

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

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

5. Lease Designation and Serial No.

U- 15054

6. If Indian, Allottee or Tribe Name

N/A

7. Unit Agreement Name

8. Farm or Lease Name

Govt

9. Well No.

4-2

10. Field and Pool, or Wildcat

005

Greater Cisco Area

11. Sec., T., R., M., or Bik. and Survey or Area

Sec. 4, T. 20S, R. 24E.

12. County or Parrish 13. State

Grand County

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

S M GAS PRODUCTION

3. Address of Operator

PO BOX 2165 Farmington, New Mexico 87499

4. Location of Well (Report location clearly and in accordance with any State requirements.)\*

At surface

1980 from north & 508 from east

At proposed prod. zone

Morrison @ 1500'

SENE

14. Distance in miles and direction from nearest town or post office\*

8 miles north-east of Cisco, Utah

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drlg. line, if any)

508

16. No. of acres in lease

17. No. of acres assigned to this well

40

18. Distance from proposed location\* to nearest well, drilling, completed, or applied for, on this lease, ft.

1256

19. Proposed depth

1800' mes

20. Rotary or cable tools

Rotary

21. Elevations (Show whether DF, RT, GR, etc.)

4591 Gr.

22. Approx. date work will start\*

March 28, 1991

23.

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
11"	7 5/8"	32#	180	40
5 5/8"	2 7/8"	6.5#	1600	40

Test will be drilled to test the Salt wash member of the Morrison. Blowout preventer will be 8" 900 series double gate Shaffer type L.W.S or equivalent.

RECEIVED

MAR 11 1991

DIVISION OF OIL GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. Signed: Galen Holmke

Title: Agent for S M Production Date: Feb. 22, 1991

(This space for Federal or State office use)

Permit No. 43-019-31312

Approval Date

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

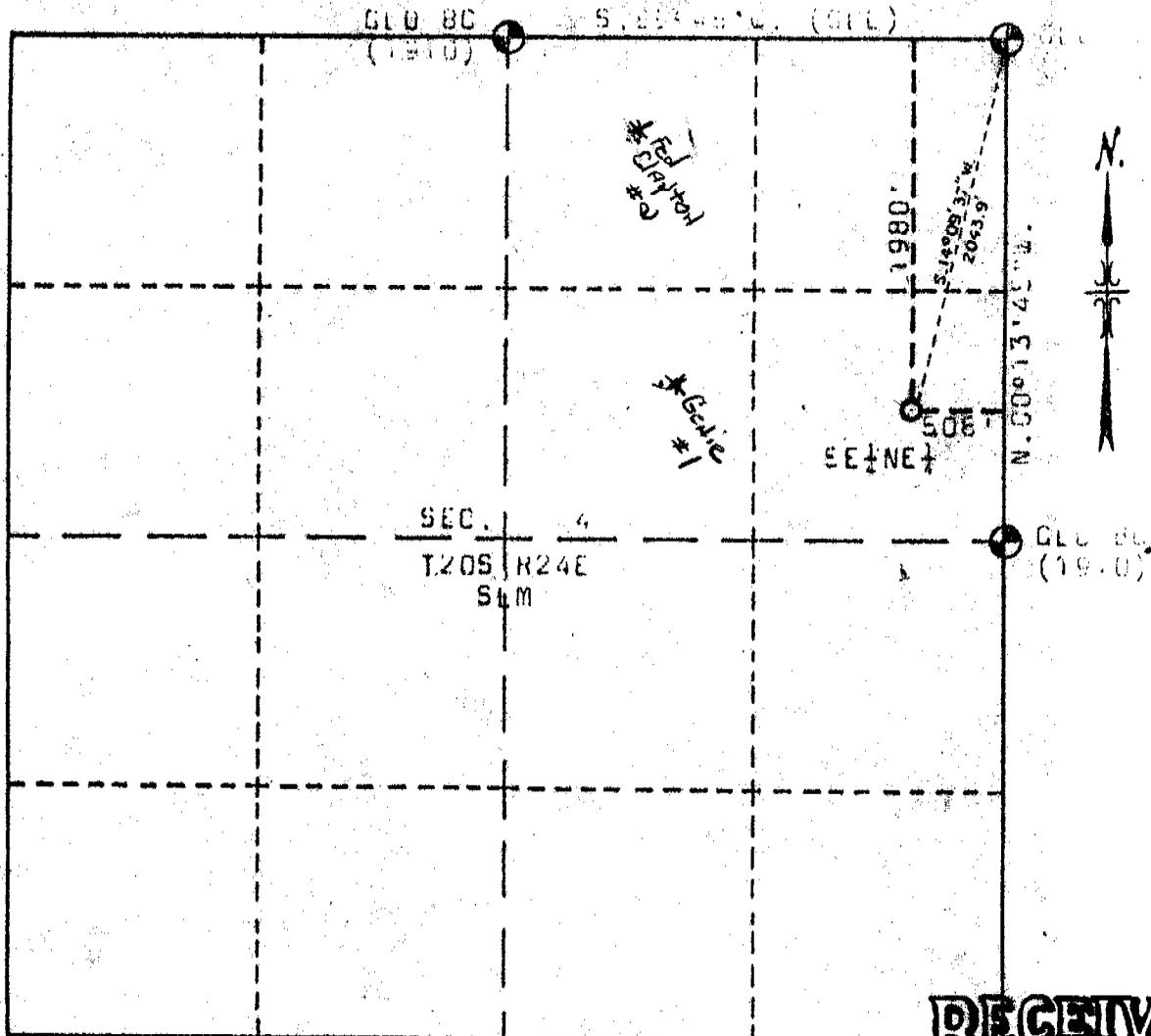
Approved by.....  
Conditions of approval, if any:

Title.....

DATE: 3-18-91

BY: M/athews

WELL SPACING: 102-16B



1000 0 1000  
SCALE: 1" = 1000'

S&M 4-2

Located 1980 feet from the North line and 508 feet from the East line of Section 4, T20S, R24E, S4M.

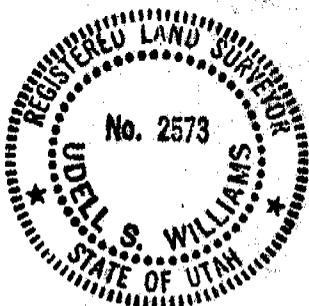
Elev. 4591

Grand County, Utah

**RECEIVED**

MAR 11 1991

**DIVISION OF OIL GAS & MINING**



**SURVEYOR'S CERTIFICATE**

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

*Udell S. Williams*  
Utah RL S No. 2573



**UDELL S. WILLIAMS**  
Professional Land Surveyor  
751 Road Avenue (303) 243-4594  
Grand Junction, Colorado 81501

PLAT OF  
**PROPOSED LOCATION**

S&M 4-2  
SE 1/4 NE 1/4 SECTION  
T20S, R24E, S4M

SURVEYED BY: US DATE: \_\_\_\_\_  
DRAWN BY: USW DATE: \_\_\_\_\_

DRILLING AND SURFACE USE PLAN

S & M PRODUCTION

RECEIVED

MAR 11 1991

WELL NAME; STALEY # 2

LEGAL DESCRIPTION; ~~W~~SE/NE SECTION 4, T.20 S;R.24 E.  
GRAND COUNTY, UTAH

DIVISION OF  
OIL GAS & MINING

All lease operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order #1, and the approved plan of operations. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to ensure compliance.

A.) DRILLING PROGRAM

1.) Surface formation and estimated formation tops:

Mancos Shale: 0-'1300'  
Dakota : 1300'  
Morrison : 1500'  
Salt Wash : 1550

2.) Estimated depth at which oil, gas or water producing zones are expected to be encountered:

	Formation	Depth
Oil Zones:	B. Basin - Morrison	1300-1450
	Salt Wash	1750-1800
Gas Zones:	Dakota	1500-1550
Water Zones:	Dakota	1400

3.) Pressure Control Equipment: Drill hole will be equipt with a "Regan Torus" 3000 psi. Annular BOP together with a set of pipe and blind rams and sufficient accumulator.

1 choke line manifold consisting of 2 - 2" valves, 2" chokes and a 2" kill line directed into the reserve pit. Choke manifold will be equipt with a pressure gauge.

Float subs will be used in the drill string. Upper kelly cock valve will also be in place.

In the event the BOP or BOPE requires repair after testing, this work will be preformed prior to drilling out from under surface casing.

If the BOP or BOPE equipment cannot function to secure hole during drilling, the well will be contained using either 10# Salt Water Brine, cement or other means which will assure safe well conditions.

place until the well is completed or abandoned. BOP will be inspected and operated daily to ensure good mechanical working condition. Inspections will be noted in drillers reports.

1

4.) Casing Program:

Surface casing: 180 ft. with 65 sacks cement. 32#

Production casing: 1600 ft. with 45 sacks cement. 6.5#

5.) Mud and circulating medium : Air will be used to total depth.

6.) Coring, Logging and Testing program: No cores  
Gamma and resistivity logs will probably be run. A sample log will be made as the test is drilled.

Whether the hole is completed as a " Dry Hole " or " producer ", a " Well Completion and Recompletion Report " (form 3160-4) will be submitted to the District Office within 30 days of completion of drilling activities, in accordance with 43 CFR 3164. Two copies of all logs, if any, well test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled will be submitted with form 3160-4.

7.) Abnormal conditions, Bottom Hole Pressures and Potential Hazards : No H<sub>2</sub>S is anticipated, bottom hole pressures are less than hydrostatic, and no abnormal conditions have been found in the area.

8.) Anticipated Starting Dates and Notifications: April 10, 1991

Required verbal notifications are summarized in table #1, attached. Written notifications in the form of a Sundry notice (form 3160-5) will be submitted to the District Office within 24 hours after spudding (weekends and holidays excepted).

In accordance with Onshore Oil and Gas Order #1, this well will be reported on Form 9-329, " Monthly Report of Operations ", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Minerals Management Service as required.

IMMEDIATE REPORTS:

Spills, blowouts, fires, leaks, accidents, or other unusual occurrences shall be promptly reported to the Grand Resource area in accordance with requirements of NTL-3A.

In the event the well is completed as an oil or gas well the District manager shall be notified in writing within five working days of said well being placed into production.

2

A " Subsequent Report of Abandonment " (Form 3160-5) will be filed with the District manager within 30 days following completion of the well for abandonment. This report will indicate where plugs were set and the current status of 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 50mmcf. 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 top of the marker will be closed or capped.

#### THIRTEEN POINT SURFACE USE PLAN

1.) Existing Roads: County road from Cisco inter-change on I-70 4 miles north and northeastward, then existing oil field road to 300' north of the location.

A.) Location of proposed well in relation to the closest town or other reference point:

8 miles north east of Cisco, Utah

B.) Proposed Access Route:

See enclosed map

C.) Road Maintenance or Improvement Plans:

Existing roads do not require additional work, 300' of road to the well site will not require grading unless production is found. Other:

2.) Planned Access Roads:

A.) The maximum total disturbance width will be 12' feet.

B.) Maximum Grade Minimal

C.) Drainage: None needed.

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

3

Location of Existing Wells: Producing gas well in NW NE section 4, T.20 S; R. 24 E.

#### 4.) Production Facilities:

All permanent structures constructed or installed will be painted a flat, nonreflective, earthtone color to match the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities shall be painted within six months of installation. Facilities required to comply with OSHA may be excluded. The present recommended color is SLATE GRAY.

If a tank battery is constructed on the lease, it will be surrounded by a dike of sufficient capacity to contain 1/2 times the storage capacity of the largest tank in the battery.

All load lines and valves will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in Onshore Order #3 will be adhered to.

All off lease storage, gas measurement or commingling will have prior approval from the District manager.

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

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flow lines between the wellhead and meter run and from the meter run to a point off the well pad shall be buried. Meter runs shall be housed.

The oil and gas measurement facilities shall be located on the wellsite. The measurement facilities shall be calibrated in place prior to any deliveries. All meters shall be tested monthly for the first three months of production and every 90 days thereafter to ensure accuracy. The Grand Resource Area shall be notified, verbally, of the initial calibration test, and subsequent initial testing, prior to such testing. A copy of the calibration tests shall be provided to the Area manager upon request. All measurement facilities shall conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

5.) Location and Type of Water Supply: Water needed will come from the Colorado River 4 miles south of Cisco, Utah.

All water needed for drilling purposes will be obtained from:

Water permits, as required, shall be obtained from the appropriate agency, private land owner or the Utah Division of Water Rights.

4

6.) Source of Construction Material:

Pad construction material will be obtained from the staked location. The use of materials under B.L.M. jurisdiction will conform to 43 CFR 3610.1-3. The source of construction material will be located on lease.

7.) Methods of Handling Waste Disposal:

All drilling cuttings and fluids shall be contained in an unlined pit located approximately 100 ft. from the drill hole. Three sides of the reserve pit shall be fenced prior to drilling out from under surface casing. Unless this pit is needed for and included as part of the permanent production facility it shall be filled and reclaimed as soon as possible after drilling activities end. If the pit is to be used as part of the production facility the fourth side shall be fenced and the required Sundry notice requesting permission for such produced waste water reserve pits shall be submitted to the District Office, in accordance with Onshore Order #3 (NTL-2B).

All trash shall be contained in a trash cage and removed at the end of the drilling program.

If burning is required, a permit shall be obtained from the State Fire Warden at 1-801-259-6316.

8.) Ancillary Facilities:

Camp facilities will not be required.

9.) Well Site Layout:

SEE ATTACHED DIAGRAM.

10.) Restoration Plans:

Immediately upon completion of drilling, the location and surrounding area will be cleared of all remaining debris, materials, trash and junk not required for production. All disturbed areas will be recontoured to the approximate natural contours. The stockpiled soil, if any, will be evenly distributed over the disturbed area.

Prior to seeding all disturbed areas will be scarified and left with a rough surface. Seed will be broadcast at a time specified by the B.L.M.. The seed mixture to be used shall be that which is recommended by the B.L.M.. All disturbed areas not need for production facilities shall also be reseeded.

11.) Surface and Mineral Ownership:

5

12.) Other Information:

There will be no deviation from the proposed drilling program without the prior written approval of the District Manager. All drilling and completion activities shall be conducted in a safe and diligent manner. All wells drilling, producing or abandoned shall be properly identified in accordance with 43 CFR 3164.

" Sundry Notice and reports on wells " (form 3160-5) will be filed for approval for all changes of plans or other operations in accordance with 43 CFR 3164.

All subcontractors shall be provided a copy of the approved permit to drill including the dirt contractor. In the event any cultural resources are found during the operations all activities shall cease and the Area Manager notified of such findings.

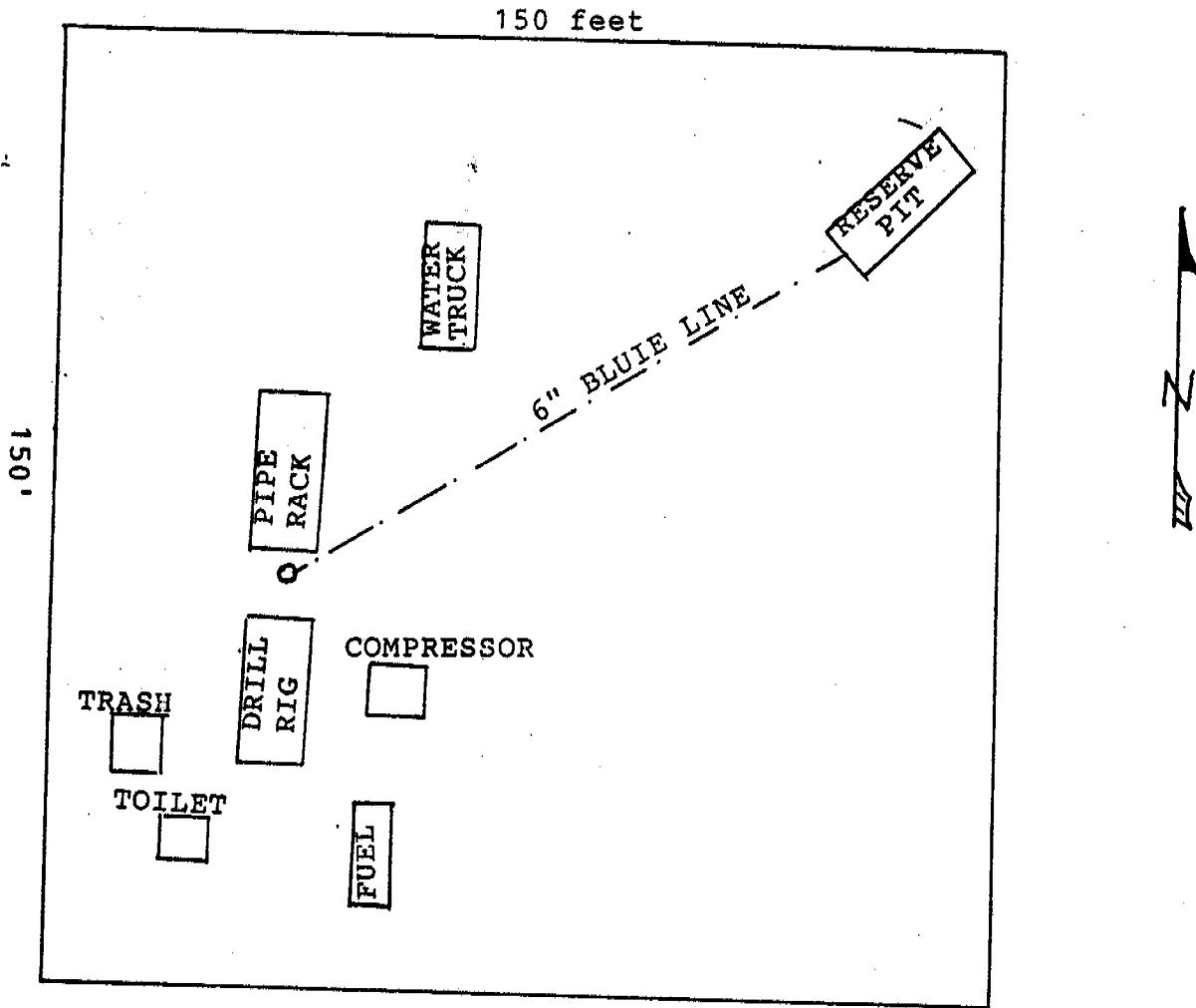
This permit shall be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

13.) Lessee's / Operators Certification:

I hereby certify that the aforementioned corporation is the lessee of record and the operator of the lease/well discussed in this application. Bond coverage is provided by Bond presently on file with the B.L.M., I am familiar with the access route and planned activities; All the statements provided herein are true to the best of my knowledge and that all contractors involved in these operations are under my supervision and will be held accountable for their actions.

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S M GAS PRODUCTION  
Section 4, T.20 S; R. 24 E.  
Grand County, Utah



Scale 1" = 30'

3704

REGAN FORGE &amp; ENGINEERING COMPANY

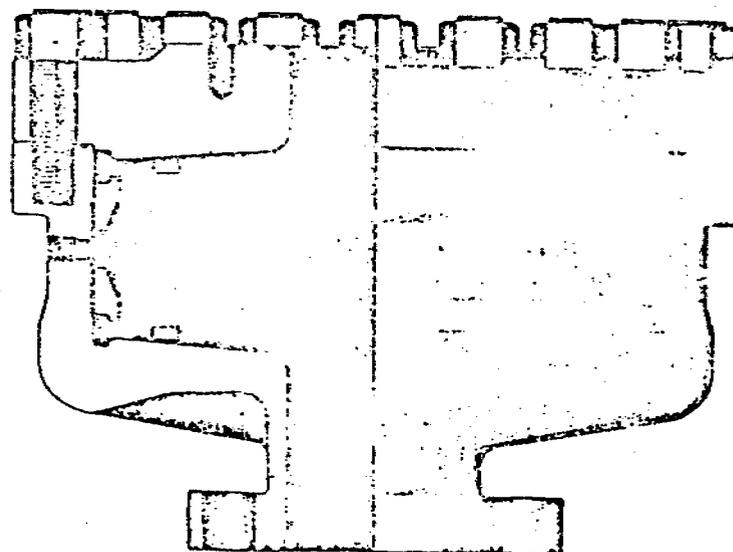
San Pedro, Calif.

## REGAN BLOWOUT PREVENTERS

The Regan Torus Blowout Preventer is used primarily on production and workover rigs for well control up to 3000 PSI working pressure

## DESIGN FEATURES

- The Torus Preventer is designed for minimum height to facilitate its use with production and workover rigs.
- The rubber packer will conform to any object in the well bore. Sealing ability is not affected by minor damage to the inner bore.
- The packer will seal an open hole at full working pressure.
- The dual packer design increases the reliability of the preventer since the outer rubber is never exposed to the well bore. Under ordinary service, the outer packer is rarely replaced.

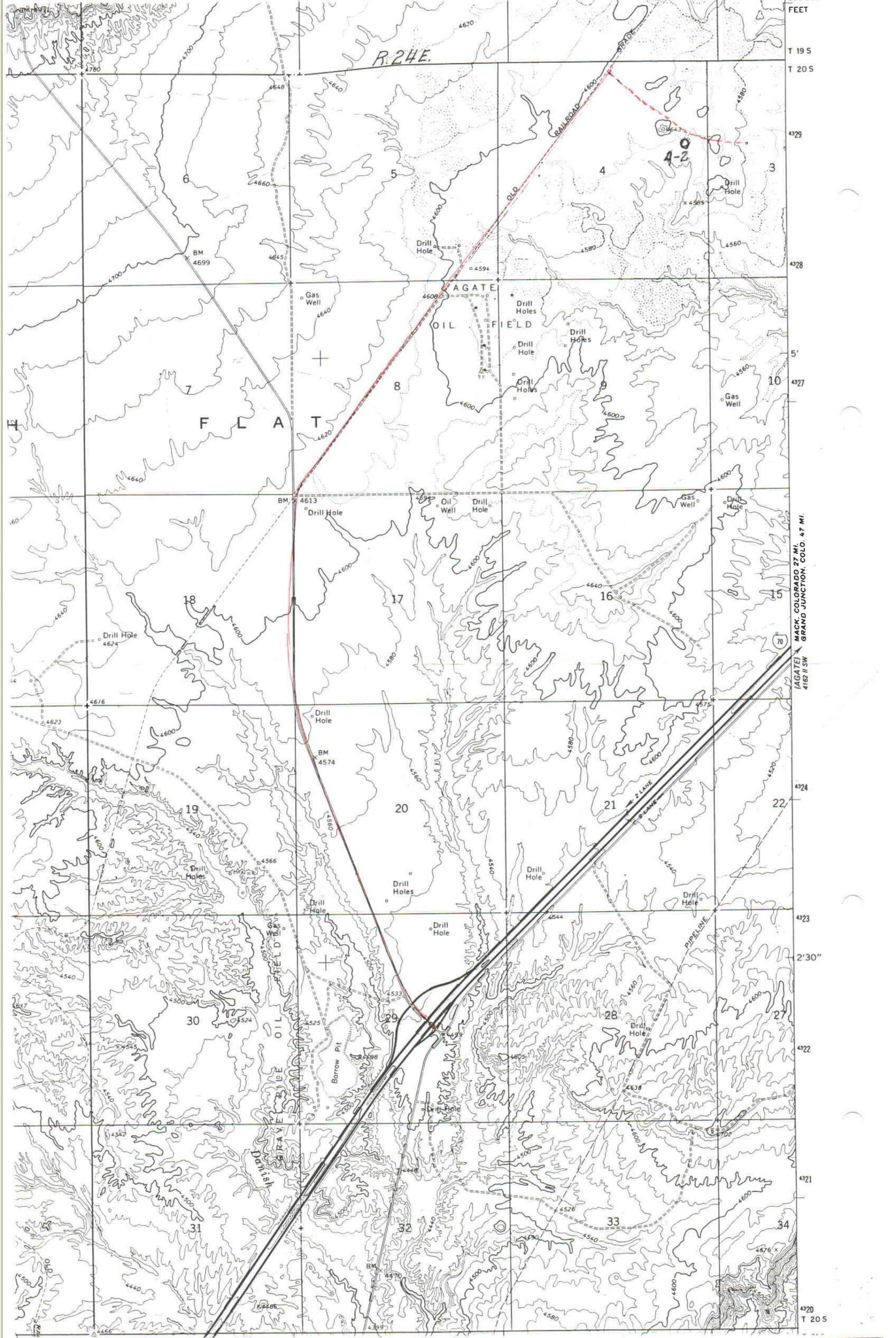


TORUS BLOWOUT PREVENTER  
PATENTED

## SPECIFICATIONS

Nominal Size	Test Pressure (psi)	DIMENSIONS (in.)			Weight (lb.)	End Flanges (1)	R/RX Ring Grooves	Side Outlet
		Outside Diameter	Thru Bore	Overall Height				
6	3000 4000	27 28 1/4	2 1/4 2 1/4	19 1/4 21 1/4	1360 1850	Nom. 6 Nom. 6	45 45	None 2" L.P.

(1) Bottom flange holes elongated for use with either 2000 or 3000 psi API-6B flange. (Also can be used with obsolete Ser. 400 API flange.) Top flange normally slanted for 3000 psi API-6B flange unless otherwise noted.



FEET  
T 19 S  
T 20 S  
4329  
4328  
5'  
4327  
4324  
4323  
2'30"  
4322  
4321  
4320  
T 20 S

0.7 MI.  
1.4 MI.  
2.1 MI.  
2.8 MI.  
3.5 MI.  
4.2 MI.  
4.9 MI.  
5.6 MI.  
6.3 MI.  
7.0 MI.  
MACK, COLORADO 27 MI.  
AGATE  
4162 // SW  
GRAND JUNCTION, COLO. 47 MI.

R. 24 E.

AGATE  
OIL FIELD

F L A T

AGATE OIL FIELD  
STRAYFIELD

PIPELINE

2 LANE

4-2

Borrow Pit

BM 4699

BM 4613

BM 4574

BM 4570

Drill Hole

Drill Holes

Drill Holes

Drill Hole

Drill Hole

Oil Well

Drill Holes

Drill Hole

Drill Hole

Drill Holes

Drill Hole

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

IN THE MATTER OF ADOPTING AMEND- )  
MENTS TO FIELD RULE 1-2 AND 2-2, )  
CAUSE NO. 2, NO. 102-5, AND NO. )  
102-16, WHICH RULES ESTABLISHED )  
WILDCAT WELL SPACING FOR THE )  
SEIBER-CISCO NOSE AREA, GRAND )  
COUNTY, UTAH )

FINDINGS AND ORDER

CAUSE NO. 102-16B

This cause came on for hearing before the Board of Oil, Gas and Mining at 10:00 a.m. on Wednesday, September 26, 1979, in the executive Conference Room, Holiday Inn, 1659 West North Temple, Salt Lake City, Utah.

The following Board Members were present:

Charles R. Henderson, Chairman  
John L. Bell, Member  
Edward T. Beck, Member  
Thadis W. Box, Member  
Constance K. Lundberg, Member  
C. Ray Juvelin, Member  
E. Steele McIntyre, Member

Appearances were made as follows:

James Bowers  
Damon Gilland  
Dean Christensen  
Don Quigley

NOW, THEREFORE, the Board having heard the testimony of the witnesses and having considered the evidence and being advised in the premises, now makes and orders the following:

FINDINGS

1. That due and regular notice of the time, place and purpose of the hearing was given to all interested parties in the form and manner and within the time required by law.
2. That the Board has jurisdiction over the matter covered by said application and over all parties interested therein and has jurisdiction to make and promulgate the order hereinafter set forth.
3. That the Dakota, Morrison and Cedar Mountain Formations underly the area under consideration.
4. That the sands of the Dakota, Morrison and Cedar Mountain Formations are lenticular in nature.

5. That most, if not all, of the operators in the area are of the opinion that it is not economically feasible to drill wells on the 40 acre or 640 acre wildcat spacing pattern as provided for in Rule C-3, General Rules and Regulations and Rules of Practice and Procedure.

6. That there is unanimity among the operators with respect to the suggested amendments to Field Rule 2-2.

IT IS THEREFORE ORDERED:

ORDER

1. That the Board's order in Cause No. 2, Cause No. 102-5, and Cause No. 102-16 is hereby revised as follows:

Field Rule 1-2 reads:

The spacing of all wells drilled for oil or gas which are within the following described area--to wit:

Township 18 South, Range 25 East  
Sec: 25 through 36

Township 18 South, Range 26 East  
Sec: 29 through 32

Township 19 South, Range 23 East  
Sec: 19 through 36

Township 19 South, Range 24 East  
Sec: All

Township 19 South, Range 25 East  
Sec: All

Township 19 South, Range 26 East  
Sec: 5 through 8

Township 20 South, Range 21 East  
Sec: All

Township 20 South, Range 22 East  
Sec: All

Township 20 South, Range 23 East  
Sec: All

Township 20 South, Range 24 East  
Sec: All

Township 20 South, Range 25 East  
Sec: All

Township 21 South, Range 22 East  
Sec: 1 through 12

Township 21 South, Range 23 East  
Sec: All

Township 21 South, Range 24 East  
Sec: All

and are not within a pool for which drilling units have been established shall be governed by Field Rule 2-2.

✓ Field Rule 2-2 is amended to read:

"All wells drilled for the discovery of oil and/or gas which are not within a pool, reservoir, or field for which drilling units have been established or for which a petition for establishment of a drilling unit has been filed, shall be located not less than 500 feet from any property or lease line and not less than 200 feet from the boundary of any legal subdivision comprising a governmental quarter-quarter section or equivalent lot or lots of comparable size and location, and not less than 400 feet from any oil well, or less than 1320 feet from any gas well, unless otherwise specifically authorized by the Board after notice of hearing.

Whenever an exception is granted by the Board, the Board may, at any time thereafter, take such action as will offset any advantage which the person securing the exception may obtain over the other producers in the area covered by Field Rule 1-2."

✓ All previously drilled wells and all wells drilled in the future which:

a. are less than 660 feet from the lease or property line and are classified as gas wells or

b. are less than 200 feet from the lease or property line and are classified as oil wells

may be offset, the same distance from the property line or a drilling unit may be established for said well if the Board of Oil, Gas and Mining, finds, after notice and a hearing that correlative rights are being violated.

\* All notices of intention of Drill must be accompanied by a plat on which is outlined the acreage covered by the lease on which the well is to be drilled.

✓ Rule 1-2 and Rule 2-2 are only applicable to wells drilled or to be drilled to a depth of 3500 feet or less.

2. That the board retains continuing jurisdiction over all matters covered by this order and particularly to make further orders as may be necessary under conditions and circumstances developed in the future.

ENTERED this 15th day of November, 1979.

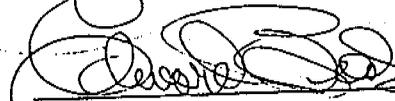
STATE OF UTAH  
BOARD OF OIL, GAS AND MINING



Charles R. Henderson, Chairman

- ① 500' from Lease line
- ② 200' from gtr/gtr lines
- ③ 400' from an oil well  
AND  
1320' from a gas well

John L. Bell, Member



Edward T. Beck, Member

OPERATOR S. M. Gas Production 1-8170 DATE 3-18-91

WELL NAME Cont 4-2-A

SEC SENE 4 T 00S R 04E COUNTY Grand

43-019-31310  
API NUMBER

Individual (1)  
TYPE OF LEASE

CHECK OFF:

PLAT.

BOND

NEAREST WELL

LEASE

FIELD SLBM

POTASH OR OIL SHALE

PROCESSING COMMENTS:

calls within guidelines of Cause No. 100-163  
Water Permit

APPROVAL LETTER:

SPACING:

R615-2-3

N/A  
UNIT

R615-3-2

100-163 11-15-79  
CAUSE NO. & DATE

R615-3-3

STIPULATIONS:

1- Needs water permit



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangarter  
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

March 18, 1991

S & M Production  
P. O. Box 2165  
Farmington, New Mexico 87499

Gentlemen:

Re: Govt. 4-2 Well, 1980 feet from the North line, 508 feet from the East line, SE NE, Section 4, Township 20 South, Range 24 East, Grand County, Utah

Approval to drill the referenced well is hereby granted in accordance with the Order in Cause No. 102-16B dated November 15, 1979 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 Utah Code Ann. Section 73-3, Appropriation.

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 Entity Action Form 6, 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 in the event it is necessary to plug and abandon the well. Notify R. J. Firth, Associate Director, (Office) (801) 538-5340, (Home) 571-6068, or J. L. Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Utah Admin. R.615-3-20, Gas Flaring or Venting.

Page 2  
S & M Production  
Govt. 4-2  
March 18, 1991

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 Drinking Water/Sanitation, telephone (801) 538-6159.
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 43-019-31312.

Sincerely,



R. J. Farth  
Associate Director, Oil & Gas

tas  
Enclosures  
cc: Bureau of Land Management  
J. L. Thompson  
we14/1-20

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

SUBMIT IN TRIP DATE  
(Other instructions on reverse side)

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

**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**

1. TYPE OF WORK  
 DRILL       DEEPEN       PLUG BACK

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

3. NAME OF OPERATOR  
S M GAS PRODUCTION

4. ADDRESS OF OPERATOR  
PO BOX 2165 FARMINGTON, NEW MEXICO 87499

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
1980 from north & 508 from West line East  
 At proposed prod. zone

6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
8 Miles north-east of Cisco, Utah.

7. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)  
508

8. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED POP, ON THIS LEASE, FT.  
1256

9. ELEVATIONS (Show whether DF, RT, GR, etc.)  
4591Gr.

10. NO. OF ACRES IN LEASE  
43-019-31312 dl

11. NO. OF ACRES ASSIGNED TO THIS WELL  
40

12. ROTARY OR CABLE TOOLS  
Rotary

13. APPROX. DATE WORK WILL START\*  
March 28, 1991

5. LEASE DESIGNATION AND SERIAL NO.  
u- 15054

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

7. UNIT AGREEMENT NAME  
GOV'T

8. FARM OR LEASE NAME  
STALEY

9. WELL NO.  
4-2 A

10. FIELD AND POOL, OR WILDCAT  
GREATER CISCO

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
Sec. 4, T20S; R24E.

12. COUNTY OR PARISH  
Grand

13. STATE  
Utah

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	7-5/8"	32	180	40
6- 3/4"	4 1/2"	10	1600	65

Test will be drilled to test the Salt Wash member of the Morrison.  
 Blowout preventer will be an 8" 900 series double gate Shaeffer type L.W.S. or equivalent.

**RECEIVED**  
 APR 05 1991  
 DIVISION OF  
 OIL GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED *Salim Al Embe* TITLE Agent for S M Production DATE Feb. 22, 1991

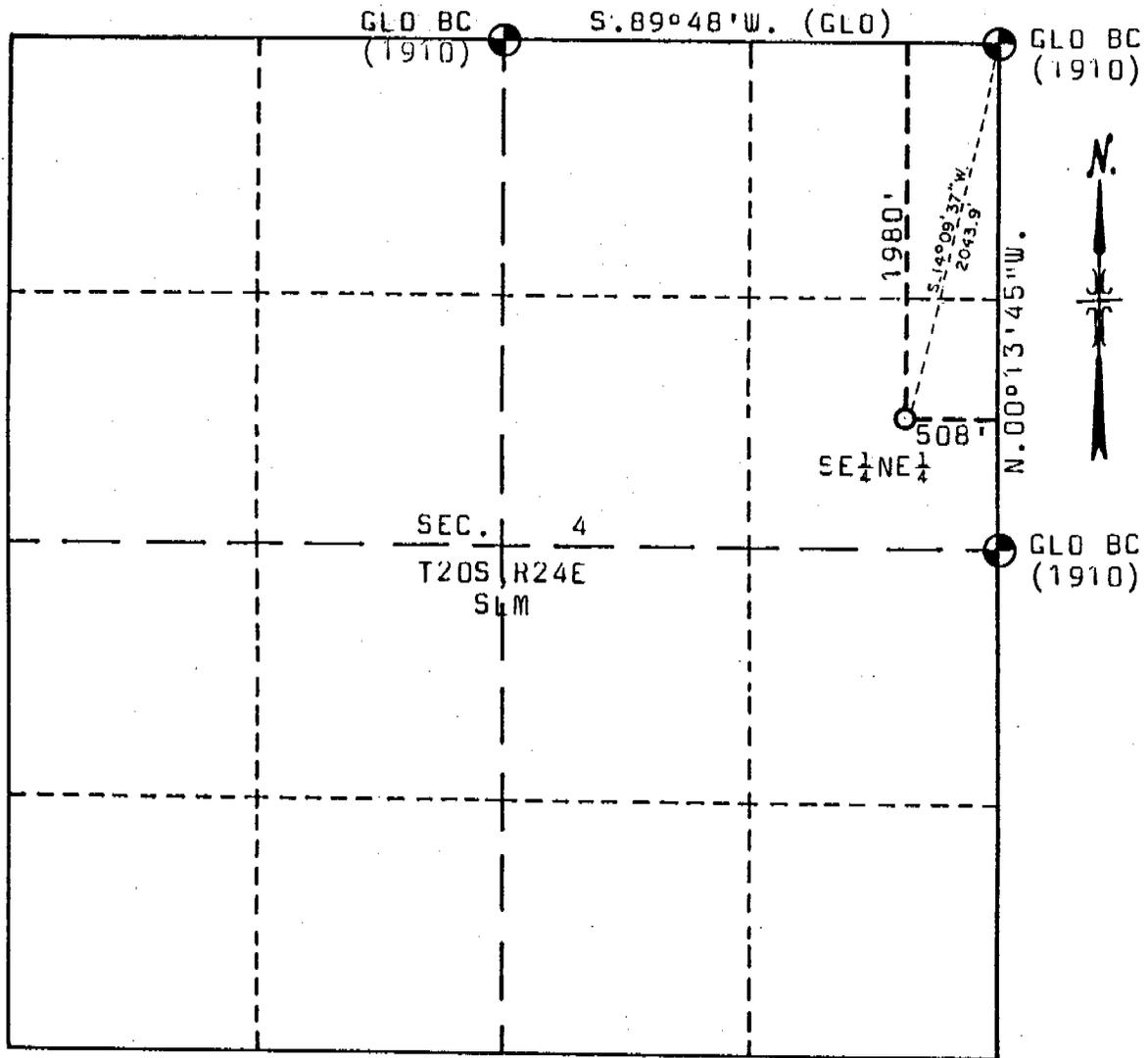
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
 APPROVED BY 151 Brent Northrup TITLE ACTING Assistant District Manager for Minerals DATE APR 3 1991

CONDITIONS OF APPROVAL, IF ANY:  
**FLARING OR VENTING OF GAS IS SUBJECT TO NTL 4-A**      **CONDITIONS OF APPROVAL ATTACHED**  
 Dated 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.

Dogm



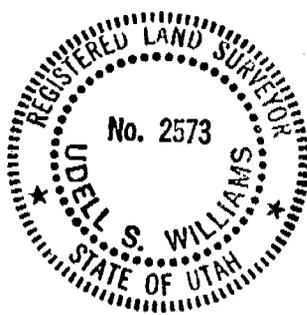
1000 0 1000  
 SCALE: 1" = 1000'

S&M 4-2

Located 1980 feet from the North line and 508 feet from the East line of Section 4, T20S, R24E, SLM.

Elev. 4591

Grand County, Utah



SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

*Udell S. Williams*  
 Utah RLS No. 2573



**UDELL S. WILLIAMS**  
 Professional Land Surveyor  
 751 Rood Avenue (303) 243-4594  
 Grand Junction, Colorado 81501

PLAT OF  
 PROPOSED LOCATION

S&M 4-2  
 SE 1/4 NE 1/4 SECTION 4  
 T20S, R24E, SLM

SURVEYED BY: USW DATE: 8/24/90  
 DRAWN BY: USW DATE: 8/25/90

SM Gas Production  
Well No. Staley 4-2  
SENE Sec. 4, T. 20 S., R. 24 E.  
Grand County, Utah  
Lease U-15054

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 SM Gas Production 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 UT0809 (Principal - SM Gas Production) via surety consent as provided for in 43 CFR 3104.2.

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 and 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.

1. Surface casing shall have a centralizer on each of the bottom three joints.
2. Daily drilling and completion progress reports shall be submitted to the Moab District Office on a weekly basis.
3. 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.
4. 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.

B. SURFACE USE PLAN

1. All site security guidelines identified in 43 CFR 3162.7-5 and ONSHORE OIL AND GAS ORDER NO. 3; SITE SECURITY will be adhered to.
2. Gas measurement will be conducted in accordance with the ONSHORE ORDER NO. 5; GAS MEASUREMENT and 43 CFR 3162.7-3.
3. Oil measurement will be conducted in accordance with ONSHORE OIL AND GAS ORDER NO. 4; OIL MEASUREMENT as of the effective date of August 23, 1989 and 43 CFR 3162.7-2.
4. All loading lines and valves will be placed inside the berm surrounding the tank battery.
5. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the Assistant District Manager.
6. Pipeline construction activity is not authorized under this permit.
7. Produced waste water will be confined to a unlined pit for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the Assistant District Manager's approval pursuant to Onshore Oil and Gas Order No. 3 (NTL-2B).
8. There will be no deviation from the proposed drilling and/or workover program without prior approval from the Assistant District Manager. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.6.
9. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.
10. The dirt contractor will be provided with an approved copy of the surface use plan of operations.
11. This permit will be valid for a period of one(1) year from , the date of approval. After permit termination, a new application will be filed for approval for any future operations.
12. Copies of all water analysis required by the State of Utah in relation to surface discharge of produced water will be submitted to the Moab District Office, Bureau of Land Management.
13. Plans will be formulated for long term monitoring of aquifers and springs in the area of proposed development prior to approval of further Applications for Permit to Drill.

Company: S & M PRODUCTION  
Well: 4-1.4-1.4-3.3-1  
Section: 3/4, T.20S., R24E.

ADDITIONS TO THE MULTIPPOINT  
SURFACE USE PLAN  
AND  
RECLAMATION PROCEDURES

CONSTRUCTION:

1. The operator or his contractor will contact the Grand Resource Area Office in Moab, Utah (phone 801-259-8193) 48 hours prior to beginning any work on public land.
2. The dirt contractor will be furnished with an approved copy of the surface use plan and any additional BLM stipulations prior to any work.
3. Use of water from sources such as wells, springs, streams, or stock ponds for activities associated with this well will be approved, prior to use, by the agency or individual holding the water right.
4. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance. Surface material will not be placed on the access road or location without prior BLM approval.

PRODUCTION

1. The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed in the methods described in the rehabilitation section. All of the stockpiled topsoil will be used in reclaiming the unused areas.
  2. The above-ground production facilities will be painted using the suggested color: SLATE GREY.
  3. The access will be to the design of a Class 111 road.
  4. Maximum new access travel width to each of the wells will be 15 feet. Vegetation will be left in place along the routes and driven over. Vegetation in the form of greasewood can be removed from the route to the 3-1 well. When production is determined for each well the access routes will be upgraded by adding water control structures where needed.
- 
- 
-

## REHABILITATION

- 1). Immediately upon completion of drilling, the location and surrounding area will be cleared of all debris resulting from the operation. All trash will be disposed of in the trash pit/cage. Non-burnable debris will be hauled to a local dump site.
- 2). The operator or his contractor will contact the Grand Resource Area BLM office in Moab, Utah, phone (801-259-6111), 48 hours prior to starting rehabilitation work that involves earthmoving equipment and completion of restoration measures.
- 3). Before any dirt work to restore the location takes place, the reserve pit must be completely dry and any trash (barrels, metal ect.) it contains must be removed from public lands.
- 4). All disturbed areas will be recontoured to blend as nearly as possible with the surrounding area.
- 5). The stockpiled topsoil will be evenly distributed over the disturbed area.
- 6). All disturbed areas will be scarified with the contour to depth of six inches. Do not smooth pads out, leave a roughened surface.
- 7). Seed will be (broadcast/drilled) at a time to be specified by the BLM with the following seed prescription. When broadcast seeding, a harrow or some such implement will be dragged over the seeded area to assure seed cover.
- 8). After seeding is complete the vegetation and soil removed from each location during construction will be scattered over the disturbed area. Each well access will be blocked to prevent any vehicle use.
- 9). Waterbars will be used on all sloping surfaces as shown below:

<u>GRADE</u>	<u>SPACING</u>
2%	200 ft. spacing
2-4%	100 ft. spacing
4-5%	75 ft. spacing
+5%	50 ft. spacing

NOTIFICATIONS

Notify Elmer Duncan 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;

50 feet prior to reaching surface casing depth;

3 hours prior to testing BOP's and surface casing.

If the person at the above number cannot be reached, then notify Fred Oneyear in the Moab District Office at (801) 259-6111 or at home (801) 259-5937 (If unsuccessful, then notify one of the following people listed below).

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, Minerals Division. 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

SUBMIT IN DUPLICATE\*

STATE OF UTAH  
OIL & GAS CONSERVATION COMMISSION

(See other instructions on reverse side)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

5. LEASE DESIGNATION AND SERIAL NO.  
U - 15054

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

GOV'T

9. WELL NO.

4 - 2A

10. FIELD AND POOL, OR WILDCAT

GREATER CISCO

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

SEC. 4, T.20 S; R.24 E.

12. COUNTY OR PARISH  
GRAND

13. STATE  
UTAH

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

b. TYPE OF COMPLETION: NEW WELL  WORK OVER  DEEP-EN  PLUG BACK  DIFF. RESTR.  Other \_\_\_\_\_

2. NAME OF OPERATOR  
S M GAS PRODUCTION

3. ADDRESS OF OPERATOR  
PO BOX 2165 FARMINGTON, NEW MEXICO 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) \* 1992

At surface 1430  
1073 from north & 508 from east line  
At top prod. interval reported below  
At total depth

RECEIVED

DIVISION OF OIL GAS & MINING

14. PERMIT NO. 42-019-31312 DATE ISSUED

15. DATE SPUNDED APRIL 10 '91 16. DATE T.D. REACHED JUNE 22, 1991 17. DATE COMPL. (Ready to prod.) 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)\* 4595 Kb. 19. ELEV. CASINGHEAD 4592

20. TOTAL DEPTH, MD & TVD 1470' 21. PLUG, BACK T.D., MD & TVD 22. IF MULTIPLE COMPL., HOW MANY\* 23. INTERVALS DRILLED BY 0-1470 ROTARY TOOLS CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\* 1428-1438 MRSN 25. WAS DIRECTIONAL SURVEY MADE NO

26. TYPE ELECTRIC AND OTHER LOGS RUN GAMMA RAY 1000 - 1455 27. WAS WELL CORRD 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 5/8"	32#	202	9"	CEMENTED TO SURFACE	NONE
2 7/8"	6.5#	1553	5 1/4"	74 sacks CLASS "B"	NONE

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)

PERFS 1428 - 1438 MADE 639 MCF  
ON ORIFICE TESTER

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33. PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)					
		SHUT IN					
DATE OF TEST	HOURS TESTED	CHOKER SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

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

SIGNED *Galen Healy* TITLE *Geologist* DATE *Feb 27, 1991*

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

# INSTRUCTIONS

**General:** This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See Instructions on items 22 and 24, and 38, below regarding separate reports for separate completions. If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

**Item 4:** If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

**Item 18:** Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments. **Items 22 and 24:** If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

**Item 29: "Seals Cement":** Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

**Item 33:** Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

FORMATION		TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	GEOLOGIC MARKERS	
		DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES				MEAS. DEPTH	TOP
		FEET	FEET			FEET	FEET
ALLUVIUM	0		4'	SURFACE SOIL	MANCOS	4-1140	
MANCOS SH.	4'		1140	SHALE, DAKG GRAY MARINE.			
DAKOTA	1140		1240	SANDSTONE, TAN FINE TO MEDIUM GR.	DAKOTA	1140	
CEDAR MT.	1240		1320	SANDSTONE & SHALE GRAY & GREEN	CEDAR MT.	1240	
BRUSHY BASIN	1320		1470	SHALE GREEN & RED & SANDSTONE	BRUSHY BASIN	1320	

S M GAS PRODUCTION

STALEY NO.4 - 2 A

SE NE Section 4, T. 20 S; R. 24 E.

2073 feet from north & 508 from east line

GRAND COUNTY, UTAH

Elevation: 4591 GR.  
4595 KB.

Spud:  
Comp:

CASING: 7" @ 200' cemented to surface.  
2 7/8 " @ 15 ' with sacks class " B" by  
B J HUGHES

SAMPLE DESCRIPTION

by

Galen Helmke

0	-	5	Surface soil.
5	-	1080	Shale, gray marine shale.
1080	-	1100	Shale gray, slightly silty.
1100	-	1115	Shale gray silty.
1115	-	1117	Coal & sandstone fine to medium grained, slightly damp.
1117	-	1120	Bentonite, light gray to white & coal.
1120	-	1140	Shale gray & bentonite and coal as above.
1140			DAKOTA SANDSTONE + 3455
1140	-	1160	Sandstone fine to medium grained, ( poor sample as samples were sticking to wall and drill pipe.
1160	-	1170	No sample. sandstone was water wet. Started mist drilling
1170	-	1180	Sandstone fine to medium grained S&P poorly sorted quartz. Drilled up in individual grains.
1180	-	1200	Sandstone tan fine to medium grained sub-round & shale green.
1200	-	1220	Sandstone as above & siltstone gray limy.
1240			CEDAR MOUNTAIN + 3355
1220	-	1240	Shale gray-green & siltstone gray limy.
1240			Trip for new bit.
1240			Slight puff of gas when blow-out preventer was opened, approx. 800' of slightly salty water in hole.

1240 Started drilling with mud.  
 1240 - 1250 Shale gray green waxy & siltstone gray limy.  
 1250 - 1265 As above.  
 1265 - 1270 Siltstone light gray limy.  
 1265 - 1275 Sandstone fine to medium grained, white, very little porosity.  
 1275 - 1280 Shale green very bentonitic.  
 1280 - 1295 Shale green as above with lime inclusions. Lost cone in hole.  
 1295 - 1298 Shale green & shale red brown silty.  
 1298 - 1302 Shale red - brown.  
 1302 - 1310 Sandstone fine grained & siltstone green & green shale.  
 1310 - 1320 As above.  
 1320 - 1325 Shale red soft, sandy, with few loose sand grains.  
 1325 - 1337 Shale red soft, bentonitic.  
 1337 - 1340 Sandstone white fine grained, no shows in sample or on mud logger.  
 1340 - 1350 Siltstone green & green shale.  
 1350 - 1355 Shale red & green  
 1355 - 1370 Shale red.  
 1370 - 1375 Shale red & shale green silty.  
 1375 - 1380 Sandstone very fine grained, white.  
 1380 - 1390 Poor sample (junk in hole @ 1385).  
 1390 - 1400 Shale red & thin streaks of very fine grained sandstone.  
 1400 - 1410 Shale red & green with streaks of white bentonite.  
 1410 - 1420 Sandstone white very fine grained with much white clay cement. Drilling break @ 1412.  
 1420 - 1425 Sandstone fine grained. GAS ON MUD LOG @ 90 UNITS.  
 1425 - 1428 Sandstone medium grained white to pink sub-round to sub-angular.  
 1428 - 1432 Sandstone- conglomerate, much salmon colored quartz.  
 1432 - 1440 Shale green.  
 1440 - 1445 Shale red sandy.  
 1442 SMALL SHOW ON GAS LOG 50 UNITS AND THE DRILLING MUD WAS GAS CUT.  
 1445 - 1470 Shale red & green.

1470

**TOTAL DEPTH**

After total depth was reached the the gas pressure blew the 9.2# drilling mud from the hole. Estimated @ rate of 6,000,000 cubic feet per day, the test was left open all night, the next morning, water from the Dakota had possibly other water bearing sands had stopped the gas flow.

*Galen Helmke*

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
1588 West North Temple  
Salt Lake City, Utah 84116

RECEIVED

MAR 03 1992

DIVISION OF  
OIL GAS & MINING

\*REPORT OF WATER ENCOUNTERED DURING DRILLING\*

Well Name & Number S M GAS PRODUCTION 4 -2A

Operators M GAS PRODUCTION Address 2165 FARMINGTON NM.87499

Contractor TERRY LEECH Address MOAB, UTAH

Location SE 1/4 NE 1/4 Sec. 4 T.20 S. R. 24 E. County GRAND

Water Sands

DAKOTA SS. SMALL EST.@ 15 GALLONS PER MINUTE.

	<u>Depth</u>		<u>Volume</u>	<u>Quality</u>
	From	To	Flow Rate or Head	SLIGHTLY SALTY Fresh or Salty
1.	1150	1160	EST.@ 15 GALLONS PER MINUTE	SLIGHTLY SALTY
2.				
3.				
4.				
5.				

(Continue of reverse side if necessary)

Formation Tops

DAKOTA 1140  
CEDAR MT. 1240  
BRUSHY BASIN 1320

Remarks

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

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
1588 West North Temple  
Salt Lake City, Utah 84116

RECEIVED

MAR 03 1992

DIVISION OF  
OIL GAS & MINING

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3.				
4.				
5.				

(Continue of reverse side if necessary)

Formation Tops

DAKOTA 1140  
CEDAR MT. 1240  
BRUSHY BASIN 1320

Remarks

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

S M GAS PRODUCTION 4 - 2 A

To: S+M GAS PRODUCTION  
P.O. BOX 2165  
FARMINGTON, N.M. 87499

Date: 12-17-91  
Number: EC/SM 91-1

GAS ANALYSIS

COMPANY: S+M

SUBMITTED BY: GALEN HELMKE

SAMPLE IDENTIFICATION: NAT. GAS

DATE SAMPLED: 12-17-91

DATE RECEIVED: 12-17-91

DATE TESTED: 12-17-91

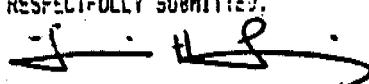
CAL. NUMBER	NAME	MOLE %, /100=X	IDEAL GAS SPECIFIC GRAVITY, G	IDEAL GROSS HEATING VALUE, DRY, BTU/SCF (60F and 760 mm Hg), H	COMPRESSIBILITY FACTOR @ STP, Z	HEATING GAL. LIQ./1000				
						SUMMA- FACTOR, SQR b	COMPR- TION, X	SP. GR. FRACT- ION, X G	VALUE FRACT- ION, X H	
1	HYDROGEN	0	.0675	325.02	1.0006			0	0	
2	PROPANE	.117	1.5225	2517.5	.982	.1342	1.6E-4	.00178	2.9455	.03212
4	ISO-BUTANE	.02569	2.0068	3252.7	.9696	.1744	4.5E-5	5.2E-4	.83529	.00837
5	HYDROGEN SULFIDE	0	1.1765	657	.9903	.0985	0	0	0	0
6	N-BUTANE	.00430	2.0068	3262.1	.9667	.1825	7.8E-6	8.6E-5	.14917	.00135
10	ISO-PENTANE	.01652	2.4911	4000.3	.9492	.2276	3.8E-5	4.1E-4	.66085	.00603
11	N-PENTANE	.00483	2.4911	4009.6	.9435	.2377	1.1E-5	1.2E-4	.19366	.00174
12	CARBON DIOXIDE	.09407	1.5195		.99432	.064	6.0E-5	.00143	0	0
14	ETHANE	.329	1.0382	1768.8	.9916	.0917	3.0E-4	.00342	5.8194	
15	OXYGEN	0	1.1948		.99927	.027	0	0	0	0
16	NITROGEN	0.195	.9672		.99973	.0164	5.2E-4	.03090	0	0
17	METHANE	96.213	.5539	1009.7	.9981	.0436	.04195	.53292	971.46	
19			.7596	5502.8	.92	.283	0	0	0	0
20	CS+	0	2.9753	4756.2	.92	.283	0	0	0	0
21			2.9753	4746	.92	.283	0	0	0	0
TOTALS		99.999				.04309	.57159	982.06	.04962	

NOTES: Z = .99814. IDEAL SPECIFIC GRAVITY OF MIXTURE = .57159. REAL SPECIFIC GRAVITY OF MIXTURE = .57241

IDEAL GROSS HEATING VALUE, DRY BASIS, PER SCF (60F & 760 mm Hg) = 982.06. REAL GROSS, DRY HEATING VALUE = 983.89

TO CONVERT EITHER THE IDEAL OR REAL DRY, GROSS HEATING VALUE TO SATURATED BASIS @ STP, MULTIPLY EITHER BY 0.9626. THE VALUES AND CALCULATION METHODS USED IN THIS REPORT ARE THOSE GIVEN IN EPA PUBLICATIONS 2145-82 AND 2172-76.

RESPECTFULLY SUBMITTED,

  
TIMOTHY H. FLEMING,  
CHEMIST

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATES  
(Other instructions on reverse side)

Form approved.  
Budget Bureau No. 1004-0135  
Expires August 31, 1985  
LEASE DESIGNATION AND SERIAL NO.

U - 15054  
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

7. UNIT AGREEMENT NAME  
GOV'T (BLM)

2. NAME OF OPERATOR  
S M GAS PRODUCTION  
3. ADDRESS OF OPERATOR

8. FARM OR LEASE NAME

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

9. WELL NO.  
4-2A  
10. FIELD AND POOL, OR WILDCAT

1980 from north & 508 from west line.  
EAST

11. SEC., T., S., M., OR BLK. AND SURVEY OR AREA  
GREATER CISCO  
SECTION 4

14. PERMIT NO. 15. ELEVATIONS (Show whether DF, RT, GR, etc.)  
4591 GR.

12. COUNTY OR PARISH 13. STATE  
T. 20 S. R. 24 E.  
GRAND UTAH

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

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

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

PULL OR ALTER CASING   
MULTIPLE COMPLETE   
ABANDON\*   
CHANGE PLANS

WATER SHUT-OFF   
FRACTURE TREATMENT   
SHOOTING OR ACIDIZING   
(Other)   
(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

REPAIRING WELL   
ALTERING CASING   
ABANDONMENT\*

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.)\*

The original location of the 4-2 was moved to the 4-2A to comply with spacing regulations.

RECEIVED  
APR 10 1992  
DIVISION OF  
OIL GAS & MINING

I hereby certify that the foregoing is true and correct

SIGNED *[Signature]*

TITLE WELL-SITE GEOLOGIST

DATE MARCH 18, 1992

(This space for Federal or State office use)

APPROVED BY *[Signature]*  
CONDITIONS OF APPROVAL IF ANY:

TITLE Branch of Fluid Minerals  
Moah District

DATE APR - 8 1992

*[Signature]*  
4-7-92

\*See Instructions on Reverse Side

STATE OF UTAH  
 DIVISION OF OIL, GAS AND MINING  
 ENTITY ACTION FORM - FORM 6

OPERATOR S.M. Gas Prod. Inc OPERATOR ACCT. NO. N 8170  
 ADDRESS P.O. Box 2165  
Farmington, N.M. 87499

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B(2)	99999	2050	4301931310051	S.M. 4-1		4	205	24E	Grand	4-1-91	
WELL 1 COMMENTS: <i>Both wells are on same lease when produced Gas will go thru same meter (C.D.M.)</i>											
B(2)	99999	2050	43019313120051	SM 4-2		4	205	24E	Grand	5-17-91	
WELL 2 COMMENTS: <i>Entities added 3-25-92 JLF</i>											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

**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.

RECEIVED  
 MAR 19 1992  
 DIVISION OF  
 OIL, GAS & MINING

*[Signature]*  
 Signature  
*[Signature]*  
 Title 505  
 Date 3-17-91  
 Phone No. (505) 329-9455

Division of Oil, Gas and Mining  
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

Well File \_\_\_\_\_  
(Location) Sec \_\_\_ Twp \_\_\_ Rng \_\_\_  
(API No.) \_\_\_\_\_

Suspense  
(Return Date) \_\_\_\_\_  
(To - Initials) \_\_\_\_\_

Other  
CHARLES \_\_\_\_\_  
\_\_\_\_\_

1. Date of Phone Call: 3-17-92 Time: 9:54

2. DOGM Employee (name) L. ROMERO (Initiated Call   
Talked to:  
Name E.M. SUSSEX (Initiated Call  - Phone No. (505 ) 327-1976  
of (Company/Organization) SM GAS PRODUCTION INC. (N8170)

3. Topic of Conversation: STALEY S&M 4-1/43-019-31311 AND GOVT 4-2/43-019-31312

4. Highlights of Conversation: \_\_\_\_\_  
REQUESTED WCR'S FOR THE ABOVE WELLS AND ENTITY ACTION FORMS.  
MR. SUSSEX WILL MAIL THEM ASAP. HE WAS UNAWARE THAT HE NEEDED TO SUBMIT  
THIS INFO TO THE STATE, BEING THAT THE WELLS ARE ON FEDERAL LEASES. I  
ADVISED HIM OF THE STATE'S ROLE IN KEEPING TRACK, ETC. OF ALL WELLS DRILLED  
WITHIN THE STATE. A COPY OF THE GENERAL RULES & REG'S ALONG WITH FORMS  
HAS BEEN MAILED TO HIM PREVIOUSLY.

*\* Rec'd Entity Form 3-19-92.*

#300

To: John Rogers, Utah State Tax Commission  
 From: Eric Jones, Petroleum Engineer, BLM Moab District  
 Subject: Plugging and Abandonment of Wells  
 SM Gas Production  
 Wells No. 4-1 and 4-2A  
 Section 4, T20S, R24E  
 Federal Oil and Gas Lease U-15054

RECEIVED

FEB 09 1996

PROPERTY TAX DIVISION

The two above captioned wells, operated by SM Gas Production, were plugged and abandoned in the spring of 1995. A BLM inspector witnessed the plugging of both wells, but for some reason the inspections were not entered into our computer system. I believe well no. 4-1 was plugged in early March, 1995, and 4-2A was plugged on May 30, 1995. Should you have any questions regarding this matter, please call Eric Jones at (801) 259-2117.

STALEY SEM 4-1 = 3131110 43-019-31311 Sec. 4 T. 20S R. 24E - U15054  
 G.C.T. 4-2A = 3131210 43-019-31312 Sec. 4 T. 20S R. 24E - U15054

ERIC

OPTIONAL FORM 99 (7-90)

<b>FAX TRANSMITTAL</b>		# of pages 1
To JOHN ROGERS Dep./Agency	From ERIC JONES, BLM	
	Phone # 801-259-2117	
Fax # 801-297-3699	Fax # 801-259-2106	

NSN 7540-01-317-7368 5089-101 GENERAL SERVICES ADMINISTRATION

UTAH STATE TAX COMMISSION  
210 North 1950 West  
Salt Lake City, Utah 84134  
Telephone (801)297-3600  
Fax Number (801) 297-3699

W. Val Oveson, Chairman  
Roger O. Tew, Commissioner  
Joe B. Pacheco, Commissioner  
Alice Shearer, Commissioner

Rodney G. Marrelli, Executive Director

Cover Sheet for Facsimile Message

Date: 2/22/96 Total # of Pages: 2

To: Department of Oil Gas & Mining

Location: SALT LAKE CITY

Subject: SM GAS PLUGGING OF 2 WELLS

Fax Number: 359-3940

From: Bob Pratt Phone Number: 297-3650

Location: PROPERTY TAX DIVISION

Comments/Remarks: copy of Blm Fax concerning Plugging  
of SM GAS WELLS

Signature: J. Robert Pratt

The information contained in this facsimile message is legally privileged and confidential information intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copy of this telecopy is strictly prohibited. If you have received this telecopy in error, please immediately notify us by telephone and return the original message to us at the address below via the United States Postal Service. Thank you.

S. Blaine Willes, Director Property Tax Division  
210 North 1950 West Salt Lake City, Utah 84134  
Telephone (801) 297-3600 Fax Number (801) 297-3699