

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

**SUBMIT IN TRIPlicate\***  
(Other instructions on  
reverse side)

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

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

**4. LOCATION OF WELL (Report location clearly and in accordance with any applicable regulations)**  
 At surface: 627' FNL, 2161' FWL, Section 17  
 At proposed prod. zone: NE/NW

**14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\***  
 17 miles northwest of Mack, Colorado

**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. 17-3

**10. FIELD AND POOL, OR WILDCAT**  
 State Line STATELINE

**11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA**  
 NE1/4  
 17-17S-25E SLBM

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

**15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)**      627'

**16. NO. OF ACRES ASSIGNED TO THIS WELL**      1006.48

**18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.**      2338'

**19. PROPOSED DEPTH**      4176' Morrison

**20. ROTARY OR CABLE TOOLS**  
 Rotary

**21. ELEVATIONS (Show whether DF, RT, GR, etc.)**  
 5665' GL, 5676' KB

**22. APPROX. DATE WORK WILL START\***  
 December 15, 1986

**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	4176'	175 sx RFC

- Surface formation is the Mancos.
  - Anticipated geologic markers are: Dakota Silt 3776', Dakota 3864', Morrison 3998'
  - 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 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.
  - Auxiliary equipment: See well control plan.
- (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 R. Rontgen      **TITLE** Petroleum Engineer      **DATE** November 10, 1986

(This space for Federal or State office use)

**PERMIT NO.** 43-019-31236      **APPROVAL DATE** APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING

**APPROVED BY** \_\_\_\_\_ **TITLE** \_\_\_\_\_  
**CONDITIONS OF APPROVAL, IF ANY:** \_\_\_\_\_  
**DATE** 11-28-86  
**BY:** John R. Bays

\*See Instructions On Reverse Side      **WELL SPACING:** 13.5

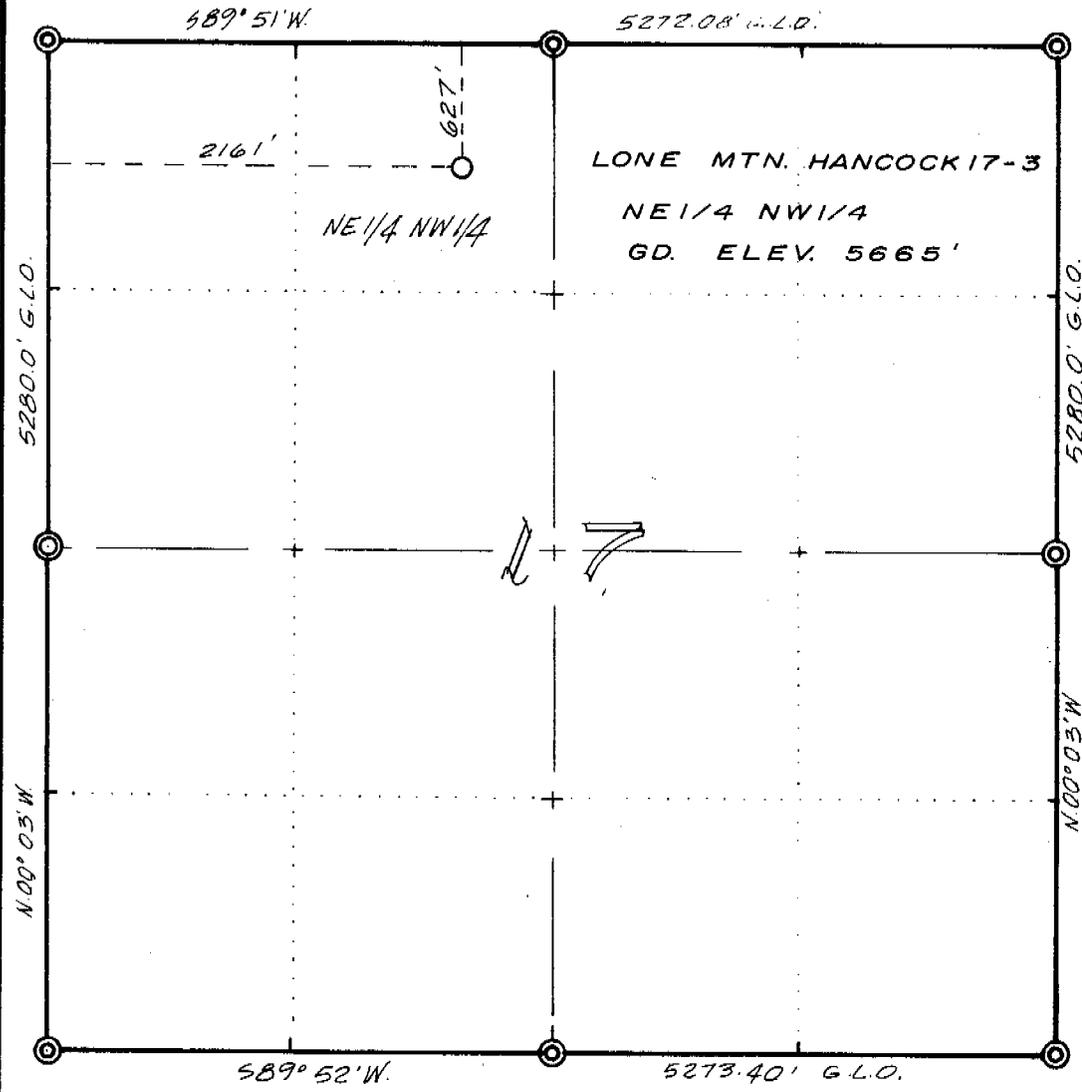
Application for Permit to Drill,  
Deepen, or Plug Back  
Hancock Federal No. 17-3  
NE $\frac{1}{4}$ NW $\frac{1}{4}$  Sec. 17-17S-25E  
Grand County, Utah  
Lease U-05003

Page 2

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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 December 15, 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 NW $\frac{1}{4}$  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. 17S, R. 25E OF THE S.L.M.



LONE MTN. HANCOCK 17-3  
NE 1/4 NW 1/4  
GD. ELEV. 5665'

- LEGEND**
- ⊙ STANDARD LOCATION OF GLO SECTION CORNERS
  - GLO CORNERS FOUND
  - ⊕ WELL LOCATION STAKED.
- REFERENCE DOCUMENTS**
- 1926 GLO PLAT
  - BRYSON CANYON, UTAH QUADRANGLE, USGS

THIS WELL LOCATION PLAT WAS PREPARED FOR LONE MOUNTAIN PRODUCTION TO LOCATE THE LONE MOUNTAIN HANCOCK NO. 17-3, 627' F.N.L. & 2161' F.W.L. IN THE NE 1/4 NW 1/4, OF SECTION 17, T. 17S., R. 25W. OF THE S.L.M. GRAND COUNTY, UTAH

SURVEYOR'S CERTIFICATE

I, LARRY D. BECKER A REGISTERED LAND SURVEYOR IN THE STATE OF UTAH DO HEREBY CERTIFY THAT THIS SURVEY WAS MADE UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT REPRESENTS SAID SURVEY.

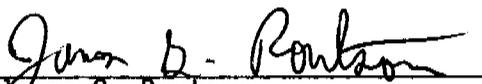
*Larry D. Becker*  
UTAH L.S. # 4189

SURVEYED	11-3-80	<b>ENERGY SURVEYS &amp; ENGINEERING CORP.</b> 715 HORIZON DRIVE, SUITE 330 GRAND JUNCTION, CO 81501 (303) 245-7221	SCALE 1" = 1000'
DRAWN	11-5-80		JOB NO.
CHECKED	11-7-80		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 4000' or a gradient of .250 psi/ft or less. No abnormal temperatures or hydrogen sulfide gas are anticipated.

LONE MOUNTAIN PRODUCTION COMPANY

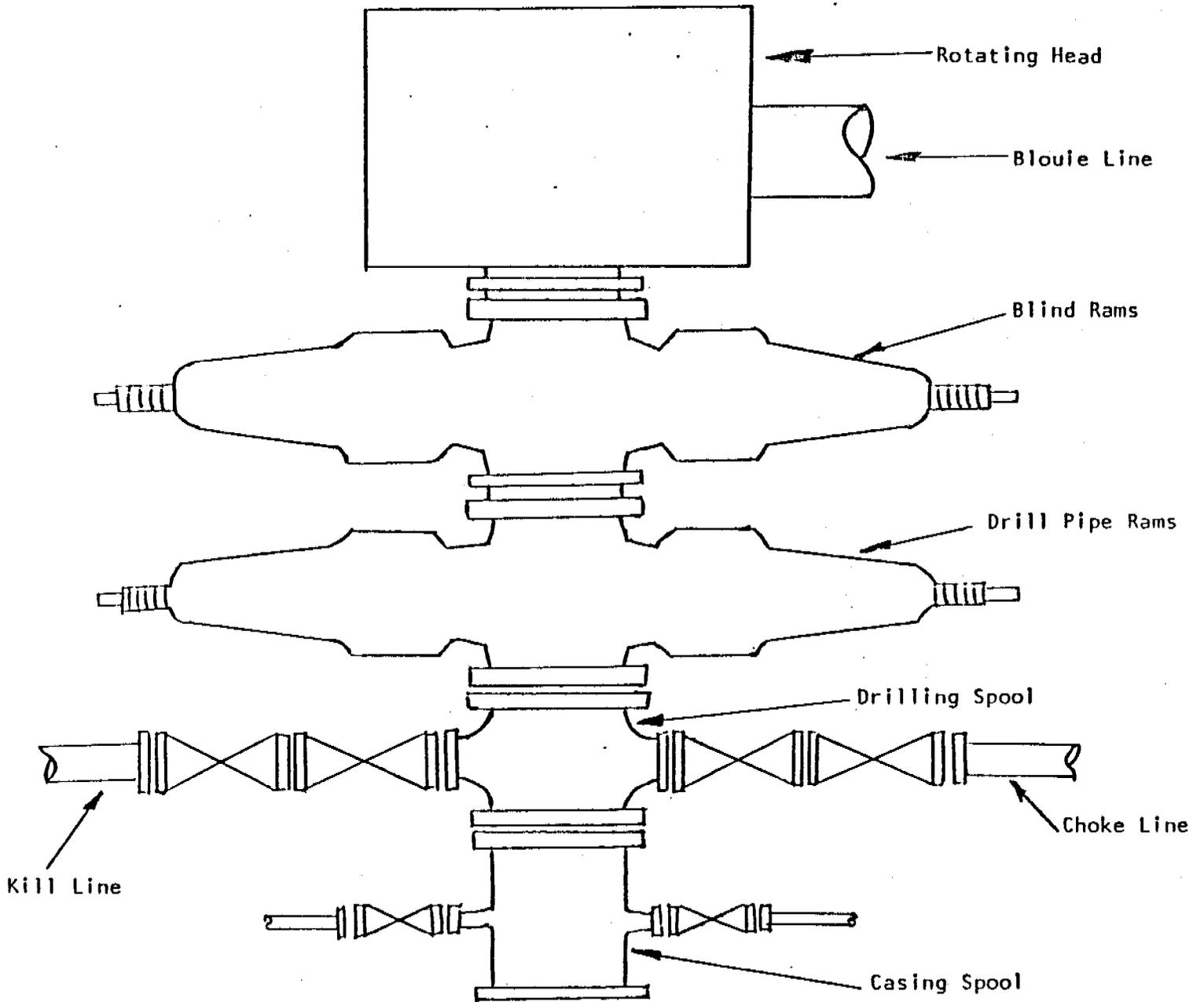
  
James G. Routson  
Petroleum Engineer

Hancock Federal No. 17-3

SCHEMATIC OF BOP STACK

Air drilled wells using 900 series wellhead equipment.

Interval from 300' to total depth.



## SURFACE USE PROGRAM

Lone Mountain Production Company  
Hancock Federal No. 17-3  
NE/4 NW/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 8.8 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. Turn right and go 0.15 mile through the Federal No. 17-1 well pad 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 0.5 mile of new road will be constructed as Moab-BLM class 3 road. All new road construction is on the lease, therefore, no BLM right-of-way is necessary.

### 3. Location of Existing Wells

See Map #3. There are 3 producing wells and 2 shut-in wells within 1 mile of the proposed location.

### 4. Location of Production Facilities

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

b) Off well pad. See Map #1.

Lone Mountain Production Company proposes to construct approximately 2500' of 2" surface steel pipeline from this well to a gas gathering line in the NE/4 NE/4, Section 17, Township 17 South, Range 25 East. This proposed line will follow the proposed new access road. The pipeline will parallel the south side of the road and will be on the hill above the road cut. It will be buried at any necessary road or creek crossings.

Surface Use Program -Page 2

Approximately 1800' will be on BLM surface, the rest is on private surface. All of the line will be located on the lease.

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 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

Surface Use Program - Page 3

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 end of the location. Trees will be stockpiled on the east end 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 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 begin by the Fall of 1987.

11. Surface Ownership

The lands involving new construction are private surface owned by Mr. Larry McIntyre and the BLM. Lone Mountain Production is negotiating an agreement with Mr. McIntyre for such use on private land.

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

Surface Use Program - Page 4

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

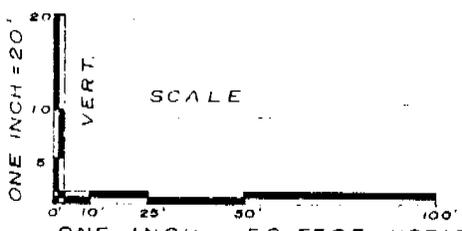
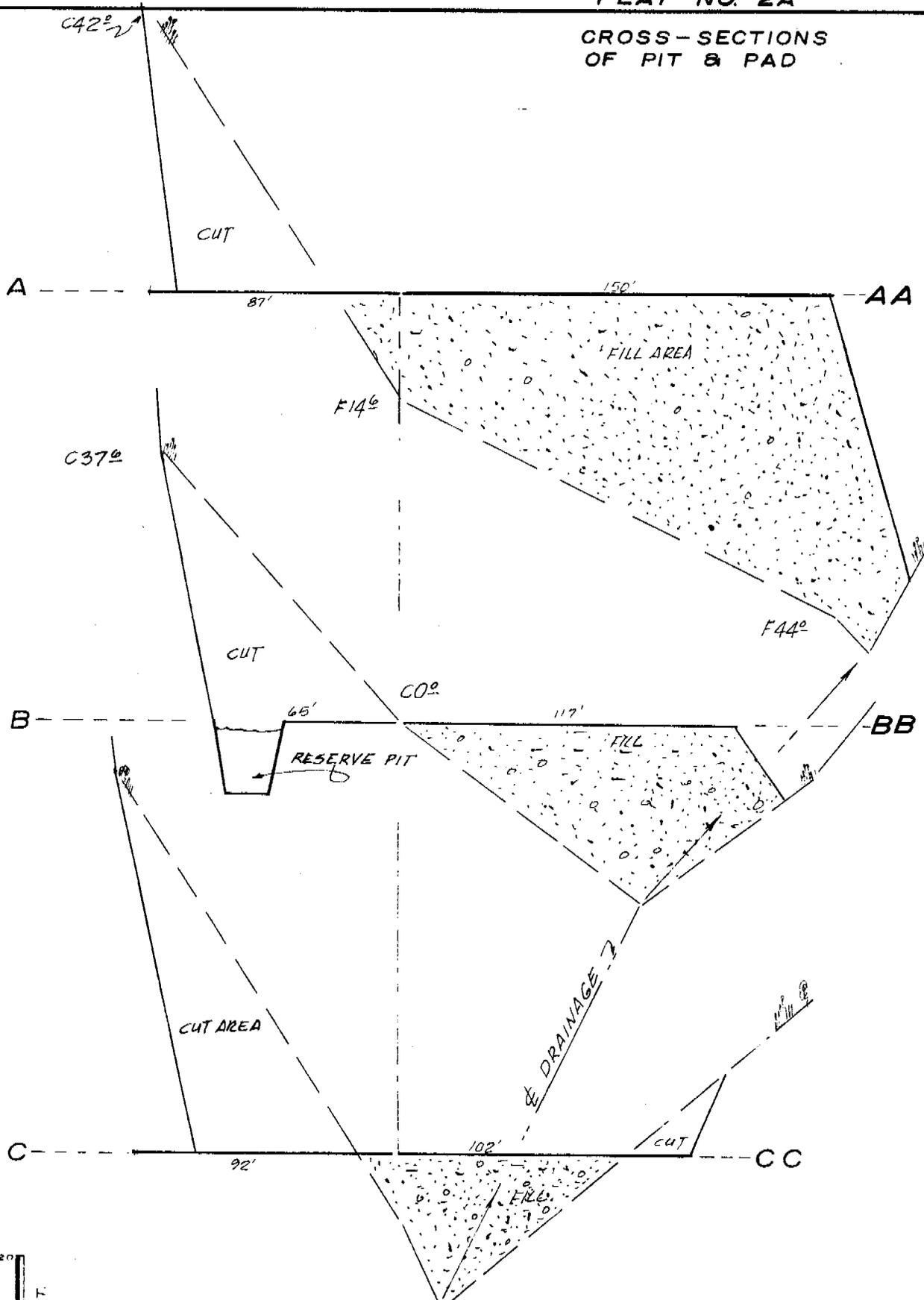
I hereby certify that I, or persons under my supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with operations 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.

November 11, 1986  
Date

James G. Routson  
James G. Routson

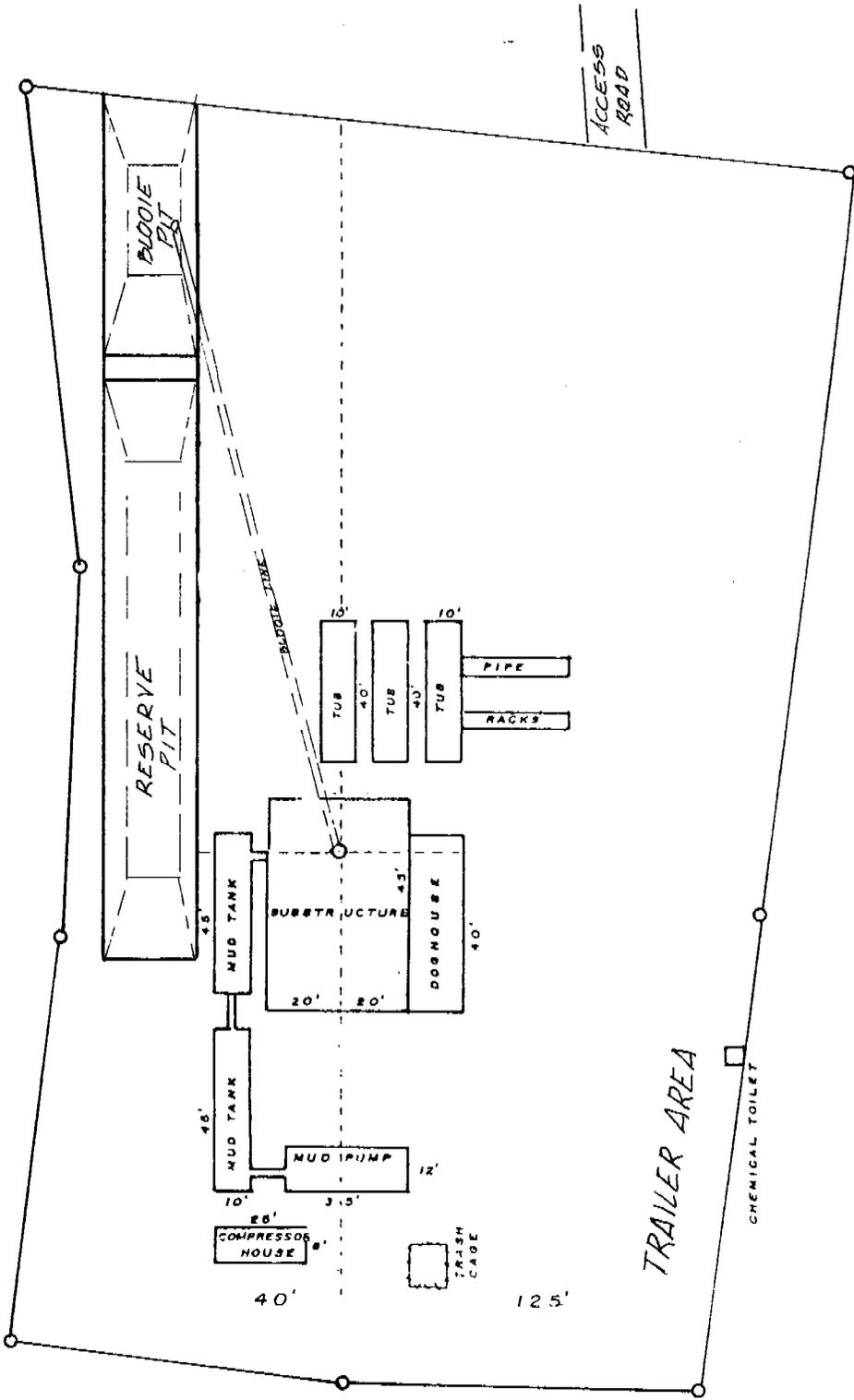


CROSS-SECTIONS  
OF PIT & PAD



LONE MOUNTAIN HANCOCK # 17-3

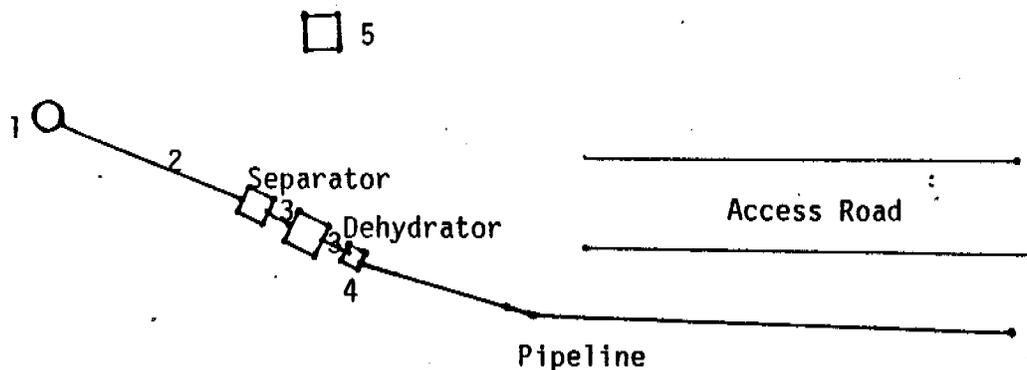
PLAT NO. 3  
RIG LAYOUT



SCALE  
1" = 50'

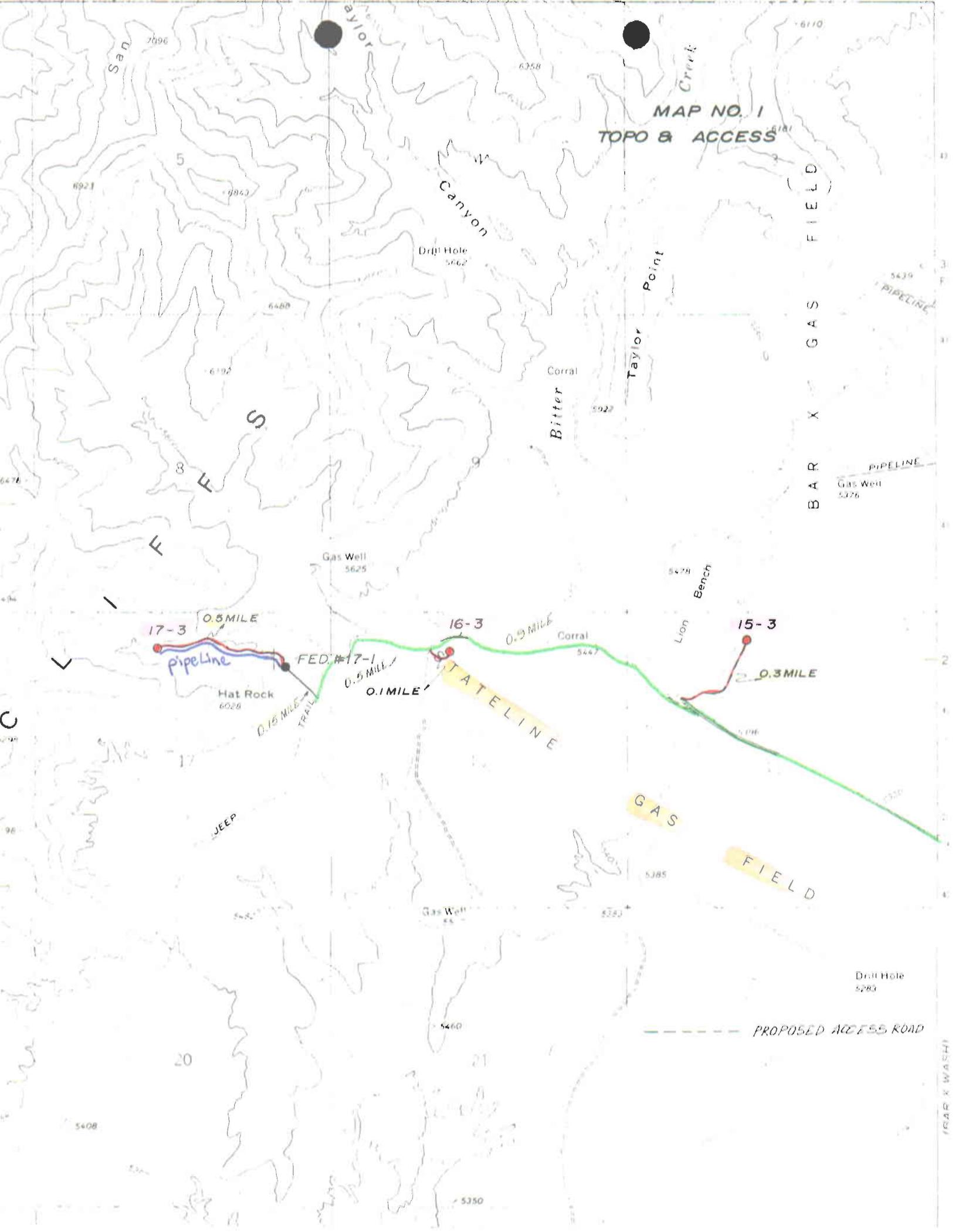
LONE MTN. HANCOCK # 17-3

PLAT NO. 4  
FACILITIES PLAT  
Hancock Federal No. 17-3



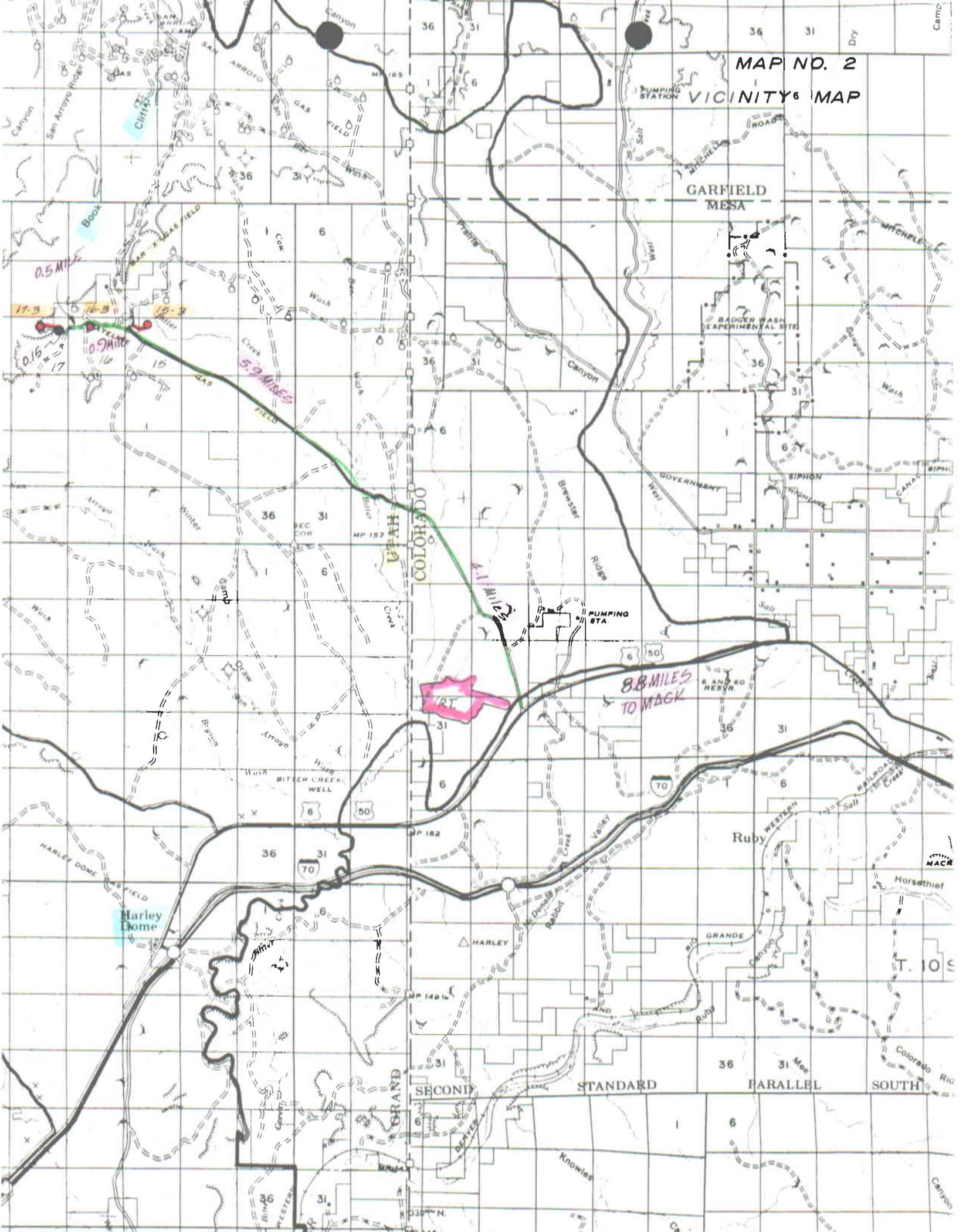
1. Wellhead will be an 8-5/8" Larkin Fig. 92 or equivalent. Tubing head will be a 4-1/2" x 6"-900 Series with two 2" 3000 psi screwed valves. Tree will be 2" screwed x 2000 psi W.P.
2. Line between wellhead and separator will be approximately 100 feet in length and constructed of 2-3/8" .190 wall, welded, wrapped, and buried approximately 5 feet deep.
3. Lines between separator and dehydrator and between dehydrator and meter run will be 2-3/8" OD, .190" wall thickness, 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.
6. Pipeline will be 2-3/8" OD, .190 wall, coated, wrapped, and buried on location and any necessary road and creek crossings. It will be laid as a surface line above the access road and will tie into a Lone Mountain Pipeline on private surface in the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 17. All portions of the line on BLM surface are located on the lease.

MAP NO. 1  
TOPO & ACCESS



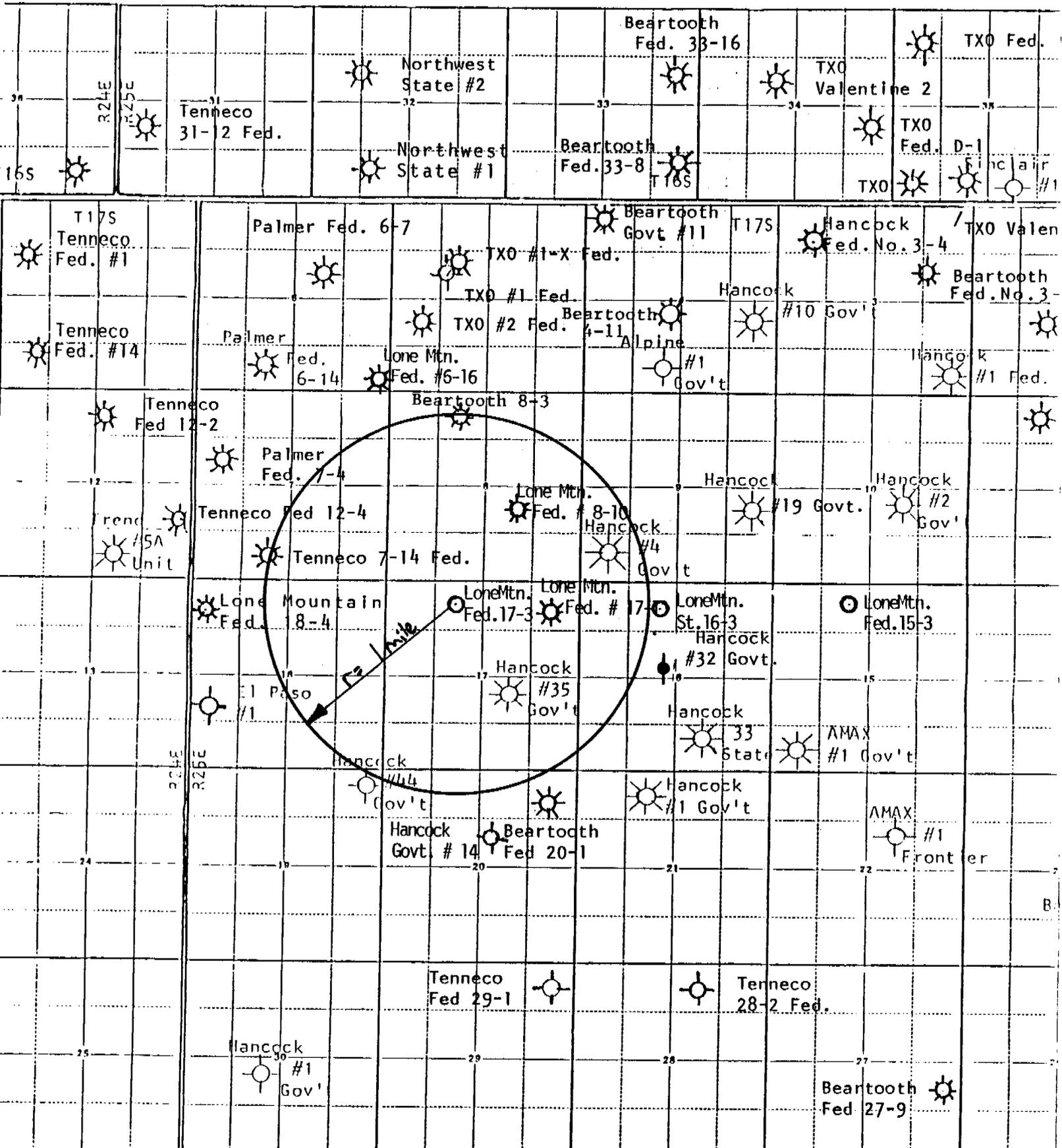
MAP NO. 2

VICINITY MAP



WELL MAP  
MAP NO. 3

Township 16, 17, 18S, Range 24, 25, 26E, County Grand, ST



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: UTAH  
SERIAL NO.: U-005003

and hereby designates

NAME: Lone Mountain Production Company  
ADDRESS: P.O. Box 3394, 408 Petroleum Building  
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, Grand County, Utah

Section 17: NW/4  
Containing 160 acres

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.

Burton W. Hancock  
(Signature of lessee)

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

October 28, 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.

112510

OPERATOR Lone Mountain Prod. Co. DATE 11-14-86

WELL NAME Hancock Fed. 17-3

SEC NE NW 17 T 17S R 25E COUNTY Grand

43-019-31236  
API NUMBER

Fed.  
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

OK - Cause 13-6  
Water - Mack, Co.

APPROVAL LETTER:

SPACING:  203 \_\_\_\_\_ UNIT

302

13.6 8/28/86  
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

November 20, 1986

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

Gentlemen:

Re: Hancock Federal 17-3 - NE NW Sec. 17, T. 17S, R. 25E  
627' FNL, 2161' FWL - Grand County, Utah

Approval to drill the referenced well is hereby granted in accordance with the Order of Cause No. 13-6 dated August 28, 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  
Hancock Federal 17-3  
November 20, 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 43-019-31236.

Sincerely,



R. J. Smith  
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

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. U-05003		
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			7. UNIT AGREEMENT NAME		
2. NAME OF OPERATOR LONE MOUNTAIN PRODUCTION COMPANY			8. FARM OR LEASE NAME Federal		
3. ADDRESS OF OPERATOR 408 Petroleum Building, P.O. Box 3394, Billings, Montana 59103			9. WELL NO. Hancock Federal No. 17-3		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 627' FNL, 2161' FWL, Section 17 At proposed prod. zone			10. FIELD AND POOL, OR WILDCAT State Line		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 17 miles northwest of Mack, Colorado			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA NE 1/4 NW 1/4 17-17S-25E SLBM		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 627'		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. 2338'		19. PROPOSED DEPTH 4176'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5665' GL, 5676' KB			22. APPROX. DATE WORK WILL START* December 15, 1986		

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
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RECEIVED  
DEC 11 1986

DIVISION OF  
OIL, GAS & MINING

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24. SIGNED James R. Ponton TITLE Petroleum Engineer DATE November 10, 1986

(This space for Federal or State office use)

PERMIT NO. 43019 31236 APPROVAL DATE \_\_\_\_\_

APPROVED BY /S/ GENE NODINE TITLE DISTRICT MANAGER DATE DEC 09 1986

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED

\*See Instructions On Reverse Side

FLARING OR VENTING OF  
GAS IS SUBJECT TO NTL 4-A  
DATED 1/1/80

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

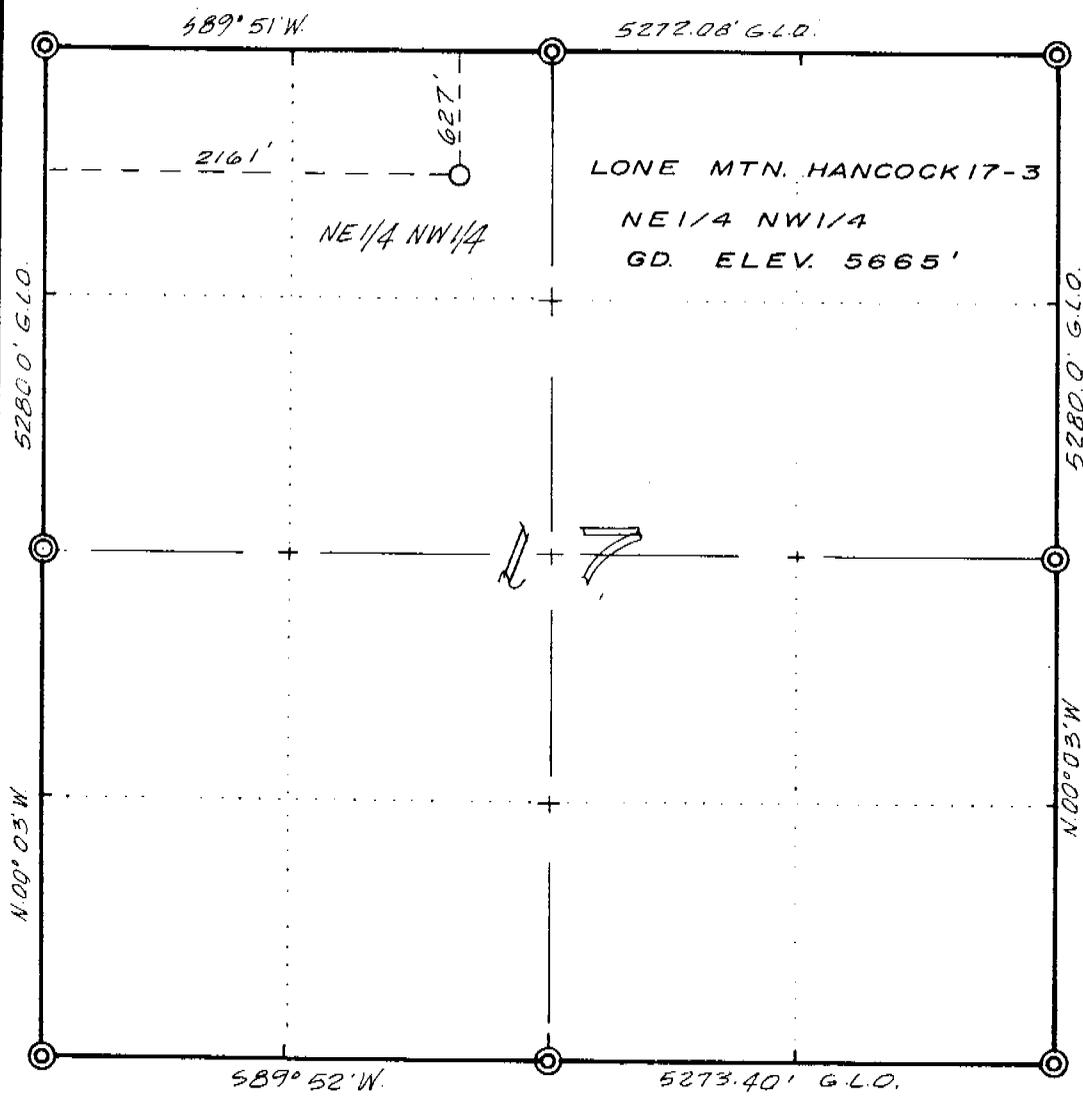
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15. The well will be drilled under Hancock's bond.

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



- LEGEND**
- ⊙ STANDARD LOCATION OF GLO SECTION CORNERS
  - GLO CORNERS FOUND
  - WELL LOCATION STAKED.
- REFERENCE DOCUMENTS**
- 1926 GLO PLAT
  - BRYSON CANYON, UTAH QUADRANGLE, USGS

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SURVEYOR'S CERTIFICATE

I, LARRY D. BECKER A REGISTERED LAND SURVEYOR IN THE STATE OF UTAH DO HEREBY CERTIFY THAT THIS SURVEY WAS MADE UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT REPRESENTS SAID SURVEY.

*Larry D. Becker*  
UTAH S. # 4189

SURVEYED	11-3-86	<b>ENERGY SURVEYS &amp; ENGINEERING CORP.</b> 715 HORIZON DRIVE, SUITE 330 GRAND JUNCTION, CO 81501 (303) 245-7221	SCALE 1" = 1000'
DRAWN	11-5-86		JOB NO.
CHECKED	11-7-86		SHEET OF

Lone Mountain Production Company  
Well No. Hancock Federal 17-3  
Sec. 17, T. 17 S., R. 25 E.  
Grand County, Utah  
Lease U-05003

CONDITIONS OF APPROVAL

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

A. DRILLING PROGRAM

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 or 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 1/4 1/4 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 an 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.

All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

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. Colors will be as follows:

juniper green

The well pad will be constructed differently than on the original sketch. The "toe" of the slope on the southern edge of the well pad will be in the middle of the gulch (refer to schematic) and will not consume the gulch. This construction will be carefully monitored by a Resource Area specialist.

There will be no reserve pit, only a blooie pit. Liquids will be removed to the reserve pit at the 16-3 location.

If the well pad can not be constructed as outlined, the surface portion of this APD becomes null and void, and an environmental assessment will be undertaken.

Access through private land is not guaranteed by this permit.

The pipeline route through public lands is approved by this permit. This approval does not permit pipeline construction through the private surface.

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.

The following seed mixture will be used:

<u>Species</u>		<u>lbs/acre</u>
<u>Grasses</u>		
Agropyron spicatum	Bluebunch wheatgrass	2
Oryzopsis hymenoides	Indian ricegrass	1
Agropyron riparium	Streambank wheatgrass	2
<u>Shrubs</u>		
Atriplex confertifolia	Shadscale	2
Artemesia tridentata (Wyo)	Big sage	1
Purshia tridentata	Bitterbrush	2
	TOTAL	10 lbs/ac

Broadcast seed will be applied at double the above rate.

Final location release will be issued when the seeding is shown to be successful (when perennial vegetation is established).

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) 259-7964

Area Office Address:

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



011318

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

API # 43-019-31236

NAME OF COMPANY: LONE MOUNTAIN PETROLEUM

WELL NAME: Hancock Federal 17-3

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

DRILLING CONTRACTOR Veco

RIG # 2

SPUDDED: DATE 1-10-87

*(see Sunday dated 12-16-86)*

TIME 9:00 PM

HOW Rotary

DRILLING WILL COMMENCE \_\_\_\_\_

REPORTED BY Jim Routson

TELEPHONE # (406) 245-5077

DATE 1-12-87

SIGNED AS

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

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

5. LEASE DESIGNATION AND SERIAL NO. U-05003 012015  
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 408 Petroleum Building, P. O. Box 3394, Billings, Montana 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\* See also space 17 below.) At surface 627' FNL, 2161' FWL

14. PERMIT NO. 43-019-31236

15. ELEVATIONS (Show whether DF, RT, OR, etc.) 5665' GL, 5676' KB

RECEIVED  
JAN 15 1987  
DIVISION OF OIL, GAS & MINING

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME Federal

9. WELL NO. Hancock Federal No. 17-3

10. FIELD AND POOL, OR WILDCAT State Line

11. SEC., T., S., M., OR BLK. AND SURVEY OR AREA NE1/4NW1/4 - 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:		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 PLANE <input type="checkbox"/>	(Other) Spud Notice <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.)\*

Spudded 12 1/4" hole at 9:00 P. M. 1-10-87.  
Contractor - Veco Drilling Co. Rig No. 2  
Drilled 12 1/4" hole to 306'.

Ran 8 5/8", 24#, J-55 casing to 296'. Cemented to surface with 175 sx Class "G", 3% Calcium Chloride, 1/4# sack Celloflake. Plug down 12:00 noon, 1-11-87.

Notified by phone: Rose Brundage, BLM, Moab @ 8:15 A. M., 1-12-87 Arlene Sollis, Utah Division Oil, Gas, Mining

18. I hereby certify that the foregoing is true and correct  
SIGNED James D. Rontgen TITLE Petroleum Engineer DATE 1-12-87  
(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 re-  
verse side)

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.)

<p>1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER</p> <p>2. NAME OF OPERATOR <b>LONE MOUNTAIN PRODUCTION COMPANY</b></p> <p>3. ADDRESS OF OPERATOR <b>408 Petroleum Building P. O. Box 3394, Billings, Montana 59103</b></p> <p>4. LOCATION OF WELL. (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface <b>627' FNL, 2161' FWL</b></p> <p>14. PERMIT NO. <b>43-019-31236</b></p>		<p>5. LEASE DESIGNATION AND SERIAL NO. <b>U-05003</b></p> <p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME</p> <p>7. UNIT AGREEMENT NAME</p> <p>8. FARM OR LEASE NAME <b>Federal</b></p> <p>9. WELL NO. <b>Hancock Federal No. 17-3</b></p> <p>10. FIELD AND POOL, OR WILDCAT <b>State Line</b></p> <p>11. SEC., T., R., E., N., OR BLK. AND SURVEY OR AREA <b>NE<math>\frac{1}{4}</math>NW<math>\frac{1}{4}</math> - Sec. 17- T17S-R25E</b></p> <p>12. COUNTY OR PARISH <b>Grand</b></p> <p>13. STATE <b>Utah</b></p>	
<p>15. ELEVATIONS (Show whether DF, RT, GR, etc.) <b>5665' GL, 5676' KB</b></p>		<p><b>RECEIVED</b> <b>JAN 15 1987</b> <b>DIVISION OF OIL, GAS &amp; MINING</b></p>	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	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>Spud Notice</u> <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.)\*

Spudded 12 $\frac{1}{4}$ " hole at 9:00 P. M. 1-10-87.

Contractor - Veco Drilling Co. Rig No. 2

Drilled 12 $\frac{1}{4}$ " hole to 306'.

Ran 8 5/8", 24#, J-55 casing to 296'. Cemented to surface with 175 sx Class "G", 3% Calcium Chloride, 1/4# sack Celloflake. Plug down 12:00 noon, 1-11-87.

Notified by phone: Rose Brundage, BLM, Moab  
@ 8:15 A. M., 1-12-87 Arlene Sollis, Utah Division Oil, Gas, Mining

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

SIGNED Jarvis D. Rontgen TITLE Petroleum Engineer DATE 1-12-87

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

(November 1983)  
(Formerly 9-331)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE  
(Other instructions on re-  
verse side)

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.)

3. LEASE DESIGNATION AND SERIAL NO

U-05003

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

020906

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Federal

9. WELL NO.

Hancock Federal No. 17-3

10. FIELD AND POOL, OR WILDCAT

State Line

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

NE 1/4 NW 1/4 Sec. 17-T17S-R25E

1. OIL WELL  GAS WELL  OTHER

2. NAME OF OPERATOR

Lone Mountain Production Company

3. ADDRESS OF OPERATOR

408 Petroleum Building,

P. O. Box 3394, Billings, Montana 59103

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

At surface

627' FNL, 2161' FWL Section 17

14. PERMIT NO.

43-019-31236

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

5665' GL, 5676' KB

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 COMPLETION

ABANDON\*

CHANGE PLANE

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other) Status Report

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.)\*

TD: 4176', PBTD: 4130'. Ran 4 1/2", 10.5#, J-55 casing to 4176'. Cemented with 175 sacks; cement top 3214'. Perforated Dakota 3926'-3950', 1SPF, 25 shots total. Acidized with 500 gallons 15% HCl, foam fract with 481 bbls. 5% HCl, 1,463,000 SCF N<sub>2</sub>, 20,000# 100 mesh sand, 80,000# 20-40 sand. Well tested less than 50 mcf/d after frac with strong show of waxy yellow oil. Currently evaluating to P&A or pump test.

FEB 00 1987

DIVISION OF  
OIL, GAS & MINING

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

SIGNED

*James R. Robinson*

TITLE

Petroleum Engineer

DATE

2-3-87

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

\*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  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
3 TRIAD CENTER, SUITE 350  
SALT LAKE CITY, UT 84180-1203

FEB 21 1987

Director of  
Oil and Gas

13-019-3123

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well Name & Number HANCOCK FEDERAL NO. 17-3

Operator LONE MOUNTAIN PRODUCTION CO.

Address

P. O. Box 3394, 408 Petroleum Bldg.

Billings, MT 59103

Contractor VECO DRILLING RIG #2

Address

P. O. Box 1705, 2457 Industrial Blvd.

Grand Junction, CO 81502

Location NE 1/4 NW 1/4 Sec. 17 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.	4034'	4056'	not measured	salty
2.				
3.				
4.				
5.				

(Continue on reverse side if necessary)

Formation Tops

Dakota Silt	3804' (+1872)
Dakota Sand	3894' (+1782)
Morrison	4056' (+1620)

Remarks

- NOTE: (a) Report on this form as provided for in Rule 806, Oil and Gas Conservation General Rules.
- (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 re-  
verse side)

Budget Bureau Form 1001 of  
Expires August 31, 1985 *Del.*

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  MAR 02 1987

2. NAME OF OPERATOR  
**Lone Mountain Production Company**

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*  
See also space 17 below.)  
At surface  
**627' FNL, 2161' FWL - Section 17**

5. ELEVATIONS (Show whether DF, RT, OR, etc.)  
**5665' GL, 5676' KB**

6. LEASE DESIGNATION AND SERIAL NO  
**U-05003**

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
**Federal**

9. WELL NO.  
**Hancock Federal No. 17-3**

10. FIELD AND POOL, OR WILDCAT  
**State Line**

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
**NE $\frac{1}{4}$ NW $\frac{1}{4}$  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:		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) <b>Status Report</b> <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.)\*

Pump testing with temporary hookup. Started pumping on 2-21-87. Reported to Jim Munroe, BLM, Moab, by J. R. Pease. No rates to report as of yet.

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

SIGNED *James R. Pease* TITLE Petroleum Engineer DATE 2-27-87

(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 TRIPPLICATE\*  
(Other instructions on re-  
verse side)

Expires August 31, 1985

D. LEASE DESIGNATION AND SERIAL NO.

U-05003

*Dila*

E. 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.)

040724

F. UNIT AGREEMENT NAME

G. FARM OR LEASE NAME

Federal

H. WELL NO.

Hancock Federal 17-3

I. FIELD AND POOL, OR WILDCAT

State Line

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

NE 1/4 NW 1/4 Sec. 17: T17S-R25E

1. OIL WELL  GAS WELL  OTHER

2. NAME OF OPERATOR

Lone Mountain Production Company

3. ADDRESS OF OPERATOR

408 Petroleum Building

P. O. Box 3394, Billings, Montana 59103

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

At surface

627' FNL & 2161' FWL; Section 17

14. PERMIT NO.

43-019-31236

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

5665' GL; 5676' KB

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

PULL OR ALTER CASING

WATER SHUT-OFF

REPAIRING WELL

FRACTURE TREAT

MULTIPLE COMPLETE

FRACTURE TREATMENT

ALTERING CASING

SHOOT OR ACIDIZE

ABANDON\*

SHOOTING OR ACIDIZING

ABANDONMENT\*

REPAIR WELL

CHANGE PLANS

(Other) \_\_\_\_\_

Status Report

(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.)\*

Production estimated to be 10 BOPD, 2-3 BWPD (load water), and gas too small to measure. No stabilized production established due to shut-ins occurring from muddy roads and equipment problems.

RECEIVED  
APR 06 1987

DIVISION OF  
OIL, GAS & MINING

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

SIGNED

*James G. Roufson*  
James G. Roufson

TITLE

Petroleum Engineer

DATE

4/3/87

(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

Expires August 31, 1985  
5. LEASE DESIGNATION AND SERIAL NO  
U-05003 *Dulg.*  
6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
051131

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  
408 Petroleum Building, 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  
627' FNL & 2161' FWL - Section 17

14. PERMIT NO.  
43-019-31236

15. ELEVATIONS (Show whether DF, RT, GR, etc.)  
5665' GL; 5676' KB

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
Federal

9. WELL NO.  
Hancock Federal No. 17-3

10. FIELD AND FOOT, OR WILDCAT  
State Line

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
NE1/4 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:		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"/>

(Note: Report results of multiple completion or 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.) \*

Production estimated to be 6 BOPD, 1 BWPD (load water), and gas too small to measure.

Pumped 18 days in April; production beginning to stabilize.

Plan to continue pump testing.



DIVISION OF OIL, GAS & MINING

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

SIGNED *Janet D. Rounton* TITLE Petroleum Engineer DATE 5/5/87

(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 DUPLICATE

(See other instructions on reverse side)

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

3

5. LEASE DESIGNATION AND SERIAL NO.

U-05003

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AND WELL NUMBER

071712

8. FARM OR LEASE NAME

Federal

9. WELL NO.

Hancock Federal No. 17-3

10. FIELD AND POOL, OR WILDCAT

State Line

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

NE 1/4 NW 1/4 Section 17:

T17S - R25E

12. COUNTY OR PARISH  
Grand

13. STATE  
Utah

WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

1a. TYPE OF WELL: OIL WELL  GAS WELL  DRY  Other \_\_\_\_\_

b. TYPE OF COMPLETION:

NEW WELL  WORK OVER  DEEP EN  PLUG BACK  DIFF. RESVR.  Other \_\_\_\_\_

2. NAME OF OPERATOR

LONE MOUNAIN PRODUCTION COMAPNY

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 627' FNL & 2161' FWL; Section 17

At top prod. interval reported below same

At total depth same

14. PERMIT NO. 43-019-31236 DATE ISSUED 11/20/86

15. DATE SPUDDED 1/10/87 16. DATE T.D. REACHED 1/14/87 17. DATE COMPL. (Ready to prod.) 1/28/87 18. ELEVATIONS (DF, RKB, RT, OR, ETC.)\* 5665' GL; 5676' KB 19. ELEV. CASINGHEAD N/A

20. TOTAL DEPTH, MD & TVD 4176' 21. PLUG, BACK T.D., MD & TVD 22. IF MULTIPLE COMPL., HOW MANY\* 23. INTERVALS DRILLED BY 0 - TD ROTARY TOOLS CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\* Dakota: 3926 - 3950' 25. WAS DIRECTIONAL SURVEY MADE NO

26. TYPE ELECTRIC AND OTHER LOGS RUN GR-FDC-CNL, DIL, CBL-VDL MUD LOG 2-10-87 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 FULLED
8-5/8"	24# J-55	296'	12-1/4"	175 sacks (to surface)	none
4-1/2"	10.5# J-55	4176'	7-7/8"	175 sacks (top @ 3214')	3200'

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number) 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3926 - 3950'	500 gallons 15% HCL
3926 - 3950'	Fracd w/20,000# 100 mesh sand, 80,000# 20-40 sand, 481 bbls, 5% HCL, 1.463 MMSCF nitrogen.

3926 - 3950', 1 SPF, 25 shots total, .375" diameter

33.\* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)
2/21/87	PUMPING	P&A

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
April 1987	18 days		→	108	---	18	---

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
		→	AVG. 6	TSTM		not determined

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) N/A TEST WITNESSED BY Ralph Snow

35. LIST OF ATTACHMENTS SUNDRY NOTICE FORM 3160-5 w/plugging information

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 July 9, 1987

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

**LONE MOUNTAIN PRODUCTION COMPANY**

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

July 9, 1987

**RECEIVED**  
JUL 13 1987

DIVISION OF  
OIL, GAS & MINING

BUREAU OF LAND MANAGEMENT  
P. O. Box 970  
Moab, Utah 84532

RE: Hancock Federal No. 17-3  
NE NW Sec. 17: T17S-R25E  
Grand County, Utah

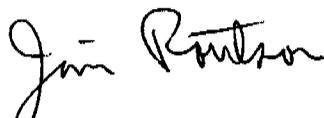
Dear Sirs:

Enclosed is our Sundry Notice: Subsequent Report of Abandonment (submitted in triplicate) and our Well Completion Report (submitted in duplicate) for the subject well in Grand County, Utah.

We are sending two copies of the above-mentioned reports to the Division of Oil, Gas & Mining in Salt Lake City.

Yours very truly,

LONE MOUNTAIN PRODUCTION COMPANY



James G. Routson

JGR/lw

Enclosures

xc/DOGM  
SLC ✓

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

Form approved.  
Budget Bureau No. 1004-0135  
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  
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 627' FNL & 2161' FWL; Section 17

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
Federal

9. WELL NO.  
Hancock Federal 17-3

10. FIELD AND POOL, OR WILDCAT  
State Line

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

NE 1/4 NW 1/4 Sec. 17: T17S-R25E

14. PERMIT NO.  
43-019-31236

15. ELEVATIONS (Show whether DF, RT, GR, etc.)  
5665' GL; 5676' KB

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)

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.)\*

Plugged & abandoned as follows: PLUG #1: 4000' - 3850' w/10 sacks.  
-Cut off 4 1/2" casing at 3200'.  
PLUG #2: 3250' - 3150' w/22 sacks.  
PLUG #3: 350' - 250' w/35 sacks.  
PLUG #4: 10 sacks at surface.

Finished plugging at 11:30 AM on July 2, 1987.

Plugging orders originally received from Greg Noble, BLM in Moab, Utah in February 1987.  
Reconfirmed by phone with Lynn Jackson, BLM in Moab on June 30, 1987.

Dry hole marker will be installed and rehab work done within 120 days. Seeding will be done in October or November 1987.

RECEIVED  
JUL 13 1987

DIVISION OF  
OIL, GAS & MINING

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

SIGNED James G. Routson

TITLE Petroleum Engineer

DATE July 9, 1987

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

TITLE \_\_\_\_\_

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

\*See Instructions on Reverse Side

DATE: 7-13-87  
BY: John R. Bara

COMPANY: LONE MOUNTAIN UT ACCOUNT # \_\_\_\_\_ SUSPENSE DATE: 9-7-87

WELL NAME: HANCOCK SED 17-3

API #: 43019 31236

SEC, TWP, RNG: 17 T17S R25E

TELEPHONE CONTACT DOCUMENTATION

CONTACT NAME: Jim Routson

CONTACT TELEPHONE NO.: 1-406-245-5077

SUBJECT: REQUEST WELL LOGS: For Ada

GR-FDC-CNL

DIL

(Use attachments if necessary)

RESULTS: 8:03 8-29 NO ANSWER

WILL SEND LOGS RIGHT AWAY

(Use attachments if necessary)

CONTACTED BY: VC

DATE: 8-29-87 9:00 AM