

LONE MOUNTAIN PRODUCTION COMPANY

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

RECEIVED
NOV 12 1986

November 11, 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 Hancock State No. 16-3 Well (in triplicate) and for our No's. 17-3 and 15-3 Hancock Federal Wells (in duplicate). Attached to each APD is a Designation of Operator form from Burton W. Hancock. We hope to drill the wells in early December, so your expedient approval is appreciated.

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

cc: Ken Currey

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

3

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

4. LOCATION OF WELL (Report location clearly and in accordance with applicable requirements)
 At surface: 700' FNL, 2140' FWL, Section 16
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 16 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)
 500'

16. NO. OF ACRES IN LEASE
 640

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.
 1766'

19. PROPOSED DEPTH
 3960'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5529' GL, 5540' KB

22. APPROX. DATE WORK WILL START*
 December 10, 1986

RECEIVED
NOV 12 1986

DENW
DIVISION OF OIL, GAS & MINING

5. LEASE DESIGNATION AND SERIAL NO.
 ML-29282

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 State

9. WELL NO.
 Hancock
 State No. 16-3

10. FIELD AND POOL, OR WILDCAT
 State Line STATELINE

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 NE 1/4 NW 1/4
 16-17S-25E SLBM

12. COUNTY OR PARISH
 Grand

13. STATE
 Utah

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	3960'	175 sx RFC

- Surface formation is the Mancos.
 - Anticipated geologic markers are: Dakota Silt 3560', Dakota 3646', Morrison 3782'
 - Gas is anticipated in the Dakota & 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 Gene D. Rantson TITLE Petroleum Engineer DATE 11/10/86

(This space for Federal or State office use)

PERMIT NO. 43-019-31237 APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE: 12-1-86 DATE _____

CONDITIONS OF APPROVAL, IF ANY: _____

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

BY: John R. Burr
WELL SPACING: 13.6 8/28/84

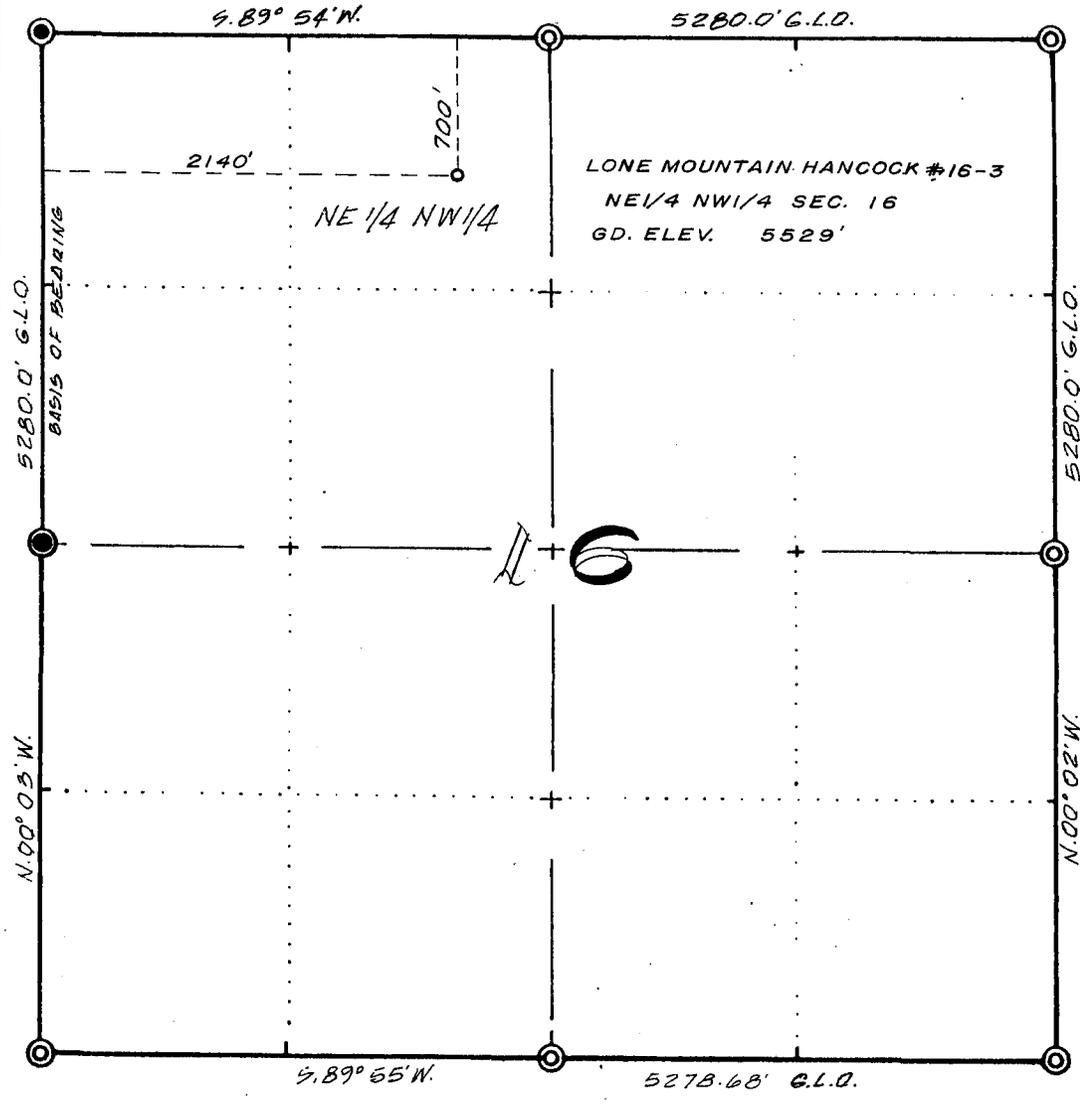
*See Instructions On Reverse Side

Application for Permit to Drill,
Deepen, or Plug Back
Hancock State No. 16-3
NE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 16-T17S-R25E
Grand County, Utah
Lease ML-29282

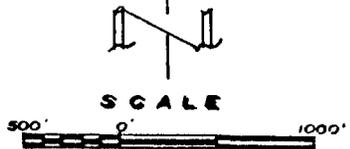
Page 2

-
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 10, 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 16.
 14. Designation of Operator from Hancock to Lone Mountain Production Company is attached.

SEC. 16, T. 17 S., R. 25 E. OF THE S.L.M.



LONE MOUNTAIN HANCOCK #16-3
NE 1/4 NW 1/4 SEC. 16
GD. ELEV. 5529'



- 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. 16-3, 700' F.N.L. & 2140' F.W.L. IN THE NE 1/4 NW 1/4, OF SECTION 16, T. 17 S., R. 25 E. 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.

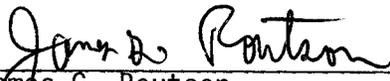
Larry D. Becker
UTAH L.S. # 4189

SURVEYED	11-4-86	ENERGY SURVEYS & ENGINEERING CORP. 715 HORIZON DRIVE, SUITE 330 GRAND JUNCTION, CO 81501 (303) 245-7221	SCALE 1" = 1000'
DRAWN	11-6-86		JOB NO.
CHECKED	11-7-86		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 3800' or a gradient of .263 psi/ft or less. No abnormal temperatures or hydrogen sulfide gas are anticipated.

LONE MOUNTAIN PRODUCTION COMPANY



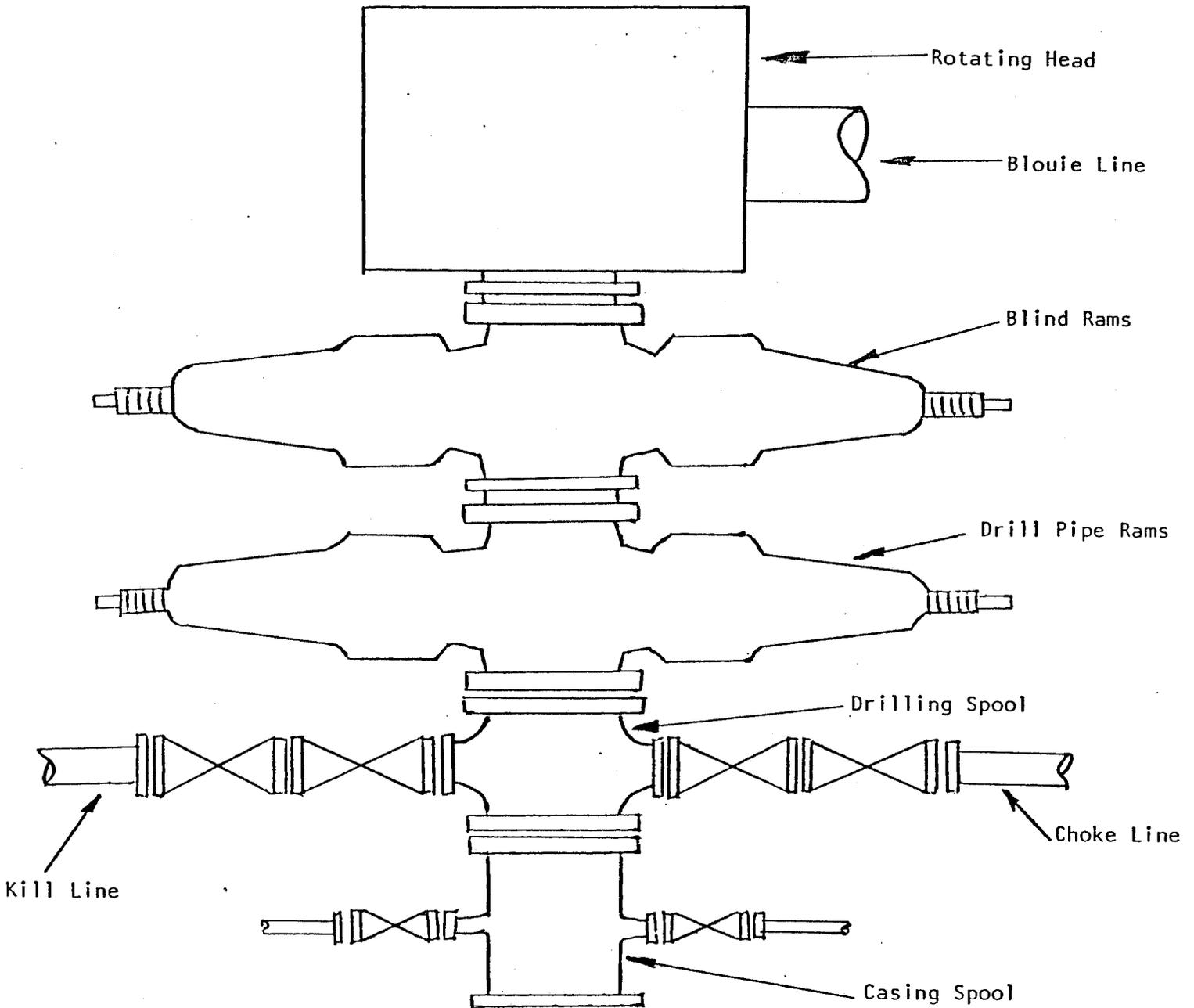
James G. Routson
Petroleum Engineer

Hancock Federal No. 16-3

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. 16-3
NE/4 NW/4, Sec. 16-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 0.1 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 0.1 mile of new road will be constructed as Moab-BLM class 3 road.

3. Location of Existing Wells

See Map #3. There are 4 producing wells, 3 shut-in gas 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.

6. Source of Construction Materials

No construction materials will be used other than native

Surface Use Program - Page 2

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 side of the location.

The reserve pit will be constructed along the west 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

Surface Use Program - Page 3

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 agreed to by the surface owner.

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

All lands involving new construction are private surface owned by Mr. Larry McIntyre. Lone Mountain Production Company is negotiating 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

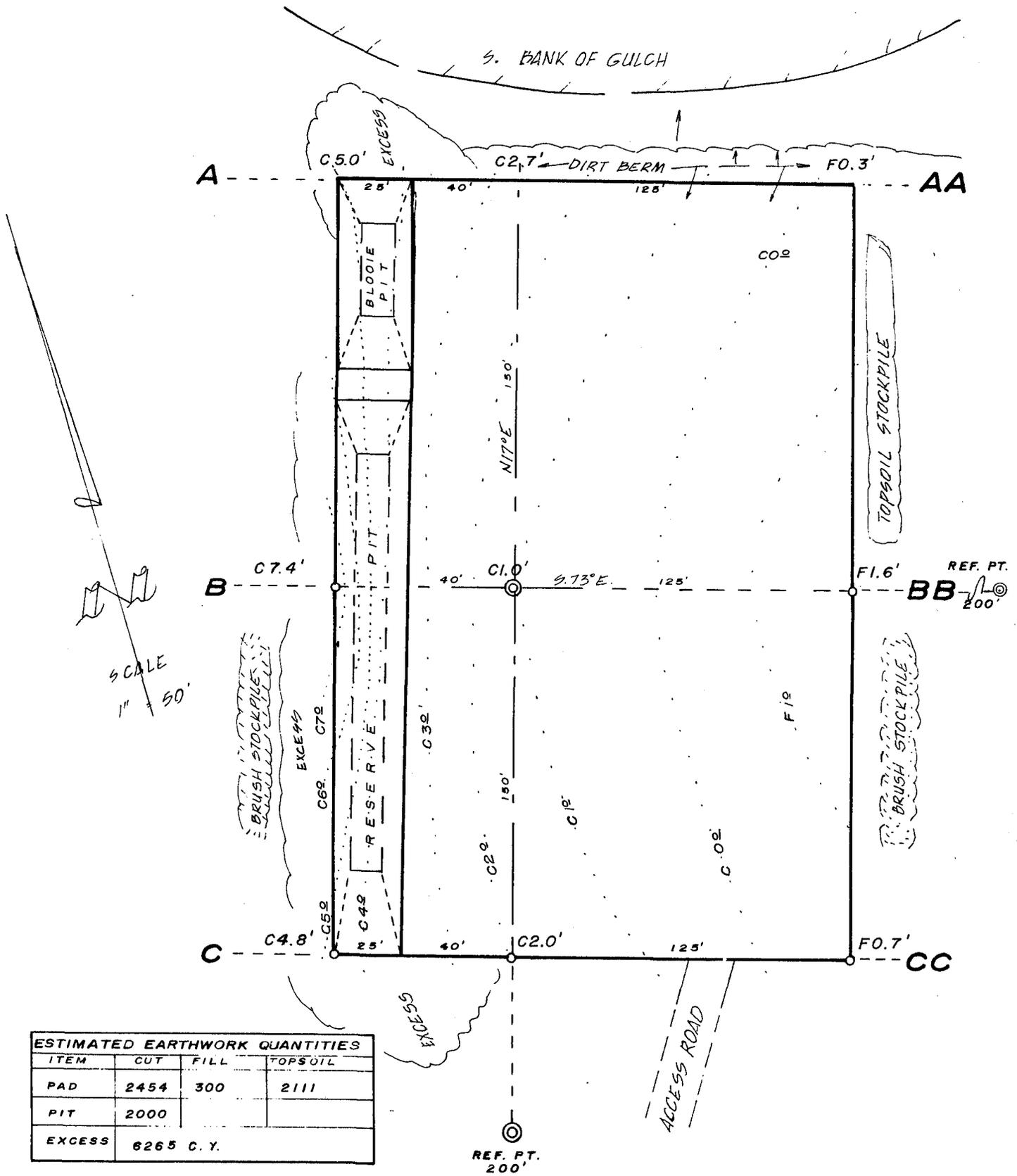
Surface Use Program - Page 4

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

November 11, 1986
Date

James G. Routson
James G. Routson

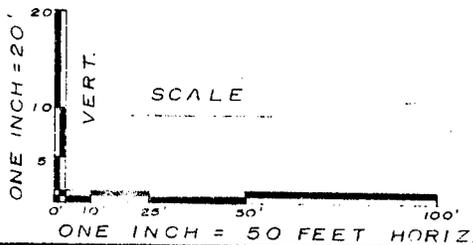
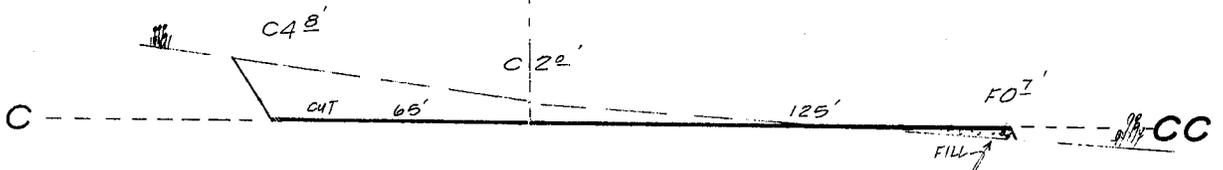
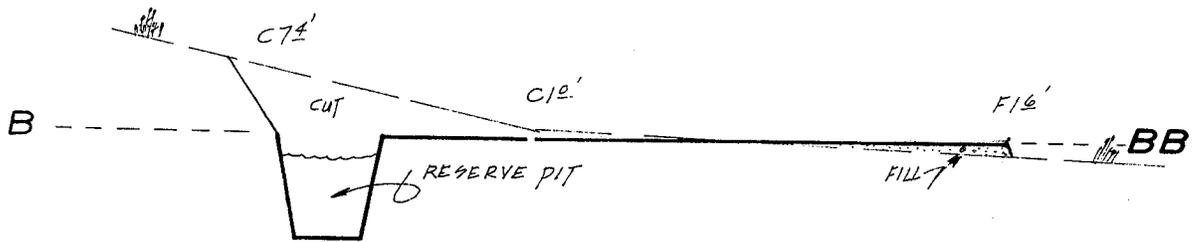
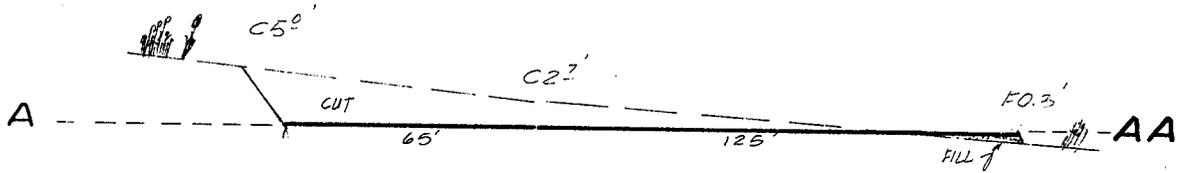
PLAN NO. 2
PIT & PAD LAYOUT



ESTIMATED EARTHWORK QUANTITIES			
ITEM	CUT	FILL	TOPSOIL
PAD	2454	300	2111
PIT	2000		
EXCESS	6265 C.Y.		

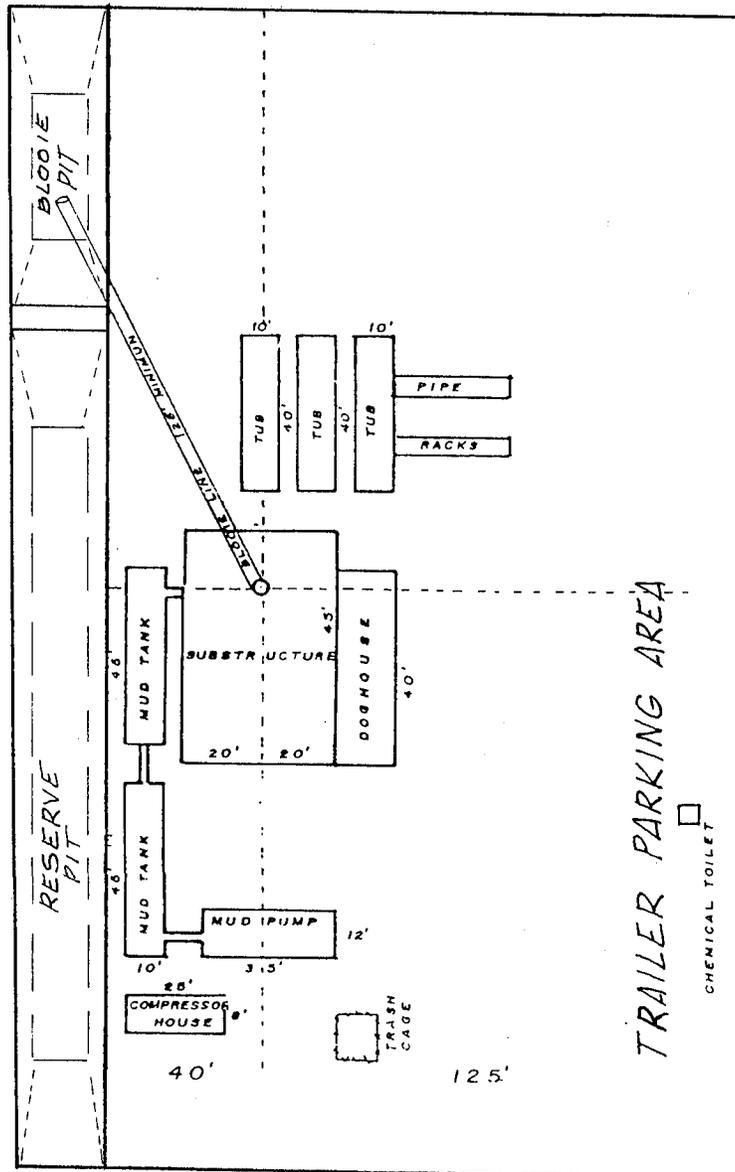
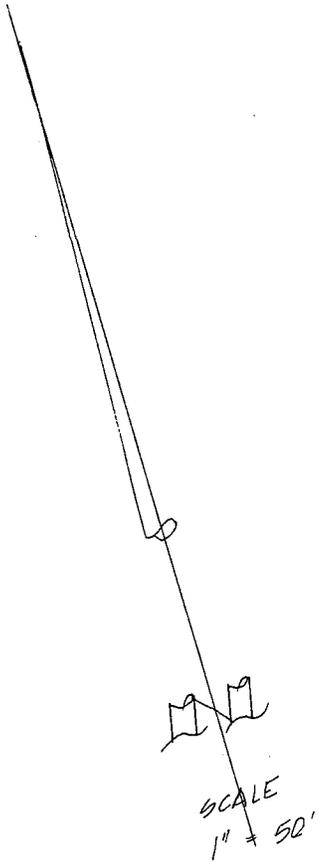
PLAT NO. 2A

CROSS-SECTIONS
OF PIT & PAD



LONE MOUNTAIN HANCOCK #16-3
GRAND COUNTY, UTAH

PLAT NO. 3
RIG LAYOUT



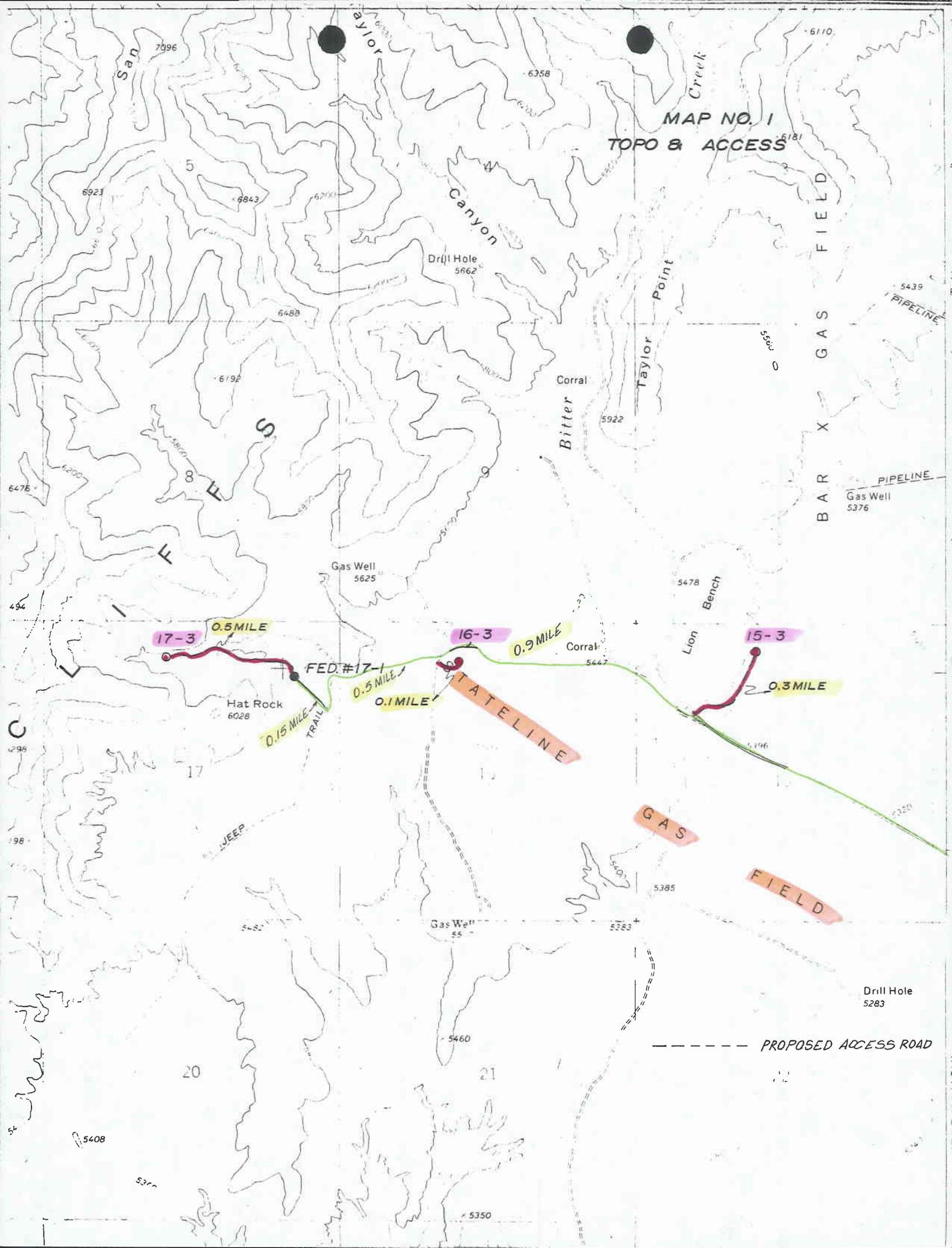
LONE MOUNTAIN HANCOCK # 16-3

PLAT NO. 4
FACILITIES PLAT
Hancock State No. 16-3

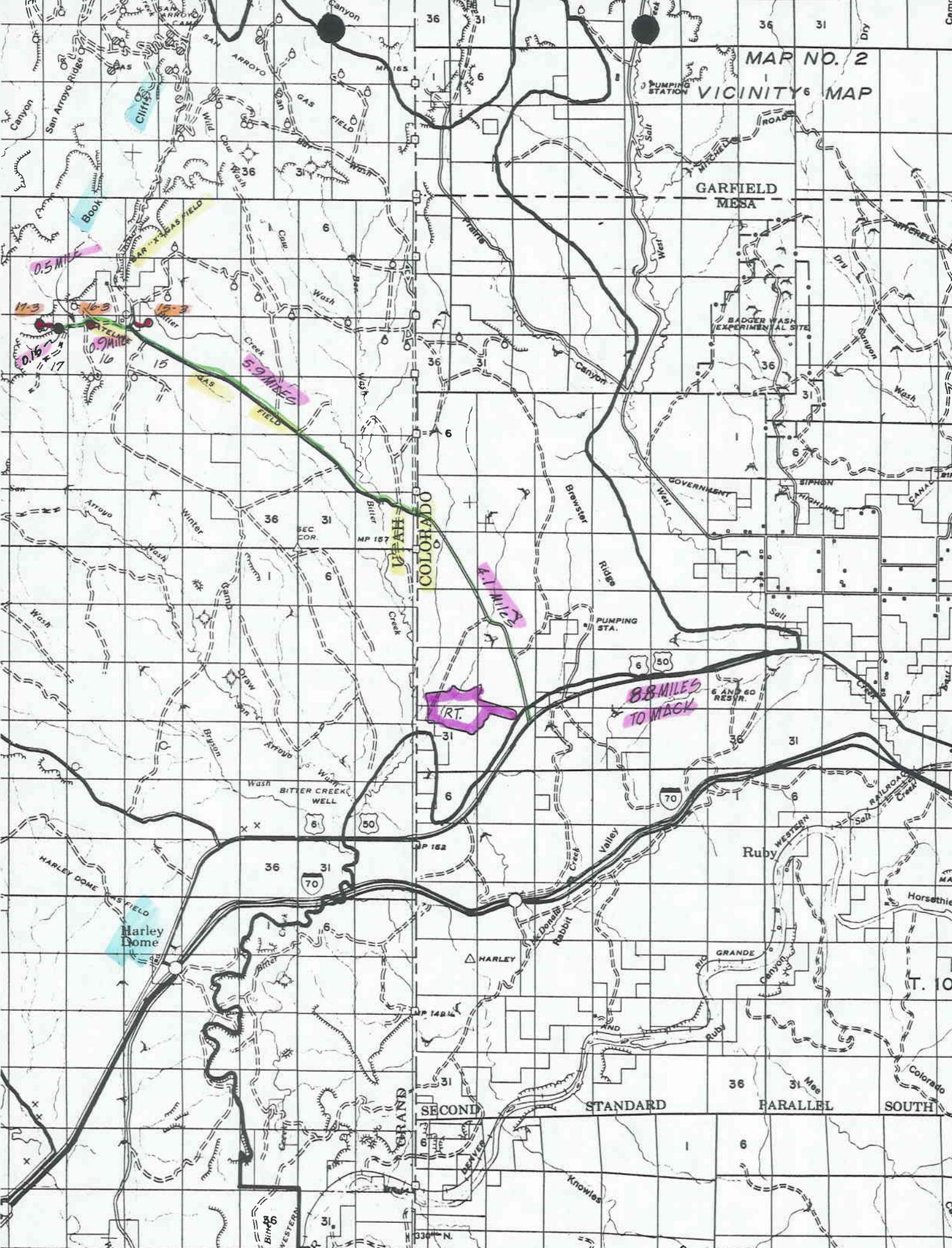


1. Wellhead will be an 8-5/8" Larkin Fig. 92 or equivalent. Tubing head will be a 4-1/2" x 6"-900 Series with two 2" 3000 psi screwed valves. Tree will be 2" screwed x 2000 psi W.P.
2. Line between wellhead and separator will be approximately 100 feet in length and constructed of 2-3/8" .190 wall, welded, 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, 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



MAR NO. 2
VICINITY MAP



GARFIELD MESA

UTAH

COLORADO

Ruby

SECOND

STANDARD

PARALLEL

SOUTH

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.: ML-29282

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):

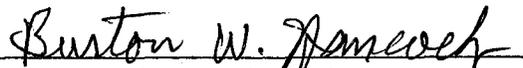
Township 17 South, Range 25 East, Grand County, Utah

Section 16: 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.


(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.

STATE OF UTAH
DIVISION OF OIL, GAS & MINING
DRILLING LOCATION ASSESSMENT

OPERATOR Lone Mountain Production Co. WELL NAME Hancock State #16-3
LOCATION: COUNTY Grand SECTION 16 T 17 S R 25 E
QTR/QTR NE/NW 700' F N L & 2140' F W L
SURFACE OWNERSHIP Mr. Larry McIntyre MINERAL LEASE # ML-29282

ASSESSMENT PARTICIPANTS: DATE 11 / 19 / 86
Ken Currey Lone Mountain
Bill Buniger Dirt Contractor
Larry Becker Surveyor
Ed Deputy & Jim Thompson DOG M

I. REGIONAL SETTING/TOPOGRAPHY

Colorado Plateau, south foothills of the Book Cliffs, small benches and
valleys running north-south, at location slight slope to east, large
ephemeral drainage north of location.

II. LAND USE

A. Current Surface Use:

Winter sheep range.

B. Proposed Surface Disturbance:

Drill pad including reserve and blooie pits will be 165' wide and 270' to 300'
long depending on the rig size, access road will be 0.1 mile long from existing
road, approximately 4/5 of location will be in cut material.

C. Affected Floodplains and/or Wetlands:

None.

III. ENVIRONMENTAL PARAMETERS

A. Geology:

1. Surface Formation -

Mancos Fm - no outcrops.

2. Stability -

Very stable - no potential for slides or slumps.

B. Soils:

1. Soil Characteristics -

Sandy clays - light brown with some gravels and a few small boulders,
moderate to low permeability.

2. Erosion/Sedimentation -

Some sheet wash during heavy rains and wind erosion, no potential for
sedimentation problems.

C. Water Resources:

Large drainage north of location, closest point is approximately 10' from
north edge of location, bottom of drainage is 20' to 25' lower than the
location surface and the drainage is approximately 50' wide. No drainages
through location.

D. Flora/Fauna:

Juniper, sagebrush, and native grasses moderate to sparse cover. Animal populations include antelope, small birds, and a rabbit. no potential for any serious floral/faunal damage.

E. Cultural Resources/Archeology:

Nothing found - conducted by Carl Connor, Grand River Institute, Grand Junction, CO.

F. Adequacy of Restoration Plans:

Construction will strip and stockpile 4 to 6 inches of topsoil, brush will also be stockpiled, clean-up will begin after completion rig release, and resloping should begin by the Fall of 1987.

IV. RESERVE PIT

A. Characteristics:

Reserve and blooie pits will be located on the west side of location and will be 100% in cut material. Reserve pit will be approximately 200' long, 25' wide, and 10' to 15' deep. The reserve pit will be deepest on the south end and slope up to the north end, concentrating cuttings and fluids to the south away from the drainage.

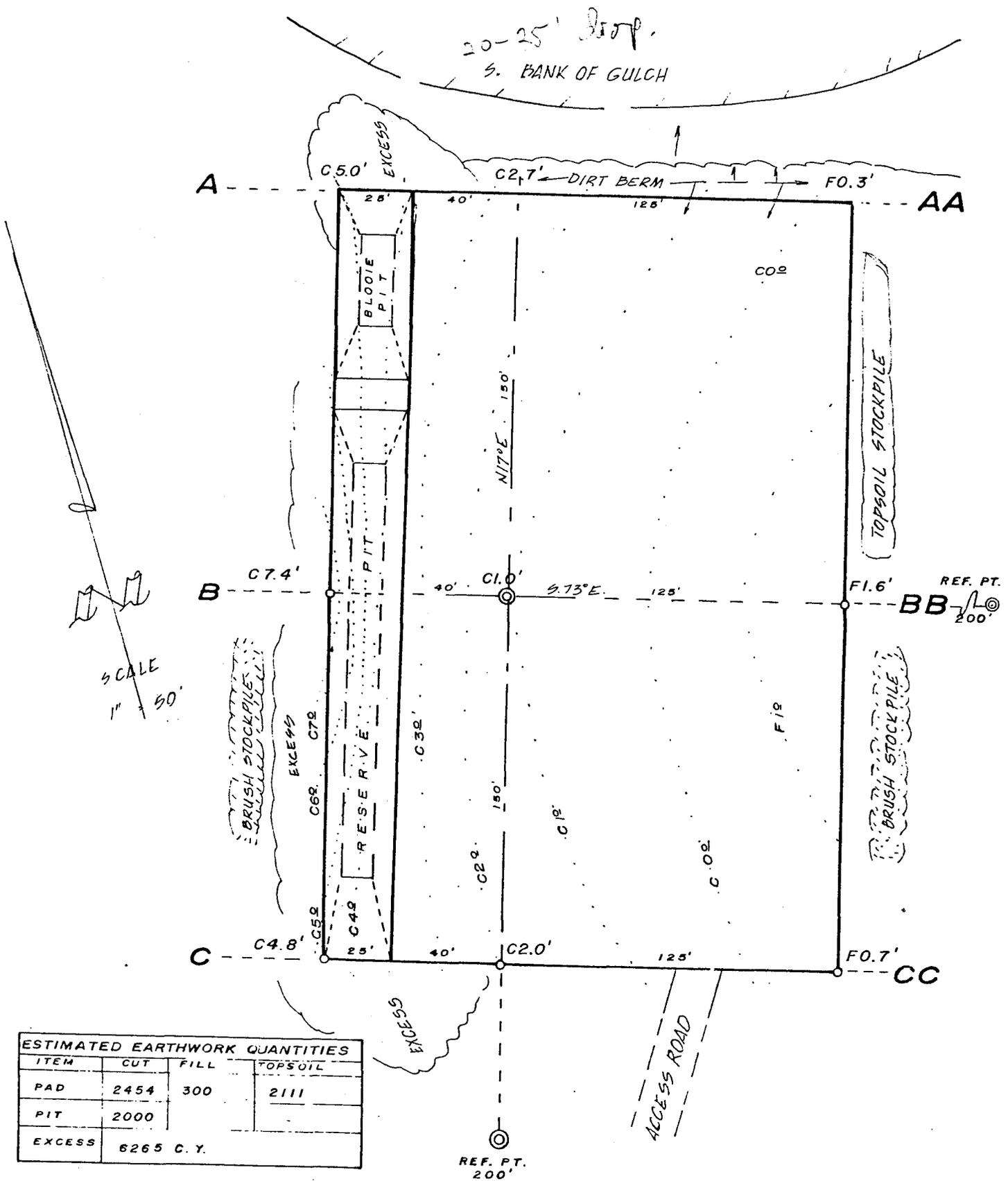
B. Lining:

None required.

V. OTHER OBSERVATIONS

Well will be air drilled, no water sands are expected. Chemical-gel type mud will be used if water is encountered, should be a small amount of fluids in the reserve pit.

PLAN NO. 2
PIT & PAD LAYOUT



ESTIMATED EARTHWORK QUANTITIES			
ITEM	CUT	FILL	TOPSOIL
PAD	2454	300	2111
PIT	2000		
EXCESS	6265 C. Y.		

120216

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

WELL NAME Hancock State 16-3

SEC NE NW 16 T 175 R 25E COUNTY Grand

43-019-31237
API NUMBER

State
TYPE OF LEASE

CHECK OFF:

PLAT

** Better Credit
Book Name*

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

& Connac 13-6
Water - Mack, Co.

APPROVAL LETTER:

SPACING: 203 _____ UNIT _____ 302

1306 8/28/86 302.1
CAUSE NO. & DATE

STIPULATIONS:

1. State History



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

December 1, 1986

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

Gentlemen:

Re: Hancock State 16-3 - NE NW Sec. 16, T. 17S, R. 25E
700' FNL, 2140' 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 subject to the following stipulations:

1. Prior to any ground-disturbing activity on state lands or lands owned or controlled by the state or its subdivisions, a cultural resource clearance report must be filed with and approved by the Division of State History, phone (801) 533-4563. A list of acceptable archaeological contractors is available from the Division of State History.

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.

Page 2
Lone Mountain Production Company
Hancock State 16-3
December 1, 1986

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.
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 43-019-31237.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

as
Enclosures
cc: State Lands & Forestry
Branch of Fluid Minerals
8159T

121637

12-8-86

RECEIVED
DEC 11 1986

DIVISION OF
OIL, GAS & MINING

NE $\frac{1}{4}$ NW $\frac{1}{4}$

(700' FNL, 2140' FWL) Sec. 16-T17S-R25E

4301931237

Hancock State No. 16-3
Hancock 1986-2 Prospect
Grand County, Utah

Elevations: 5529 GL
5540 KB

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Mancos	Surface	
Dakota Silt	3560	+1980
Dakota	3646	+1894
Morrison	3782	+1758
Total Depth	3960	+1580

CONTRACTOR

Name VECO DRILLING, INC.

Address P. O. Box 1705, Grand Junction, Colorado 81502

Office Phone 303 - 242-6912

Rig No. 2

Toolpusher Russell Morris

Home Phone 303 - 858-7670

Mobile or Rig Phone Pickup: 303 - 245-3660
Unit 5453

Rig: 303 - 245-3660

WELL SITE GEOLOGIST

Name _____

Address _____

Office Phone _____ Home Phone _____

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 3500' 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 3400'.

10' samples from 3400' 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 blouie 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>300</u> '	<u>175 sx G</u>
<u>7 7/8"</u> to <u>TD</u>	<u>4 1/2</u> "	<u>10.5# J-55</u> #	<u>3960</u> '	<u>175 sx REC</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	300	-	-	-	-
Air	300	TD	-	-	-	-
At TD	-	-	8.7	35-40	0	15

CONTRACT DEPTH

3960 feet.

STRAP-OUT

Contractor to strap pipe prior to any coring, testing, logging or before reaching the depth of 3400 feet, unless only one bit is used from 300' to TD.

DEVIATION SPECIFICATIONS

Surface pipe set with 1⁰ or less.

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

TESTING B.O.P.

Test to 1000 psig 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 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 - 252-1185

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 State No. 16-3

<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 No. 3 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	
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
Holden V Kids P.O. Box 1743 Billings, MT 59103	406/248-6655	John Hauptman	406/245-8564
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
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 P.O. Box 1437 Saratoga, WY 82331	307/324-3404	Waldo L. McIntosh	
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	
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 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	
Susan Hillstrom-Masi CINCIBERLANT (C-9) APO New York 09678	None		None
Linda S. Catron 1918 Pierce Street San Francisco, CA 94115		Linda Catron	415/921-3433
Courtney J. Catron, Jr. 25 Swiss Peaks Sugar Loaf Star Route Boulder, CO 80302		Courtney Catron	303/449-4437

DISTRIBUTION OF WELL INFORMATION

Hancock State No. 16-3

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	2	1	1	1	1	1
Robert C. Balsam P.O. Box 1324 Billings, MT 59103		1	1		1	1
Bryson Canyon Partnership No. 3 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						
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
Holden V. Kids P.O. Box 1743 Billings, MT 59103						
Dr. Brian Gamble 20 Victoria Avenue Chatham, Ontario CANADA N7M, 2Z6						1
Pat M. Griffith 126 West 87th New York City, NY 10024		1	1		1	1

Name & Address	Open Hole Logs		Cased Hole Logs	Core, Fluid Analysis DST Charts	Geol. Report	Permit, Forms Prognosis
	Field	Final				
Ajax Oil Company Harold B. Holden, Pres. P.O. Box 1584 Billings, MT 59103						
Waldo L. and Rachel J. McIntosh P.O. Box 1437 Saratoga, WY 82331		1	1		1	1
W. Marcus and Eva F. Abernethy Route 8, Box 1284 Hickory, NC 28602		1	1			1
Vic Damon 8861 E. Amherst Drive # B Denver, CO 80231		1	1		1	1
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
Susan Hillstrom-Masi CINCIBERLANT (C-9) APO New York 09678						1
Linda S. Catron 1918 Pierce Street San Francisco, CA 94115						1
Courtney J. Catron, Jr. 25 Swiss Peaks Sugar Loaf Star Route Boulder, CO 80302						1
Burkhalter Engineering Attn: Ralph Snow 715 Horizon Drive Grand Junction, CO 81501	1		1			
Div. of Oil, Gas & Mining 3 Triad Center, Suite 350 Salt Lake City, UT 84180	2	2	2	2	2	2
	13	18	20	6	18	26

121616

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

API #43-019-31237

NAME OF COMPANY: LONE MOUNTAIN PRODUCTION COMPANY

WELL NAME: HANCOCK STATE 16-3

SECTION NE NW 16 TOWNSHIP 17S RANGE 25E COUNTY GRAND

DRILLING CONTRACTOR Veco

RIG # 2

SPUDED: DATE 12-15-86

TIME 2:00 PM

HOW Rotary

DRILLING WILL COMMENCE _____

REPORTED BY Jim Routson

TELEPHONE # (406) 245-5077

DATE 12-16-86 SIGNED RJF

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

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

5. LEASE DESIGNATION AND SERIAL NO.

ML-29282

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

010501

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

State

9. WELL NO. Hancock

State No. 16-3

10. FIELD AND POOL, OR WILDCAT

State Line

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

NE/4 NW/4

Sec. 16-T17S-R25E

12. COUNTY OR PARISH 13. STATE

Grand

Utah

SUNDRY NOTICES AND REPORTS

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

RECEIVED
DEC 24 1986

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR LONE MOUNTAIN PRODUCTION COMPANY DIVISION OF

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

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

700' FNL, 2140' FWL, Section 16

14. PERMIT NO. 43-019-31237

15. ELEVATIONS (Show whether DF, RT, GR, etc.) 5529 GL, 5540 KB

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other) Status Report

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

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

X

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Drilled 12-1/4" hole to 310'. Ran 8-5/8", 20#, H-40 casing to 300'. Cemented to surface with 175 sx class "G", 3% Calcium Chloride.

Drilled 7-7/8" hole to 3960'. Set 4-1/2", 10.5#, J-55 casing at 3957'. Cemented with 175 sx 10-0 thixotropic. PBDT 3917.

Log tops:

Dakota Silt 3560 (+1980)
Dakota Sand 3646 (+1894)
Morrison 3784 (+1756)

Rig released at 2:00 A.M. 12/20/86.

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

SIGNED James D. P... (Signature)

TITLE Petroleum Engineer

DATE 12/22/86

(This space for Federal or State office use)

APPROVED BY _____

TITLE _____

DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

RECEIVED
DEC 24 1986

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

DIVISION OF
OIL, GAS & MINING

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well Name & Number Hancock State No. 16-3 43019 31237

Operator Lone Mountain Production Company Address P.O. Box 3394, Billings, MT 59103

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

Location NE 1/4 NW 1/4 Sec. 16 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.	None		No water encountered	
2.				
3.				
4.				
5.				

(Continue on reverse side if necessary)

Formation Tops

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 TRIPPLICATE*
(Other instructions on re-
verse side)

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

5. LEASE DESIGNATION AND SERIAL NO.
ML-29282 122418

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

State

9. WELL NO.

Hancock State No. 16-3

10. FIELD AND POOL, OR WILDCAT

State Line

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

NE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec 16-T17S-R25E

12. COUNTY OR PARISH 13. STATE

Grand

Utah

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

700' FNL, 2140' FWL, Section 16

14. PERMIT NO.
43-019-31237

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

5529 GL, 5540 KB

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF
FRACTURE TREAT
SHOOT OR ACIDIZE
REPAIR WELL
(Other)

PULL OR ALTER CASING
MULTIPLE COMPLETE
ABANDON*
CHANGE PLANS

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 2:00 P.M., 12/15/86; Veco Rig No. 2. Verbal notification given to Ron Firth, State of Utah Division of Oil, Gas & Mining at 8:40 A.M., 12/16/86.

RECEIVED
DEC 19 1986

DIVISION OF
OIL, GAS & MINING

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

SIGNED James B. Fontana

TITLE Petroleum Engineer

DATE 12/16/86

(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 TRIPPLICATE*
(Other instructions on reverse side)

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

5. LEASE DESIGNATION AND SERIAL NO
ML-29282

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

01050

SUNDRY NOTICES AND REPORTS
(Do not use this form for proposals to drill or to deepen or plug
Use "APPLICATION FOR PERMIT" for such purposes.)

RECEIVED
DEC 24 1986

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
LONE MOUNTAIN PRODUCTION COMPANY

DIVISION OF

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

OIL, GAS & MINING

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

700' FNL, 2140' FWL, Section 16

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

State

9. WELL NO.

Hancock State No. 16-3

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 16-T17S-R25E

14. PERMIT NO.
43-019-31237

15. ELEVATIONS (Show whether DF, RT, GR, etc.)
5529 GL, 5540 KB

12. COUNTY OR PARISH 13. STATE
Grand Utah

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

PULL OR ALTER CASING

FRACTURE TREAT

MULTIPLE COMPLETE

SHOOT OR ACIDIZE

ABANDON*

REPAIR WELL

CHANGE PLANS

(Other)

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

REPAIRING WELL

FRACTURE TREATMENT

ALTERING CASING

SHOOTING OR ACIDIZING

ABANDONMENT*

(Other) Spud

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

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Spudded 12-1/4" hole at 2:00 P.M., 12/15/86; Veco Rig No. 2. Verbal notification given to Ron Firth, State of Utah Division of Oil, Gas & Mining at 8:40 A.M., 12/16/86.

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

SIGNED James B. Fontana

TITLE Petroleum Engineer

DATE 12/16/86

(This space for Federal or State office use)

APPROVED BY _____

TITLE _____

DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE*
(Other instructions
verse side)

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

5. LEASE DESIGNATION AND SERIAL NO.
ML-29282

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

020908

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

State

9. WELL NO.

Hancock State No. 16-3

10. FIELD AND POOL, OR WILDCAT

State Line

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

NE NW Sec. 16: T17S-R25E

14. PERMIT NO.

43-019-31237

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

5529' GL, 5540' 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) **Report of 1st production**

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.)*

First delivered (to Mesa Pipeline) at 11:00 AM, February 3, 1987.

RECEIVED
FEB 06 1987

DIVISION OF
OIL, GAS & MINING

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

SIGNED

James J. Rantson

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

Division of Oil, Gas and Mining
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

Well File _____ Suspense _____ Other _____
(Return Date) 12/20/89
(To - Initials) ANS
(Location) Sec 16 Twp 17S Rng 25E
(API No.) 43-019-31237

1. Date of Phone Call: 12/5/89 Time: 9:15 AM

2. DOGM Employee (name) Debra Solis (Initiated Call)
Talked to:
Name _____ (Initiated Call) - Phone No. (406) 245-5077
of (Company/Organization) Lone Mountain Production

3. Topic of Conversation: WCR

4. Highlights of Conversation: Will send another copy.
Will has been completed.

LONE MOUNTAIN PRODUCTION COMPANY

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

RECEIVED
DEC 08 1989
DIVISION OF
OIL, GAS & MINING

December 5, 1989

Attention: Arlene

DIVISION OF OIL, GAS & MINING
355 W. North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180

Re: HANCOCK STATE NO. 16-3 Well
NE NW Sec. 16: T17S-R25E
Grand County, UT

Dear Arlene:

As per our phone conversation this morning, please find enclosed in duplicate the Well Completion Report on the captioned well, which was submitted to the BLM on January 12, 1987.

Very truly yours,

LONE MOUNTAIN PRODUCTION COMPANY

Lynda Wilson
Lynda Wilson

/lw

enclosures (2)

OIL AND GAS	
DRN	RJF
JRB	GLH
DTS	SLS
LAWSON ✓	
J-TAS ✓	
3- MICROFILM ✓	
4- FILE	

**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

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. RESV. DATE: DEC 08 1989

2. NAME OF OPERATOR
Lone Mountain Production Company

3. ADDRESS OF OPERATOR 408 Petroleum Building, P. O. Box 3394, Billings, Montana 59103
 DIVISION OF OIL, GAS & MINING

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
 At surface 700' FNL, 2140' FWL
 At top prod. interval reported below Same
 At total depth Same

14. PERMIT NO. 43-019-31237 **DATE ISSUED** 12-1-86

5. LEASE DESIGNATION AND SERIAL NO.
ML-29282

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
State

9. WELL NO.
Hancock State No. 16-3

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 Sec. 16-T17S-R25E

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

15. DATE SPUNDED 12-15-86 **16. DATE T.D. REACHED** 12-19-86 **17. DATE COMPL. (Ready to prod.)** 1-9-87 **18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*** 5529' GL, 5540' KB **19. ELEV. CASINGHEAD** 5530'

20. TOTAL DEPTH, MD & TVD 3960' **21. PLUG, BACK T.D., MD & TVD** 3800' **22. IF MULTIPLE COMPL., HOW MANY*** -- **23. INTERVALS DRILLED BY** -- **ROTARY TOOLS** 0-TD **CABLE TOOLS** --

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
Dakota Sandstone 3688-3706, 3714-3733, 3738-3784 **25. WAS DIRECTIONAL SURVEY MADE** No

26. TYPE ELECTRIC AND OTHER LOGS RUN SP-DIL, GR-FDC-CNL **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"	20#, H-40	300	12 1/2"	175 sx Class G(to surface)	None
4 1/2"	10.5#, J-55	3957	7 7/8"	175 sx Thixotropic (Top @ 3010')	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	3769'	None

31. PERFORATION RECORD (Interval, size and number)
One, .31" diameter hole as follows:
3698, 3702, 3724, 3725, 3744, 3751, 3760, 3761, 3769, 3774 (10 holes total)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3698-3725	200 gallons 15% HCl
3698-3725	Foam fract with 5,000# 100 mesh sand, 30,000# 20-40 sand, 234 bbls. 5% HCl, 695,000 Suf Nitrogen

33.* PRODUCTION

DATE FIRST PRODUCTION 1-8-87 **PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)** Flowing **WELL STATUS (Producing or shut-in)** Shut in

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
1-9-87	19	3/4"	→	0	1758	0	--

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
166	350	→	--	2221	--	--

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 J. Mark Rowton **TITLE** Petroleum Engineer **DATE** 1-12-87

*(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 Sand	3688	3706	Tight gas	Dakota Silt	3560	(+1980)
Dakota Sand	3714	3733	Tight gas	Dakota Sand	3646	(+1894)
Dakota Sand	3738	3784	Gas	Morrison	3784	(+1756)