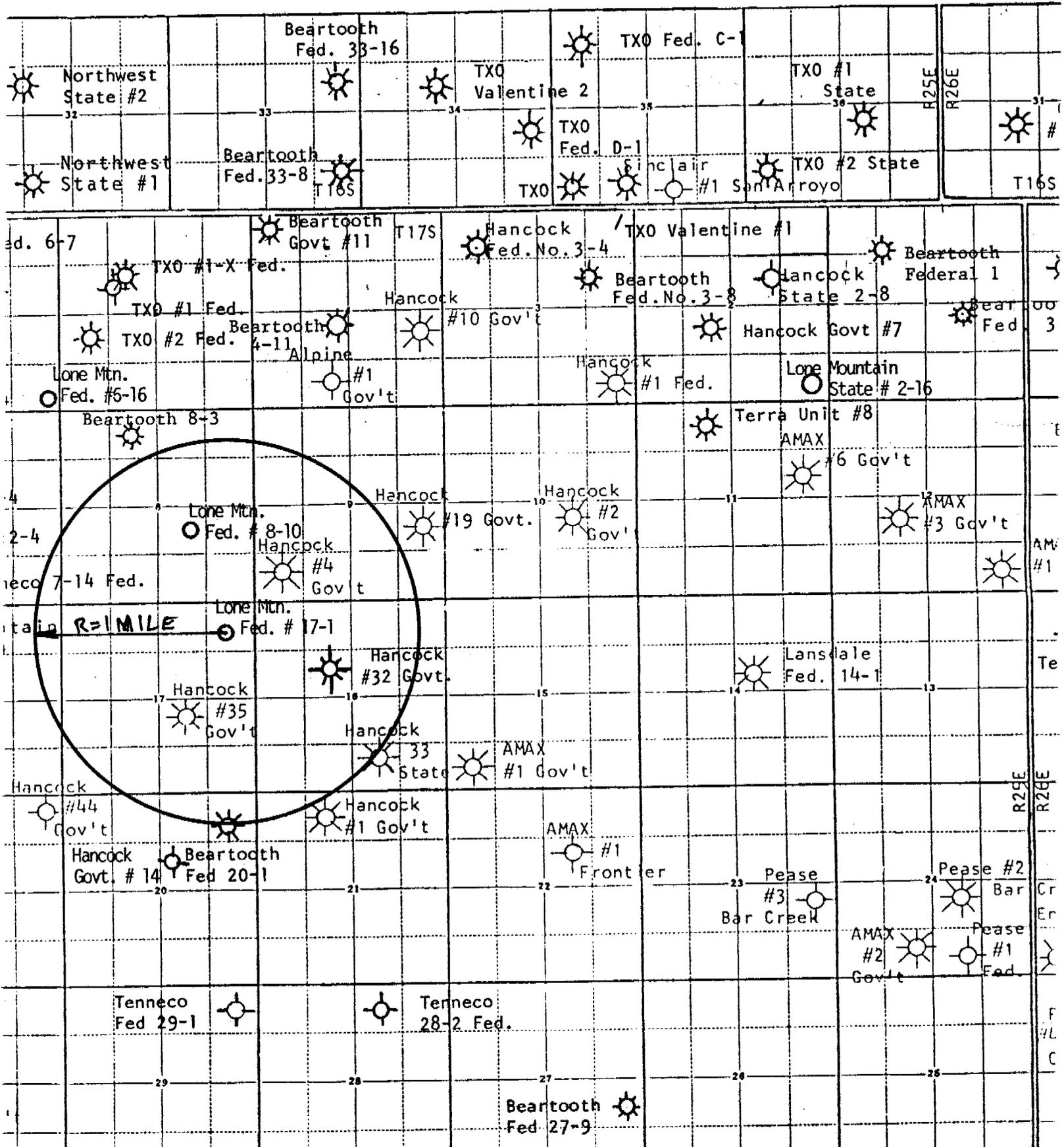
T
18
S



TO GRAND J
330 M

WELL MAP
MAP NO. 3

8S , Range 24, 25, 26E , County Grand , State Utah



080702

OPERATOR Lone Mountain Production Co. DATE 7-10-86

WELL NAME Harcok Fed. 17-1

SEC NE NE 17 T 17S R 25E COUNTY Grant

43-019-31229
API NUMBER

Fed
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

Board order ✓

Water - Mack, Co.

APPROVAL LETTER:

SPACING: 203 _____ UNIT

302

13-6 6/26/86
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

August 4, 1986

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

Gentlemen:

Re: Well Name: Hancock Federal 17-1 - NE NE Sec. 17, T. 17S, R. 25E
950' FNL, 803' FEL - Grand County, Utah

Approval to drill the referenced well is hereby granted in accordance with the Order of Cause No. 13-6 dated June 26, 1986.

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

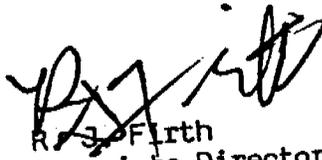
1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. 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 the 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: Hancock Federal 17-1
August 4, 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 43-019-31229.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

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

U.S.G.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT **090409**

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 Bldg, Billings, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 950' FNL, 803' FEL, Section 17
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 17 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)
 803'

16. NO. OF ACRES IN LEASE
 1006.48

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.
 2331'

19. PROPOSED DEPTH
 4275'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5535 GL, 5546 KB

22. APPROX. DATE WORK WILL START*
 September 14, 1986

5. LEASE DESIGNATION AND SERIAL NO.
 U-05003

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 API# 43.019.3029

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 Federal

9. WELL NO. Hancock
 Federal No. 17-1

10. FIELD AND POOL, OR WILDCAT
 State Line

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
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 17-17S-25E SLBM

12. COUNTY OR PARISH
 Grand

13. STATE
 Utah

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SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" new	24# H-40STC	300'	75 sx class G to surf.
7-7/8"	4-1/2" new	10.5# J-55LTC	4275'	75 sx RFC

RECEIVED
 SEP 02 1986

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 James D. Bruton TITLE Petroleum Eng. DATE July 2, 1986

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

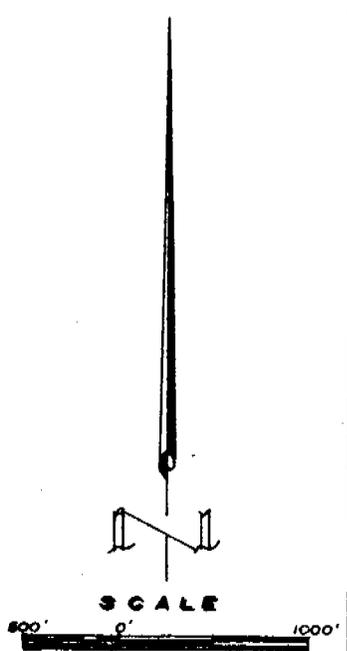
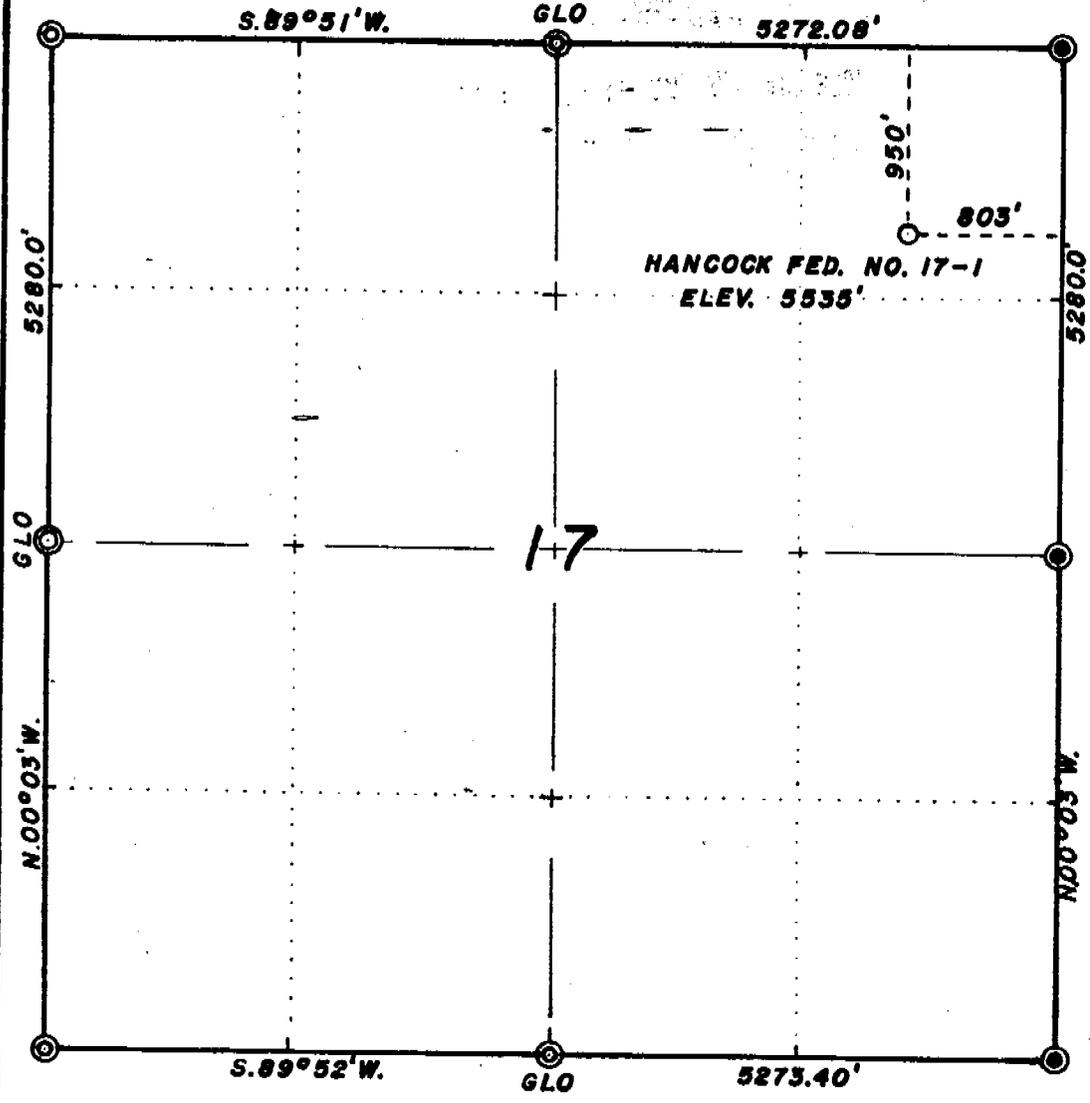
APPROVED BY /s/ GENE NODINE TITLE DISTRICT MANAGER DATE 28 AUG 1986

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

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

PLAT NO. 1



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

THIS WELL LOCATION PLAT WAS PREPARED FOR BURTON W. HANGCOCK TO LOCATE THE HANGCOCK FED. NO. 17-1, 950' F.N. L. & 803' F.E. L. IN THE NE 1/4 NE 1/4, OF SECTION 17, T. 17S., R. 25E 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	6-14-88
DRAWN	6-18-88
CHECKED	6-16-88

ENERGY SURVEYS & ENGINEERING CORP.
 715 HORIZON DRIVE, SUITE 530
 GRAND JUNCTION, CO 81501
 (303) 246-7221

SCALE 1" = 1000'
 JOB NO.
 SHEET OF

Lone Mountain Production Company
Well No. Hancock Federal 17-1
Sec. 17, T. 17 S., R. 25 E.
Grand County, Utah
Lease U-05003

CONDITIONS OF APPROVAL

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

1. The approved permit does not guarantee the operator access across private land.
2. The site will be rehabilitated to the Bureau of Land Management's standards and the seed mixture will be supplied by the Bureau as per the private land owner's request.
3. 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.

4. The following seed mixture will be used.

Species

Grasses

lbs/acre

Agropyron cristatum	Crested wheatgrass (Fairway crested wheatgrass)	1
Hilaria jamesii	Galleta (Curlygrass)	1
Oryzopsis hymenoides	Indian ricegrass	1
Sporobolus cryptandrus	Sand dropseed	1

Shrubs

Eurotia lanata	Winterfat (Whitesage)	2
Atriplex canescens	Fuorwing saltbush	2

8 lbs/acre

Broadcast weed will be applied at double the above rate.

Your contact with the Grand Resource Area Office is:

Jeff Robbins

Office Phone: (801) 259-8193

Home Phone: (801) 259-7964

Area Office Address:

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

Your contact with the District Office is:

Greg Noble, Petroleum Engineer

Office Phone: (801) 259-6111

Home Phone: (801) 259-8811

_____, Petroleum Engineer

Office Phone: _____

Home Phone: _____

Address:

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

Your contact with the Grand Resource Area Office is:

Jeff Robbins, Natural Resource Specialist

Office Phone: (801) 259-8193

Home Phone: (801) 259-7964

Address:

Old Sand Flat Road, P.O. Box M
Moab, Utah 84532

8/26/86

DRILLING PROGNOSIS

Hancock Federal No. 17-1
NE/4 NE/4 (950' FNL, 803' FEL) Sec. 17-T17S-R25E
Hancock 1986 Prospect
Grand County, Utah

Elevations: 5535 GL
5546 KB

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Mancos	Surface	
Dakota Silt	3606	+1940
Dakota	3680	+1866
Morrison	3810	+1736
Salt Wash	4208	+1338
Total Depth	4275	+1271

RECEIVED
SEP 02 1986

DIVISION OF
OIL & GAS MINING

CONTRACTOR

Name Shelby Drilling, Inc.
Address 5350 S. Roslyn, Suite 300, Englewood, Colorado 80111
Office Phone 303/740-2200
Rig No. 11 Toolpusher Dwight Fowler
Home Phone 303/858-1379 Mobile or Rig Phone _____

WELL SITE GEOLOGIST

Name Rocky Mountain Geo-Engineering (Cush Copeland)
Address 2450 Industrial Blvd., Grand Junction, CO 81505
Office Phone 303-243-3044 Home Phone 303-245-6718

Geologist will be on location in sufficient time to be oriented prior to drilling of the Dakota Silt. Geologist will make a written sample description and prepare a drilling time log from 3300' to TD. Geologist will make daily phone calls to Lone Mountain Production Company's office by 8:00 A.M. Mountain Time. When shows are encountered, a representative of Lone Mountain Production Company will be contacted.

SAMPLES

30 ' samples under surface to 3300'.

10 ' samples from 3300' to TD.

Shorter intervals at discretion of well site Geologist.

A set of samples will be delivered or sent to Saved by wellsite geologist for one year.

DRILL STEM TESTING

No DST will be run.

Any gas encountered will be measured using a flow proper at the end of a two-inch line which is tied to BOP below the pipe rams.

Flare to be burning at end of blowie line at all times.

DRILLING PROGRAM

Hole Size	Casing Program			
	Size	Weight	Depth	Cement
12 $\frac{1}{4}$ to 300'	8 5/8 "	24# LS #	300'	175 sx G
7-7/8" to TD	4 $\frac{1}{2}$ "	10.5# J-55 #	4275'	175 sx REC
_____ to _____	_____ "	_____ #	_____'	_____

MUD PROGRAM

Type	Depth		Characteristics			
	From	To	Weight	Visc.	% Oil	W.L.
Air or Mist	0	300'	-	-	-	-
Air	300'	TD	-	-	-	-
At TD	-	-	8.7	40	0	15

CONTRACT DEPTH

4275 feet.

STRAP-OUT

Contractor to strap pipe prior to any coring, testing, logging or before reaching the depth of 3500 feet.

DEVIATION SPECIFICATIONS

Surface pipe set with 1° or less.

Maximum change of 1° per 100', not to exceed 10° at TD.

TESTING B.O.P.

Test to 1000 psig before drilling shoe joint on SFC casing.

Work pipe rams daily, blind rams on trips.

LOGGING PROGRAM

GR-SP-DIL: TD to base of surface casing

GR-FDC-CNL: TD to 500' above the Dakota Silt

LONE MOUNTAIN PRODUCTION COMPANY'S REPRESENTATIVES

Office: P.O. Box 3394
408 Petroleum Building
Billings, Montana 59103

Office Phone: 406/245-5077

Wellsite: Glen Ross
P.O. Box 703
Salem, Utah 84653

Home Phone: 801-423-2564
Home Phone: _____

Jim Routson

Home Phone: 406-245-8797

Tom Hauptman

Home Phone: 406-652-4729

Tom Hauptman

Denver Home Phone: 303-377-7450

Bonnie Paul

Home Phone: 406-665-1775

DISTRIBUTION OF WELL INFORMATION

Attached is a list of participants' addresses and telephone numbers, together with the number of copies of all well information to be received by each.

The Geologist and Company Man will have the service companies make direct distribution of material when possible.

REPORTS REQUIRED

- 1) Copy of daily drilling report.
- 2) Copy of drilling time charts (Geograph Charts).
- 3) Deviation charts

Contractor or Company Man will make daily phone calls to Lone Mountain Production Company's office by 8:00 A.M., Mountain Time, during regular office hours or to Lone Mountain Production Company's representative as shown above.

P A R T I C I P A N T S

Hancock Federal No. 17-1

<u>Name and Address</u>	<u>Office Phone</u>	<u>After Hrs Contact</u>	<u>Home Phone</u>
LONE MOUNTAIN PRODUCTION COMPANY P.O. Box 3394 Billings, MT 59103	406/245-5077	James G. Routson Thomas M. Hauptman	406/245-8797 406/652-4729
BURTON W. HANCOCK 1799 Hamilton Avenue San Jose, CA 95125	408/264-3114	Sharon McCray	408/370-2394
Robert C. Balsam P.O. Box 1324 Billings, MT 59103	406/259-1837	Robert C. Balsam	
Bryson Canyon Partnership #2 c/o Cranston & Wright Broadwater & 5th St. West Billings, MT 59101	406/245-0880	R. Dean Wright	406/656-6747
William H. Buniger P.O. Box 37 Loma, CO 81524	303/858-7377	William H. Buniger	None
J & L Oil & Gas, Inc. (86-H) James E. Hauptman 449 Hart Albin Building Billings, MT 59103	406/252-3663	James E. Hauptman	406/252-5750
T.H. McElvain Properties 220 Shelby Street P.O. Box 2148 Santa Fe, NM 87504	505/982-1935	George B. Broome or	505/757-6332 505/983-7115
Montana & Wyoming Oil Company P.O. Box 1324 Billings, MT 59103	406/259-1837	Robert C. Balsam	
Jack C. Routson 1315 Canby Laramie, WY 82070		Jack C. Routson	307/742-6903
Cima Partners 1985-1 c/o Cima Resources, Inc. Pier 33 San Francisco, CA 94111	415/398-6366	Prentice C. Hale	415/771/7677
Harold B. Holden P.O. Box 1743 Billings, MT 59103	406/248-6655	John Hauptman	406/245-8564
Dennis D. Mines 66 Missouri Valley Road Shoshoni, WY 82649	307/856-3004	Dennis D. Mines	307/856-5185
Dr. Brian Gamble 20 Victoria Avenue Chatham, Ontario CANADA N7M, 2Z6	406/248-6655	John Hauptman	406/245-8564

Participants - Page 2

Pat M. Griffith 126 West 87th New York City, NY 10024	303/791-2511	W. W. Griffith	303/771-4122
Ajax Oil Company Harold B. Holden, Pres. P.O. Box 1584 Billings, MT 59103	406/248-6655	John Hauptman	406/245-8564
Waldo L. and Rachel J. McIntosh 717 12th Street Rawlins, WY 82301		Waldo L. McIntosh	307/328-0115
W. Marcus and Eva F. Abernethy Route 8, Box 1284 Hickory, NC 28602	704/324-7844	Marcus Abernethy	
James H. Erfurdt 6035 West Mansfield No. 248 Denver, CO 80235	303/671-8861	Vic Damon	
Richard Alan and Tamara Raye Lowrie 6433 Redstone Circle Colorado Springs, CO 80919	303/671-8861	Vic Damon	
David B. Ashworth 1675 24th Street Ogden, UT 84401		David B. Ashworth	801/621-7126
Michael R. Ashworth 2819 West 1600 North Clinton, UT 84015		Michael R. Ashworth	801/825-5985
Peter P. Ashworth 2819 West 1600 North Clinton, UT 84015		Peter P. Ashworth	801/225-6115
Penelope Ashworth 108 Terrace Drive Big Pine, CA 93513		Penelope Ashworth	619/938-2763
Stephen S. Ashworth 25419 N.E. 65th Avenue Battle Ground, WA 98604		Stephen S. Ashworth	206/687-1040
Timothy A. Ashworth, Tr. Timothy A. Ashworth Trust 12910 N.E. 31st Street Vancouver, WA 98662		Timothy A. Ashworth	206/892-3720
Tanya Hainsworth East 1923 34th Spokane, WA 99203		Tanya Hainsworth	509/534-9607
Allesandra Ingle c/o Rustic Insurance P.O. Box 1250 Arcadia, CA 91006	818/286-6843	Allesandra Ingle	
Victoria Rogers 8349 Haskell Avenue Sepulveda, CA 91343		Victoria Rogers	818/892-5085

Participants - Page 3

Carol E. Hancock &
Estate of Merit N. Hancock
2516 Westgate Avenue
San Jose, CA 95125

Carol E. Hancock 408/266-6504

James and
Lorraine G. Wade
5133 Gientree Drive
San Jose, CA 95129

James Wade 408/252-4528

American Insurance
and Investment
Don F. Bradshaw
450 South 900 East
Suite 200
Salt Lake City, UT 84102

801/364-3434 Don F. Bradshaw

First Interstate
Bank of Utah
Berenice J. Bradshaw
Marital Trust
Post Office Box 30169
Salt Lake City, UT 84142

801/350-7139 Dean Mansfield

First Interstate
Bank of Utah
Franklin J. Bradshaw
Family Trust
Post Office Box 30169
Salt Lake City, UT 84142

801/350-7139 Dean Mansfield

Estate of Henry C. Goodman
Mrs. Garland G. Goodman
301 South Tenth East
Salt Lake City, UT 84102

Garland G. Goodman 801/364-6967

DISTRIBUTION OF WELL INFORMATION

Hancock Federal No. 17-1

Name & Address	Open Hole Logs		Cased Hole Logs	Core, Fluid Analysis DST Charts	Geol. Report	Permit, Forms Prognosis
	Field	Final				
LONE MOUNTAIN PRODUCTION COMPANY P.O. Box 3394 Billings, MT 59103	2	2	3	3	3	2
BURTON W. HANCOCK 1799 Hamilton Avenue San Jose, CA 95125	1	1	1	1	1	1
Robert C. Balsam P.O. Box 1324 Billings, MT 59103		1	1		1	1
Bryson Canyon Partnership No. 2 c/o Cranston & Wright Broadwater & 5th St. West Billings, MT 59101						1
William H. Buniger P.O. Box 37 Loma, CO 81524		1	1		1	1
J & L Oil & Gas, Inc.(86-H) James E. Hauptman 449 Hart Albin Building Billings, MT 59103	2	2	2		2	2
T.H. McElvain Properties 220 Shelby Street P.O. Box 2148 Santa Fe, NM 87504	3	3	3		3	3
Montana & Wyoming Oil Company P.O. Box 1324 Billings, MT 59103						
Jack C. Routson 1315 Canby Laramie, WY 82070		1	1		1	1
Cima Partners 1985-1 c/o Cima Resources, Inc. Pier 33 San Francisco, CA 94111	1	1	1		1	1
Harold B. Holden P.O. Box 1743 Billings, MT 59103		1	1		1	1
Dennis D. Mines 66 Missouri Valley Road Shoshoni, WY 82649		1	1		1	1
Dr. Brian Gamble 20 Victoria Avenue Chatham, Ontario CANADA N7M, 2Z6						1

Well Distribution Information - Page 2

<u>Name & Address</u>	<u>Open Hole Logs</u>		<u>Cased Hole Logs</u>	<u>Core, Fluid Analysis DST Charts</u>	<u>Geol. Report</u>	<u>Permit, Forms Prognosis</u>
	<u>Field</u>	<u>Final</u>				
Pat M. Griffith 126 West 87th New York City, NY 10024		1	1		1	1
Ajax Oil Company Harold B. Holden, Pres. P.O. Box 1584 Billings, MT 59103						
Waldo L. and Rachel J. McIntosh 717 12th Street Rawlins, WY 82301		1	1		1	1
W. Marcus and Eva F. Abernethy Route 8, Box 1284 Hickory, NC 28602						1
James H. Erfurdt 6035 West Mansfield No. 248 Denver, CO 80235						
Richard Alan and Tamara Raye Lowrie 6433 Redstone Circle Colorado Springs, CO 80919		1	1		1	1
David B. Ashworth 1675 24th Street Ogden, UT 84401						1
Michael R. Ashworth 2819 West 1600 North Clinton, UT 84015						1
Peter P. Ashworth 2819 West 1600 North Clinton, UT 84015						1
Penelope Ashworth 108 Terrace Drive Big Pine, CA 93513						1
Stephen S. Ashworth 25419 N.E. 65th Avenue Battle Ground, WA 98604						1
Timothy A. Ashworth, Tr. Timothy A. Ashworth Trust 12910 N.E. 31st Street Vancouver, WA 98662						1
Tanya Hainsworth East 1923 34th Spokane, WA 99203						1
Allesandra Ingle c/o Rustic Insurance P.O. Box 1250 Arcadia, CA 91006						1
Victoria Rogers 8349 Haskell Avenue Sepulveda, CA 91343						1

Well Distribution Information - Page 3

<u>Name & Address</u>	<u>Open Hole</u> <u>Logs</u>		<u>Cased</u> <u>Hole</u> <u>Logs</u>	<u>Core, Fluid</u> <u>Analysis</u> <u>DST Charts</u>		<u>Geol.</u> <u>Report</u>	<u>Permit,</u> <u>Forms</u> <u>Prognosis</u>
	<u>Field</u>	<u>Final</u>					
Carol E. Hancock & Estate of Merit N. Hancock 2516 Westgate Avenue San Jose, CA 95125						1	
James and Lorraine G. Wade 5133 Glentree Drive San Jose, CA 95129						1	
American Insurance and Investment Don F. Bradshaw 450 South 900 East Suite 200 Salt Lake City, UT 84102						1	
First Interstate Bank of Utah Post Office Box 30169 Salt Lake City, UT 84142 Attn: Dean Mansfield		1	1			1	1
Estate of Henry C. Goodman Mrs. Garland G. Goodman 301 South Tenth East Salt Lake City, UT 84102		1	1			1	1
Burkhalter Engineering ATTN: Ralph Snow Suite 330 715 Horizon Drive Grand Junction, CO 81501	1		1				
Bureau of Land Management Box 970 Moab, UT 84532	2	2	2	2		2	2
Div. of Oil, Gas & Mining 3 Triad Center, Suite 350 Salt Lake City, UT 84180	1	1	1	1		1	1
	<u>13</u>	<u>22</u>	<u>24</u>	<u>7</u>		<u>23</u>	<u>37</u>

8/26/86

DRILLING PROGNOSIS

Hancock Federal No. 8-10
NW/4 SE/4 (1900' FSL, 1637' FEL), Sec. 8-T17S-R25E
Hancock 1986 Prospect
Grand County, Utah

Elevations: 5679 GL
5690 KB

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Mesaverde	Surface	
Castlegate	440	+5250
Mancos	580	+5110
Dakota Silt	3900	+1790
Dakota	3976	+1714
Morrison	4152	+1538
Salt Wash	4510	+1180
Total Depth	4570	+1120

RECEIVED
SEP 02 1986

**DIVISION OF
OIL, GAS & MINING**

CONTRACTOR

Name Shelby Drilling, Inc.
Address 5350 S. Roslyn, Suite 300, Englewood, Colorado 80111
Office Phone 303/740-2200
Rig No. 11 Toolpusher Dwight Fowler
Home Phone 303/858-1379 Mobile or Rig Phone _____

WELL SITE GEOLOGIST

Name Rocky Mountain Geo-Engineering (Cush Copeland)
Address 2450 Industrial Blvd., Grand Junction, CO 81505
Office Phone 303-243-3044 Home Phone 303-245-6718

Geologist will be on location in sufficient time to be oriented prior to drilling of the Dakota Silt. Geologist will make a written sample description and prepare a drilling time log from 3600 to TD. Geologist will make daily phone calls to Lone Mountain Production Company's office by 8:00 A.M. Mountain Time. When shows are encountered, a representative of Lone Mountain Production Company will be contacted.

SAMPLES

30 ' samples under surface to 3600.
10 ' samples from 3600 to TD.

Shorter intervals at discretion of well site Geologist.

A set of samples will be delivered or sent to Saved by wellsite Geologist
for one year.

DRILL STEM TESTING

No DST will be run.

Any gas encountered will be measured using a flow proper at the end of a two-inch line which is tied to BOP below the pipe rams.

Flare to be burning at end of blowie line at all times.

DRILLING PROGRAM

Hole Size	Casing Program			
	Size	Weight	Depth	Cement
<u>12 1/4</u> to <u>300'</u>	<u>8 5/8</u> "	<u>24#LS</u> #	<u>400'</u> '	<u>225 sx G</u>
<u>7 7/8"</u> to <u>TD</u>	<u>4 1/2</u> "	<u>10.5# J-55</u> #	<u>4570</u> '	<u>175 sx RFC</u>
<u> </u> to <u> </u>	<u> </u> "	<u> </u> #	<u> </u> '	<u> </u>

MUD PROGRAM

Type	Depth		Characteristics			
	From	To	Weight	Visc.	% Oil	W.L.
Air or Mist	0	400'	-	-	-	-
Air	400	TD	-	-	-	-
At TD	-	-	8.7	40	0	15

CONTRACT DEPTH

4570 feet.

STRAP-OUT

Contractor to strap pipe prior to any coring, testing, logging or before reaching the depth of 3800 feet.

DEVIATION SPECIFICATIONS

Surface pipe set with 1° or less.
Maximum change of 1° per 100', not to exceed 10° at TD.

TESTING B.O.P.

Test to 1000psig before drilling shoe jt on SFC casing.
Work pipe rams daily, blind rams on trips.

LOGGING PROGRAM

GR-SP-DIL: TD to base of surface casing

GR-FDC-CNL: TD to 500' above Dakota Silt and cased hole GR-CNL from 600' to surface.

LONE MOUNTAIN PRODUCTION COMPANY'S REPRESENTATIVES

Office: P.O. Box 3394
408 Petroleum Building
Billings, Montana 59103

Office Phone: 406/245-5077

Wellsite: Glen Ross
P.O. Box 703
Salem, Utah 84653

Home Phone: 801-423-2564

Jim Routson

Home Phone: 406-245-8797

Tom Hauptman

Home Phone: 406-652-4729

Tom Hauptman

Denver Home Phone: 303-377-7450

Bonnie Paul

Home Phone: 406-665-1775

DISTRIBUTION OF WELL INFORMATION

Attached is a list of participants' addresses and telephone numbers, together with the number of copies of all well information to be received by each.

The Geologist and Company Man will have the service companies make direct distribution of material when possible.

REPORTS REQUIRED

- 1) Copy of daily drilling report.
- 2) Copy of drilling time charts (Geograph Charts).
- 3) Deviation charts

Contractor or Company Man will make daily phone calls to Lone Mountain Production Company's office by 8:00 A.M., Mountain Time, during regular office hours or to Lone Mountain Production Company's representative as shown above.

P A R T I C I P A N T S

Hancock Federal No. 8-10

<u>Name and Address</u>	<u>Office Phone</u>	<u>After Hrs Contact</u>	<u>Home Phone</u>
LONE MOUNTAIN PRODUCTION COMPANY P.O. Box 3394 Billings, MT 59103	406/245-5077	James G. Routson Thomas M. Hauptman	406/245-8797 406/652-4729
BURTON W. HANCOCK 1799 Hamilton Avenue San Jose, CA 95125	408/264-3114	Sharon McCray	408/370-2394
Robert C. Balsam P.O. Box 1324 Billings, MT 59103	406/259-1837	Robert C. Balsam	
Bryson Canyon Partnership #2 c/o Cranston & Wright Broadwater & 5th St. West Billings, MT 59101	406/245-0880	R. Dean Wright	406/656-6747
William H. Buniger P.O. Box 37 Loma, CO 81524	303/858-7377	William H. Buniger	None
J & L Oil & Gas, Inc. (86-H) James E. Hauptman 449 Hart Albin Building Billings, MT 59103	406/252-3663	James E. Hauptman	406/252-5750
T.H. McElvain Properties 220 Shelby Street P.O. Box 2148 Santa Fe, NM 87504	505/982-1935	George B. Broome or	505/757-6332 505/983-7115
Montana & Wyoming Oil Company P.O. Box 1324 Billings, MT 59103	406/259-1837	Robert C. Balsam	
Jack C. Routson 1315 Canby Laramie, WY 82070		Jack C. Routson	307/742-6903
Cima Partners 1985-1 c/o Cima Resources, Inc. Pier 33 San Francisco, CA 94111	415/398-6366	Prentice C. Hale	415/771/7677
Harold B. Holden P.O. Box 1743 Billings, MT 59103	406/248-6655	John Hauptman	406/245-8564
Dennis D. Mines 66 Missouri Valley Road Shoshoni, WY 82649	307/856-3004	Dennis D. Mines	307/856-5185
Dr. Brian Gamble 20 Victoria Avenue Chatham, Ontario CANADA N7M, 2Z6	406/248-6655	John Hauptman	406/245-8564
Pat M. Griffith 126 West 87th New York City, NY 10024	303/791-2511	W. W. Griffith	303/771-4122

Participants - Page 2

Ajax Oil Company Harold B. Holden, Pres. P.O. Box 1584 Billings, MT 59103	406/248-6655	John Hauptman	406/245-8564
Waldo L. and Rachel J. McIntosh 717 12th Street Rawlins, WY 82301		Waldo L. McIntosh	307/328-0115
W. Marcus and Eva F. Abernethy Route 8, Box 1284 Hickory, NC 28602	704/324-7844	Marcus Abernethy	
James H. Erfurdt 6035 West Mansfield No. 248 Denver, CO 80235	303/671-8861	Vic Damon	
Richard Alan and Tamara Raye Lowrie 6433 Redstone Circle Colorado Springs, CO 80919	303/671-8861	Vic Damon	
David B. Ashworth 1675 24th Street Ogden, UT 84401		David B. Ashworth	801/621-7126
Michael R. Ashworth 2819 West 1600 North Clinton, UT 84015		Michael R. Ashworth	801/825-5985
Peter P. Ashworth 2819 West 1600 North Clinton, UT 84015		Peter P. Ashworth	801/225-6115
Penelope Ashworth 108 Terrace Drive Big Pine, CA 93513		Penelope Ashworth	619/938-2763
Stephen S. Ashworth 25419 N.E. 65th Avenue Battle Ground, WA 98604		Stephen S. Ashworth	206/687-1040
Timothy A. Ashworth, Tr. Timothy A. Ashworth Trust 12910 N.E. 31st Street Vancouver, WA 98662		Timothy A. Ashworth	206/892-3720
Tanya Hainsworth East 1923 34th Spokane, WA 99203		Tanya Hainsworth	509/534-9607
Allesandra Ingle c/o Rustic Insurance P.O. Box 1250 Arcadia, CA 91006	818/286-6843	Allesandra Ingle	
Victoria Rogers 8349 Haskell Avenue Sepulveda, CA 91343		Victoria Rogers	818/892-5085
Carol E. Hancock & Estate of Merit N. Hancock 2516 Westgate Avenue San Jose, CA 95125		Carol E. Hancock	408/266-6504

Participants - Page 3

James and
Lorraine G. Wade
5133 Glentree Drive
San Jose, CA 95129

James Wade 408/252-4528

American Insurance
and Investment
Don F. Bradshaw
450 South 900 East
Suite 200
Salt Lake City, UT 84102

801/364-3434 Don F. Bradshaw

First Interstate
Bank of Utah
Berenice J. Bradshaw
Marital Trust
Post Office Box 30169
Salt Lake City, UT 84142

801/350-7139 Dean Mansfield

First Interstate
Bank of Utah
Franklin J. Bradshaw
Family Trust
Post Office Box 30169
Salt Lake City, UT 84142

801/350-7139 Dean Mansfield

Estate of Henry C. Goodman
Mrs. Garland G. Goodman
301 South Tenth East
Salt Lake City, UT 84102

Garland G. Goodman 801/364-6967

DISTRIBUTION OF WELL INFORMATION

Hancock Federal No. 8-10

Name & Address	Open Hole Logs		Cased Hole Logs	Core, Fluid Analysis DST Charts	Geol. Report	Permit, Forms Prognosis
	Field	Final				
LONE MOUNTAIN PRODUCTION COMPANY P.O. Box 3394 Billings, MT 59103	2	2	3	3	3	2
BURTON W. HANCOCK 1799 Hamilton Avenue San Jose, CA 95125	1	1	1	1	1	1
Robert C. Balsam P.O. Box 1324 Billings, MT 59103		1	1		1	1
Bryson Canyon Partnership No. 2 c/o Cranston & Wright Broadwater & 5th St. West Billings, MT 59101						1
William H. Buniger P.O. Box 37 Loma, CO 81524		1	1		1	1
J & L Oil & Gas, Inc. (86-H) James E. Hauptman 449 Hart Albin Building Billings, MT 59103	2	2	2		2	2
T.H. McElvain Properties 220 Shelby Street P.O. Box 2148 Santa Fe, NM 87504	3	3	3		3	3
Montana & Wyoming Oil Company P.O. Box 1324 Billings, MT 59103						
Jack C. Routson 1315 Canby Laramie, WY 82070		1	1		1	1
Cima Partners 1985-1 c/o Cima Resources, Inc. Pier 33 San Francisco, CA 94111	1	1	1		1	1
Harold B. Holden P.O. Box 1743 Billings, MT 59103		1	1		1	1
Dennis D. Mines 66 Missouri Valley Road Shoshoni, WY 82649		1	1		1	1
Dr. Brian Gamble 20 Victoria Avenue Chatham, Ontario CANADA N7M, 2Z6						1

Well Distribution Information - Page 2

<u>Name & Address</u>	<u>Open Hole Logs</u>		<u>Cased Hole Logs</u>	<u>Core, Fluid Analysis</u>		<u>Geol. Report</u>	<u>Permit, Forms Prognosis</u>
	<u>Field</u>	<u>Final</u>		<u>DST</u>	<u>Charts</u>		
Pat M. Griffith 126 West 87th New York City, NY 10024		1	1			1	1
Ajax Oil Company Harold B. Holden, Pres. P.O. Box 1584 Billings, MT 59103							
Waldo L. and Rachel J. McIntosh 717 12th Street Rawlins, WY 82301		1	1			1	1
W. Marcus and Eva F. Abernethy Route 8, Box 1284 Hickory, NC 28602							1
James H. Erfurd 6035 West Mansfield No. 248 Denver, CO 80235							
Richard Alan and Tamara Raye Lowrie 6433 Redstone Circle Colorado Springs, CO 80919		1	1			1	1
David B. Ashworth 1675 24th Street Ogden, UT 84401							1
Michael R. Ashworth 2819 West 1600 North Clinton, UT 84015							1
Peter P. Ashworth 2819 West 1600 North Clinton, UT 84015							1
Penelope Ashworth 108 Terrace Drive Big Pine, CA 93513							1
Stephen S. Ashworth 25419 N.E. 65th Avenue Battle Ground, WA 98604							1
Timothy A. Ashworth, Tr. Timothy A. Ashworth Trust 12910 N.E. 31st Street Vancouver, WA 98662							1
Tanya Hainsworth East 1923 34th Spokane, WA 99203							1
Allesandra Ingle c/o Rustic Insurance P.O. Box 1250 Arcadia, CA 91006							1
Victoria Rogers 8349 Haskell Avenue Sepulveda, CA 91343							1

Well Distribution Information - Page 3

<u>Name & Address</u>	<u>Open Hole Logs</u>		<u>Cased Hole Logs</u>	<u>Core, Fluid Analysis DST Charts</u>	<u>Geol. Report</u>	<u>Permit, Forms Prognosis</u>
	<u>Field</u>	<u>Final</u>				
Carol E. Hancock & Estate of Merit N. Hancock 2516 Westgate Avenue San Jose, CA 95125						1
James and Lorraine G. Wade 5133 Glentree Drive San Jose, CA 95129						1
American Insurance and Investment Don F. Bradshaw 450 South 900 East Suite 200 Salt Lake City, UT 84102						1
First Interstate Bank of Utah Post Office Box 30169 Salt Lake City, UT 84142 Attn: Dean Mansfield		1	1		1	1
Estate of Henry C. Goodman Mrs. Garland G. Goodman 301 South Tenth East Salt Lake City, UT 84102			1		1	1
Burkhalter Engineering ATTN: Ralph Snow Suite 330 715 Horizon Drive Grand Junction, CO 81501	1		1			
Bureau of Land Management Box 970 Moab, UT 84532	2	2	2	2	2	2
Div. of Oil, Gas & Mining 3 Triad Center, Suite 350 Salt Lake City, Ut 84180	1	1	1	1	1	1
	<u>13</u>	<u>22</u>	<u>24</u>	<u>7</u>	<u>23</u>	<u>37</u>

~~091500~~
091501

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

API #43-019-31229

NAME OF COMPANY: LONE MOUNTAIN PRODUCTION COMPANY

WELL NAME: HANCOCK FEDERAL 17-1

SECTION NE NE 17 TOWNSHIP 17S RANGE 25E COUNTY Grand

DRILLING CONTRACTOR Shelby

RIG # 1

SPUDDED: DATE 9-13-86

TIME 7:00 PM

HOW Rotary

DRILLING WILL COMMENCE _____

REPORTED BY Jim Routson

TELEPHONE # _____

DATE 9-15-86 SIGNED RFJ

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE*
(Other instructions on
reverse side)
091906

Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO

U-05003

6. 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 Bldg., Billings, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface

950' FNL, 803' FEL Section 17

14. PERMIT NO.

43-019-31229

15. ELEVATIONS (Show whether DF, RT, OR, etc.)

5535 GL, 5546 KB

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Federal

9. WELL NO.

Hancock

Federal No. 17-1

10. FIELD AND POOL, OR WILDCAT

State Line

11. SEC., T., E., M., OR BLE. AND SURVEY OR AREA

NE/4 NE/4

Sec. 17-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:

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

SUBSEQUENT REPORT OF:

WATER SHUT-OFF
FRACTURE TREATMENT
SHOOTING OR ACIDIZING
(Other) Spud
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.)*

Spudded 12-1/4" hole at 7:00 P.M., 9/13/86. Shelby Rig No. 11. Verbal notification phoned to Greg Noble, BLM, Moab District Office, at 8:58 A.M., 9/15/86. Verbal notification phoned to Ron Firth, Division of Oil, Gas & Mining, at 8:00 A.M. 9/15/86. Surface pipe: 8-5/8", 24# J-55 set at 304 KB. Cemented with 175 sacks.

RECEIVED
SEP 17 1986

DIVISION OF
OIL, GAS & MINING

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

SIGNED James D. Rendon

TITLE Petroleum Engineer

DATE 9/15/86

(This space for Federal or State office use)

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____

DATE _____

*See Instructions on Reverse Side

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

SUBMIT IN TRIPLICATE*
(Other instructions re-
verse side)

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

2

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 BUILDING, BILLINGS, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface
950' FNL, 803' FEL SECTION 17

14. PERMIT NO. **43-019-31229**

15. ELEVATIONS (Show whether DF, RT, OR, etc.)
5535 GL. 5546 KB

5. LEASE DESIGNATION AND SERIAL NO
U - 05003

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Dreg.

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
FEDERAL

9. WELL NO. **HANCOCK**
FEDERAL NO. 17-1

10. FIELD AND POOL, OR WILDCAT
STATE LINE

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
SEC. 17-T17S-R25E

12. COUNTY OR PARISH **GRAND**

13. STATE **UTAH**

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) STATUS REPORT <input checked="" type="checkbox"/>	

(Other) _____

(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.)*

RAN 4-1/2", 10.5#, J-55 CASING TO 4275'. CEMENTED WITH 175 SACKS 10.0 RFC CEMENT RIG RELEASED 7:00 PM., 9/17/86. PRESENTLY WAITING ON COMPLETION TOOLS.

LOG TOPS: DAKOTA SILT 3592'
 DAKOTA SAND 3680'
 MORRISON 3808'
 SALT WASH 4190'

RECEIVED
SEP 25 1986

DIVISION OF
OIL, GAS & MINING

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

SIGNED *James D. Rounton*
(This space for Federal or State office use)

TITLE PETROLEUM ENGINEER

DATE 9/19/86

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____

DATE _____

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

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

101512

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

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

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

2. NAME OF OPERATOR
Lone Mountain Production Company

3. ADDRESS OF OPERATOR
P. O. Box 3394, Billings, Montana 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 950' FNL, 803' FEL - Section 17
At top prod. interval reported below Same
At total depth Same

RECEIVED
OCT 07 1986

DIVISION OF
OIL, GAS & MINING

5. LEASE DESIGNATION AND SERIAL NO.

U-05003

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Federal

9. WELL NO.

Hancock Federal No. 17-1

10. FIELD AND POOL, OR WILDCAT

State Line

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

NE 1/4 NE 1/4 Section 17-T17S-R25E

14. PERMIT NO. 43-019-31229
DATE ISSUED 8-4-86

12. COUNTY OR PARISH Grand
13. STATE Utah

15. DATE SPUNDED 9-13-86
16. DATE T.D. REACHED 9-16-86
17. DATE COMPL. (Ready to prod.) 10-4-86
18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 5535 GL, 5546 KB
19. ELEV. CASINGHEAD 5536

20. TOTAL DEPTH, MD & TVD 4275
21. PLUG, BACK T.D., MD & TVD 4238
22. IF MULTIPLE COMPL., HOW MANY* --
23. INTERVALS DRILLED BY --
ROTARY TOOLS 0-TD
CABLE TOOLS None

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
Dakota 3702-3742
Morrison 3842-3848
25. WAS DIRECTIONAL SURVEY MADE No

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

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24# J-55	304	12 1/2	175 sx (To surface)	None
4 1/2"	10.5# J-55	4275	7 7/8	175 sx (Top @ 3270)	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	3864	None

31. PERFORATION RECORD (Interval, size and number)
3842-48, 1 SPF, 7 holes total, .32" dia.
3702-3742, 1 SPF, 41 holes total, .32" dia.

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3842 - 48	200 gallons 15% HCl
3702 - 3742	1000 gallons 15% HCl
3842-48, 3702-42	Fract with 458 bbls. 5% HCl, 1,620,000 SCF N ₂ ; 20,000 #100 mesh sand; 80,000 16-30 sand.

33.* PRODUCTION
DATE FIRST PRODUCTION 10-4-86
PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing
WELL STATUS (Producing or shut-in) Shut-in

DATE OF TEST 10-4-86
HOURS TESTED 3
CHOKE SIZE
PROD'N. FOR TEST PERIOD --
OIL—BBL. --
GAS—MCF. 339
WATER—BBL. --
GAS-OIL RATIO --

FLOW. TUBING PRESS. 202
CASING PRESSURE 650
CALCULATED 24-HOUR RATE --
OIL—BBL. --
GAS—MCF. 2671
WATER—BBL. --
OIL GRAVITY-API (CORR.) --

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 10-7-86

*(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):

38.

GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Dakota	3702	3742	Gas	Mancos	Surface	
Dakota	3760	3804	Water	Dakota Silt	3592	+1954
Morrison	3842	3848	Gas	Dakota Sand	3680	+1866
				Morrison	3808	+1738
				Salt Wash	4190	+1356

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Expires August 31, 1985

Prod

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 BLDG., BILLINGS, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.
See also space 17 below.)
At surface
950' FNL, 803' FEL, Section 17

14. PERMIT NO.
43-019-31229

15. ELEVATIONS (Show whether DF, RT, OR, etc.)
5535 GL 5546' KB

5. LEASE DESIGNATION AND SERIAL NO
U-05003

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
020909

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
FEDERAL

9. WELL NO.
Hancock Federal No. 17-1

10. FIELD AND POOL, OR WILDCAT
State Line

11. SEC., T., S., M., OR BLK. AND SURVEY OR AREA
Sec. 17: 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 type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) Report of 1st production <input checked="" 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.)*

First delivered (to Mesa Pipeline) at 11:00 AM, February 3, 1987.
Reported verbally by phone to Steve Jones, BLM, Moab District, at 9:00 AM, February 4, 1987.

RECEIVED
FEB 06 1987

DIVISION OF
OIL, GAS & MINING

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

SIGNED James D. Emberton TITLE Petroleum Engineer DATE 2-4-87

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-05003
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: Federal No. 17-1	
2. NAME OF OPERATOR: Lone Mountain Production Company	9. API NUMBER: 43-019-31229	
3. ADDRESS OF OPERATOR: P. O. Box 80965 CITY Billings STATE MT ZIP 59108	PHONE NUMBER: (406) 245-5077	10. FIELD AND POOL, OR WILDCAT: Stataline
4. LOCATION OF WELL FOOTAGES AT SURFACE: 950' FNL, 803' FEL		COUNTY: Grand
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 17 17S 25E S		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please be advised the Federal No. 17-1 well was plugged and abandoned, effective April 18, 2006.

See attached Plugging Report

NAME (PLEASE PRINT) <u>James G. Routson</u>	TITLE <u>President</u>
SIGNATURE	DATE <u>11/27/2006</u>

(This space for State use only)

RECEIVED
NOV 30 2006

Lone Mountain Production Co.
Federal No. 17-1
Plugging report
NENE Sec. 17 – T17S – R 25E
Grand County, Utah

April 10, 2006

MIRU Well Pluggers, Inc rig. LD rods and pump. Trip 6 jts of tubing and SDFN.
Daily cost: \$2,193

April 11, 2006

Trip out with tubing to inspect. Trip in and pick up 3 extra joints. Tagged at 3724'. Work on rig motor.

Daily cost: \$ 972

Cum cost: \$3,165

April 12, 2006

Pump 25 sacks cement at 3724'. Trip out 24 stands.

Daily cost: \$1,600

Cum cost: \$4,765

April 13, 2006

Trip in and tag cement at 3392'. Made casing cut at 3085' on 4-1/2" casing. Pulled 1 joint casing. SDFN.

Daily cost: \$3,840

Cum cost: \$8,605

April 14, 2006

Fill hole with 60 bbls 8.6 ppg mud. Lay down casing. Trip in to 3135' and pump 36 sacks 15.6 ppg cement at 3135'. Pull 20 stands.SDFWE.

Daily cost: \$2,240

Cum cost: \$10,810

April 17, 2006

Tagged cement at 2870'. Pump 50 sacks 15.6 ppg cement at 350'. SDFN.

Daily cost: \$3,810

Cum cost: \$14,620

April 18, 2006

Pump 16 sacks cement from 50' to surface. Set dry hole marker. Rig down and move to yard. Note: Plug job witnessed by Jack Johnson from the Moab BLM office.

Daily cost: \$2,740

Cum cost: \$17,360

LONE MOUNTAIN PRODUCTION COMPANY

Mailing Address:
P.O. Box 80965
Billings, MT 59108-0965

(406) 245-5077
FAX 248-6321

Shipping Address:
2590 Holman Avenue, Suite B-1
Billings, MT 59102

November 27, 2006

Division of Oil, Gas & Mining
1594 W. Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801

Attn: Carolyn Williams

RE: PLUGGING AND ABANDONMENT
FEDERAL NO. 17-1 WELL
NE $\frac{1}{4}$ NE $\frac{1}{4}$ SECTION 17: T17S-R25E
GRAND COUNTY, UTAH

Dear Carolyn:

As discussed in our telephone conversation this morning, enclosed is one Sundry Notice, in duplicate, notifying your office that the referenced well was plugged and abandoned, effective April 18, 2006.

If you have any questions or need further information please contact our office at (406) 245-5077 or Joe Dyk at (970) 858-7546 (office) or (970) 250-9770 (cell).

Sincerely,

LONE MOUNTAIN PRODUCTION COMPANY



Carolyn Farmer
Office Manager

enclosure

cc: Joe Dyk

RECEIVED
NOV 30 2006
DIV. OF OIL, GAS & MINING