

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
IN AND FOR THE STATE OF UTAH

IN THE MATTER OF THE PETITION	*	
OF LONE MOUNTAIN PRODUCTION	*	
COMPANY, TXO PRODUCTION	*	SECOND SET OF FINDINGS
CORPORATION, AND BURTON W.	*	OF FACT, AND CONCLUSIONS
HANCOCK FOR AN ORDER MODIFYING	*	OF LAW AND SECOND ORDER
PREVIOUS SPACING ORDERS TO	*	
ALLOW INFILL DRILLING UPON	*	Docket No. 86-009
ESTABLISHED DRILLING UNITS	*	Cause No. 13-6
AND ESTABLISHING OTHER	*	
DRILLING/SPACING UNITS FOR THE	*	
DAKOTA AND MORRISON FORMATIONS	*	
UNDERLYING CERTAIN ENUMERATED	*	
LANDS IN GRAND COUNTY, UTAH	*	

Pursuant to the Petition of Lone Mountain Production Corporation, TXO Production Corporation, and Burton W. Hancock, this cause initially was heard before the Board of Oil, Gas and Mining, Department of Natural Resources, State of Utah, on Friday, May 9, 1986, at 10:30 a.m. in the Board Room of the Division of Oil, Gas and Mining, 355 West North Temple, 3 Triad Center, Suite 301, Salt Lake City, Utah.

Statements were made for the record in this matter at the regularly scheduled Board hearings on May 22, June 26 and July 31, 1986. Petitioners filed an Amended Petition on August 5, 1986, which requested relief essentially based upon the findings of the Board as stated at the July 31 meeting. The Amended Petition was heard at the regularly scheduled Board meeting on August 28, 1986.

Pursuant to Paragraph G of the Order signed September 26, 1986, in this matter, the hearing upon the Amended Petition, insofar as it covered the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 2, Section 3, E $\frac{1}{2}$ Section 4, E $\frac{1}{2}$ NE $\frac{1}{4}$ Section 8, NW $\frac{1}{4}$ Section 9, and Section 10, all in Township 17 South, Range 25 East, S.L.M., was continued without date.

On January 12, 1987, Petitioners Lone Mountain Production Company and Burton W. Hancock filed a "Second Amended Petition Concerning Lands not Covered by Order dated September 26, 1986." The Second Amended Petition requested a hearing date for the lands mentioned in the above Paragraph G. In addition, relief was requested for lands not a part of the original petition. Pursuant to the Second Amended Petition, a hearing was held on Thursday, February 26, 1987 at 10:00 a.m. in the Board Room of the Division of Oil, Gas & Mining, 355 West North Temple, 3 Triad Center, Suite 301, Salt Lake City, Utah. The following Board Members were present:

Gregory P. Williams, Chairman
James W. Carter
John M. Garr
Charles R. Henderson
Richard B. Larsen
Judy F. Lever

The Board was represented by Mark C. Moench, Esq.,
Assistant Attorney General for the State of Utah.

Appearances for the Division of Oil, Gas & Mining were
made by:

Dr. Dianne Nielson, Director
Division of Oil, Gas & Mining

Ronald J. Firth, Associate
Director, Oil & Gas

John R. Baza, Petroleum Engineer

The Division was represented by Barbara W. Roberts,
Assistant Attorney General for the State of Utah.

The Petitioners were represented by John A. Harja, Esq.,
1170 East 1300 South, Salt Lake City, Utah 84105.

NOW, THEREFORE, the Board having considered the testi-
mony adduced and the exhibits reviewed in all said hearings, and
being fully advised in the premises, now makes and enters the
following:

FINDINGS OF FACT

1. Due and regular notice of the time, place and pur-
pose of the February 26 hearing was given to all interested par-
ties as required by law and the rules and regulations of the
Board. The parties specifically served with notice are listed in
Exhibit "1" attached to the original Petition, as updated for the
1987 hearing, which names represent all persons who own the right
to explore for and produce hydrocarbons from the subject lands
and all lands immediately adjacent to and cornering upon the sub-
ject lands in Utah.

2. The Board has jurisdiction over the subject matter
of the Second Amended Petition and over all parties interested
therein and has jurisdiction to make and promulgate the order
hereinafter set forth.

3. The Second Amended Petition in this matter is a request to modify previously existing drilling/spacing units for the Dakota and Morrison formations in parts of Grand County, Utah so as to authorize additional wells to be drilled within the existing units (increased well density or "infill"). The Second Amended Petition requests that existing wells be designated the current initial production well for the infill units. Additional wells would be drilled, at the operator's option, within the opposite government quarter section from the existing well at a point not less than 500 feet from the unit boundaries and 2,000 feet from other wells producing from the same formations, with a 200 foot tolerance to each requirement to be administratively approved pursuant to Rule 302.1 of the General Oil and Gas Rules for the State of Utah.

In addition, the Second Amended Petition requests that other lands in Grand County be spaced for production from the Dakota and Morrison formations. One well would be authorized for each unit. New wells would be drilled at a point not less than 500 feet from the unit boundaries and not less than 2,000 feet from other wells producing from the same formations with a 200 foot tolerance to each requirement to be administratively approved pursuant to Rule 302.1 of the General Oil and Gas Rules for Utah. Certain of these units so established would then be modified to allow for three production wells per unit.

4. The Board has previously entered an Order in Cause Number 107-1 which established a drilling/spacing unit con-

sisting of Section 16, Township 16 South, Range 26 East, S.L.M. This section is an irregular 320 acre (approximate) section which borders Colorado. Pursuant to oral motion made at the hearing, the Second Amended Petition was further amended to request authorization for an additional production well for this unit, rather than the original request to establish two 160 acre units.

5. Information obtained from the Bureau of Land Management (BLM) after the Second Amended Petition was filed, demonstrated that both sections 21 and 28, Township 16 South, Range 26 East, S.L.M., lie within the federal San Arroyo Operational Unit. Because of this, Petitioners' motion to delete these lands from the Second Amended Petition was granted.

6. This Board has previously entered an Order (Cause No. 165-11) which allows for two production wells in each of the following 480 acre drilling/spacing units:

- a) Township 17 South, Range 25 East, S.L.M.
Section 1: Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

- b) Township 17 South, Range 26 East, S.L.M.
Section 6: Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Petitioners have requested authorization for an additional production well (total of three) for each of these units.

7. The federal Winter Camp Operational Unit has been terminated by the Bureau of Land Management (BLM) effective December 31, 1986. Petitioners have requested that the Board

establish drilling/spacing units for the lands previously embraced by the Winter Camp Unit.

8. The following 480 acre (approx.) drilling/spacing units were created in Cause No. 4:

Township 17 South, Range 25 East, S.L.M.

- a) Section 2: E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$
- b) Section 2: W $\frac{1}{2}$ W $\frac{1}{2}$ plus Section 3: E $\frac{1}{2}$
- c) Section 3: W $\frac{1}{2}$ plus Section 4: E $\frac{1}{2}$ E $\frac{1}{2}$
- d) Section 4: W $\frac{1}{2}$ E $\frac{1}{2}$, W $\frac{1}{2}$
- e) Section 9: E $\frac{1}{2}$ plus Section 10: W $\frac{1}{2}$ W $\frac{1}{2}$
- f) Section 10: E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$

(See more accurate descriptions under Zones 2 and 3 of Field Rule 4-4, Cause No. 4)

These drilling/spacing units were vacated in Cause No. 4-2 because said units had become part of the then new Winter Camp Unit. These lands have been developed upon a 480 acre basis. Valid 480 acre Communitization Agreements still exist covering some of these same (since vacated) units.

9. All previous testimony related to the geology, reservoir characteristics, and the like of the Dakota and Morrison formations was incorporated into the record of the February 26, 1987, hearing. Geologic evidence indicates that the Dakota and Morrison formations extend under the following unspaced lands, and, as such, constitute a common source of supply of (principally) natural gas:

a) Township 17 South, Range 25 East, S.L.M.

Section 7: All

Section 8: N $\frac{1}{2}$

Section 9: NW $\frac{1}{4}$

b) Township 17 South, Range 25 East, S.L.M.

Section 2: E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$

Section 2: W $\frac{1}{2}$ W $\frac{1}{2}$ plus Section 3: E $\frac{1}{2}$

Section 3: W $\frac{1}{2}$ plus Section 4: E $\frac{1}{2}$ E $\frac{1}{2}$

Section 4: W $\frac{1}{2}$ E $\frac{1}{2}$, W $\frac{1}{2}$

Section 9: E $\frac{1}{2}$ plus Section 10: W $\frac{1}{2}$ W $\frac{1}{2}$

Section 10: E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$

10. Paragraph D of the Order dated September 26, 1986 in this matter established 160 acre units for the W $\frac{1}{2}$ of Section 4 and E $\frac{1}{2}$ of Section 9, both in Township 17 South, Range 25 East, S.L.M. In order to establish drilling/spacing units of uniform size on this area, these units should be modified as ordered below.

11. Paragraph F of the Order dated September 26, 1986 in this matter established 160 acre units for the SE $\frac{1}{4}$ of Section 8 and SW $\frac{1}{4}$ of Section 9, both in Township 17 South, Range 25 East, S.L.M., provided that the Communitization Agreement then in effect covering the W $\frac{1}{2}$ of Section 9 and E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 8, Township 17 South, Range 25 East, S.L.M. was terminated prior to the production of any well drilled in the SE $\frac{1}{4}$ of Section 8. Said Communitization Agreement was terminated effective February 1, 1987.

12. Currently available geologic evidence indicates that one well will not drain the natural gas reserves underlying a spaced area 280 acres in size or larger. The geologic evidence indicates that one well will drain approximately 160 acres, and that a 160 acre drainage is not smaller than the maximum area that can be efficiently and economically drained by one well.

13. Due to the presence of existing communitization agreements and other factors, and in order to protect the correlative rights of the various interest owners, the geographic extent of several of the existing drilling/spacing units can not be altered. Increased well density authorization is appropriate for these units. Additional wells upon existing units are authorized to be drilled only at the option of the operator of each separate unit, such drilling decision to be based upon geologic and engineering data indicating that the well will recover additional hydrocarbons in an economically feasible manner. Economically feasible means that a prudent operator would have a reasonable opportunity to recover the costs of drilling, completing, producing and operating the well, plus a reasonable profit.

14. It is not the intent of this Order to change, amend or otherwise alter any existing contractual rights or relationships, express or implied, between any parties who share in the production (or proceeds therefrom) from previously spaced drilling units or tracts pooled or unitized for purposes of deve-

loping and producing wells (upon the lands not spaced at the date of hearing on this matter). It is not the intent of this Order to alter any interests based on previously existing communitization or participation agreements.

15. The various types of relief ordered by the Board in this matter will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

CONCLUSIONS OF LAW

1. The Dakota and Morrison formations underlying the subject lands are a "common source of supply" as that term is defined in U.C.A. §40-6-2(a) (1953, as amended).

2. The Board has the authority, pursuant to U.C.A. §40-6-6(3), (1953, as amended) to modify previous spacing orders to include additional areas which are underlain by a common source of supply.

3. The Board has the authority, pursuant to U.C.A. §40-6-6(4), (1953, as amended) to modify existing drilling/spacing units to permit additional wells to be drilled within established units.

4. The various types of relief ordered by the Board in this matter will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

Sufficient evidence now being available upon which to reach a decision, the Board issues the following:

ORDER

IT IS HEREBY ORDERED THAT:

A. NEW DRILLING/SPACING UNITS

1) The following drilling/spacing units are hereby established for production from the Dakota and Morrison formations:

a) 160 acre units

Township 17 South, Range 25 East, S.L.M.

Section 7: All

Section 8: N $\frac{1}{2}$

Section 9: NW $\frac{1}{4}$

b) 480 acre units (more or less)

Township 17 South, Range 25 East, S.L.M.

i) Section 2: E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$

ii) Section 2: W $\frac{1}{2}$ W $\frac{1}{2}$ plus Section 3: E $\frac{1}{2}$

iii) Section 3: W $\frac{1}{2}$ plus Section 4: E $\frac{1}{2}$ E $\frac{1}{2}$

iv) Section 4: W $\frac{1}{2}$ E $\frac{1}{2}$, W $\frac{1}{2}$

v) Section 9: E $\frac{1}{2}$ plus Section 10: W $\frac{1}{2}$ W $\frac{1}{2}$

vi) Section 10: E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$

2) Each of the above 160 acre units shall be composed of and equivalent to a regularly surveyed quarter section or lots corresponding thereto.

3) One well is authorized upon each of the above established units, said well to be located anywhere within the unit that is not less than 500 feet from the unit boundaries

(with a 200 foot tolerance to be administratively granted pursuant to Rule 302.1 for geologic, topographic, cultural or other reasons) and not less than 2,000 feet from other wells producing from the same formations (with a 200 foot tolerance to be administratively approved pursuant to Rule 302.1 for geologic, topographic, cultural and other reasons).

B. INFILL AUTHORIZATION

1) Additional wells are authorized for production from the Dakota and Morrison formations within the following previously established drilling/spacing units:

a) Two Production Wells

Township 16 South, Range 26 East, S.L.M.

Section 16

b) Three Production Wells

i) Township 17 South, Range 25 East, S.L.M.

Section 1: Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

ii) Township 17 South, Range 26 East, S.L.M.

Section 6: Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Township 17 South, Range 25 East, S.L.M.

iii) Section 2: E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$

iv) Section 2: W $\frac{1}{2}$ W $\frac{1}{2}$ plus Section 3: E $\frac{1}{2}$

v) Section 3: W $\frac{1}{2}$ plus Section 4: E $\frac{1}{2}$ E $\frac{1}{2}$

vi) Section 4: W $\frac{1}{2}$ E $\frac{1}{2}$, W $\frac{1}{2}$

vii) Section 9: E $\frac{1}{2}$ plus Section 10: W $\frac{1}{2}$ W $\frac{1}{2}$

viii) Section 10: E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$

2) Existing wells capable of production from the Dakota/Morrison formations in the units stated in paragraph "B(1)" above are the authorized current initial wells per unit. Additional wells shall be located no less than 500 feet from the unit boundaries and no less than 2,000 feet from other wells producing from the same formations (with a 200 foot tolerance for each distance requirement to be administratively granted pursuant to Rule 302.1 for geologic, topographical, cultural or other reasons).

3) Said additional wells may be drilled only at the option of the operator of each separate drilling unit, based upon the criteria stated in Finding of Fact No. 13 above.

4) It is not the intent of this Order that existing contractual rights or relationships, express or implied, between all parties who share in the production, or proceeds therefrom, from any of the established drilling units stated in paragraph "B(1)" above be altered by virtue of this order.

C. All previous Orders of this Board which are inconsistent with this Order, are hereby vacated, to the extent of such inconsistency only.

D. The Board retains exclusive and continuing jurisdiction over all matters covered by this Order and over all parties affected thereby and particularly reserves exclusive and continuing jurisdiction to make further orders as appropriate and as authorized by statute and regulation.

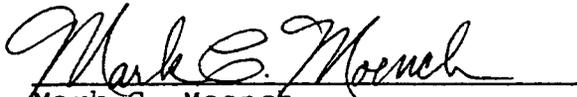
DATED this 26th day of March, 1987.

STATE OF UTAH
BOARD OF OIL, GAS & MINING



Gregory P. Williams, Chairman

Approved as to form:



Mark C. Moench
Assistant Attorney General

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1A. TYPE OF WORK
DRILL DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
B.W. Hancock

3. ADDRESS OF OPERATOR
P.O. Box 989, Billings, MT 59101

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At proposed prod. zone
Same
2026 ft FWL, 1145 ft FSL

RECEIVED
AUG 01 1990
DIVISION OF
OIL, GAS & MINING

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
21 miles Northwest of Mack, Colorado

16. NO. OF ACRES IN LEASE
499.62 Acres
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETION, OR APPLIED FOR, ON THIS LEASE, FT.
Govt. No. 1: 2642'

17. NO. OF ACRES ASSIGNED TO THIS WELL
160 Acres

19. PROPOSED DEPTH
4103' (Morrison)

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5565' GR, 5575' KB

22. APPROX. DATE WORK WILL START*
July 10, 1990

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	7"	17#, H40, STC	300'	140 sx 7G
6-1/4"	4-1/2"	10.5#, J55, STC	4103'	175 sx 10-0 RFC

See Attachments

OIL AND GAS	
DFN	RJF
JFB	GLH
DIS	SLS
1- MICROFILM	<input checked="" type="checkbox"/>
2- FILE	

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. [Signature] TITLE Petroleum Engineer DATE June 12, 1990

(This space for Federal or State office use)

PERMIT NO. 43-019-31304

APPROVAL DATE
Assistant District Manager
for Minerals

DATE JUL 27 1990

APPROVED BY ISA Lynn Jackson

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED

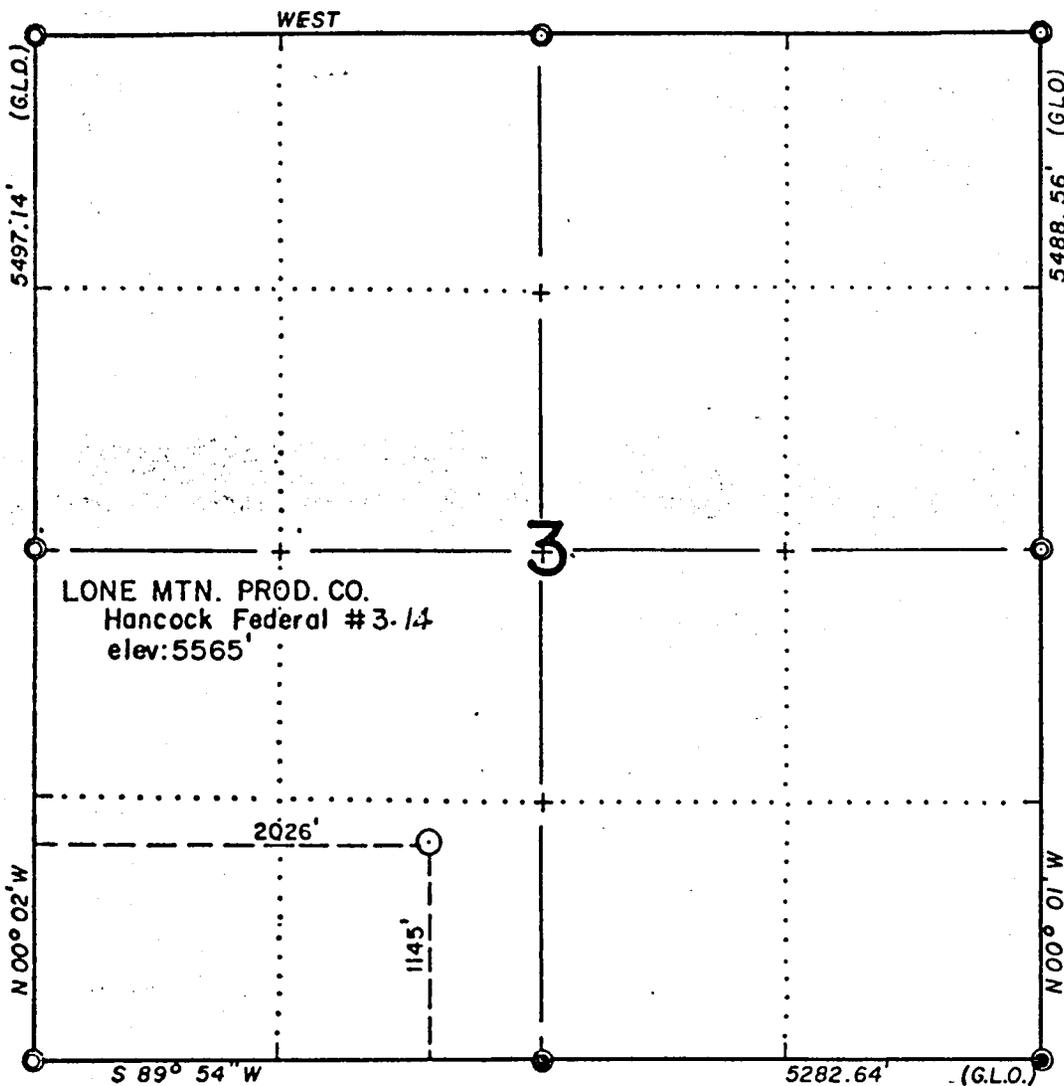
DRILLING OR VENTING OF
WELLS IS SUBJECT TO NTL 4-A
1/1/80

*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.

SEC. 3, T. 17S, R. 25E OF THE SLM

LOCATION PLAT 1



LONE MTN. PROD. CO.
Hancock Federal #3-14
elev: 5565'

SCALE



- LEGEND -

- ⊙ STANDARD LOCATION OF GLO SECTION CORNERS.
- GLO CORNERS FOUND.
- WELL LOCATION STAKED.

REFERENCE DOCUMENTS

1924 GLO PLAT

Bryson Canyon, Utah
QUADRANGLE, U.S.G.S.

THIS WELL LOCATION PLAT WAS PREPARED FOR: LONE MTN. PRODUCTION COMPANY
TO LOCATE THE Hancock Federal #3-14, 1145' F.S. L. &
2026' F.W. L. IN THE SE 1/4 SW 1/4, OF SECTION 3, T. 17S, R. 25E
OF THE SLM P.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.

Utah

L.S. #

SURVEYED	5/90
DRAWN	6/90
CHECKED	6/90

ENERGY
SURVEYS
CORPORATION

361 PIKES PEAK DRIVE
GRAND JUNCTION, CO. 81503
(303) 245-7221

SCALE: 1" = 1000'
JOB NO.
SHEET OF

1=qp

STIPULATIONS FOR HANCOCK APD FED. 3-14

1. Development activity will be allowed only from June 2 to February 14, in order to protect nesting Golden Eagles.

Burton W. Hancock
Well No. Federal 3-14
SESW Sec. 3, T. 17 S., R. 25 E.
Grand County, Utah
NRM 1235 (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.

Be advised that Burton W. Hancock is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by BLM Bond UT0270 (Principal - Burton W. Hancock) via surety consent as provided for in 43 CFR 3104.3.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

A. DRILLING PROGRAM

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, Onshore Oil and Gas Order No. 2 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.

B. SURFACE USE PLAN

Operator will contact Grand Resource Area at (801) 259-8193, 48 hours prior to starting any dirt work on access road or well pad.

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

Trees, brush and topsoils will be widened along the south side of the well pad. Trees and brush removed from the pad will be kept separate from the topsoils.

A 0.5 mile long access road with an 18 foot wide travel surface will be constructed to gain access to the pad. Topsoils will be windrowed along the up-slope side of the road where soils are sufficient. If this well is successful the access will be up-graded to the Bureau's Class III Standards.

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator whether the materials appear eligible for the National Register of Historic Places.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

C. Anticipated Starting Dates and Notifications of Operations:

Required verbal notifications are summarized in Table 1, attached. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within twenty-four (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.

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

Should the well be successfully completed for production, the Assistant District Manager, Minerals Division will be notified when the well is placed in producing status. Such notification will be sent by telegram or other written communication, not later than five (5) business days following the date on which the well is placed on production.

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.

A first production conference will be scheduled within fifteen (15) days after receipt of the first production report. The Resource Area Office will coordinate the field conference.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Assistant District Manager, Minerals Division within thirty (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 Manager or his representative, or the appropriate surface managing agency.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days or 50 MMCF gas. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6.

The following minimum information will be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch:

"Fed" or "Ind", as applicable. "Well number, location by 1/4 1/4 section, township and range". "Lease number".

TABLE 1

NOTIFICATIONS

Notify Jeff Robbins of the Grand Resource Area, at
(801) 259-8193 for the following:

- 2 days prior to commencement of dirt work, construction or reclamation;
- 1 day prior to spudding;
- 1 day prior to running and cementing surface casing;
- 1 day prior to pressure testing of BOPE and/or surface casing.

Notify the Moab District Office, Branch of Fluid Minerals at (801) 259-6111
for the following:

No well abandonment operations will be commenced without the prior approval of the Assistant District Manager, Mineral Resources. In the case of newly drilled dry holes, and in emergency situations, verbal approval can be obtained by calling the following individuals, in the order listed:

Dale Manchester, Petroleum Engineer Office Phone: (801) 259-6111

Home Phone: (801) 259-6239

Eric Jones, Petroleum Engineer Office Phone: (801) 259-6111

Home Phone: (801) 259-2214

If unable to reach the above individuals including weekends, holidays, or after hours, please call the following:

Lynn Jackson, Chief, Branch of Fluid Minerals

Office Phone: (801) 259-6111

Home Phone: (801) 259-7990

24 HOURS ADVANCE NOTICE IS REQUIRED FOR ALL ABANDONMENTS.

Burton W. Hancock

402 Petroleum Building
Billings, Montana 59101

August 1, 1990

RECEIVED
AUG 03 1990

DIVISION
OIL, GAS & MINING

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

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

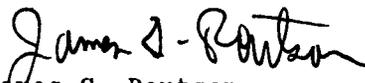
Dear Ron:

Enclosed for your approval is an APD for Burton W. Hancock's Federal No. 3-14 well (in duplicate). We hope to drill this well the first of September, so your expedient approval is appreciated. The BLM has recently approved the drilling of the well.

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

Very truly yours,

LONE MOUNTAIN PRODUCTION COMPANY


James G. Routson

JGR/jlw
Enclosures

cc: Joe Dyk

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.
U-05003

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

7. UNIT AGREEMENT NAME
NRM 1235

8. FARM OR LEASE NAME
Federal

9. WELL NO.
3-14

10. FIELD AND POOL, OR WILDCAT
Bar-X

11. SEC. T. R. M., OR BLK. AND SURVEY OR AREA
SESW Sec 3-T17S-R25E

12. COUNTY OR PARISH
Grand

13. STATE
UT

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
B.W. Hancock

3. ADDRESS OF OPERATOR
P.O. Box 989, Billings, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
2026 ft FWL, 1145 ft FSL

At proposed prod. zone
Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
21 miles Northwest of Mack, Colorado

10. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
Drig unit: 614'
Lse line: 1145'

16. NO. OF ACRES IN LEASE
499.62 Acres

17. NO. OF ACRES ASSIGNED TO THIS WELL
160 Acres

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
Cove No. 1: 2642'

19. PROPOSED DEPTH
4103' (Morrison)

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DE, RT, GR, etc.)
5565' GR, 5575' KB

22. APPROX. DATE WORK WILL START*
July 10, 1990

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	7"	17#, H40, STC	300'	140 SX 'G'
6-1/4"	4-1/2"	10.5#, J55, STC	4103'	175 SX 10-0 RFC

See Attachments

OIL AND GAS	
DFN	4- RJF
2-JPB	GLH
DIS	SLS
1-TAS	
3-TAS	
5-TAS	
6-	MICROFILM
7-	FLE

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 [Signature] TITLE **Petroleum Engineer** DATE **June 12, 1990**

(This space for Federal or State office use)

PERMIT NO. **43-019-31304**

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

APPROVED BY _____ TITLE _____

CONDITIONS OF APPROVAL, IF ANY:

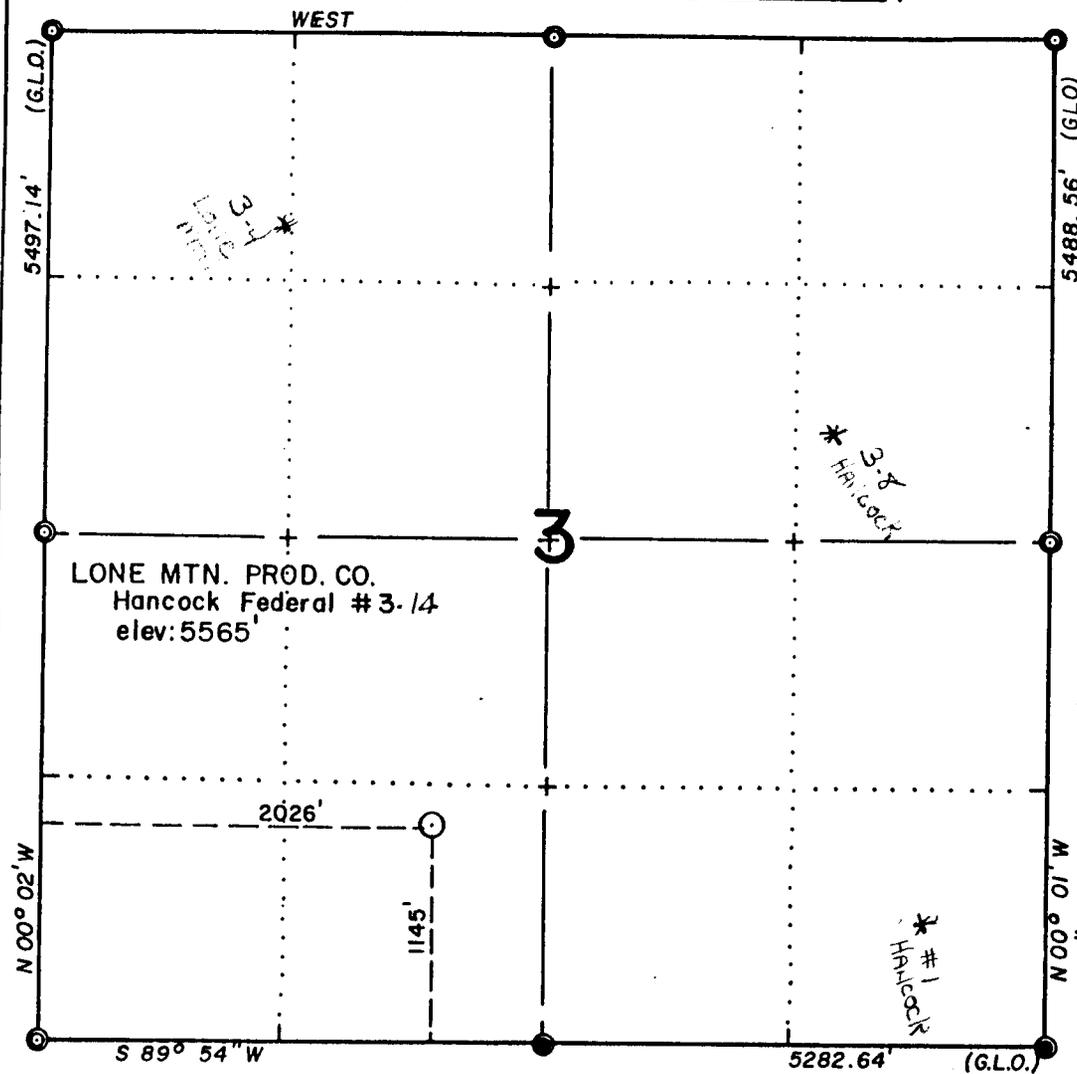
DATE: **8-15-90**
BY: [Signature]

*See Instructions On Reverse Side

WELL SPACING: **13-6(2) 3-26-87**

SEC. 3, T. 17S, R. 25E OF THE SLM

LOCATION PLAT 1



SCALE



- LEGEND -

- ⊙ STANDARD LOCATION OF GLO SECTION CORNERS.
- GLO CORNERS FOUND.
- ⊙ WELL LOCATION STAKED.

REFERENCE DOCUMENTS

1924 GLO PLAT

Bryson Canyon, Utah
QUADRANGLE, U.S.G.S.

THIS WELL LOCATION PLAT WAS PREPARED FOR: LONE MTN. PRODUCTION COMPANY
TO LOCATE THE Hancock Federal #3-14, 1145' F.S.L. &
2026' F.W.L. IN THE SE 1/4 SW 1/4, OF SECTION 3, T. 17S, R. 25E
OF THE SLM P.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.

Utah L.S. #

SURVEYED	5/90	
DRAWN	4/90	
CHECKED	6/90	

ENERGY
SURVEYS
CORPORATION

381 PIKES PEAK DRIVE
GRAND JUNCTION, CO. 81503
(303) 245-7221

SCALE: 1" = 1000'

JOB NO.

SHEET OF

1=gp

©SURFACE USE PLAN

B.W. Hancock
Federal No. 3-14
SESW Section 3-T17S-R25E
Grand County, Utah

1. EXHISTING ROADS

See Maps #1 and #2 and Plat #1. This proposed well is located approximately 21 miles northwest of Mack, Colorado. It is reached by going west on Old Highway 6&50 8.8 miles to 2 Road. Turn right and go 4.1 miles to the state line fence. Continue northwesterly up 2 road for 6.4 miles. Turn right and follow lease road 1.2 miles to newly constructed road. Go northwest on this road 0.5 miles to location.

2. ACCESS ROADS TO BE CONSTRUCTED

The proposed 0.5 miles of access road will be constructed with an 18 foot travel width. The first 300' of road is off the lease. The rest of the access is within the lease boundaries. The southern route was chosen over the northern route at the on-site inspection because it has southern exposure and is a shorter distance. See Map #1 and Plat #2.

Drivable waterbars or "thank-you-mams" will be installed at approximately 250 foot intervals on 1 to 4 percent grades. Placement of a culvert will take the place of a waterbar.

Drivable waterbars will be installed prior to moving the drilling rig onto the location.

3. LOCATION OF EXISTING WELLS

10 producing wells and 1 dryhole are within one mile radius. See Map #3.

4. LOCATION OF PRODUCTION FACILITIES

See Plat #4. Every thing will be painted non reflective dark green.

5. LOCATION AND TYPE OF WATER SUPPLY

The source of water for this well is West Salt Creek. The pickup point is on old highway 6 & 50 out 2.5 miles west of Mack, Colorado.

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 MATERIAL

Cuttings will be buried in the reserve pit at cleanup. Garbage and other waste material will be contained in a trash cage. This cage will be dumped at an approved sanitary landfill. Human waste will be contained in chemically treated sanitary holes.

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, saltwater, 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 #3 - Cross Sections of Pit and Pad
See Plat #4 - Rig Layout

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

Topsoil will be stripped to a depth of 6 - 8 inches and stockpiled on the south edges of the location. No topsoil stripping will be done when soils are moisture saturated to a depth of 3 inches, or frozen below the stripping depth.

The reserve pit will be fenced on three sides prior to drilling activity and closed off on the fourth side after drilling is finished. Fencing will be four strands of barb wire or 48 inch woven wire with one strand of barb wire above the woven wire. All corners will be braced. The fence construction will be on cut or undisturbed surface. The backslope of the location will not exceed 1/2:1.

All construction activities will be confined to the minimum area necessary. The exterior boundaries of the construction area will be clearly flagged prior to any surface disturbing activities or vegetation removal.

B.W. Hancock will clear all brush prior to construction. Brush will be stock piled on the south edge of the location and will be kept separate from the soil stock piles. The brush will be used for mulch after the disturbed area has been seeded.

10. PLANS FOR RECLAMATION OF THE SURFACE

A biodegradable mulch may be required if soil erosion or vegetation establishment is determined to be a problem by the authorized officer on the access or location reclamation.

All disturbed areas will be seeded with the approved seed mixture. Application rates are for pure, live seed (PLS). Seed tags will be submitted to the area manager within 30 days of seeding.

B.W. Hancock will prepare seedbed by contour cultivating 4 - 6 inches deep and drilling seed 1/2 to 1 inch deep following the contour. In areas that cannot be drilled, seed will be broadcast at 1.5 times the application rate and covered 1/2 to 1 inch deep with a harrow or drag bar.

Seeding will be completed after August 15/September 1 and prior to October 1 of the fall of 1990, if feasible, but not later than the fall of 1991.

If the well is a producer:

B.W. Hancock will upgrade and maintain access roads as necessary to prevent soil erosion and accomodate year-round traffic. B.W. Hancock will reshape areas unnecessary to operation, rip or disk on the contour, and seed all disturbed areas outside the work area according to the above seed mixture. The top soil will be saved for use during final reclamation unless the site can be recontoured to blend with the natural topography as required for final abandonment. Perennial vegetation will be established. Additional work will be required in case of seeding failures. All permanent facilities placed on the location will be painted dark green to blend with the natural environment.

If the well is abandoned/dryhole:

B.W. Hancock will restore the access road and location to blend with the natural topography. During reclamation of the site, fill material will be pushed into cuts and up over the backslope. No depressions will be left that could trap water or form ponds. Topsoil will be distributed evenly over the

location and seeding according to the above seed mixture. The access road and location will be ripped or disked prior to seeding.

The area is considered to be satisfactorily reclaimed when:

- A) Soil erosion resulting from the operation has been stabilized.
- B) A vegetative cover at least equal to that present prior to disturbance and a plant species composition at least as desirable as that present prior to disturbance has been established. Establishment of seeded species in the approved seed formula will be considered as acceptance.

Additional work will be required until these conditions are satisfied.

11. SURFACE OWNERSHIP

All lands involving new construction are federal lands.

12. OTHER INFORMATION

The vegetation includes sagebrush, greasewood, shadscale, juniper, prickly pear cactus, cheatgrass, Indian rice grass, and Colorado wild rye.

B.W. Hancock will contact the Grand Resource Area Manager at least 24 hours prior to commencing construction or maintenance of the access road and well pad.

B.W. Hancock will immediately bring to the attention of the Grand Resource Area Manager any and all antiquities or other objects of historic or prehistoric ruins, artifacts, or fossils discovered as a result of operations under this permit. B.W. Hancock will immediately suspend all activities in the area of the object and will leave such discoveries intact until told to proceed by the Area Manager. Notice to proceed will be based upon evaluation of the cultural significance of the object. Evaluation will be by a qualified professional selected by the Area Manager from a federal agency insofar as practical. When not practical, B.W. Hancock will follow the mitigation requirements set forth by the Area Manager concerning protection, preservation, or disposition of any sites or material discovered. In those situations where the Area Manager determines that data recovery and/or salvage excavations are necessary, B.W. Hancock will bear the cost of such data recovery and/or salvage operations.

The Grand Resource Area Manager will be notified at least 24 hours prior to commencing reclamation work.

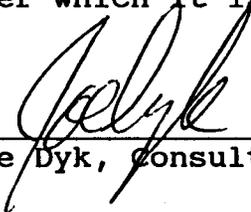
13. LESSEE'S OR OPERATOR'S REPRESENTATIVES AND CERTIFICATION

James G. Routson
Consulting Petroleum Engineer
P.O. Box 3394
Billings, Montana 59103
Office Phone: 406-245-5077
Home Phone: 406-245-8797

Joe Dyk
Consulting Petroleum Engineer
777 Valley Court
Grand Junction, Colorado 81505
Office Phone: 303-243-5906
Home Phone: 303-245-7907

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 B.W. Hancock and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

June 12, 1990
Date



Joe Dyk, Consulting Engineer

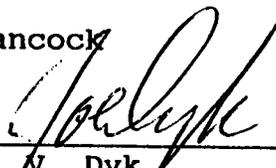
Application for Permit to Drill
Federal No. 3-14
SESW Section 3-T17S-R25E
Grand County, Utah

1. The surface formation is the Mancos.
2. Anticipated geologic markers are: Dakota silt 3570', Dakota sand 3666', Morrison 3818'.
3. Gas is anticipated in the Dakota and Morrison. No oil or other minerals are anticipated. No water sands are expected.
4. Proposed casing program: See item no. 23
5. 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.
6. The well will be air drilled from under surface casing to total depth.
7. Auxiliary equipment: See Well Control Plan.
8. The logging program will consist of a DIL log from total depth to base of surface casing and GR-FDC-CNL logs from total depth to above the Frontier. No cores or drill stem tests are planned.
9. No abnormal pressures or temperatures are anticipated. No poisonous gas is anticipated.
10. Anticipated spud date is July 10, 1990. 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 completion program will be designed after the logs have been evaluated.

WELL CONTROL PLAN

1. Surface casing: 7" O.D., 20.0# or 23.0#, used, STC (to meet new pipe specifications for bodywall thickness on 7 inch, 17.0 lb/ft, H-40 casing) set at 300' and cemented back to surface with 140 sx Standard cement + 2% CaCl₂ (yield=1.15 ft³/sk; compressive strength= 650 psi in 6 hours).
2. Casinghead Flange: 7" x 4-1/2" 600 series casinghead with two 2", 2000psi L.P. outlets.
3. Blowout Preventer: The rig is equipped with a 10" 3000 psi W.P. double gate hydraulic Shaffer BOP (or equivalent) with drill pipe rams and blind rams to meet requirements for a 2000 psi stack in Onshore Order No. 2. All fill, kill and choke lines will be a minimum of 2" 2000 psi W.P. A Grant rotating head will be used while air and mist drilling. A new rubber will be installed before drilling through the Dakota. BOP's will be worked daily. Blind rams will be checked during trips. BOP's will be tested to 2000 psi but not more than 70% of casing burst pressure prior to drilling the shoe joint on intermediate casing.
4. 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 the floor.
5. Anticipated bottom hole pressure is less than 900 psi at 4103' or 0.22 psi/ft. No abnormal temperatures or hydrogen sulfide gas are anticipated.

B.W. Hancock

By: 

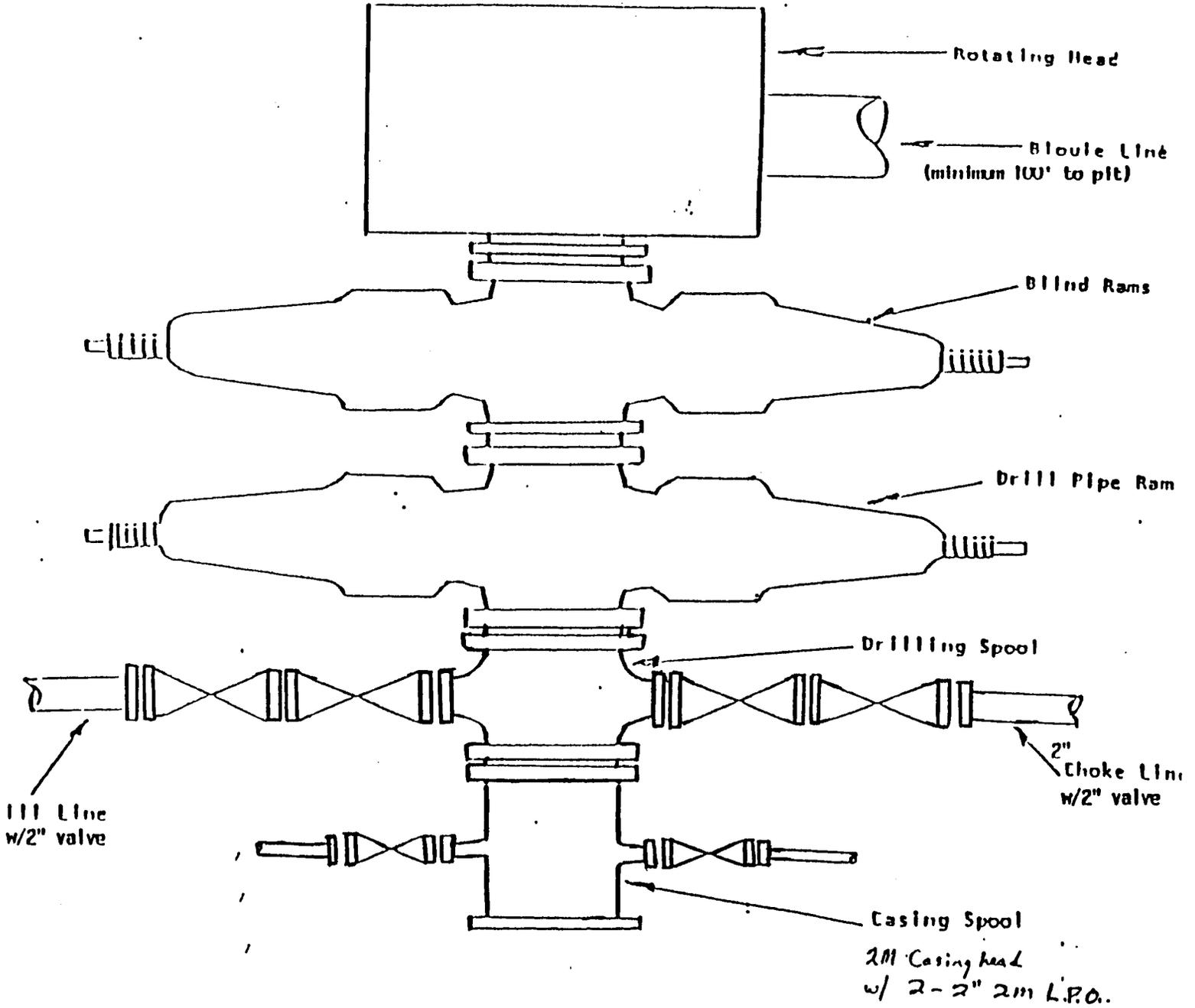
J. N. Dyk

Consulting Petroleum Engineer

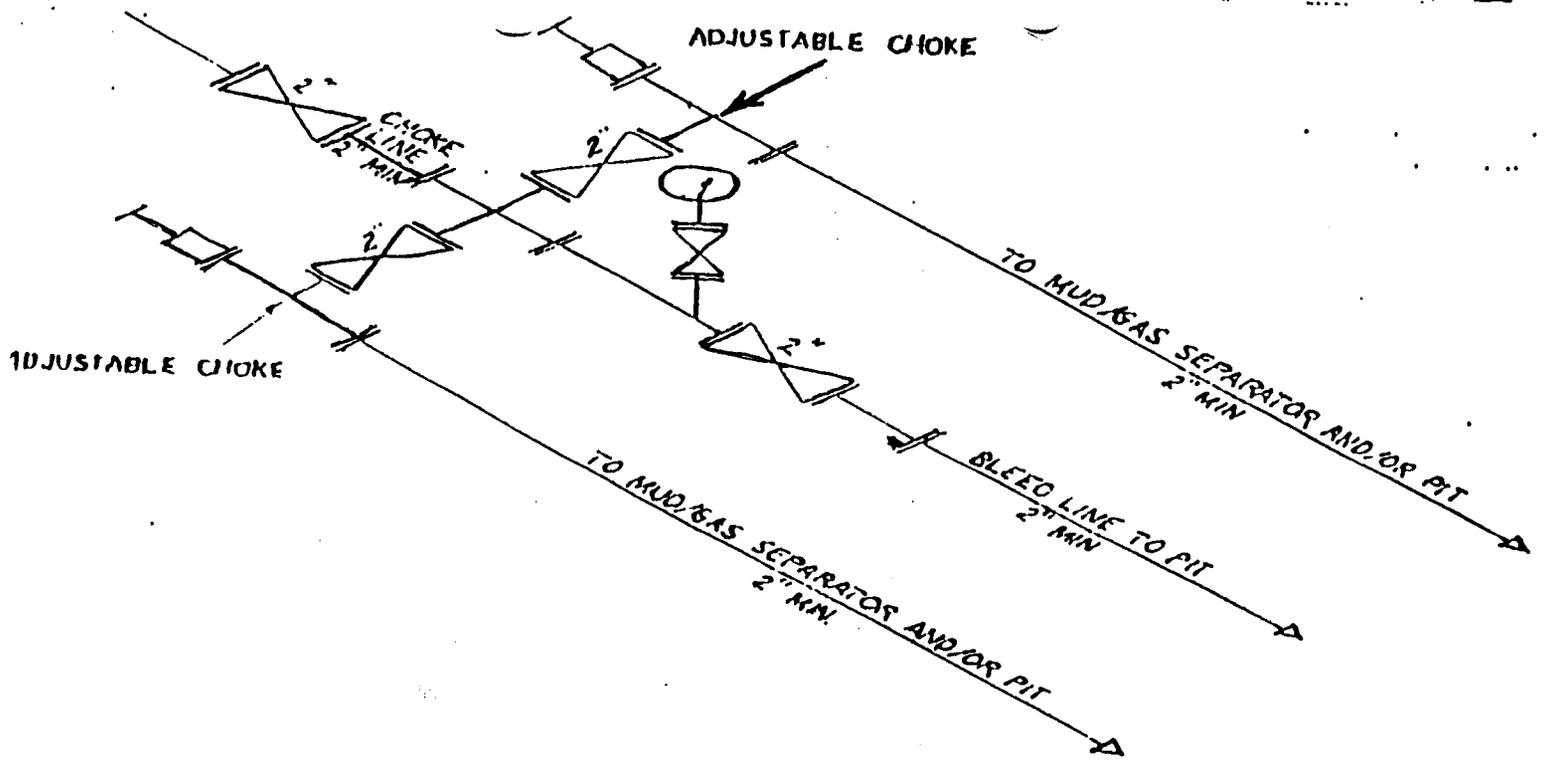
SCHEMATIC OF BOP STACK

Air drilled wells using 900 Series wellhead equipment to meet 2000 psi stack requirement.

Interval from 300' to total depth.

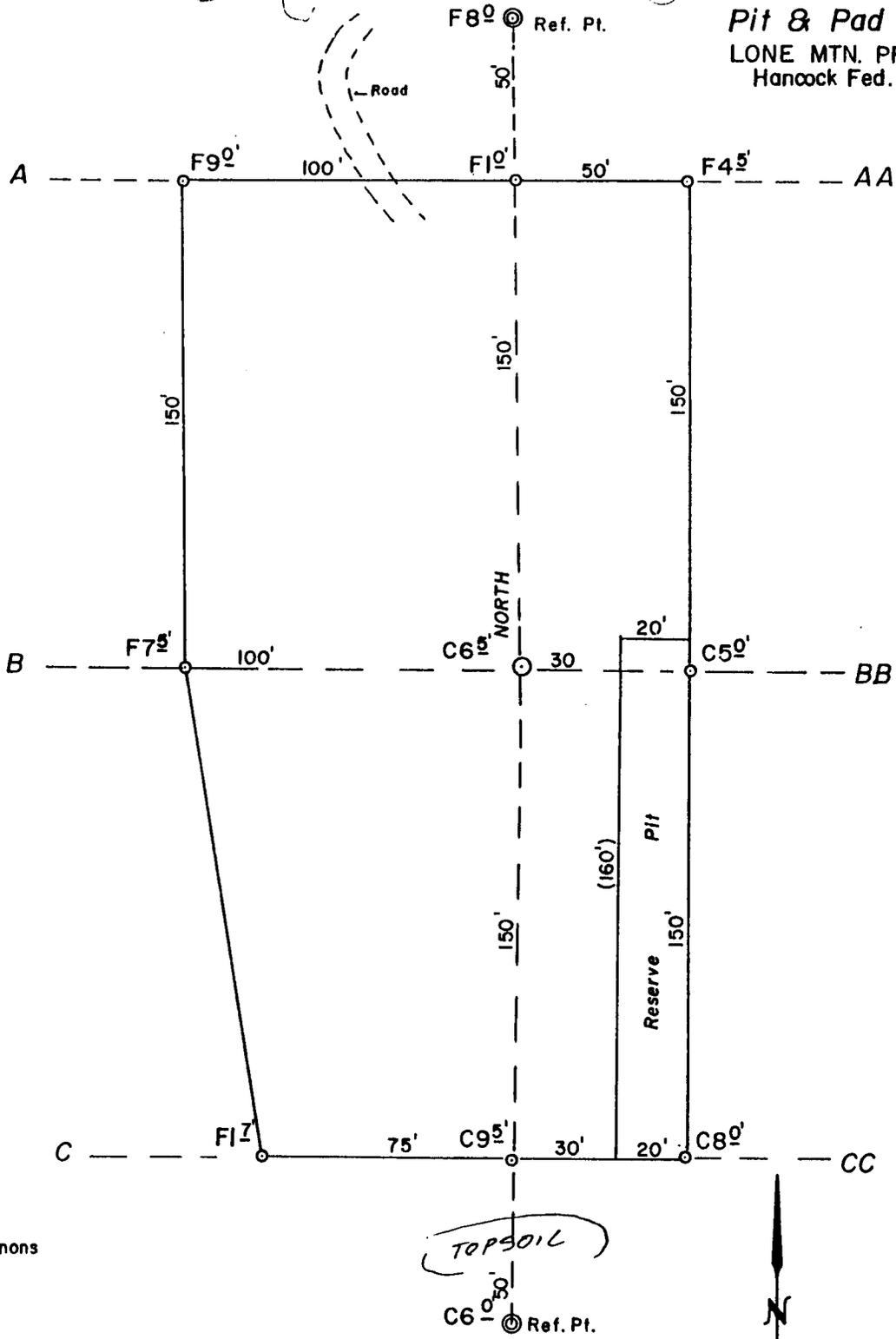


x



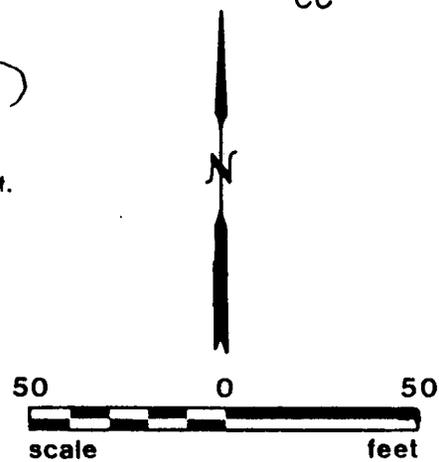
2M CHOKE MANIFOLD EQUIPMENT — CONFIGURATION MAY VARY

Pit & Pad Layout.
 LONE MTN. PROD., CO.
 Hancock Fed. # 3-4



Sage Brush
 Prickly Bushes
 Scattered Cedar & Pinons
 Cactus

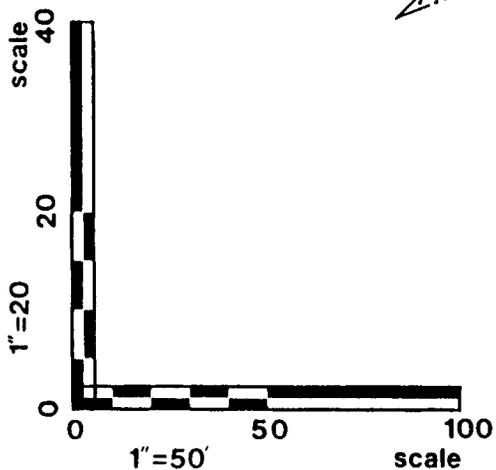
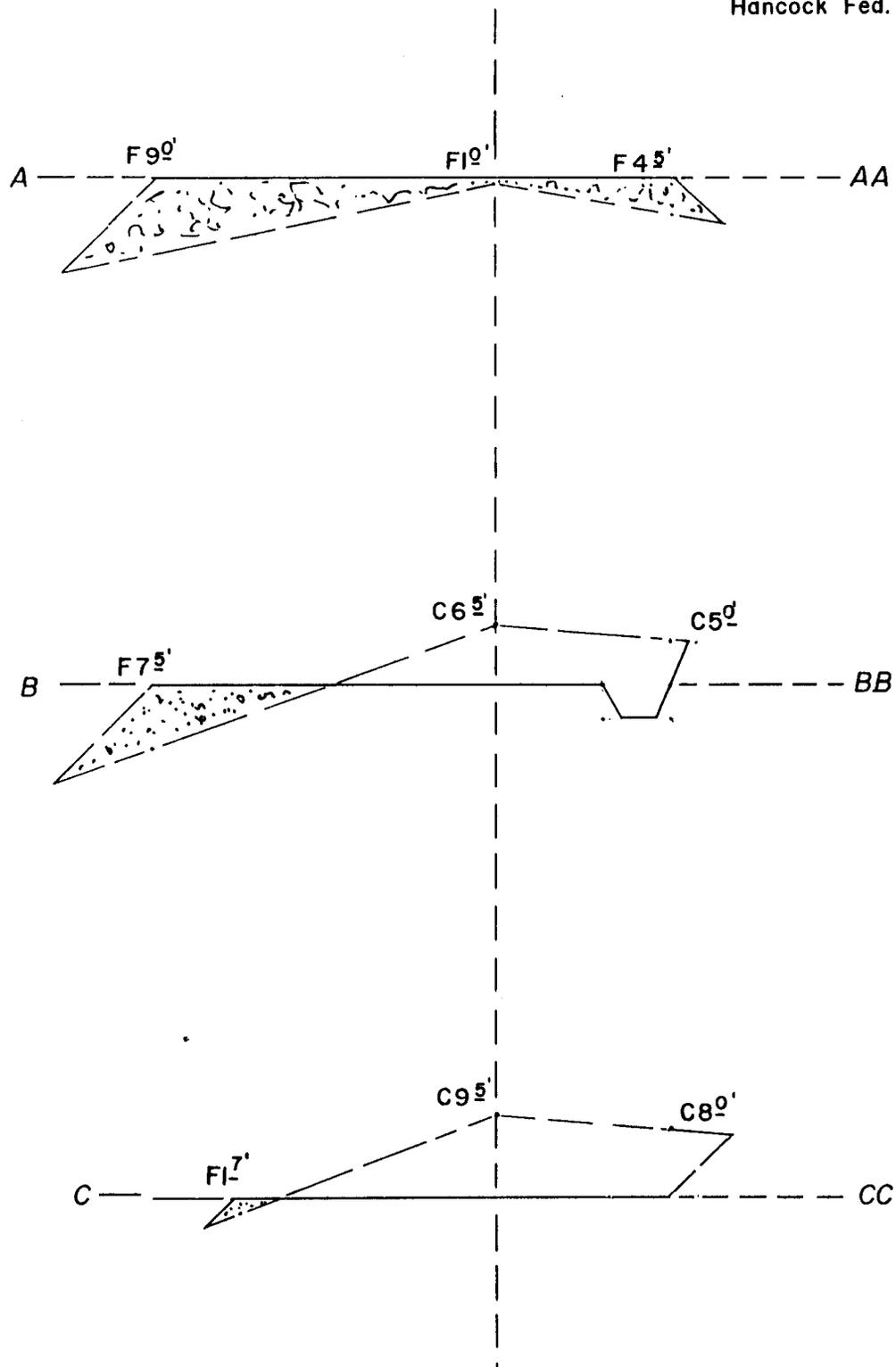
ESTIMATED DIRT QUANTITIES				
ITEM	CUT	FILL	TOPSOIL	EXCESS
PAD	3500	3100	800	
PIT	600			
				200



ENERGY SURVEYS CORPORATION

Grand Junction, Colorado 81503 (303) 245-7221

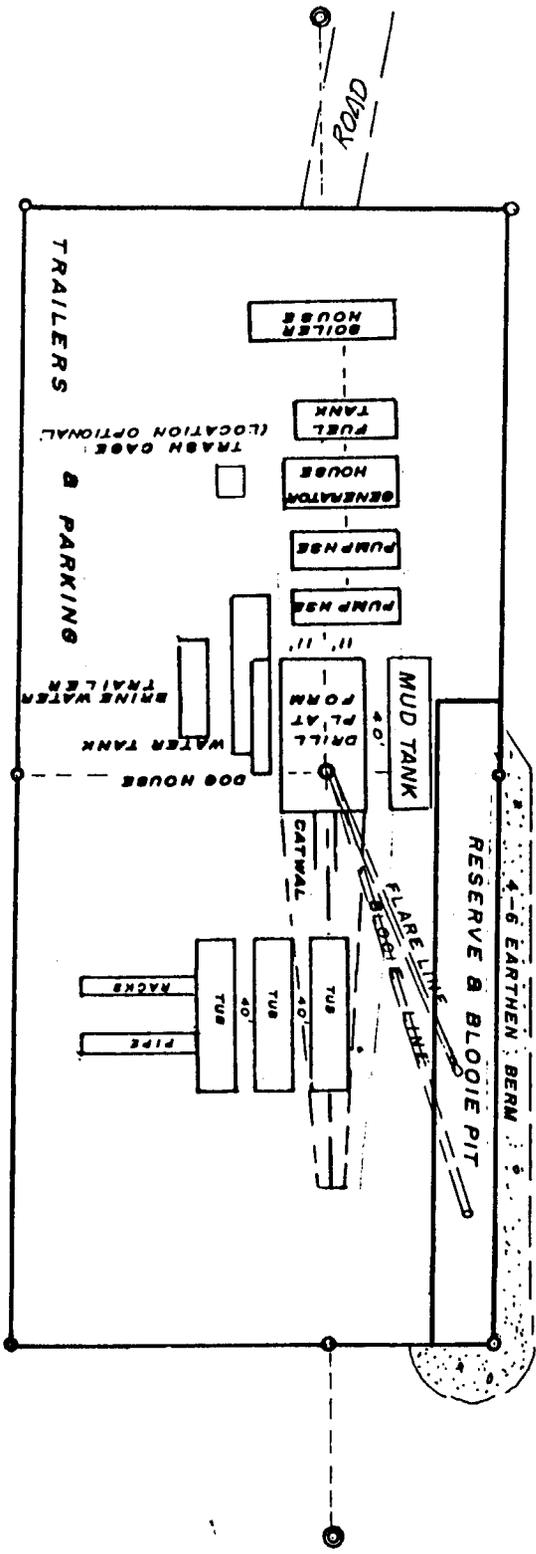
Plat 3
Cross Sections of Pit & Pad
 LONE MTN. PROD. CO.
 Hancock Fed. # 3-14



Surveyed	5/30/90	
Drawn	6/1/90	
Checked	6/1/90	

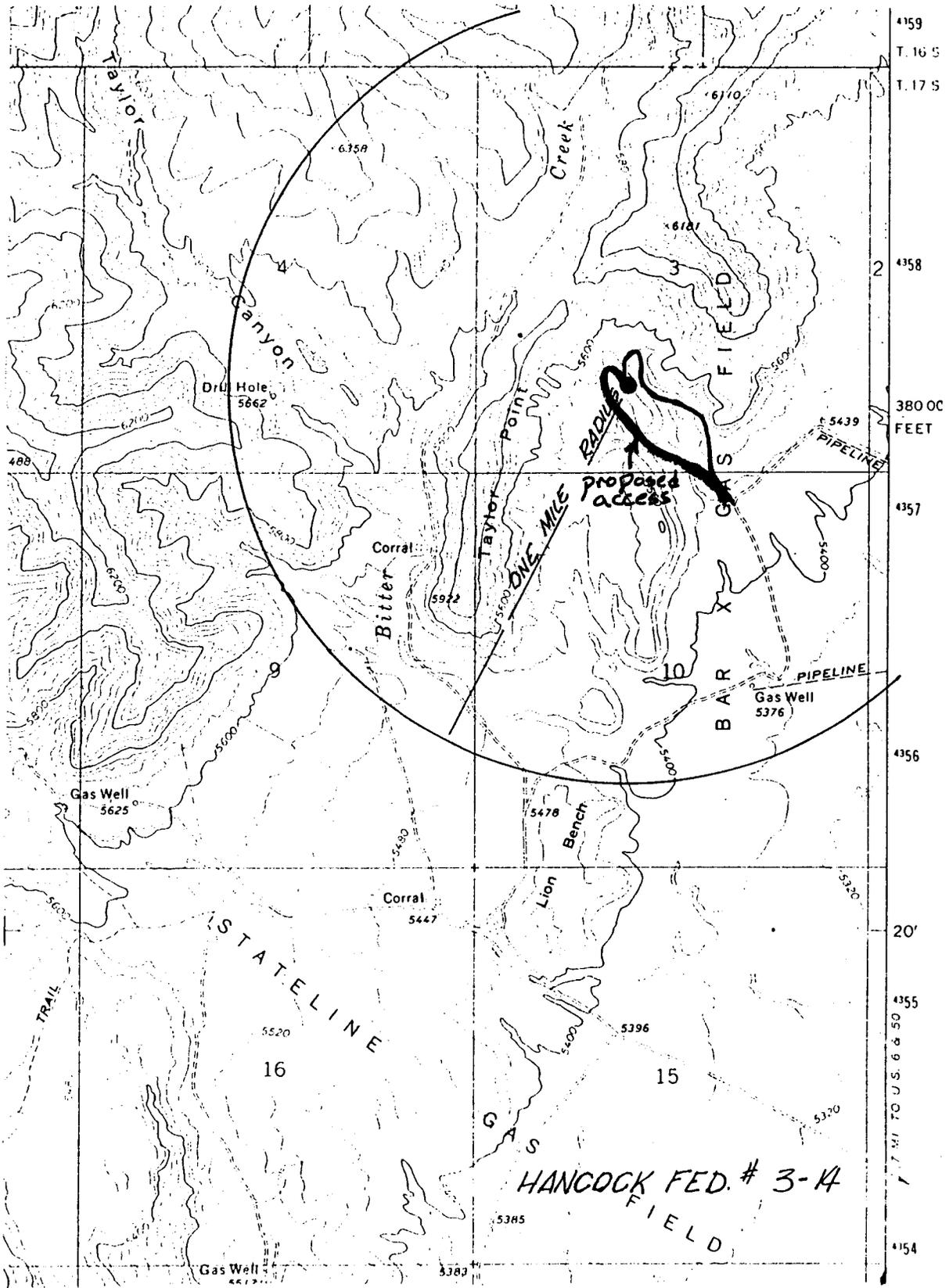
ENERGY SURVEYS CORPORATION
 Grand Junction, Colorado 81503
 (303) 245-7221

PLAT # 4
RIG LAYOUT



HANCOCK FEDERAL # 3-14

MAP # 1
TOPO & ACCESS MAP



OPERATOR B W Hancock No 400 DATE 8-8-90

WELL NAME Federal 3-14

SEC 9ESW 3 T 17S R 05E COUNTY Grand

43-019-31304
API NUMBER

Federal (1)
TYPE OF LEASE

CHECK OFF:

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> PLAT | <input checked="" type="checkbox"/> BOND | <input checked="" type="checkbox"/> NEAREST WELL |
| <input checked="" type="checkbox"/> LEASE | <input checked="" type="checkbox"/> FIELD SLOM | <input checked="" type="checkbox"/> POTASH OR OIL SHALE |

PROCESSING COMMENTS:

No other well within 1000' Sec 3, 10
Water Permit

APPROVAL LETTER:

SPACING: R615-2-3 N/A R615-3-2
UNIT

13-6 (2) 3-06-87 R615-3-3
CAUSE NO. & DATE

STIPULATIONS:

1- Needs water permit



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangertter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

August 15, 1990

Burton W. Hancock
P. O. Box 989
Billings, Montana 59103

Gentlemen:

Re: Federal 3-14 - SE SW Sec. 3, T. 17S, R. 25E - Grand County, Utah
1145' FSL, 2026' FWL

Approval to drill the referenced well is hereby granted in accordance with the Order of Cause No. 13-6 (2) dated March 26, 1987 subject to the following stipulation:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Chapter 3, Title 73, Utah Code Annotated.

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

1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form 7.
4. Prompt notification if it is necessary to plug and abandon the well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or Jim Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Rule R615-3-20, Gas Flaring or Venting, Oil and Gas Conservation General Rules.

Page 2
Burton W. Hancock
Federal 3-14
August 15, 1990

6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 538-6121.
7. 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 43-019-31304.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

tas
Enclosures
cc: Bureau of Land Management
J. L. Thompson
WE14/1-8

DIVISION OF OIL, GAS AND MINING

API NO. 43-019-31304

DRL

SPUDDING INFORMATION

NAME OF COMPANY: BURTON W. HANCOCK

WELL NAME: FEDERAL 3-14

SECTION SESW 3 TOWNSHIP 17S RANGE 25E COUNTY GRAND

DRILLING CONTRACTOR VECO

RIG # 2

SPUDDED: DATE 9-9-90

TIME 10:30 p.m.

How ROTARY

DRILLING WILL COMMENCE _____

REPORTED BY JIM ROUTSON

TELEPHONE # _____

OIL AND GAS	
DFN	RJF
J.B.	GLH
DIC	SLS
1-TAS	✓
W-JLT	✓
3 - MICROFILM	✓
4 - FILE	

DATE 9-14-90 SIGNED TAS

Burton W. Hancock

402 Petroleum Building
Billings, Montana 59101

September 12, 1990

Utah Division of Oil, Gas & Mining
355 W. North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180

RECEIVED
SEP 14 1990

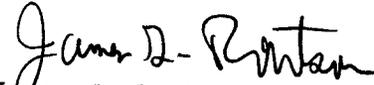
U.S. DEPARTMENT OF
ENERGY
DIVISION OF OIL, GAS & MINING

Gentlemen:

Enclosed please find two (2) copies of the Spud Report Notice for the Federal No. 3-14 well in Grand County, Utah.

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

Very truly yours,



James G. Routson
Petroleum Engineer

JGR/jlw

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0135
Expires 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 separator.
Use "APPLICATION FOR PERMIT..." for such proposals.)

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
Burton W. Hancock

3. ADDRESS OF OPERATOR
P.O. Box 989, Billings, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)
At surface
2026' FWL, 1145' FSL, Sec. 3

14. PERMIT NO. **43019 31304** IS ELEVATIONS (Show whether DF, RT, OR, etc.) **5565' GL, 5575' KB**

7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME **Federal**

9. WELL NO. **3-14**

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

11. SEC., T., R., M., OR R1/4, AND SURVEY OR AREA **SESW Sec. 3-T17S-R25E**

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

RECEIVED
SEP 14 1990
DIVISION OF OIL, GAS & MINING

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
(Other) <input type="checkbox"/>	Spud Report <input checked="" type="checkbox"/>

SUBSEQUENT REPORT OF:

WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
(Other) <input 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 8-3/4" surface hole at 10:30 p.m., 9-9-90. Veco Drilling Rig No. 2

Notified Fred Oneyear with BLM, Moab, at 8:30 a.m., 9-10-90.

Notified Tammy Searing with Utah Division of Oil, Gas and Mining at 11:15 a.m., 9-10-90.

OIL AND GAS	
DFN	RJF
JFB	GLH
DIS	SLS
1-TAS	
2-LCR <i>[Signature]</i>	
3. MICROFILM <input checked="" type="checkbox"/>	
4. FILE <input checked="" type="checkbox"/>	

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

SIGNED *James D. Routson* TITLE **Petroleum Engineer** DATE **September 11, 1990**
James G. Routson
(This space for Federal or State office use)

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

*See Instructions on Reverse Side

OPERATOR BURTON W. HANCOCK
 ADDRESS P.O. Box 987
BILLINGS, MT 59103

OPERATOR ACCT. NO. N0460

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE														
					QQ	SC	TP	RG	COUNTY																
A	99999	11114	43019-31304	HANCOCK FED 3-14	SE 1/4	3	17S	25E	GLAND	9-9-90															
WELL 1 COMMENTS: WELL SPAUDED 10:30 AM, 9-9-90																									
WELL 2 COMMENTS: Federal-Lease Proposed Zone-MRSM Field-Bar X (New entity 11114 added 9-19-90) JFB Unit-N/A																									
WELL 3 COMMENTS:					<table border="1"> <thead> <tr> <th colspan="2">OIL AND GAS</th> </tr> </thead> <tbody> <tr> <td>DFN</td> <td>HJF</td> </tr> <tr> <td>JFB</td> <td>GLH</td> </tr> <tr> <td>DIS <i>JFB</i></td> <td>SLS</td> </tr> <tr> <td colspan="2"><i>✓</i></td> </tr> <tr> <td colspan="2">2 - MICROFILM <input checked="" type="checkbox"/></td> </tr> <tr> <td colspan="2">3 - FILE <input checked="" type="checkbox"/></td> </tr> </tbody> </table>							OIL AND GAS		DFN	HJF	JFB	GLH	DIS <i>JFB</i>	SLS	<i>✓</i>		2 - MICROFILM <input checked="" type="checkbox"/>		3 - FILE <input checked="" type="checkbox"/>	
OIL AND GAS																									
DFN	HJF																								
JFB	GLH																								
DIS <i>JFB</i>	SLS																								
<i>✓</i>																									
2 - MICROFILM <input checked="" type="checkbox"/>																									
3 - FILE <input checked="" type="checkbox"/>																									
WELL 4 COMMENTS:																									
WELL 5 COMMENTS:																									

RECEIVED
 SEP 17 1990
 DIVISION OF
 OIL, GAS & MINING

- ACTION CODES (See instructions on back of form)
- A - Establish new entity for new well (single well only)
 - B - Add new well to existing entity (group or unit well)
 - C - Re-assign well from one existing entity to another existing entity
 - D - Re-assign well from one existing entity to a new entity
 - E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

Mark Folmer
Mark Folmer
 Signature
CPA
 Title
9/12/90
 Date
 Phone No. (406) 257-9554

Burton W. Hancock

402 Petroleum Building
Billings, Montana 59101

RECEIVED

SEP 19 1990

September 17, 1990

DIVISION OF
OIL, GAS & MINING

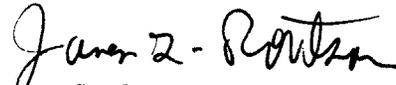
Utah Division of Oil, Gas and Mining
355 W. North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180

Gentlemen:

Please find enclosed two (2) copies each of the Status Report and the Report of Water Encountered for the Federal No. 3-14 well in Grand County, Utah.

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

Very truly yours,



James G. Routson
Petroleum Engineer

/jlw

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1001-0113
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
Burton W. Hancock

3. ADDRESS OF OPERATOR
P.O. Box 989, Billings, MT 59103

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

2026' FWL, 1145' FSL, Sec. 3

14. PERMIT NO.
43-019-31304 DRL

15. ELEVATIONS (Show whether DP, RT, or, etc.)
5565' GL, 5575' KB

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Federal

9. WELL NO.
3-14

10. FIELD AND POOL, OR WILDCAT
Bar-X

11. SEC., T., R., M., OR B.L.E. AND SURVEY OR AREA
SESW Sec. 3-17S-R25E

12. COUNTY OR PARISH 13. STATE
Grand Utah

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 PLANE

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

Status Report

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

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

Drilled 8-3/4" hole to 310', ran 7", 23#, L.S. casing to 301'. Cemented to surface with 160 sacks class "G", 3% CaCl₂, 1/4# celloflake/sack. Drilled 6 1/2" hole to 4103' TD. Ran logs. Log tops:

Dakota silt	3507 (+2068)
Dakota sand	3605 (+1970)
Morrison	3748 (+1827)

Ran 4 1/2", 10.5#, J-55 production casing to 4045'. Cemented with 175 sacks 10-0 thixotropic cement. Plug down at 2:30 a.m., September 15, 1990. Rig released at 4:30 a.m., September 15, 1990.

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

SIGNED James G. Routson
James G. Routson
(This space for Federal or State office use)

TITLE Petroleum Engineer

DATE September 17, 1990

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____

DATE _____

*See Instructions on Reverse Side

RECEIVED
 SEP 19 1990

REPORT OF WATER ENCOUNTERED DURING DRILLING - FORM 7 (1/89)

DIVISION OF
 OIL, GAS & MINING

1. Well name and number: Federal No. 3-14
 API number: 43-019-31304
2. Well location: QQ SESW section 3 township 17S range 25E county Grand
3. Well operator: Burton W. Hancock
 Address: P.O. Box 989 phone: 406-245-5077
Billings, MT 59103
4. Drilling contractor: Veco Drilling Co.
 Address: P.O. Box 1705 phone: 303-242-6912
Grand Junction, CO 81502

5. Water encountered (continue on reverse side if necessary)

Depth		Volume (flow rate or head)	Quality (fresh or salty)
from	to		
		NO WATER ENCOUNTERED	

6. Formation tops: Dakota Silt 3507 (+2068)
Dakota Sand 3605 (+1970)
Morrison 3748 (+1827)

If an analysis has been made of the water encountered, please attach a copy of the report to this form.

I certify that this report is true and complete to the best of my knowledge.

Name James G. Routson Signature James G. Routson
 Title Petroleum Engineer Date September 17, 1990

Comments:

LONE MOUNTAIN PRODUCTION COMPANY

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

RECEIVED
OCT 31 1990

October 29, 1990

RECEIVED
OCT 31 1990

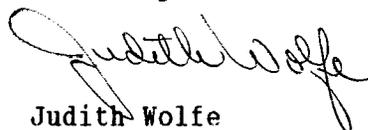
Utah Division of Oil, Gas & Mining
355 W. North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180

Gentlemen:

Enclosed please find two (2) copies of the Well Completion Report for the Bar-X No. 17 well in Grand County, Utah.

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

Sincerely,



Judith Wolfe

/jlw
Enclosures

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

SUBMIT IN DUPLICATE*

(See other In-
structions on
reverse side)

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

5. LEASE DESIGNATION AND SERIAL NO.

U-05003

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

FARM OR LEASE NAME

Federal

8. WELL NO.

No. 3-14

10. FIELD AND POOL, OR WILDCAT

Bar-X

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

SESW Sec. 3-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. RENVR. Other

2. NAME OF OPERATOR
Burton W. Hancock

3. ADDRESS OF OPERATOR
P.O. Box 989, Billings, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface **2026' FWL, 1145' FSL, Sec. 3**
At top prod. interval reported below **Same**
At total depth **same**

OCT 31 1990

14. PERMIT NO. **SGW** DATE ISSUED
43-019-31304 **8-15-90**

15. DATE SPUNDED **9-9-90** 16. DATE T.D. REACHED **9-14-90** 17. DATE COMPL. (Ready to prod.) **10-24-90** 18. ELEVATIONS (DF, RKB, RT, OR, ETC.)* **5565 GL, 5575 KB** 19. BLEV. CASINGHEAD **5566**

20. TOTAL DEPTH, MD & TVD **4103** 21. PLUG, BACK T.D., MD & TVD **3992** 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: 3605-34, 3672-3708, 3732-48
Morrison: 3809-3816

25. WAS DIRECTIONAL SURVEY MADE
No

26. TYPE ELECTRIC AND OTHER LOGS RUN
GR-FDC-CNL, SP-DIL, GR-CBL-VDL 10-9-90

27. WAS WELL CORRED
No

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
7"	23# L.S.	301	8-3/4"	160 sx (to surface)	None
4 1/2"	10.5# J-55	4045	6 1/4"	175 sx (top at 2625)	None

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)
None				

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	3815	None

31. PERFORATION RECORD (Interval, size and number)
1- .36" diameter hole at each of the following depths: 3609, 3621, 3628, 3674, 3686, 3694, 3702, 3705, 3738, 3743, 3813; 11 holes total.

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3609-3813	600 gallons 15% HCl
3609-3813	Foam fract with 20,000# 100 mesh and 80,000# 20-40 sand
	475 bbls. 5% HCl, 1.42 MMSCF nitrogen

33. PRODUCTION

DATE FIRST PRODUCTION **10-8-90** 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
10-19-90	17	1/2"	→	0	866		0

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
205	325	→	0	1223	0	

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

35. LIST OF ATTACHMENTS
Gas Analysis

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

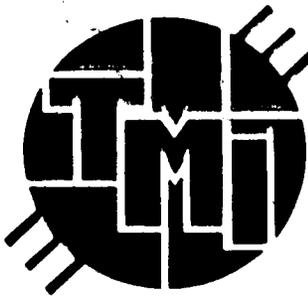
SIGNED James G. Routson TITLE **Consulting Petroleum Engineer** DATE **10-29-90**

*(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	3605	3634	tight gas	Dakota silt	3507	+2068
Dakota	3672	3708	gas	Dakota sand	3605	+1970
Dakota	3732	3748	tight gas	Morrison	3748	+1827
Morrison	3809	3816	tight gas			



Technology Management Inc.

Consulting Engineers and Chemists

685 W. Gunnison, Suite #108 • Grand Junction, CO 81505-7249 • (303) 242-6154 • FAX (303) 245-9270

RECEIVED OCT 12 1990
 OCT 31 1990
 DIVISION OF OIL & GAS

To: LONE MOUNTAIN PRODUCTION
 P.O. BOX 3771
 BILLINGS, MONTANA 59103

Date: OCT. 9, 1990
 Number: IMI/LMP 90-10

GAS ANALYSIS

COMPANY: LONE MOUNTAIN

SUBMITTED BY: LONE MOUNTAIN

SAMPLE IDENTIFICATION: B.W. MANCOK, FED. #3-1A.
 GRAND CO., UTAH, SESM SEC. 3-17S-25E, AFTER PERF.
 75 PSI

DATE SAMPLED: OCT. 8, 1990

DATE RECEIVED: OCT. 8, 1990

DATE TESTED: OCT. 8, 1990

DRL

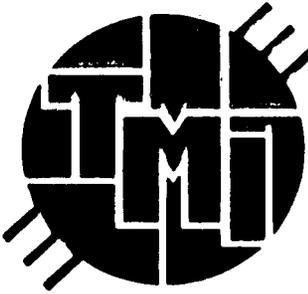
CAL. NUMBER	NAME	MOLE % /100=X	IDEAL GAS SPECIFIC GRAVITY.G	IDEAL GROSS HEATING VALUE, DRY. (60F and 760 mm Hg) BTU/SCF	COMPRESSIBILITY FACTOR @ STP, Z	SUMMA- CONFR- SP.GR. VALUE LIO./ HEATING GAL.				
						FACTOR	FACTOR	FACTOR	FACTOR	
1	HYDROGEN	0	.0696	325.02	1.0006					
2	PROPANE	.797	1.5225	2517.5	.982	.1342	.00107	.01213	20.064	.21978
4	ISOBUTANE	.14	2.0068	3252.7	.9696	.1744	2.4E-4	.00281	4.5538	.04565
5	HYDROGEN SULFIDE	0	1.1765	637	.9903	.0985	0	0	0	0
6	N-BUTANE	.176	2.0068	3262.1	.9667	.1825	3.2E-4	.00353	5.7413	.05532
10	ISOPENTANE	.05927	2.4911	4000.3	.9482	.2276	1.3E-4	.00143	2.3710	.02163
11	N-PENTANE	.04695	2.4911	4097.6	.9435	.2377	1.1E-4	.00117	1.8925	.01635
12	CARBON DIOXIDE	.442	1.5195		.99432	.064	2.8E-4	.00672	0	0
14	ETHANE	1.428	1.0382	1768.8	.9916	.0917	.00131	.01483	25.258	
15	OXYGEN	0	1.1048		.99927	.027	0	0	0	0
16	NITROGEN	1.873	.9672		.99973	.0164	3.1E-4	.01831	0	0
17	METHANE	95.018	.5539	1009.7	.9981	.0436	.04143	.52670	559.40	
19		0	3.4596	5502.8	.92	.283	0	0	0	0
20	C6+	0	2.9753	4756.2	.92	.283	0	0	0	0
21		0	2.9753	4746	.92	.283	0	0	0	0
TOTALS		100.00				.04521	.58729	1019.3	.35833	

NOTES: Z = .77776. IDEAL SPECIFIC GRAVITY OF MIXTURE = .58728. REAL SPECIFIC GRAVITY OF MIXTURE = .58824

IDEAL GROSS HEATING VALUE, DRY BASIS, PER SCF (60F & 760 mm Hg) = 1019.3. REAL GROSS, DRY HEATING VALUE = 1021.4

TO CONVERT EITHER THE IDEAL OR REAL DRY, GROSS HEATING VALUE TO SATURATED BASIS @ STP, MULTIPLY EITHER BY 0.9826. THE VALUES AND CALCULATION METHODS USED IN THIS REPORT ARE THOSE GIVEN IN GPA PUBLICATIONS 2145-82 AND 2172-76.

RESPECTFULLY SUBMITTED,
Carlton C. Chambers
 CARLTON C. CHAMBERS, P.E.
 PRESIDENT



Technology Management Inc.

RECEIVED OCT 12 1990

Consulting Engineers and Chemists

685 W. Gunnison, Suite #108 • Grand Junction, CO 81505-7249 • (303) 242-6154 • FAX (303) 245-9270

To: LONE MOUNTAIN PRODUCTION
P.O. BOX 3771
BILLINGS, MONTANA 57703

Date: OCT. 9, 1990
Number: IMI/LMP 90-10

GAS ANALYSIS

COMPANY: LONE MOUNTAIN

SUBMITTED BY: LONE MOUNTAIN

SAMPLE IDENTIFICATION: B.W. HANCOCK, FED. #3-14,
GRAND CO., UTAH, SESM SEC. 3-17S-25E, AFTER PERF.
75 PSI

DATE SAMPLED: OCT. 8, 1990

DATE RECEIVED: OCT. 8, 1990

DATE TESTED: OCT. 8, 1990

CAL. NUMBER	NAME	MOLE % /100=X	IDEAL GAS SPECIFIC GRAVITY.G	IDEAL GROSS HEATING VALUE, DRY, BTU/SCF (60F and 760 mm Hg) .H	COMPRESSIBIL- ITY FACTOR @ STP, Z	HEATING GAL. VALUE LIO./				
						SUMMA- FACTOR ,SOR b	COMPR- TION XSOR b	SP.GR. ESS. F X 6	FRACT- FRACT- ION. X H	FRACT- FRACT- ION. X H
1	HYDROGEN	0	.0676	325.02	1.0006			0	0	
2	PROPANE	.797	1.5225	2517.5	.982	.1342	.00107	.01213	20.064	.21978
4	ISO-BUTANE	.14	2.0068	3252.7	.9696	.1744	2.4E-4	.00281	4.5538	.04565
5	HYDROGEN SULFIDE	0	1.1765	637	.9903	.0985	0	0	0	
6	N-BUTANE	.176	2.0068	3262.1	.9667	.1825	3.2E-4	.00353	5.7413	.05532
10	ISU-PENTANE	.05927	2.4911	4000.3	.9482	.2276	1.3E-4	.00149	2.3710	.07163
11	N-PENTANE	.04695	2.4911	4099.6	.9435	.2377	1.1E-4	.00117	1.8825	.01675
12	CARBON DIOXIDE	.442	1.5195		.99432	.064	2.8E-4	.00672	0	
14	ETHANE	1.428	1.0382	1768.8	.9916	.0917	.00131	.01483	25.258	
15	OXYGEN	0	1.1948		.99927	.027	0	0	0	
16	NITROGEN	1.873	.9672		.99973	.0164	3.1E-4	.01831	0	
17	METHANE	95.018	.5539	1009.7	.9981	.0436	.04143	.52670	759.40	
19		0	3.4596	5502.8	.92	.283	0	0	0	0
20	C6+	0	2.9753	4756.2	.92	.283	0	0	0	0
21		0	2.9753	4746	.92	.283	0	0	0	0
TOTALS		100.00				.04521	.58729	1019.3	.35833	

NOTES: Z = .77796. IDEAL SPECIFIC GRAVITY OF MIXTURE = .58728. REAL SPECIFIC GRAVITY OF MIXTURE = .58824

IDEAL GROSS HEATING VALUE, DRY BASIS, PER SCF (60F & 760 mm Hg) = 1019.3. REAL GROSS, DRY HEATING VALUE = 1021.4

TO CONVERT EITHER THE IDEAL OR REAL DRY, GROSS HEATING VALUE TO SATURATED BASIS @ STP, MULTIPLY EITHER BY 0.9826.
THE VALUES AND CALCULATION METHODS USED IN THIS REPORT ARE THOSE GIVEN IN GPA PUBLICATIONS 2145-82 AND 2172-76.

RESPECTFULLY SUBMITTED,

Carlton C. Chambers, P.E.
CARLTON C. CHAMBERS, P.E.
PRESIDENT

Burton W. Hancock

404 Petroleum Building
Billings, Montana 59101

RECEIVED
DEC 17 1990

DIVISION OF
OIL, GAS & MINING

December 14, 1990

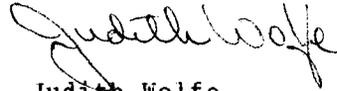
Division of Oil, Gas & Mining
355 W. North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180

Gentlemen:

Enclosed please find two (2) copies of the Notice of First Production for the Federal #3-14 well located in Grand County, UT.

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

Sincerely,



Judith Wolfe

/jlw
Enclosure

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

SUBMIT IN TRIPL. COPIES
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1001-011
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 type="checkbox"/> OTHER</p> <p>2. NAME OF OPERATOR Burton W. Hancock</p> <p>3. ADDRESS OF OPERATOR Box 989, Billings, MT 59103</p> <p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 2026' FWL, 1145' FSL, Sec. 3</p> <p>14. PERMIT NO. 43-01931304 <i>PFW</i></p>	<p>5. LEASE DESIGNATION AND SERIAL NO. <u>U-05003</u></p> <p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME</p> <p>7. UNIT AGREEMENT NAME</p> <p>8. FARM OR LEASE NAME Federal</p> <p>9. WELL NO. 3-14</p> <p>10. FIELD AND POOL, OR WILDCAT Bar-X</p> <p>11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA SESW Sec. 3-T17S-R25E</p> <p>12. COUNTY OR PARISH Grand</p> <p>13. STATE UT</p>
<p>15. ELEVATIONS (Show whether DF, RT, GR, etc.) 5565' GL, 5575' KB</p>	

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

<p>NOTICE OF INTENTION TO:</p> <table border="0" style="width:100%;"> <tr> <td style="width:50%; vertical-align: top;"> <p>TEST WATER SHUT-OFF <input type="checkbox"/></p> <p>FRACTURE TREAT <input type="checkbox"/></p> <p>SHOOT OR ACIDIZE <input type="checkbox"/></p> <p>REPAIR WELL <input type="checkbox"/></p> <p>(Other) <input type="checkbox"/></p> </td> <td style="width:50%; vertical-align: top;"> <p>PULL OR ALTER CASING <input type="checkbox"/></p> <p>MULTIPLE COMPLETE <input type="checkbox"/></p> <p>ABANDON* <input type="checkbox"/></p> <p>CHANGE PLANS <input type="checkbox"/></p> </td> </tr> </table>	<p>TEST WATER SHUT-OFF <input type="checkbox"/></p> <p>FRACTURE TREAT <input type="checkbox"/></p> <p>SHOOT OR ACIDIZE <input type="checkbox"/></p> <p>REPAIR WELL <input type="checkbox"/></p> <p>(Other) <input type="checkbox"/></p>	<p>PULL OR ALTER CASING <input type="checkbox"/></p> <p>MULTIPLE COMPLETE <input type="checkbox"/></p> <p>ABANDON* <input type="checkbox"/></p> <p>CHANGE PLANS <input type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <table border="0" style="width:100%;"> <tr> <td style="width:50%; vertical-align: top;"> <p>WATER SHUT-OFF <input type="checkbox"/></p> <p>FRACTURE TREATMENT <input type="checkbox"/></p> <p>SHOOTING OR ACIDIZING <input type="checkbox"/></p> <p>(Other) <input type="checkbox"/></p> </td> <td style="width:50%; vertical-align: top;"> <p>REPAIRING WELL <input type="checkbox"/></p> <p>ALTERING CASING <input type="checkbox"/></p> <p>ABANDONMENT* <input type="checkbox"/></p> <p>Notice of 1st Production <input checked="" type="checkbox"/></p> <p>(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)</p> </td> </tr> </table>	<p>WATER SHUT-OFF <input type="checkbox"/></p> <p>FRACTURE TREATMENT <input type="checkbox"/></p> <p>SHOOTING OR ACIDIZING <input type="checkbox"/></p> <p>(Other) <input type="checkbox"/></p>	<p>REPAIRING WELL <input type="checkbox"/></p> <p>ALTERING CASING <input type="checkbox"/></p> <p>ABANDONMENT* <input type="checkbox"/></p> <p>Notice of 1st Production <input checked="" type="checkbox"/></p> <p>(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)</p>
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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.)*

Well first delivered into Northwest Pipeline at 5:00 p.m., December 10, 1990.
Reported to Moab, Utah BLM by Joe Dyk on 12-11-90.

RECEIVED
DEC 17 1990
DIVISION OF
OIL, GAS & MINING

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

SIGNED James G. Routson TITLE Petroleum Engineer DATE 12/14/90
(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.