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17-331C)

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1A. TYPE OF WORK
DRILL 94 MAY - 5 AM 9:37
DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
LONE MOUNTAIN PRODUCTION COMPANY

3. ADDRESS OF OPERATOR
100 N. 27TH, SUITE 450, BILLINGS, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
500' FSL 500' FWL SEC 11-T17S-R25E
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
17 MILES NORTHWEST OF MACK, COLORADO

16. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

16. NO. OF ACRES IN LEASE
415.19 ACRES

17. NO. OF ACRES ASSIGNED TO THIS WELL
N/A

19. PROPOSED DEPTH
3697' MORRISON

20. ROTARY OR CABLE TOOLS
ROTARY

21. ELEVATION (Show whether DF, RT, GR, etc.)
531

22. APPROX. DATE WORK WILL START*
JUNE 1, 1994

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	3"	24#	300'	150 sx 'G' + 3% CaCl
6 1/4"	2"	10.5#	3697'	175 sx 10-0 Thixotropic

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 rod true vertical depth. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE Petroleum Engineer DATE May 2, 1994

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY [Signature] TITLE Associate District Manager DATE 5/20/94

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED

FLARING OR VENTING OF GAS IS SUBJECT TO NTL 4-A

*See Instructions On Reverse Side

Dated 1/1/80 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.

ML Mtr

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 ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5317' GR

22. APPROX. DATE WORK WILL START*
 JUNE 1, 1994

5. LEASE DESIGNATION AND SERIAL NO.
 U-02857
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 N/A
 7. UNIT AGREEMENT NAME
 BAR X
 8. FARM OR LEASE NAME
 FEDERAL
 9. WELL NO.
 NO. 19
 10. FIELD AND POOL, OR WILDCAT
 BAR X
 11. SEC., T., R., M., OR BLK.
 AND SURVEY OR AREA
 NWSW SEC 11-T17S-R25E
 12. COUNTY OR PARISH
 GRAND
 13. STATE
 UTAH

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RECEIVED
 MAY 10 1994
 DIVISION OF
 OIL GAS & MINING

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24. SIGNED [Signature] TITLE Petroleum Engineer DATE May 2, 1994

(This space for Federal or State office use)

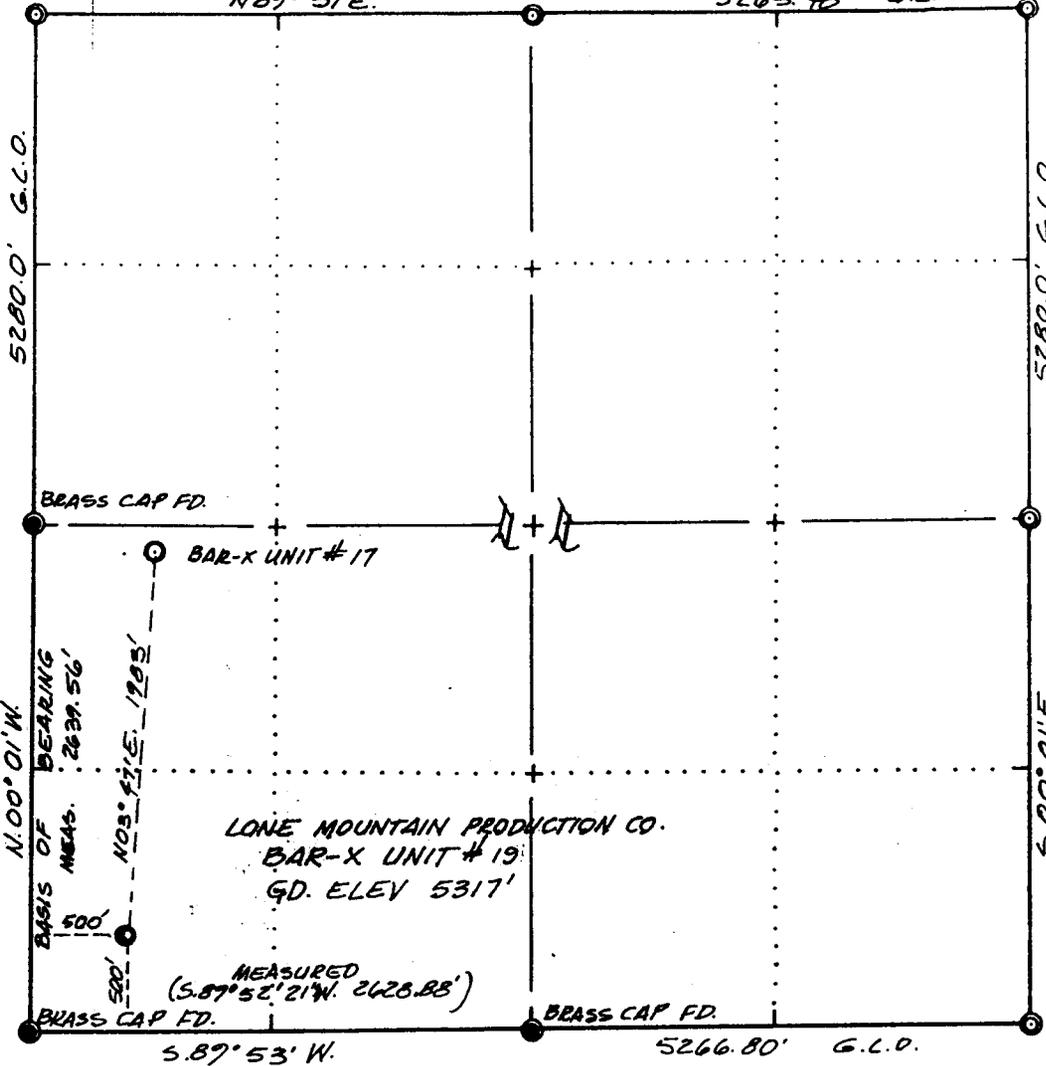
PERMIT NO. _____ APPROVAL DATE _____

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

*See Instructions On Reverse Side

PLAT # 1

SEC. 11, T. 17S., R. 25E. OF THE S.L.M.
N 89° 51' E. 5265.48' G.L.O.



- LEGEND -
- ⊙ STANDARD LOCATION OF GLO SECTION CORNERS.
 - GLO CORNERS FOUND.
 - WELL LOCATION STAKED.
- REFERENCE DOCUMENTS
- 1926 GLO PLAT
 - BRYSON CANYON, UT QUADRANGLE, U.S.G.S.

THIS WELL LOCATION PLAT WAS PREPARED FOR: LONE MOUNTAIN PRODUCTION
 TO LOCATE THE BAR-X UNIT # 19, 2501' F. S. L. &
640' F. W. L. IN THE SW 1/4 SW 1/4, OF SECTION 11, T. 17S, R. 25E.
 OF THE S.L.M. GRAND COUNTY, UTAH

SURVEYOR'S CERTIFICATE

I, Larry D. Becker: a Registered Land Surveyor In
 The State Of UTAH Do Hereby Certify That This
 Survey Was Made Under My Direct Supervision, and
 That This Plat Represents Said Survey.

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

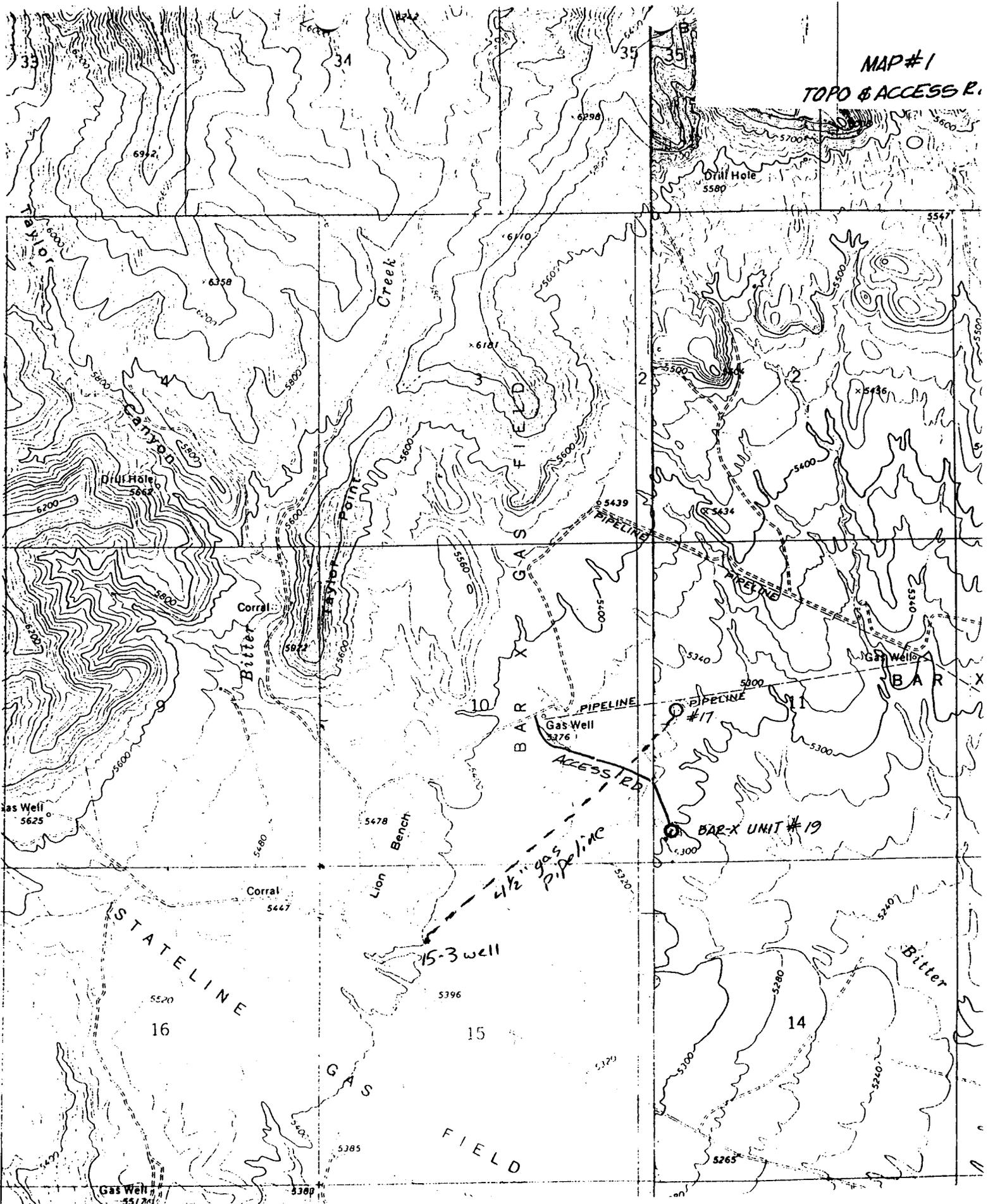
SURVEYED	8/91	
DRAWN	9/91	
CHECKED	9/91	

ENERGY
 SURVEYS
 CORPORATION

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

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

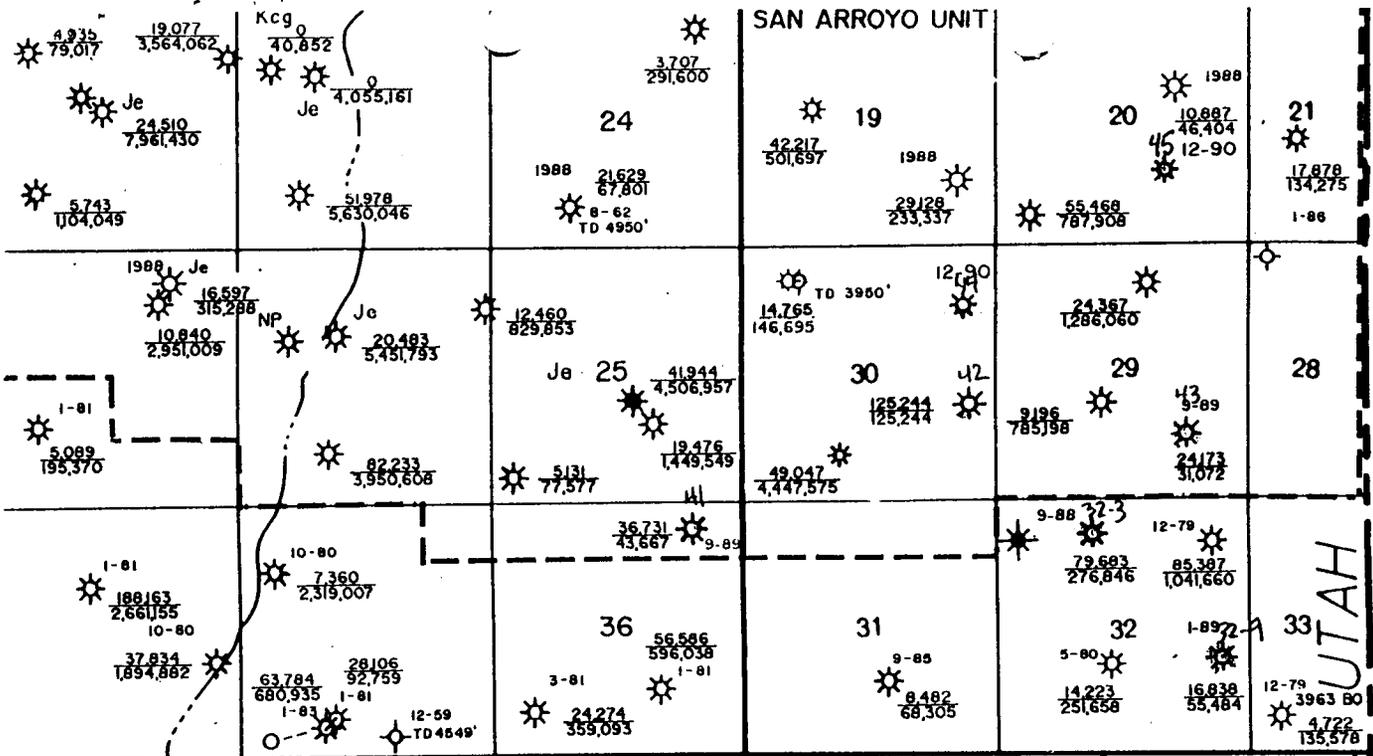
MAP #1
TOPO & ACCESS R.



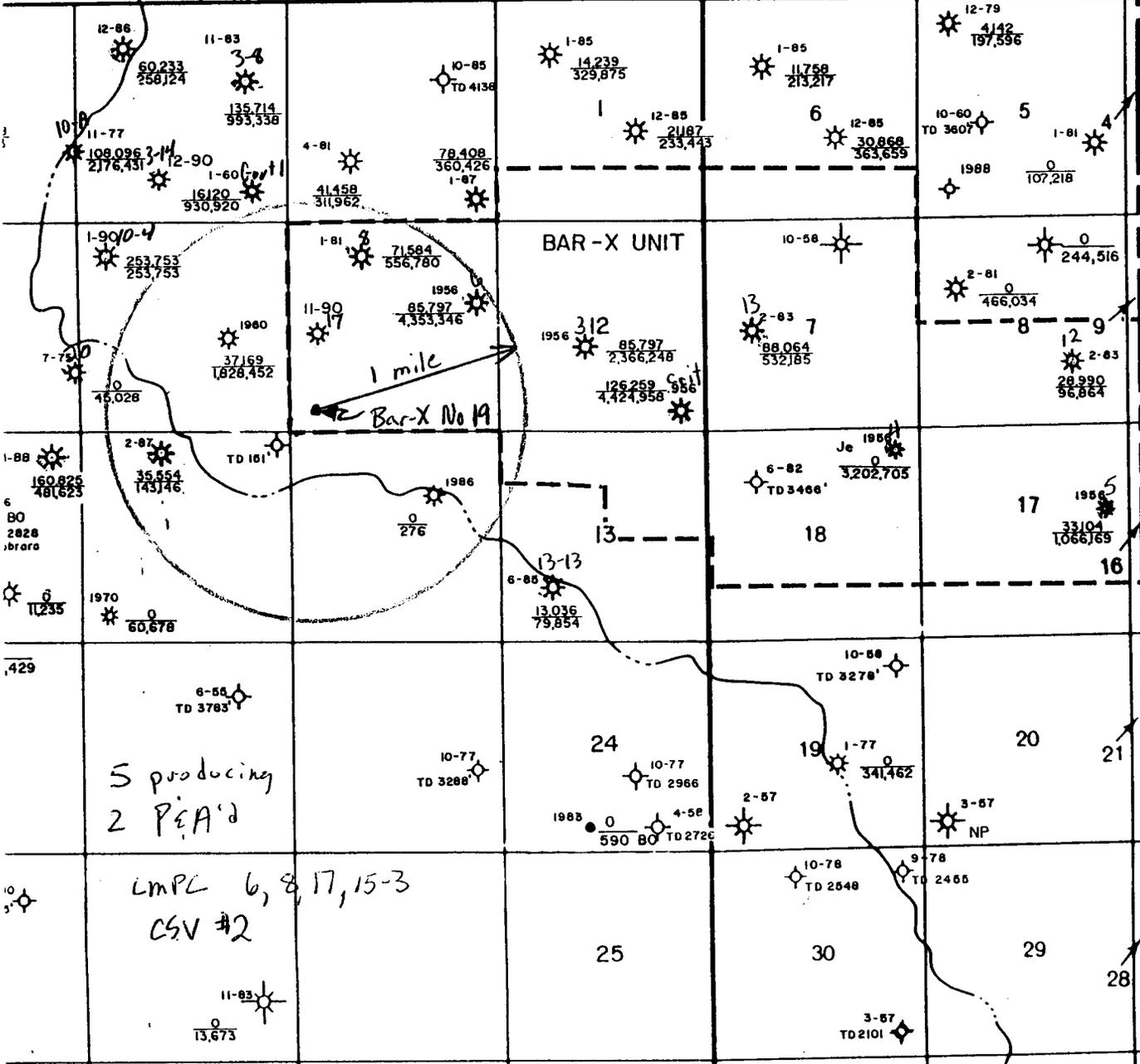
S
MAP #3

SAN ARROYO UNIT

UTAH
COLORADO



BAR-X UNIT



LONE MOUNTAIN PRODUCTION COMPANY

1622 16 Road
Loma, CO 81524

Phone & Fax (303) 858-7546
Mobile (303) 244-6238

May 6, 1994

Ron Firth
State of Utah
Dept. of Natural Resources
Division of Oil, Gas, & Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180

RECEIVED

MAY 10 1994
DIVISION OF
OIL GAS & MINING

RE: APPLICATION FOR PERMIT TO DRILL

Bar-X Federal #19
S XWSW Sec. 11-T17S-R25E
Grand County, Utah

Bar-X Federal #21
NENW Sec. 12-T17S-R25E
Grand County, Utah

BMG Federal #9
NENE Sec. 17-T16S-R26E
Grand County, Utah

Dear Ron:

Enclosed please find the APDs to drill the above referenced wells. We plan to do this work in mid May to mid June.

If any further information is needed please call me at (303) 858-7546.

Very truly yours,

Lone Mountain Production


Joe Dyk
Petroleum Engineer

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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24. SIGNED [Signature] TITLE Petroleum Engineer DATE May 2, 1994

(This space for Federal or State office use)

PERMIT NO. 43-019-31353 APPROVAL DATE APPROVED BY THE STATE

APPROVED BY _____ TITLE _____ OF UTAH DIVISION OF OIL, GAS, AND MINING

CONDITIONS OF APPROVAL, IF ANY:

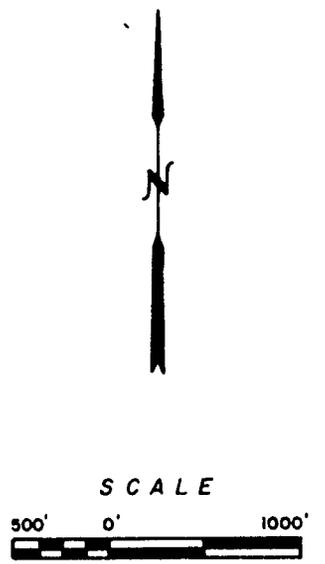
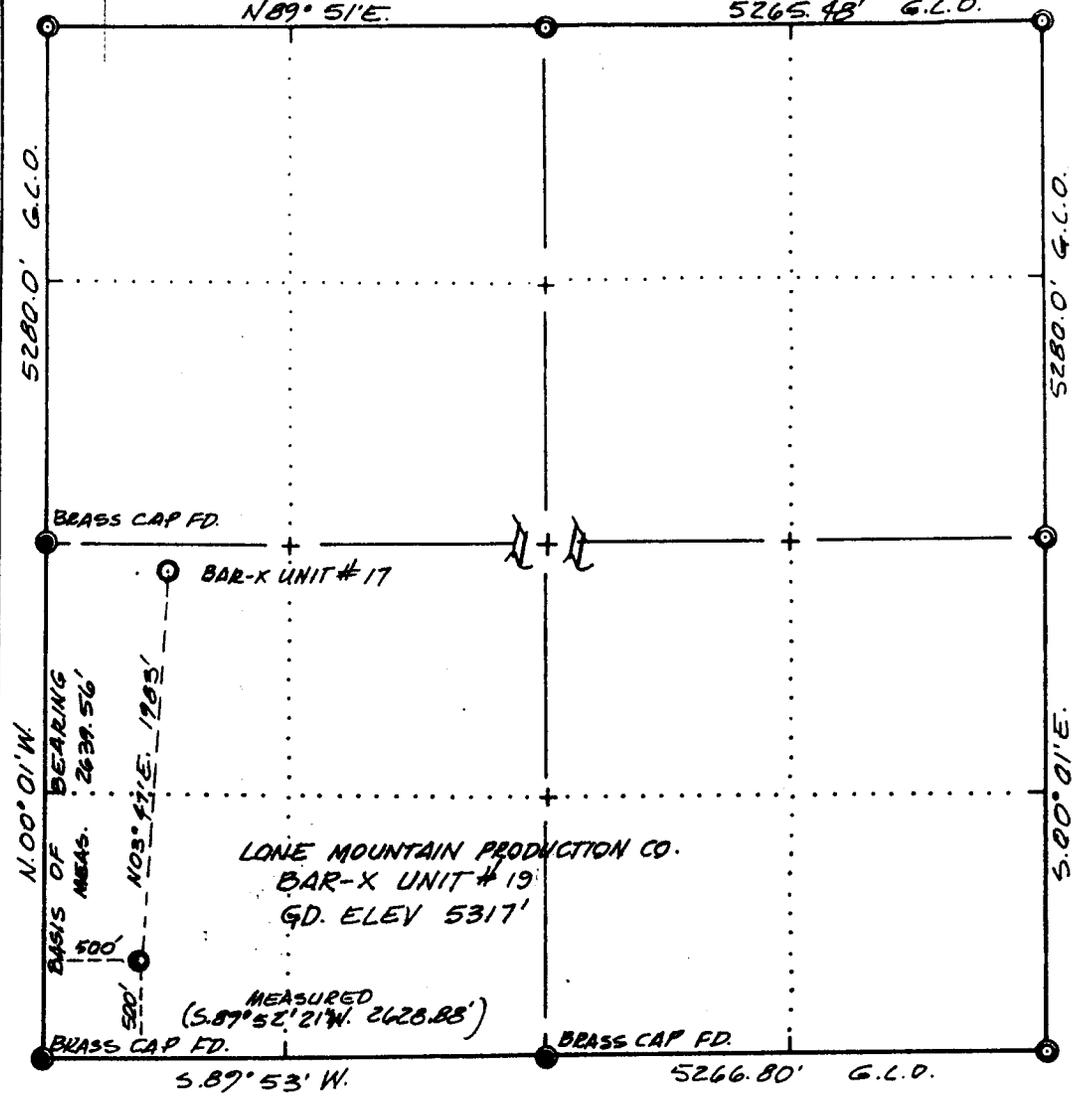
DATE: 6-1-94
 BY: [Signature]

*See Instructions On Reverse Side

WELL SPACING R649-2-3

PLAT # 1

SEC. 11, T. 17S., R. 25E. OF THE S.L.M.



- LEGEND -**
- ⊙ STANDARD LOCATION OF GLO SECTION CORNERS.
 - GLO CORNERS FOUND.
 - WELL LOCATION STAKED.
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 OF THE S.L.M. GRAND COUNTY, UTAH

SURVEYOR'S CERTIFICATE

I, Larry D. Becker: a Registered Land Surveyor in
 The State of UTAH Do Hereby Certify That This
 Survey Was Made Under My Direct Supervision, and
 That This Plat Represents Said Survey.

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

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DRAWN	9/91	
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ENERGY
 SURVEYS
 CORPORATION

361 PIKES PEAK DRIVE
 GRAND JUNCTION, CO. 81503
 (303) 243-7221

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

Application for Permit to Drill
Bar-X Unit No. 19
NWSW Section 11-T17S-R25E
Grand County, Utah

1. Surface formation is the Mancos.
2. Anticipated Geologic markers are: Mancos at surface, Dakota Silt 3047', Dakota 3143', Morrison 3254'.
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 contractor's BOP stack. BOP's will be tested before drilling out from under surface casing and checked daily.
6. Air or mist drilling will be used to drill the surface hole unless water is encountered. If water is encountered, chemical-gel mud will be used. 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 on the bottom 1000 feet. 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 May 23, 1994. Completion operations should commence within 30 days of rig release.
11. Survey plats are attached.
12. The gas is not dedicated at this time.
13. Lone Mountain Production Company's Statewide Bond Number is: UT0719
14. The completion program will be designed after the logs have been evaluated.

WELL CONTROL PLAN

1. Surface casing: 8-5/8" O.D., 24.0#, STC, J-55 casing set at 300' and cemented back to surface with 150 sx Standard cement + 3% CaCl₂ (yield=1.19 ft³/sk; compressive strength= 650 psi in 6 hours).
3. Casinghead Flange: 8-5/8" x 4-1/2" 600 series casinghead with two 2", 2000psi L.P. outlets.
4. 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 (2065 psig) prior to drilling the shoe joint.
5. Auxiliary Equipment: (a) Drill pipe floats will be allowed at contractor's discretion. (b) Visual monitoring of air returns will be maintained. (c) Upper kelly cock will be used. (d) Stabbing valve will be kept on the floor.
6. Anticipated bottom hole pressure is less than 800 psi at 3697' or 0.21 psi/ft. No abnormal temperatures or hydrogen sulfide gas are anticipated.

LONE MOUNTAIN PRODUCTION COMPANY

By: _____


J. V. Dyk P.E.

SURFACE USE PLAN

Lone Mountain Production Company
Bar-X Unit No. 19
SWSW Section 11-T17S-R25E
Grand County, Utah

1. EXHISTING ROADS

See Maps #1 and #2 and Plat #1. This proposed well is located approximately 17 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 10 miles to the Bitter Creek Canyon road. Take the 'Y' to the right and go 0.6 miles north. Turn right and go 1.1 miles. Turn right and go 0.6 miles to location.

2. ACCESS ROADS TO BE CONSTRUCTED

The proposed 0.6 miles (3168 feet) of access road will be constructed with an 18 foot travel width. Total disturbance width will be 30 feet. 700 feet of the proposed access road is within the Unit boundary. The remaining 2468 feet is in section 10. A cultural survey was performed along the entire route. This APD serves as application for ROW for the portion of road outside the unit boundary. See Map #1 and Plat #2.

The topsoil will be windrowed on the north side of the road. One 4-1/2" pipeline, owned and operated by Lone Mountain, will be crossed on the access road. This line will be covered by 3 feet of soil before crossing.

3. LOCATION OF EXISTING WELLS

5 producing wells and 2 dryholes are within one mile radius. See Map #3.

4. LOCATION OF PRODUCTION FACILITIES

See Plat #5. Every thing will be painted pinyon 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. Only upon completion will outside material be brought in if deemed necessary for production operations.

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 porta-potties.

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 and onshore order no. 7.

8. ANCILLARY FACILITIES

A 3-1/2" welded steel surface pipeline will be layed on the north side of the access route from the Bar-X Unit No. 19 well northwest to the 4-1/2" pipeline approximately 1300 feet away from the well. 600 feet of this pipeline will be outside the unit boundary and this APD serves as application for ROW for that portion of pipeline.

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 accomodate the drilling rig and associated equipment with allowance made for future completion and production equipment.

Topsoil will be stripped to a depth of 4 - 6 inches and stockpiled on the east edge 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.

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.

Lone Mountain Production Company 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.

Lone Mountain 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 1994, if feasible, but not later than the fall of 1995.

If the well is a pit

Lone Mountain will upgrade and maintain access roads as necessary to prevent soil erosion. Year-round traffic. Lone Mountain 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:

Lone Mountain 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

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

Lone Mountain 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. Lone Mountain 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, Lone Mountain 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, Lone Mountain 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
Lone Mountain Production Company

P.O. Box 3394
Billings, Montana 59103
Office Phone: 406-245-5077
Home Phone: 406-245-8797

Joe Dyk
Lone Mountain Production Company
1360 Hwy 6&50
Loma, Colorado 81524
Office Phone: 303-858-7546
Home Phone: 303-858-0536
Mobile phone: 303-244-6238

I hereby certify that I, or persons under my supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Lone Mountain Production Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

May 2, 1994
Date


Joe Dyk, P.E.

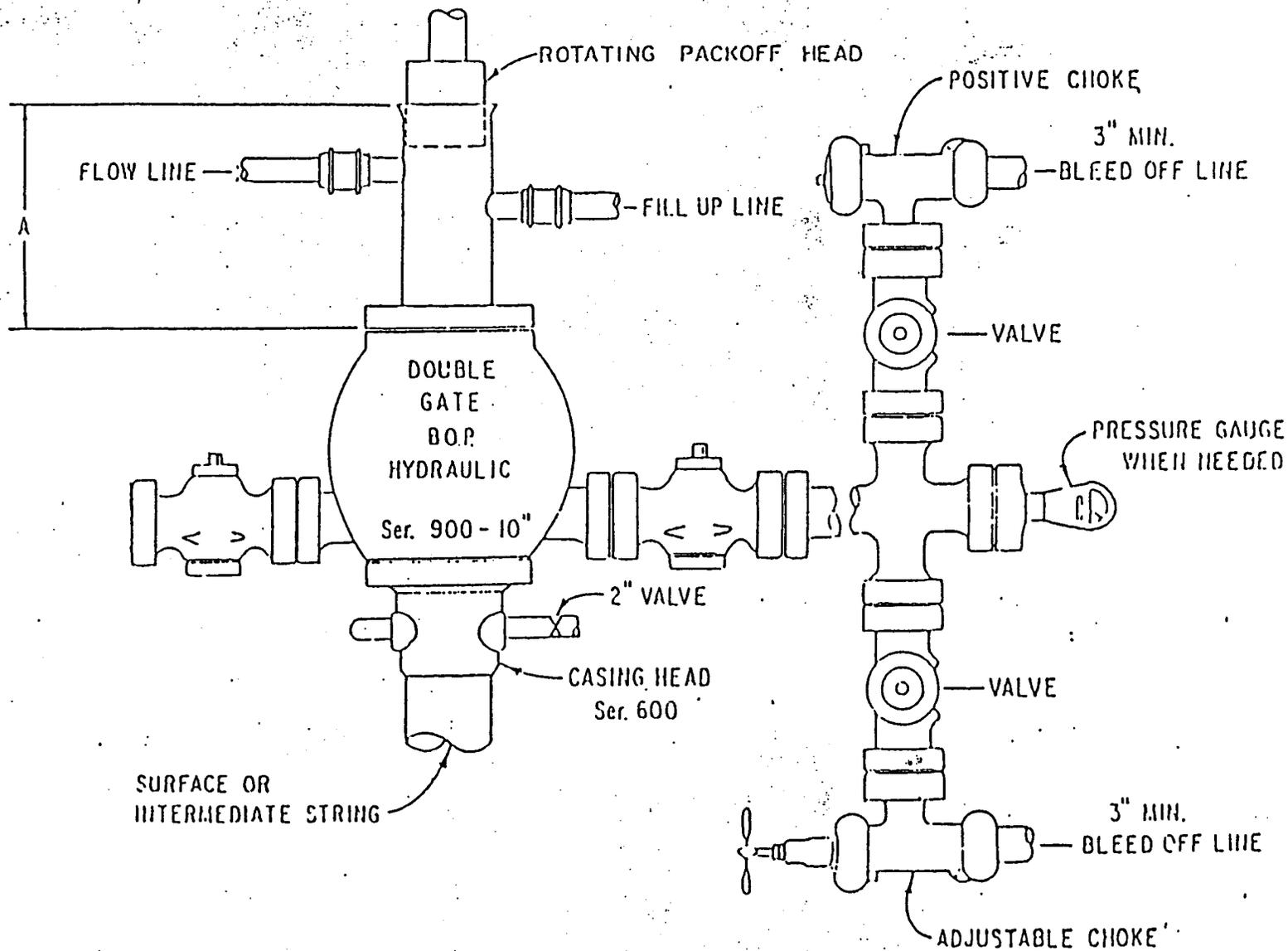
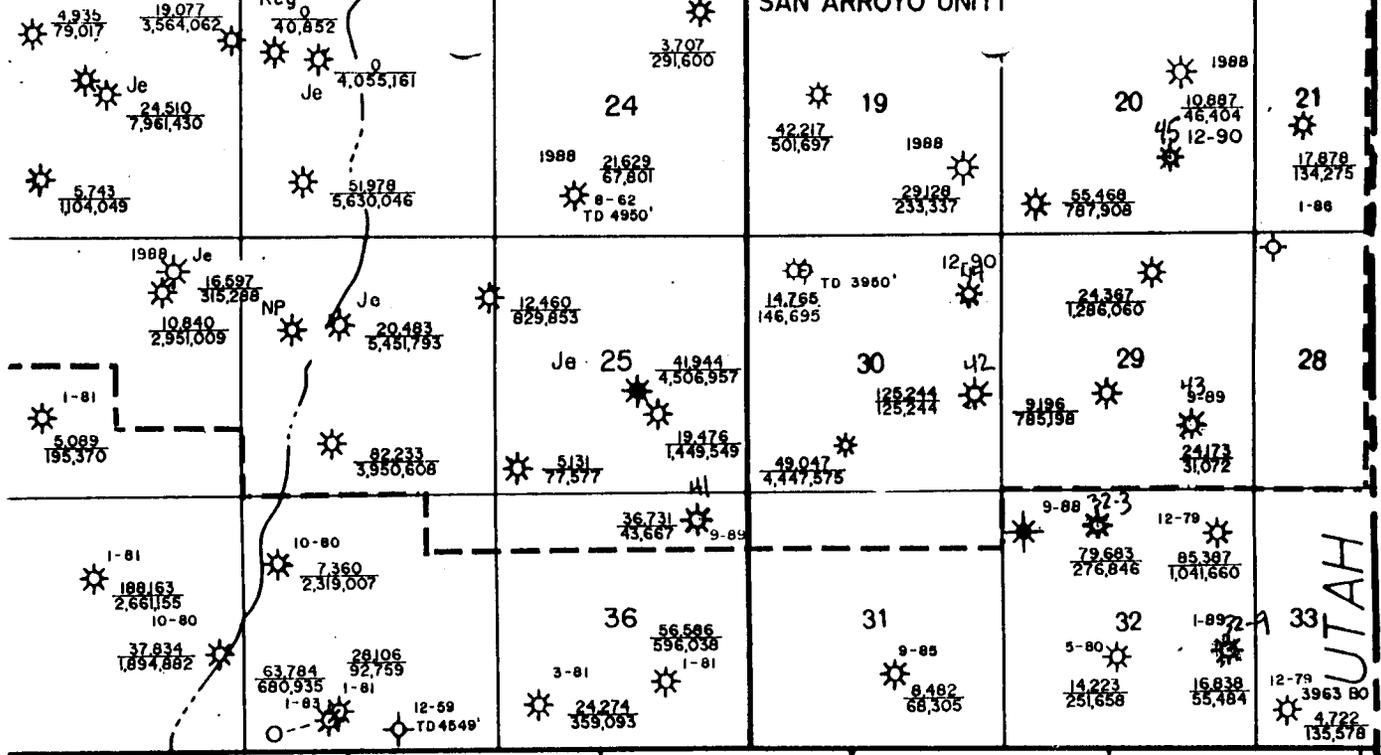


EXHIBIT I
 BLOWOUT PREVENTER DIAGRAM

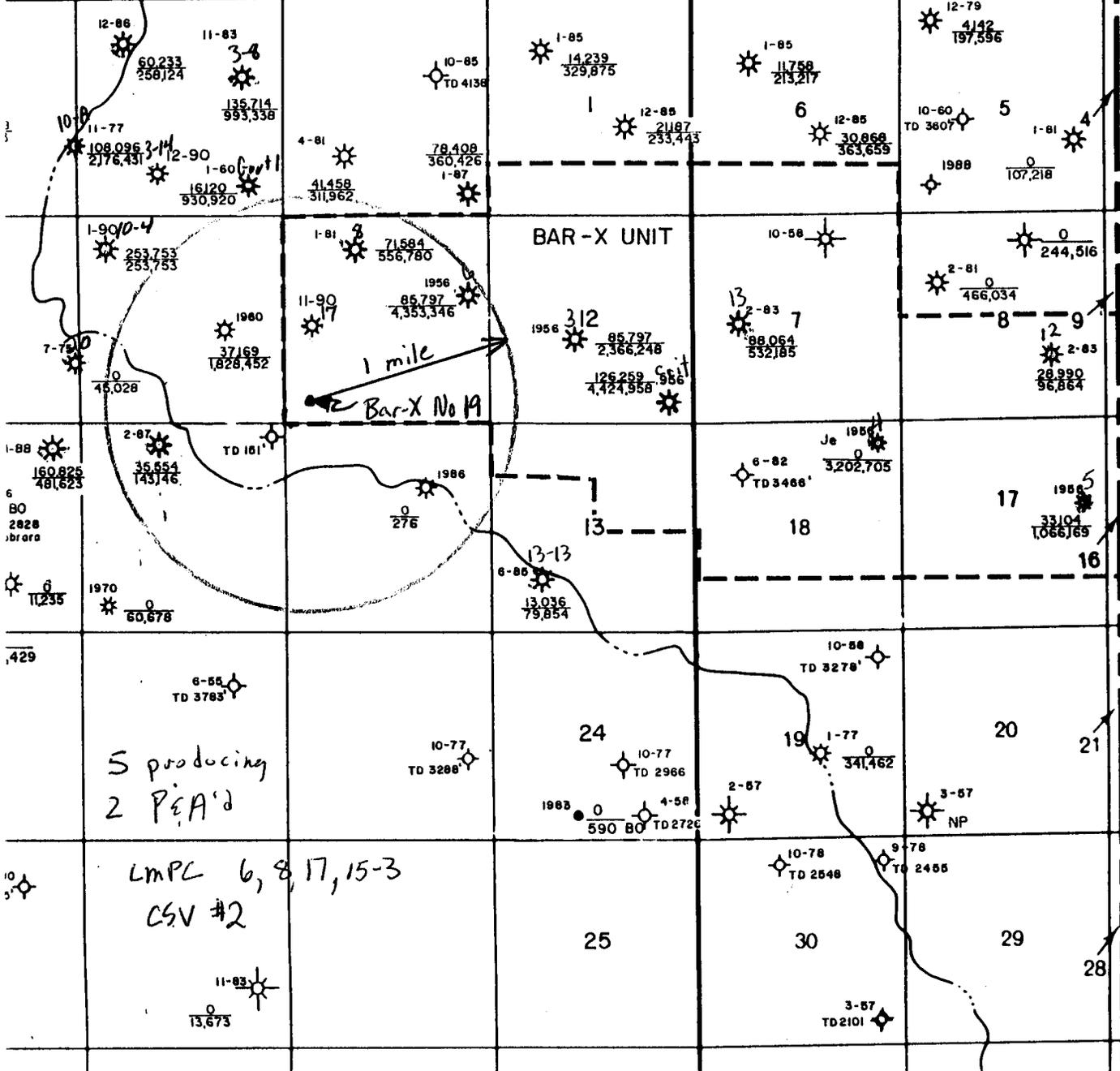
SAN ARROYO UNIT

S
MAP #3



UTAH
COLORADO

BAR-X UNIT

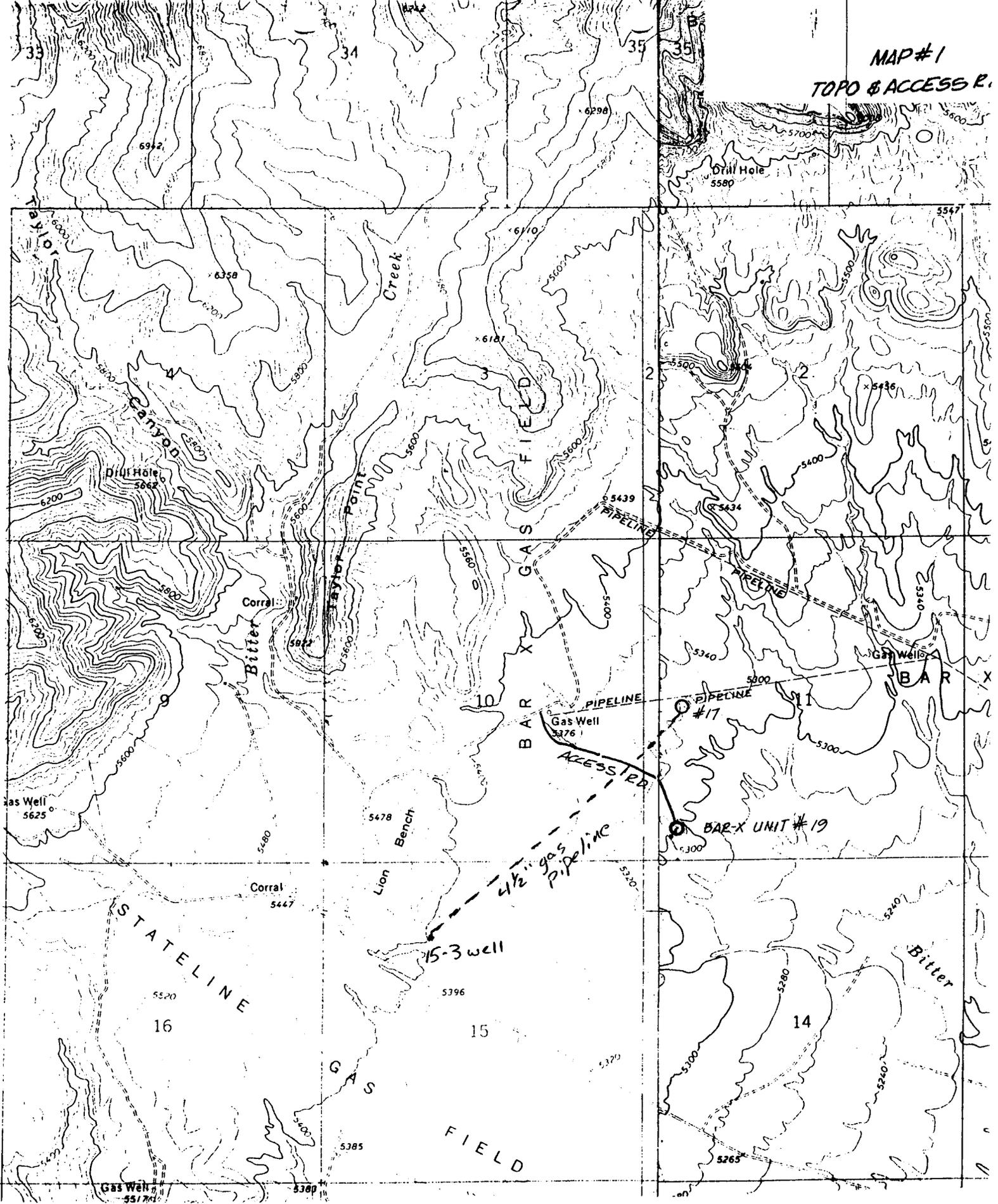


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17
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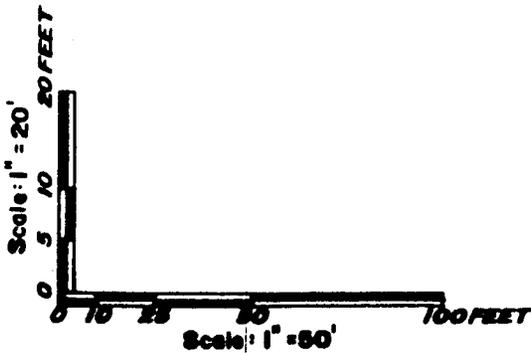
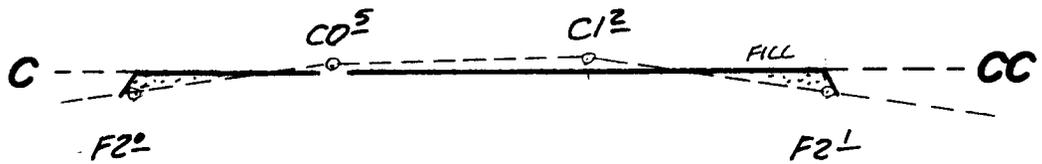
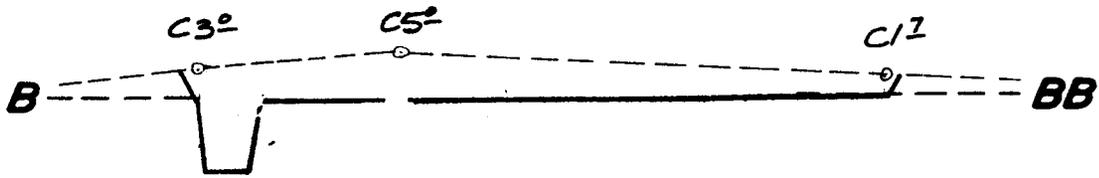
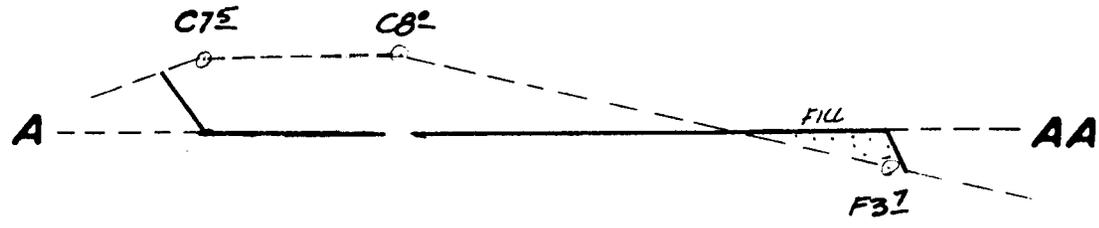
5 producing
2 PEA'd

LMPL 6, 8, 17, 15-3
CSV #2

MAP #1
TOPO & ACCESS R.



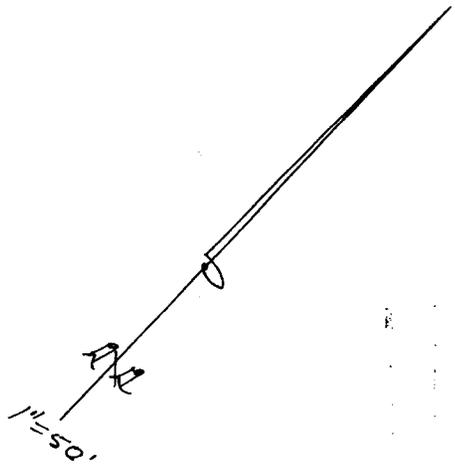
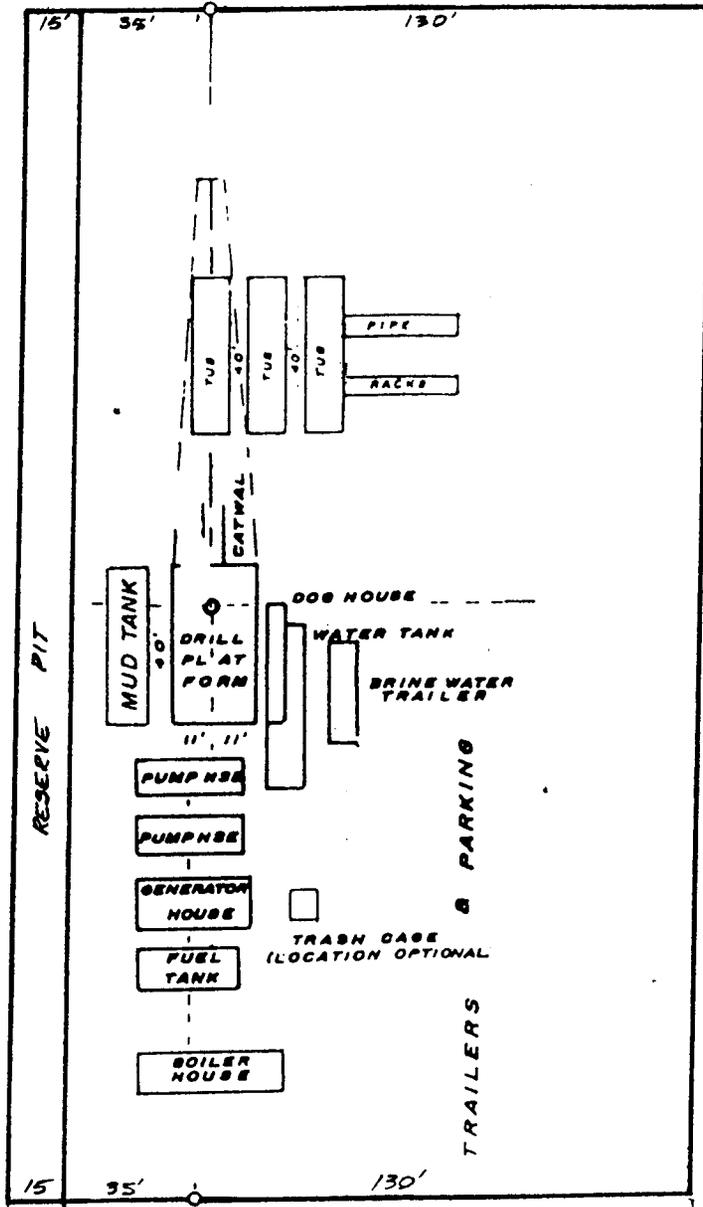
PLAT NO. 3
CROSS SECTIONS OF PIT & PAD



LONE MOUNTAIN PRODUCTION

SURVEYED	8/91		ENERGY SURVEYS & ENGINEERING CORP.
DRAWN	7/91		
CHECKED	7/91		

PLAT # 4
RIG LAYOUT



BAR-X UNIT # 19
LONE MTN. PRODUCTION CO.

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/10/94

API NO. ASSIGNED: 43-019-31353

WELL NAME: BAR XFEDERAL 19
OPERATOR: LONE MOUNTAIN PRODUCTION (N7210)

PROPOSED LOCATION:
SWSW 11 - T17S - R25E
SURFACE: 0500-FSL-0500-FWL
BOTTOM: 0500-FSL-0500-FWL
GRAND COUNTY
BAR X FIELD (160)

INSPECT LOCATION BY: / /		
TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: FED
LEASE NUMBER: U-02857

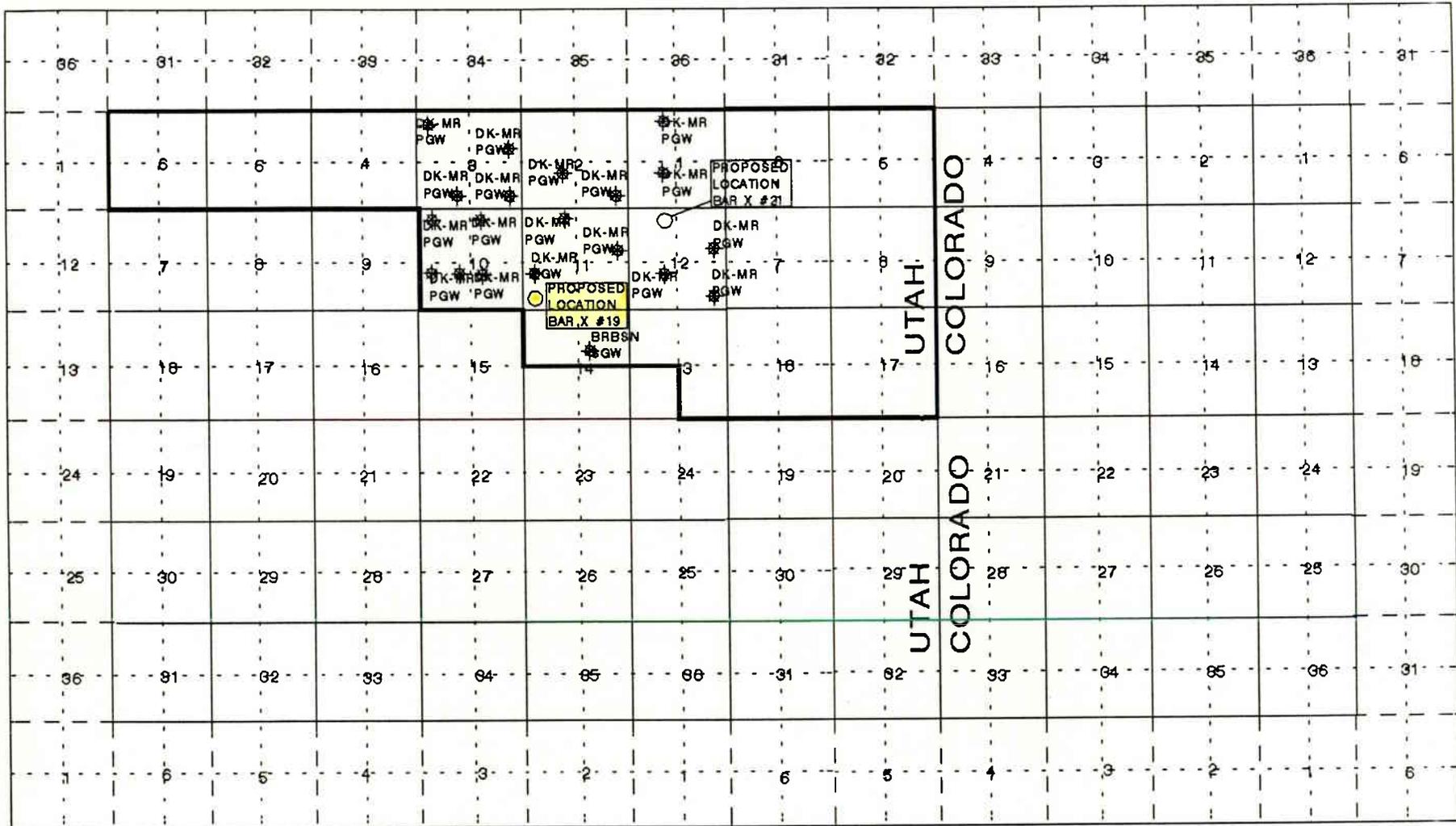
PROPOSED PRODUCING FORMATION: DKTA

<p>RECEIVED AND/OR REVIEWED:</p> <p><u>Y</u> Plat</p> <p><u>Y</u> Bond: Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> (Number <u>UT 0 219</u>)</p> <p><u>N</u> Potash (Y/N)</p> <p><u>N</u> Oil shale (Y/N)</p> <p><u>N</u> Water permit (Number _____)</p> <p><u>N</u> RDCC Review (Y/N) (Date: _____)</p>	<p>LOCATION AND SITING:</p> <p><input checked="" type="checkbox"/> R649-2-3. Unit: <u>UTL 63015 X</u></p> <p><input type="checkbox"/> R649-3-2. General.</p> <p><input type="checkbox"/> R649-3-3. Exception.</p> <p><input type="checkbox"/> Drilling Unit. Board Cause no: _____ Date: _____</p>
---	--

COMMENTS: _____

STIPULATIONS: 1. WATER PERMIT AND SOURCE WILL BE SUPPLIED BY SUNDAY NOTICE PRIOR TO START.

BAR X



T
17
S

R 25 E

R 26 E

GRAND COUNTY
FIELD 160 ACTIVE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
LONE MOUNTAIN PRODUCTION COMPANY

3. ADDRESS OF OPERATOR
100 N. 27TH, SUITE 450, BILLINGS, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
 500' FSL 500' FWL SEC 11-T17S-R25E
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
17 MILES NORTHWEST OF MACK, COLORADO

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
PROPERTY OR LEASE LINE, FT. (If any)

16. NO. OF ACRES IN LEASE
415.19 ACRES

17. NO. OF ACRES ASSIGNED TO THIS WELL
N/A

5. LEASE DESIGNATION AND SERIAL NO.
U-02857

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

7. UNIT AGREEMENT NAME
BAR X

8. FARM OR LEASE NAME
FEDERAL

9. WELL NO.
NO. 19

10. FIELD AND POOL, OR WILDCAT
BAR X

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

12. COUNTY OR PARISH
GRAND

13. STATE
UTAH

20. ROTARY OR CABLE TOOLS

MAY 2 3 1994

DIV. OF OIL, GAS & MINING

24. preventer program, if any

SIGNED [Signature] TITLE Petroleum Engineer DATE May 2, 1994

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY /S/ WILLIAM C. STRINGER TITLE Associate District Manager DATE MAY 20 1994

CONDITIONS OF APPROVAL, IF ANY:
FLARING OR VENTING OF
GAS IS SUBJECT TO NTL 4-A
Dated 1/1/80

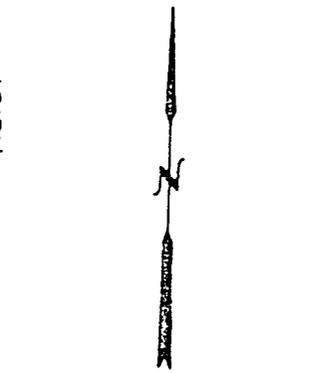
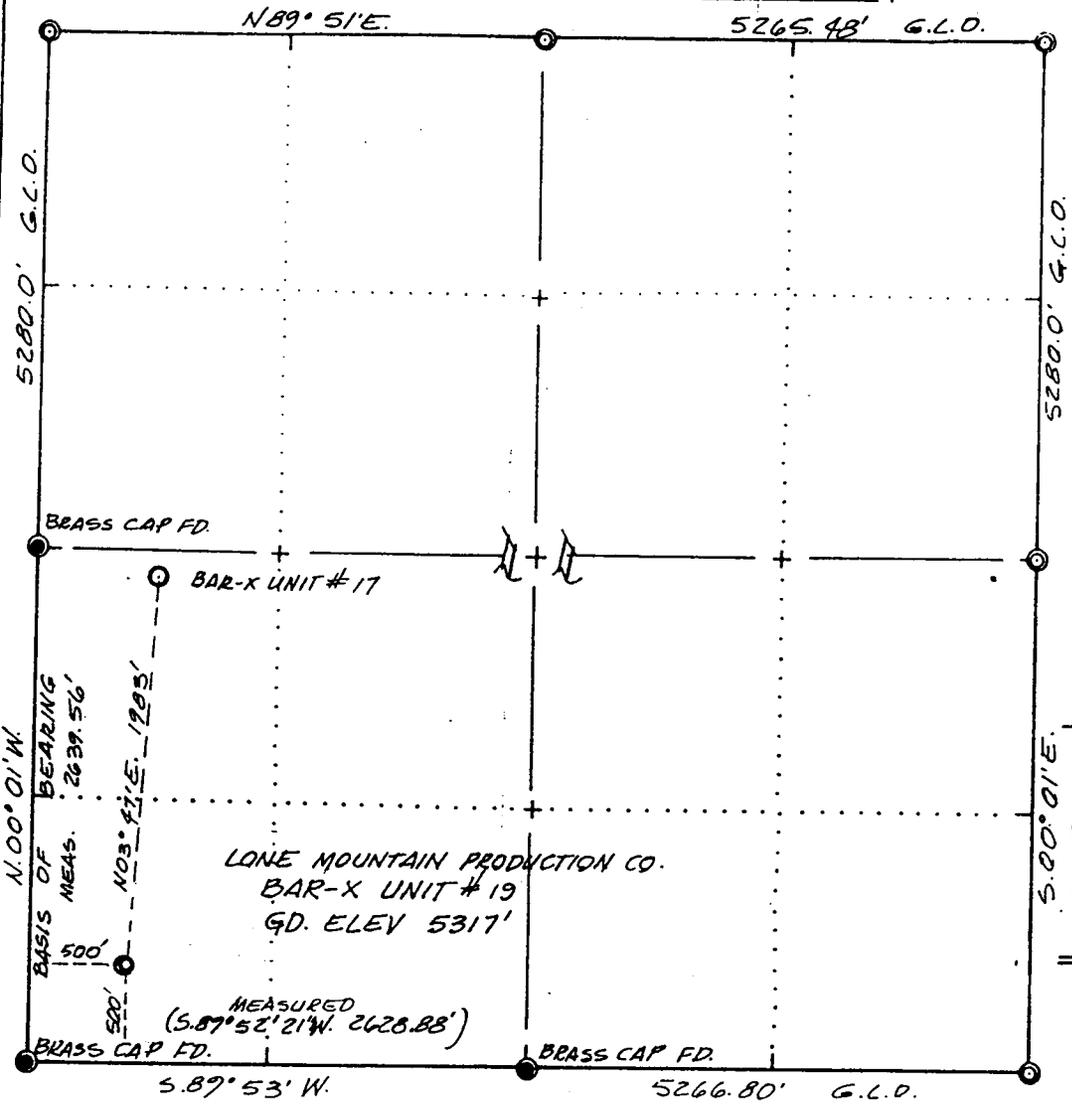
CONDITIONS OF APPROVAL ATTACHED

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

PLAT # 1



- LEGEND -
- ⊙ STANDARD LOCATION OF GLO SECTION CORNERS.
 - GLO CORNERS FOUND.
 - WELL LOCATION STAKED.
- REFERENCE DOCUMENTS
- 1926 GLO PLAT
 - BRYSON CANYON, UT QUADRANGLE, U.S.G.S.

THIS WELL LOCATION PLAT WAS PREPARED FOR: LONE MOUNTAIN PRODUCTION
 TO LOCATE THE BAR-X UNIT # 19, 2501' F. S. L. &
640' F. W. L. IN THE SW 1/4 SW 1/4, OF SECTION 11, T. 17S., R. 25E.
 OF THE S.L.M. GRAND COUNTY, UTAH

SURVEYOR'S CERTIFICATE

I, Larry D. Becker: a Registered Land Surveyor In
 The State Of UTAH Do Hereby Certify That This
 Survey Was Made Under My Direct Supervision, and
 That This Plat Represents Said Survey.

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

SURVEYED	8/91	ENERGY SURVEYS CORPORATION	361 PIKES PEAK DRIVE GRAND JUNCTION, CO. 81503 (305) 245-7221	SCALE: 1" = 1000'
DRAWN	9/91			JOB NO.
CHECKED	9/91			SHEET OF

Lone Mountain Production Company
Bar-X Federal No. 19
Lease U-02857
SW/SW Section 11, T17S, R25E
Grand County, Utah

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 Lone Mountain Production Company 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 UT 0719 (Principal - Lone Mountain Production Company) 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.

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

All lease operations will be conducted in full compliance with applicable regulations (43 CFR § 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, 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 field representatives to insure compliance.

A. DRILLING PROGRAM

1. This action requires concurrent approval from the State of Utah, Division of Oil, Gas and Mining (DOGGM).
2. The proposed 2M BOP system is adequate. The BOP system shall be maintained and tested in accordance with Onshore Oil and Gas Order No. 2.
3. If a gas meter run is constructed, it will be located on lease within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and will be buried downstream of the meter until it leaves the pad. Meter runs will be housed and/or fenced. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR § 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

B. SURFACE USE PLAN

1. 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 sites, or for collecting artifacts. If 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. Within five working days the authorized officer will inform the operator as to:
 - whether the materials appear eligible for the National Register of Historic Places;
 - the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,
 - a timeframe for the authorized officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the authorized officer are correct and that mitigation is appropriate.

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 authorized officer 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 authorized officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the authorized officer that the required mitigation has been completed, the operator will then be allowed to resume construction.

2. The use of water from West Salt Creek (Mesa County, Colorado) has been identified as a water depletion to the Colorado River and potentially affecting the T&E fish species. The impacts from the depletion will be offset with the one-time contribution of \$12.34 per acre-foot of water to:

National Fish and Wildlife Foundation
The Bender Building
1120 Connecticut Avenue, N.W.
Washington, D.C. 20036

Payments should be accompanied by a cover letter that identifies the project and biological opinion that is requiring the payment, the amount of the payment enclosed, check number, the balance of payment still due, the name and address of the payor, the name and address of the BLM office authorizing the project, and the address of the FWS office issuing the biological opinion. This information will be used by the Foundation to notify the payor, the BLM, and FWS when payment has been received.

3. In order to protect deer winter range, no drilling will be allowed from December 1 through April 15. The limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation may be specified in writing by the authorized officer.
4. Surface disturbance and vehicular travel will be limited to the approved location and access route. Any additional area needed will be approved in advance.
5. Cross-country traffic will be suspended during periods of wet weather to reduce soil rutting and soil compaction.
6. The access road will be rehabilitated or brought to Resource (Class III) Road Standards within sixty (60) days of dismantling the drilling rig. If upgraded, the road must be maintained at these standards until the well is properly abandoned. If this time frame cannot be met, the Area Manager will be notified so that temporary drainage control can be installed along the access road.
7. The reserve pit will be located in cut material, with at least 50% of the pit volume below original ground level.
8. To minimize the amount of fugitive dust and spray escaping from the blooie pit, the blooie line will be directed into a sloped bank of subsoil.
9. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.6. When the well is abandoned, the abandonment marker must be at least four feet above restored ground level and must be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).
10. At the end of drilling operations and prior to reclamation of the reserve pit, the fourth side of the pit will be fenced and the top of the pit will be covered with netting of one inch or less to prevent access by birds.
11. In the event the well pad or road is graveled or surfaced, the material will be removed prior to recontouring the surface for rehabilitation.

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the Resource Area, Natural Resource Protection Specialist at least 48 hours prior to commencing construction of location.

Spud- The spud date will be reported to the Resource Area Office 24 hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within 24 hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the District Office on a weekly basis.

Monthly Reports of Operations- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports 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. Safe drilling and operating practices must be observed.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the District Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

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

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Area Manager is to be notified.

First Production- Should the well be successfully completed for production, the District Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five (5) business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Resource Area Office. The Resource Area Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR § 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the District Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the authorized officer. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

Produced Water- Produced waste water may be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted to the District Office for approval pursuant to Onshore Oil and Gas Order No. 7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the District Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the District Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the District Office 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. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR § 3162.6. 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.

TABLE 1

NOTIFICATIONS

Notify Rich McClure or Jack Johnson of the Grand Resource Area in Moab, Utah, at (801) 259-8193 for the following:

2 days prior to commencement of dirt work, construction and reclamation;

1 day prior to spudding;

3 hours prior to testing BOPE

If the person at the above number cannot be reached, notify the Moab District Office at (801) 259-6111. If unsuccessful, contact the person listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab District Office, Branch of Fluid Minerals at (801) 259-6111. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer Office: (801) 259-6111
Home: (801) 259-2214

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL

DEEPEEN

PLUG BACK

b. TYPE OF WELL

OIL WELL

GAS WELL

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SINGLE ZONE

MULTIPLE ZONE

2. NAME OF OPERATOR

LONE MOUNTAIN PRODUCTION COMPANY

43-019-31353

3. ADDRESS OF OPERATOR

100 N. 27TH, SUITE 450, BILLINGS, MT 59103

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

At surface

500' FSL 500' FWL SEC 11-T17S-R25E

At proposed prod. zone

MAY 20 1994

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

17 MILES NORTHWEST OF MACK, COLORADO

DIV. OF OIL, GAS & MIN.

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

16. NO. OF ACRES IN LEASE

415.19 ACRES

17. NO. OF ACRES ASSIGNED TO THIS WELL

N/A

5. LEASE DESIGNATION AND SERIAL NO.

U-02857

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

N/A

7. UNIT AGREEMENT NAME

BAR X

8. FARM OR LEASE NAME

FEDERAL

9. WELL NO.

NO. 19

10. FIELD AND POOL, OR WILDCAT

BAR X

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

SWSW SEC 11-T17S-R25E

12. COUNTY OR PARISH

GRAND

13. STATE

UTAH

prevention program, if any

24.

SIGNED

Carl H. ...

TITLE

Petroleum Engineer

DATE

May 2, 1994

(This space for Federal or State office use)

PERMIT NO.

43-019-31353

APPROVAL DATE

APPROVED BY

/S/ WILLIAM C. STRINGER

TITLE

Associate District Manager

DATE

MAY 20 1994

CONDITIONS OF APPROVAL, IF ANY:

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

CONDITIONS OF APPROVAL ATTACHED

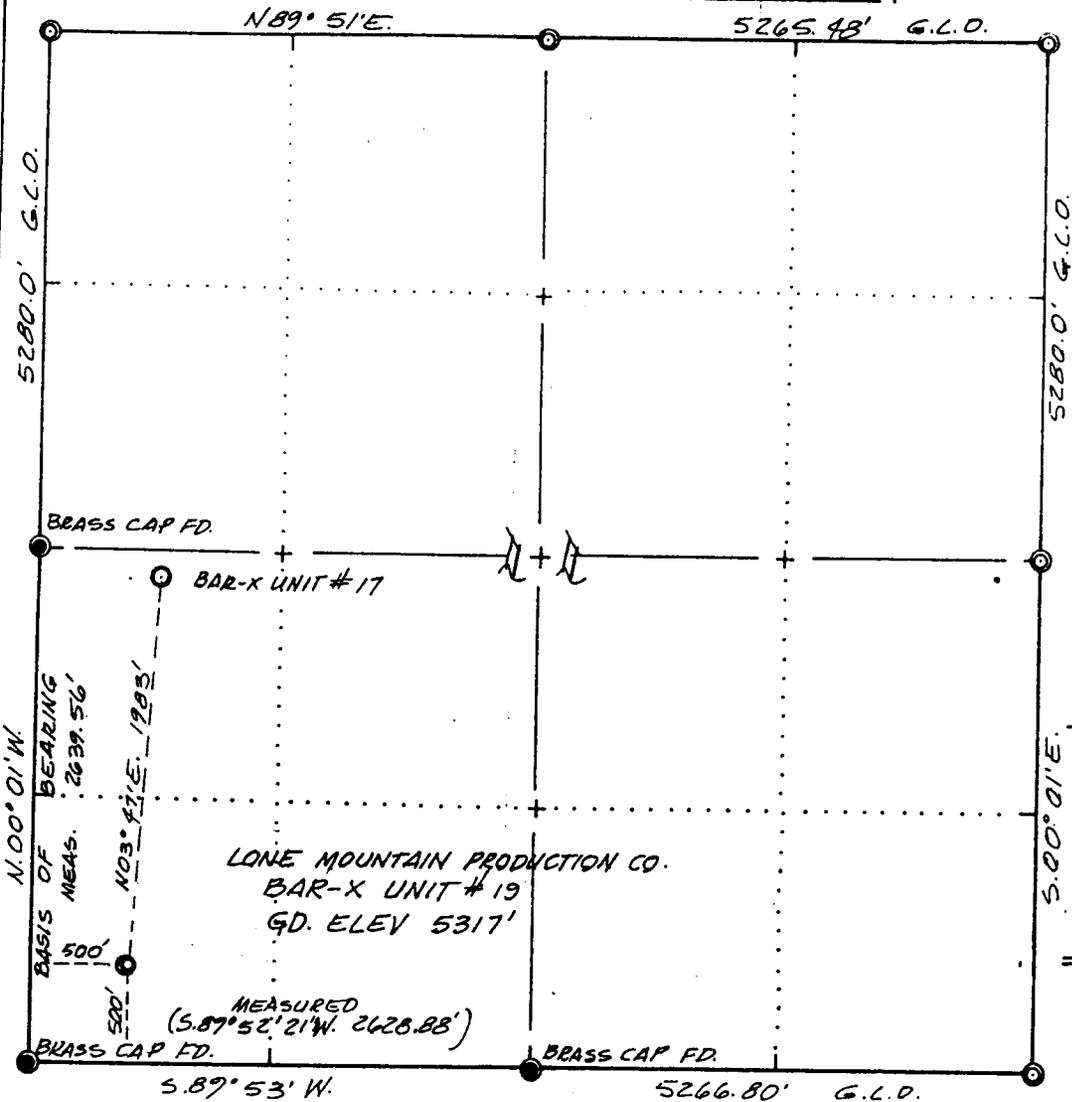
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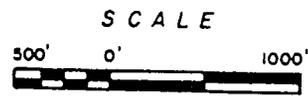
DOGMA

SEC. 11, T. 17S., R. 25E. OF THE S.L.M.

PLAT # 1



LONE MOUNTAIN PRODUCTION CO.
BAR-X UNIT #19
G.D. ELEV 5317'



- LEGEND -
- ⊙ STANDARD LOCATION OF GLO SECTION CORNERS.
 - GLO CORNERS FOUND.
 - WELL LOCATION STAKED.
- REFERENCE DOCUMENTS
- 1926 GLO PLAT
 - BRYSON CANYON, UT QUADRANGLE, U.S.G.S.

THIS WELL LOCATION PLAT WAS PREPARED FOR: LONE MOUNTAIN PRODUCTION
TO LOCATE THE BAR-X UNIT # 19, 2501' F. S. L. &
640' F. W. L. IN THE SW 1/4 SW 1/4, OF SECTION 11, T. 17S, R. 25E.
OF THE S.L.M. GRAND COUNTY, UTAH

SURVEYOR'S CERTIFICATE

I, Larry D. Becker: a Registered Land Surveyor In
The State Of UTAH Do Hereby Certify That This
Survey Was Made Under My Direct Supervision, and
That This Plat Represents Said Survey.

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

SURVEYED	8/91	ENERGY SURVEYS CORPORATION	381 PIKES PEAK DRIVE GRAND JUNCTION, CO. 81503 (303) 245-7221	SCALE: 1" = 1000'
DRAWN	9/91			JOB NO.
CHECKED	9/91			SHEET OF.

Lone Mountain Production Company
Bar-X Federal No. 19
Lease U-02857
SW/SW Section 11, T17S, R25E
Grand County, Utah

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Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the District Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

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

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Area Manager is to be notified.

First Production- Should the well be successfully completed for production, the District Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five (5) business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Resource Area Office. The Resource Area Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR § 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the District Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the authorized officer. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

Produced Water- Produced waste water may be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted to the District Office for approval pursuant to Onshore Oil and Gas Order No. 7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the District Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the District Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the District Office 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. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR § 3162.6. 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.

TABLE 1

NOTIFICATIONS

Notify Rich McClure or Jack Johnson of the Grand Resource Area in Moab, Utah, at (801) 259-8193 for the following:

2 days prior to commencement of dirt work, construction and reclamation;

1 day prior to spudding;

3 hours prior to testing BOPE

If the person at the above number cannot be reached, notify the Moab District Office at (801) 259-6111. If unsuccessful, contact the person listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab District Office, Branch of Fluid Minerals at (801) 259-6111. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer Office: (801) 259-6111
Home: (801) 259-2214



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

June 1, 1994

Lone Mountain Production Company
100 North 27th, Suite 450
Billings, Montana 59103

Re: Federal #19 Well, 500' FSL, 500' FWL, SW SW, Sec. 11, T. 17 S., R. 25 E., Grand County, Utah

Gentlemen:

Pursuant to Utah Code Ann. § 40-6-18, (1953, as amended), Utah Admin. R. 649-2-3, Application of Rules to Unit Agreements and R. 649-3-4, Permitting of Wells to be Drilled, Deepened or Plugged-Back, approval to drill the referenced well is hereby granted.

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

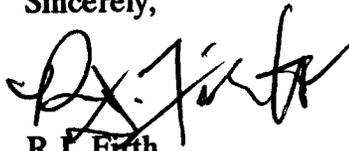
1. Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules.
2. Notification to the Division within 24 hours after drilling operations commence.
3. Submittal of Entity Action Form, Form 6, within five working days following commencement of drilling operations and whenever a change in operations or interests necessitates an entity status change.
4. Submittal of the Report of Water Encountered During Drilling, Form 7.
5. Prompt notification prior to commencing operations, if necessary, to plug and abandon the well. Notify Frank R. Matthews, Petroleum Engineer, (Office) (801)538-5340, (Home) (801)476-8613, or K. Michael Hebertson, Reclamation Specialist, (Home) (801)269-9212.

Page 2
Lone Mountain Production Company
Federal #19 Well
June 1, 1994

6. Compliance with the requirements of Utah Admin. R. 649-3-20, Gas Flaring or Venting, if the well is completed for production.

This approval shall expire one year after date of issuance unless substantial and continuous operation is underway or a request for an extension is made prior to the approval expiration date. The API number assigned to this well is 43-019-31353.

Sincerely,



R.J. Firth
Associate Director

ldc
Enclosures
cc: Grand County Assessor
Bureau of Land Management, Moab District Office
WOT1

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

NAME OF COMPANY: LONE MOUNTAIN PRODUCTION

WELL NAME: Federal
BAR X 19

API NO. 43-019-31353

Section 11 Township 17S Range 25E County GRAND

Drilling Contractor VECO

Rig # 16

SPUDDED: Date 6/23/94

Time _____

How ROTARY

Drilling will commence _____

Reported by SUNDRY NOTICE

Telephone # 1-406-245-5077

Date 6/29/94 SIGNED FRM

LONE MOUNTAIN PRODUCTION COMPANY

Mailing Address:
P.O. Box 3394
Billings, MT 59103-3394

(406) 245-5077
FAX 248-6321

Shipping Address:
100 North 27th Street
Suite 450
Billings, MT 59101

June 24, 1994

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180
Attn: Mr. Frank Matthews

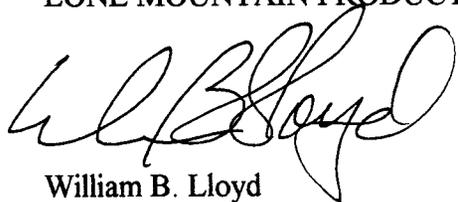
RE: Entity Action Form - Form 6
Bar-X #19
SWSW Sec. 11, T17S-R25E
Grand County, Utah

Dear Frank,

Enclosed please find the Entity Action Form, Form 6 for the referenced well indicating notice of spud. If you have any questions, please call.

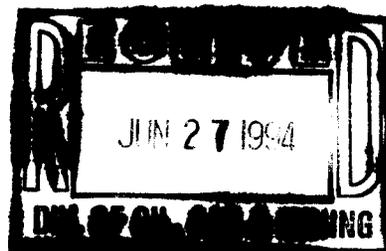
Very truly yours,

LONE MOUNTAIN PRODUCTION COMPANY



William B. Lloyd
Petroleum Engineer

cc: Joe Dyk



OPERATOR Lone Mountain Production Co.

OPERATOR ACCT. NO. N7210

ADDRESS P. O. Box 3394

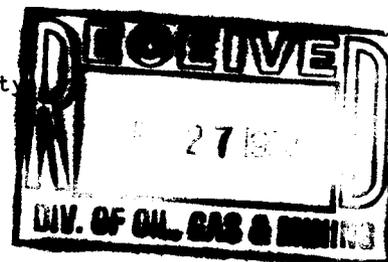
Billings, MT 59103

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	00455	43-019-31353	Bar-X #19	SWSW	11	17S	25E	Grand	6/23/94	
WELL 1 COMMENTS: Entity added 6-28-94. <i>Lee</i> (Bar X Unit / DK-MR P.A. "B")											
WELL 2 COMMENTS:											
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.



[Signature]
Signature

Petroleum engineer 6/24/94

Title Date

Phone No. (406) 245-5077

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

JUL 12 1994

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Lone Mountain Production Company

3. Address and Telephone No.
P. O. Box 3394, Billings, MT 59103-3394

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**500' FSL, 500' FWL Sec 11: T17S-R25E
(SW $\frac{1}{4}$ SW $\frac{1}{4}$)**

5. Lease Designation and Serial No.
U-02857

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation
Bar-X

8. Well Name and No.
Federal No. 19

9. API Well No.
43-019-31353

10. Field and Pool, or Exploratory Area
Bar-X

11. County or Parish, State
Grand County, UT

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other Status Report
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

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

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

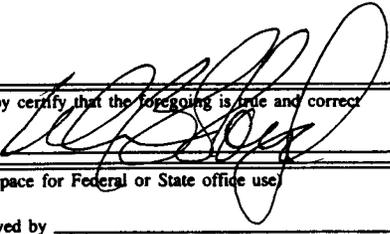
Drilled 12-1/4" wellbore to 302'. Ran 8-5/8" casing to 302' and cemented to surface with 85 sx high gel and 30 sx Cl. G + 3% Cacl. Full returns

Drilled 7-7/8" wellbore to 3,485'. Ran E-logs. Log tops: Dakota Silt @ 3,006' (+2,323'); Dakota Sand @ 3,086' (+2,243'); Morrison @ 3,208' (+2,121')

Ran 2-7/8" casing to 3,485' and cemented w/145 sx of 10-0 thixotropic.

Rig released @ 2:00 p.m., 6/20/94.

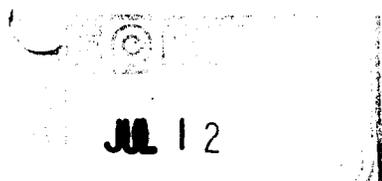
14. I hereby certify that the foregoing is true and correct

Signed  Title **Petroleum Engineer** Date **7-5-94**

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
 Conditions of approval, if any:

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.



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

1. Well name and number: Bar-X Federal No. 19
 API number: 43-019-31353

2. Well location: QQ SWSW section 11 township 17S range 25E county Grand

3. Well operator: Lone Mountain Production Company
 Address: P. O. Box 3394 phone: (406) 245-5077
Billings, MT 59103

4. Drilling contractor: Veco Drilling Company, Inc. Rig #16
 Address: P. O. Box 1705 phone: (303) 242-6912
Grand Junction, CO 81502

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

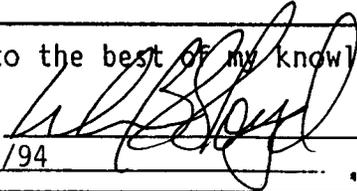
Depth		Volume (flow rate or head)	Quality (fresh or salty)
from	to		
0'	3485'	None encountered	

6. Formation tops:

	KB	SUBSEA
<u>Dakota Silt</u>	<u>3,006'</u>	<u>+2,323'</u>
<u>Dakota Sand</u>	<u>3,086'</u>	<u>+2,243'</u>
<u>Morrison</u>	<u>3,208'</u>	<u>+2,121'</u>

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 William B. Lloyd Signature 
 Title Petroleum Engineer Date 7/6/94

Comments:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

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

LEASE DESIGNATION AND SERIAL NO

U-02857

IF INDIAN ALLOTTEE OR TRIBE NAME

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 RESER Other _____

2. NAME OF OPERATOR
Lone Mountain Production Company

3. ADDRESS OF OPERATOR
P. O. Box 3394, 100 N 27th St. Suite 650 Billings, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 500' FSL, 500' FWL, Sec 11, T17S-R25E
At top prod. interval reported below Same
At total depth Same

7. UNIT AGREEMENT NAME
Bar-X Unit

8. FARM OR LEASE NAME
Federal

9. WELL NO.
No. 19

10. FIELD AND POOL, OR WILDCAT
Bar-X

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SWSW Sec 11, T17S-R25E

12. COUNTY OR PARISH
Grand

13. STATE
Utah

14. PERMIT NO. 43-019-31353 DATE ISSUED 6-1-94

15. DATE SPUDDED 6/23/94 16. DATE T.D. REACHED 6/28/94 17. DATE COMPL. (Ready to prod.) 7/14/94 18. ELEVATIONS (DF, RKB, RT, GE, ETC.)* 5317 GL, 5329 KB 19. ELEV. CASINGHEAD 5319

20. TOTAL DEPTH, MD & TVD 3485' 21. PLUG, BACK T.D., MD & TVD _____ 22. IF MULTIPLE COMPL., HOW MANY* _____ 23. INTERVALS DRILLED BY _____ ROTARY TOOLS 0-TD CABLE TOOLS _____

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* Morrison 3337'-3350' (MRSN) 25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN GR-FDC-CNL, SP-DIL, GR-CCL 7-1-94 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
8 5/8"	24# J-55	302'	12 1/4"	85 sx (to surface)	None
2 7/8"	6.5# J-55	3409'	7 7/8"	145 sx	None

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
None							

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number) 3337-3347, 4 SPF, 41 holes total, .39"EHD

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)					
7/14/94	Flowing	Shut-in					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
7/14/94	3	5/8"	→	0	437	0	
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
	340 psi	→	0	3,498	0		

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

35. LIST OF ATTACHMENTS
None

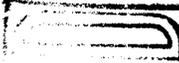
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
SIGNED James J. P... .. TITLE Petroleum Engineer DATE 7/15/94

*(See Instructions and Spaces for Additional Data 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.

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):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	GEOLOGIC MARKERS		
				NAME	MEAS. DEPTH	TRUE VERT. DEPTH
Morrison	3337	3350	gas	Dakota Silt Dakota Sand Morrison	3006 3086 3208	+2323 +2243 +2121


 JUL 20 1994
 DIV. OF OIL, GAS & MINING

LONE MOUNTAIN PRODUCTION COMPANY

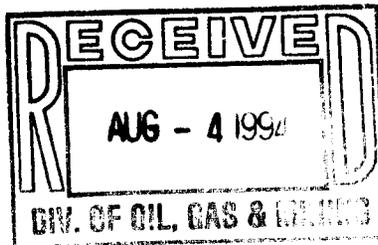
Mailing Address:
P.O. Box 3394
Billings, MT 59103-3394

(406) 245-5077
FAX 248-6321

Shipping Address:
100 North 27th Street
Suite 450
Billings, MT 59101

August 1, 1994

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180
Attn: Vicky Carney



RE: Bar-X #19, API No. 43-019-31353
Submittal of Electric Logs

Sec 11 T 175 R 25E

Dear Vicky,

Regarding your letter dated July 28, 1994, I am forwarding one copy of the GR-CCL log run dated 7/14/94 for the referenced well.

Should you have any further requests, please call.

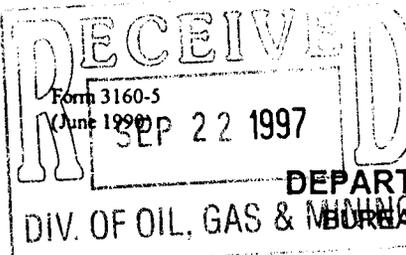
Very truly yours,

LONE MOUNTAIN PRODUCTION COMPANY

A handwritten signature in black ink, appearing to read "William B. Lloyd".

William B. Lloyd
Petroleum Engineer

Enclosure



SUBMIT IN TRIPLICATE* (Other Instructions on reverse side)

Form Approved Budget Bureau No. 1004-0135 Expires : March 31, 1993

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT DIV. OF OIL, GAS & MINERAL

5. LEASE DESIGNATION AND SERIAL NO. U-02857
6. IF INDIAN, ALLOTEE OR TRIBE NAME
7. IF UNIT OR CA, AGREEMENT DESIGNATION 14-08-001-324
8. WELL NAME and No. Bar-X Federal No. 19
9. API WELL NO. 43-019-31353
10. Field and Pool, or Exploratory Area Bar-X
11. County or Parish, State Grand County, Utah

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

b. TYPE OF WELL OIL WELL [] GAS WELL [X] OTHER [] SINGLE ZONE [] MULTIPLE ZONE []

2. NAME OF OPERATOR Lone Mountain Production Company
3. ADDRESS OF OPERATOR P. O. Box 3394, Billings, Montana 59103 (406) 245-5077
4. LOCATION OF WELL (Footage, Sec. T., R., M., or Survey Description) 500' FSL, 500' FWL Section 11-T17S-R25E (SWSW)

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA
TYPE OF SUBMISSION: [] Notice of Intent, [] Subsequent Report, [X] Final Abandonment Notice
TYPE OF ACTION: [X] Abandonment, [] Recompletion, [] Plugging Back, [] Casing Repair, [] Altering Casing, [] Other
[] Change of Plans, [] New Construction, [] Non-Routine Fracturing, [] Water Shut-Off, [] Conversion to Injection, [] Dispose of Water
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form)

13. Describe the Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If a well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Lone Mountain Production Company plugged and abandoned the Bar-X Federal No. 19 well on September 17, 1997, as follows:

- 1. Pumped 100 sacks Class "G" cement down tubing, plugged back to surface.
2. Loaded 2-7/8"/8-5/8" annulus with drilling mud (18 bbls).
3. Pumped 50 sacks Class "G" down 2-7/8"/8-5/8" annulus, plugged 180' - surface.
4. Will install regulation dry hole marker and rehab location this Fall.

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

Signed: James R. [Signature]

Title: Petroleum Engineer

Date: September 18, 1997

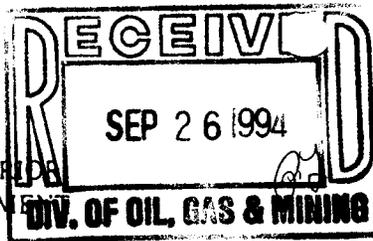
(This space for Federal or State office use)

APPROVED BY: TITLE: DATE:

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instructions of Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



FORM APPROVED
Budget Bureau No 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No
U-02857

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Lone Mountain Production Company

3. Address and Telephone No.

P. O. Box 3394, Billings, MT 59103-3394

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

500' FSL 500' FWL Sec. 11: T17S-R25E
(SWSW)

7. If Unit or CA, Agreement Designation

Bar-X

8. Well Name and No.

Federal No. 19

9. API Well No.

43-019-31353

10. Field and Pool, or Exploratory Area

Bar-X

11. County or Parish, State

Grand County, UT

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

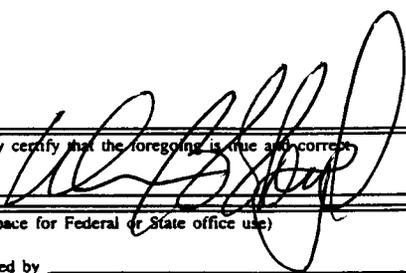
TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>First Prod.</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

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

13. 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 Bar-X Federal No. 19 was turned on for first production on September 14, 1994 at 10:20 a.m.. Initial rate was 200 mcf/d at 800 psi FTP.

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

Signed  Title Petroleum Engineer Date 9-22-94

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

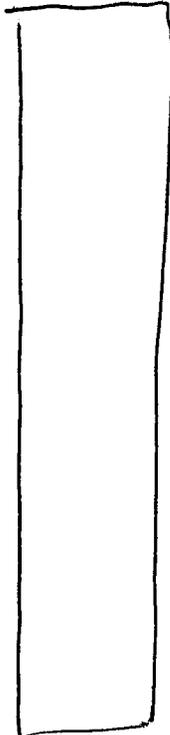
LONE MOUNTAIN PROD.
FEDERAL #19
SW/SW SEC 11; T17S; R25E
43-019-31353

PGW
12/28/94
NEW WELL!
U-02857

Handwritten signature

↑
NORTH

ENTRANCE



FENCED
RESERVE
PIT

○
WELL HEAD
w/ FLOWLINE

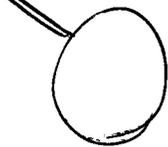


2-55
METHANOL
DRUMS



SALES METER
+ SHED

SEPARATOR



SUBSURFACE
WATER DISPOSAL
PIT w/ CULVERT
LINED WALLS