

2000-84

Form 3160-3  
(July 1992)

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

FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1995

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.  
SL-064806

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

7. UNIT AGREEMENT NAME  
Bar X

8. FARM OR LEASE NAME WELL NO.  
Bar X Unit No. 24

9. API WELL NO.  
43-019-3/383

10. FIELD AND POOL, OR WILDCAT  
Bar X

11. SEC., T. E. M., OR BLE. AND SURVEY OR AREA  
SESW Section 6 T17S R26E

12. COUNTY OR PARISH | IN. STATE  
Grand | UT

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

20. ROTARY OR CABLE TOOLS  
Rotary

22. APPROX. DATE WORK WILL START\*  
August, 2000

1a. TYPE OF WORK  
DRILL  DEEPEN

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

2. NAME OF OPERATOR  
Lone Mountain Production Co.

3. ADDRESS AND TELEPHONS  
P. O. Box 3394 Billings, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
At surface: 777' FSL 1343' FWL Section 6 T17S R26E  
At proposed prod. zone: same  
4357427 N  
665091 E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
20 Miles Northwest of Mack, CO

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any)  
543' (Lease)

16. PROPOSED DEPTH  
3760 Morrison

17. ELEVATIONS (Show whether DF, RT, GE, etc.)  
5297' GR

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE/TYPE	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	24#	300'	115 sx 'G'
7 7/8"	4 1/2"	10.5#	3760'	225 sx 10-2 Thixotropic

See attachments

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DIVISION OF  
OIL, GAS AND MINING

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

CONDITIONS OF APPROVAL ATTACHED

2000 MAY 31 P 1:37  
RECEIVED  
MINE AND MINING OFFICE

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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: [Signature] TITLE: Petroleum Engineer DATE: May 30, 2000

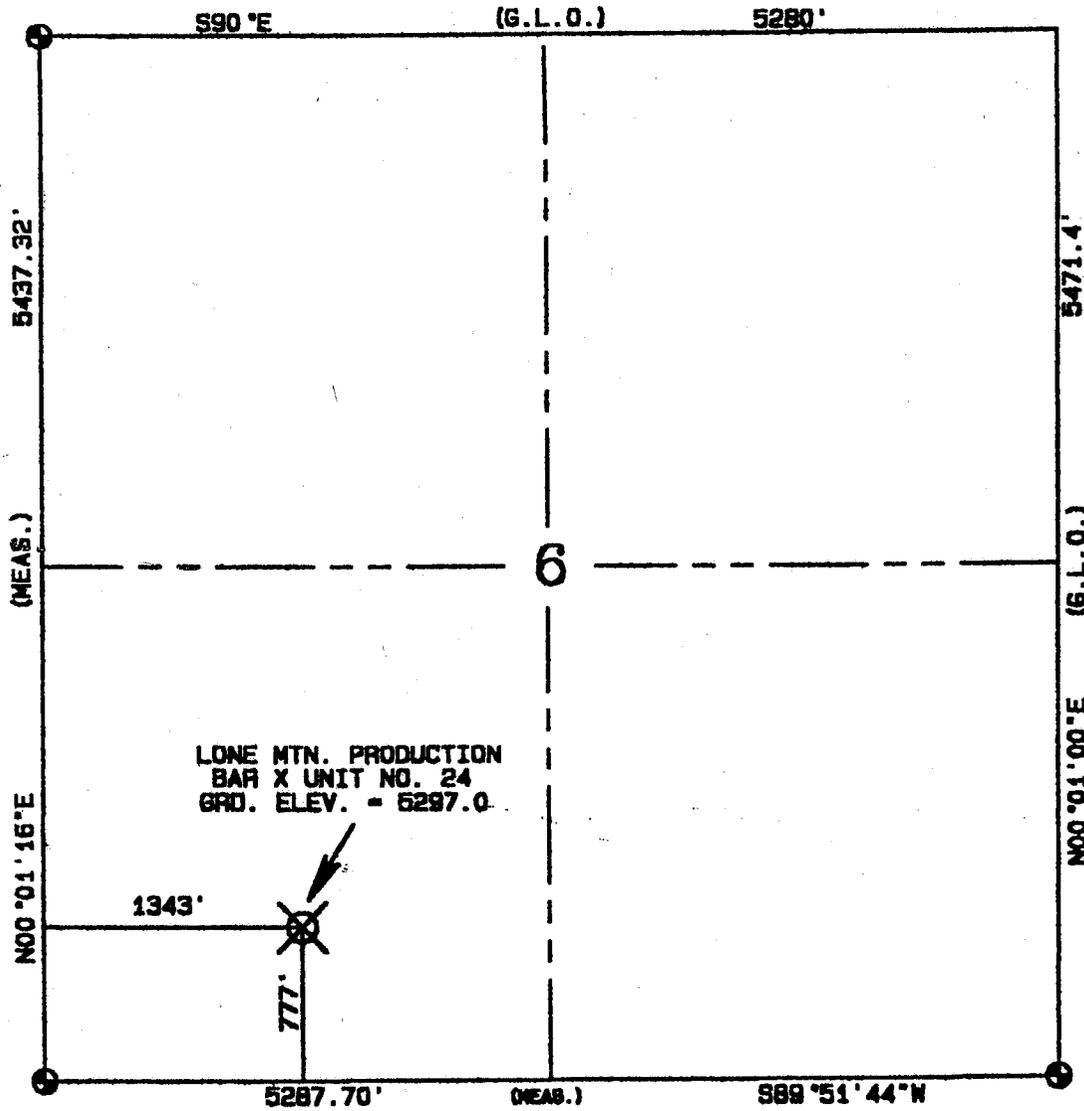
(This space for Federal or State office use)  
PERMIT NO. 43-019-3/383 APPROVAL DATE: \_\_\_\_\_

Application approval 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.  
CONDITIONS OF APPROVAL, IF ANY:

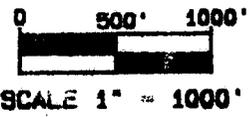
APPROVED BY: /S/ WILLIAM C. STRINGER TITLE: Assistant Field Manager, Division of Resources DATE: AUG 31 2000

\*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 records.



LONE MTN. PRODUCTION  
 BAR X UNIT NO. 24  
 GRD. ELEV. = 5297.0



LEGEND

- G.L.O. BRASS CAP
- ⊗ SET #5 REBAR

WELL LOCATION

777 FT. FSL - 1343 FT. FWL  
 SECTION 6, T17S, R26E, S.L.B.& M.  
 GRAND COUNTY, UTAH

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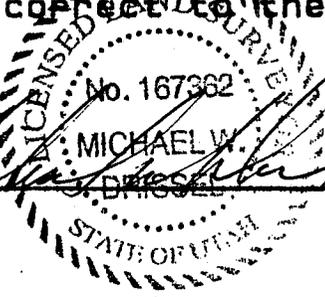
SEP 05 2000

DIVISION OF  
 OIL, GAS AND MINING

SURVEYOR'S STATEMENT

I, MICHAEL W. DRISSEL, a registered Land Surveyor in the State of Utah, do hereby state that the well location shown hereon was staked on the ground based on existing monumentation and ~~on~~ physical evidence found in the field and is correct to the best of my knowledge and belief.

*Michael W. Drissel*  
 No. 167362  
 MICHAEL W. DRISSEL  
 5-17-00



**D H SURVEYS INC.**

118 OURAY AVE.  
 Grand Junction, CO. 81501-6572  
 970-245-8749

Lone Mountain Production Company  
Bar-X Unit No. 24  
Lease SL-064806  
Bar-X Unit  
SESW Sec. 6, T17S, R26E  
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.

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OIL, GAS AND MINING**

A. DRILLING PROGRAM

1. There shall be three bleed lines coming off of the choke manifold. Only two lines are shown on the choke manifold schematic provided in the APD. The third line should come off the "T" where the pressure gauge is shown. Other than the choke manifold, the proposed BOPE is in a 2M configuration, and is adequate for this depth in this area. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. The air drilling requirements outlined in Onshore Oil and Gas Order No. 2, part III.E., Special Drilling Operations, shall be followed.
3. Concurrent APD approval from the State of Utah, Division of Oil, Gas & Mining is required before conducting any surface disturbing activities.

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OIL, GAS AND MINING

B. SURFACE USE PLAN

1. Surface disturbance and vehicular travel will be limited to the approved location and access route. Any additional area needed will be approved in advance.
2. 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 soil material.
3. 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).
4. The operator shall be responsible for weed control on the disturbed areas of the well site and access. Prior to spraying weeds on public lands, the operator will submit a Pesticide Use Proposal (PUP) to BLM for review and approval of the herbicide and methods to be used.
5. In the event the well pad or road is graveled or surfaced, the material will be removed prior to recontouring the surface for rehabilitation.
6. During reclamation, the area will be scarified as specified in the APD. The scarified areas will be left in a rough condition to retain moisture, and the soils will be dry and loose prior to seeding. The areas will be broadcast seeded between October 1 and December 31 with the following mixture of pure live seed (PLS):

Indian ricegrass	3 pounds per acre
Russian wildrye	1 pound per acre
Crested wheatgrass	3 pounds per acre
Perennial mountain rye	2 pounds per acre
Fourwing saltbush	3 pounds per acre

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OIL, GAS AND MINERAL

### C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

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

Spud- The spud date will be reported to BLM 24-hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field 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 Moab Field 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, with the Moab Field Office, for approval of all changes of plans and subsequent 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 Moab Field 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 BLM 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 Moab Field Office is to be notified.

First Production- Should the well be successfully completed for production, the Moab Field 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 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 Moab Field Office. The Moab Field 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 Moab Field Office not later than thirty-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 Moab Field Office.

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OIL, GAS AND MINING

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 Moab Field Office. 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- An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order 7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field 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 Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Moab Field Office within thirty-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 Moab Field Office or the appropriate surface managing agency.

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OIL, GAS AND MINING

TABLE 1

NOTIFICATIONS

Notify Jack Johnson at 435-259-2129 or Rich McClure at 435-259-2127 of the Moab Field Office for the following:

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

1 day prior to spudding;

50 feet prior to reaching the surface casing setting depth

If the people above cannot be reached, notify the Moab Field Office at (435) 259-2100. 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 Field Office at (435) 259-2100. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer      Office: (435) 259-2117  
Home: (435) 259-2214

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**SEP 05 2000**

**DIVISION OF  
OIL, GAS AND MINING**

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 09/05/2000

API NO. ASSIGNED: 43-019-31383
--------------------------------

WELL NAME: BAR X UNIT 24  
 OPERATOR: LONE MTN PRODUCTION CO ( N7210 )  
 CONTACT: JOE DYK

PHONE NUMBER: 406-245-5077

PROPOSED LOCATION:  
 SESW 06 170S 260E  
 SURFACE: 0777 FSL 1343 FWL  
 BOTTOM: 0777 FSL 1343 FWL  
 GRAND  
 BAR X ( 160 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: SL-064806  
 SURFACE OWNER: ~~Ø~~ 1 - Federal

PROPOSED FORMATION: MRSN

RECEIVED AND/OR REVIEWED:

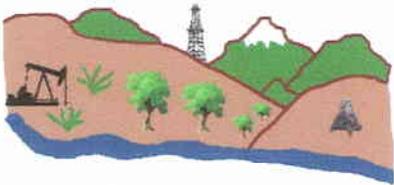
Plat  
 Bond: Fed  Ind  Sta  Fee   
 (No. UT-0719 )  
 Potash (Y/N)  
 Oil Shale (Y/N) \*190 - 5 (B)  
 Water Permit  
 (No. Municipal )  
 RDCC Review (Y/N)  
 (Date: \_\_\_\_\_ )  
 Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3. Unit Bar X  
 R649-3-2. General  
 Siting: \_\_\_\_\_  
 R649-3-3. Exception  
 Drilling Unit  
 Board Cause No: \_\_\_\_\_  
 Eff Date: \_\_\_\_\_  
 Siting: \_\_\_\_\_  
 R649-3-11. Directional Drill

COMMENTS: Blm Appr. 8-31-2000

STIPULATIONS: ① FEDERAL APPROVAL



Utah Oil Gas and Mining

OPERATOR: LONE MTN PROD CO (N7210)

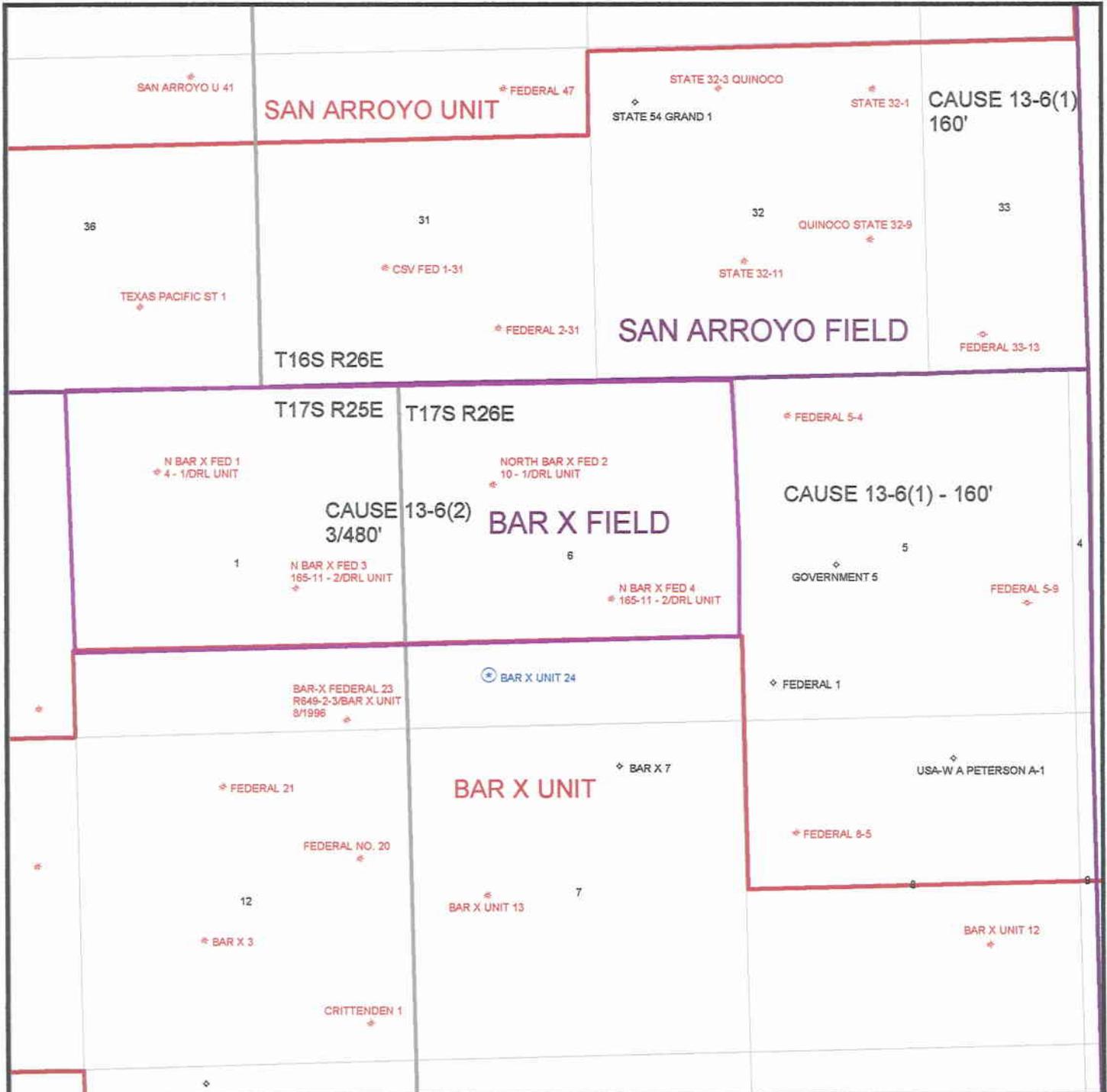
FIELD: BAR X (160)

SEC. 6, T17S, R26E,

COUNTY: GRAND

UNIT: BAR X

SPACING: R649-3-3/EX LOC



**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 650  
Billings, MT 59101

September 21, 2000

John R. Baza  
Utah Division of Oil, Gas, & Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

Re: EXCEPTION LOCATION REQUEST

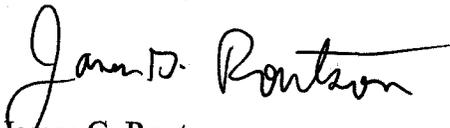
Dear Mr. Baza:

Lone Mountain Production Company hereby request an exception location for the Bar-X Unit No. 24 well located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$  Sec 6-T17S-R26E, Grand County, Utah. The exception is needed for geologic and drainage reasons.

The well is in the Bar-X Unit and meets state spacing requirements for distance from wells and lease lines; however, it is not situated within 200' of the center of the  $\frac{1}{4}$  $\frac{1}{4}$ . There are no other working interest owners or leasehold interests within 460' of the proposed well location. This location was picked with sand channel thickness and optimum reservoir drainage as the primary criteria.

Sincerely,

LONE MOUNTAIN PRODUCTION COMPANY



James G. Routson  
President

cc: BLM Moab  
Joe Dyk

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DIVISION OF  
OIL, GAS AND MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK  
**DRILL**       **DEEPEN**

b. TYPE OF WELL  
 OIL WELL       GAS WELL       OTHER       SINGLE POLE       MULTIPLE POLES

2. NAME OF OPERATOR  
Lone Mountain Production Co.

3. ADDRESS AND TELEPHONING.  
P. O. Box 3394 Billings, MT 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
At surface: 777' FSL 1343' FWL Section 6 T17S R26E  
At proposed prod. zone: Same  
4357427N  
665091E

13. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
20 Miles Northwest of Mack, CO

16. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)  
543' (Lease)

18. NO. OF ACRES IN LEASE  
1280

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

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
2314' (Bx23)

19. PROPOSED DEPTH  
3760 Morrison

20. ROTARY OR CASIN TOOLS  
Rotary

21. ELEVATIONS (Show whether DP, RT, GB, etc.)  
5297' GR

22. APPROX. DATE WORK WILL START\*  
August, 2000

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CRANK SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	24#	300'	115 sx 'G'
7 7/8"	4 1/2"	10 5#	3760'	225 sx 10-2 Thixotropic

See attachments

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

SIGNED: [Signature] TITLE Petroleum Engineer DATE May 30, 2000

PERMIT NO. 43019-31383 APPROVAL DATE \_\_\_\_\_

Application approval 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.

APPROVED BY: [Signature] TITLE BRADLEY G. HILL DATE 9/25/00  
\*See Instructions On Reverse Side

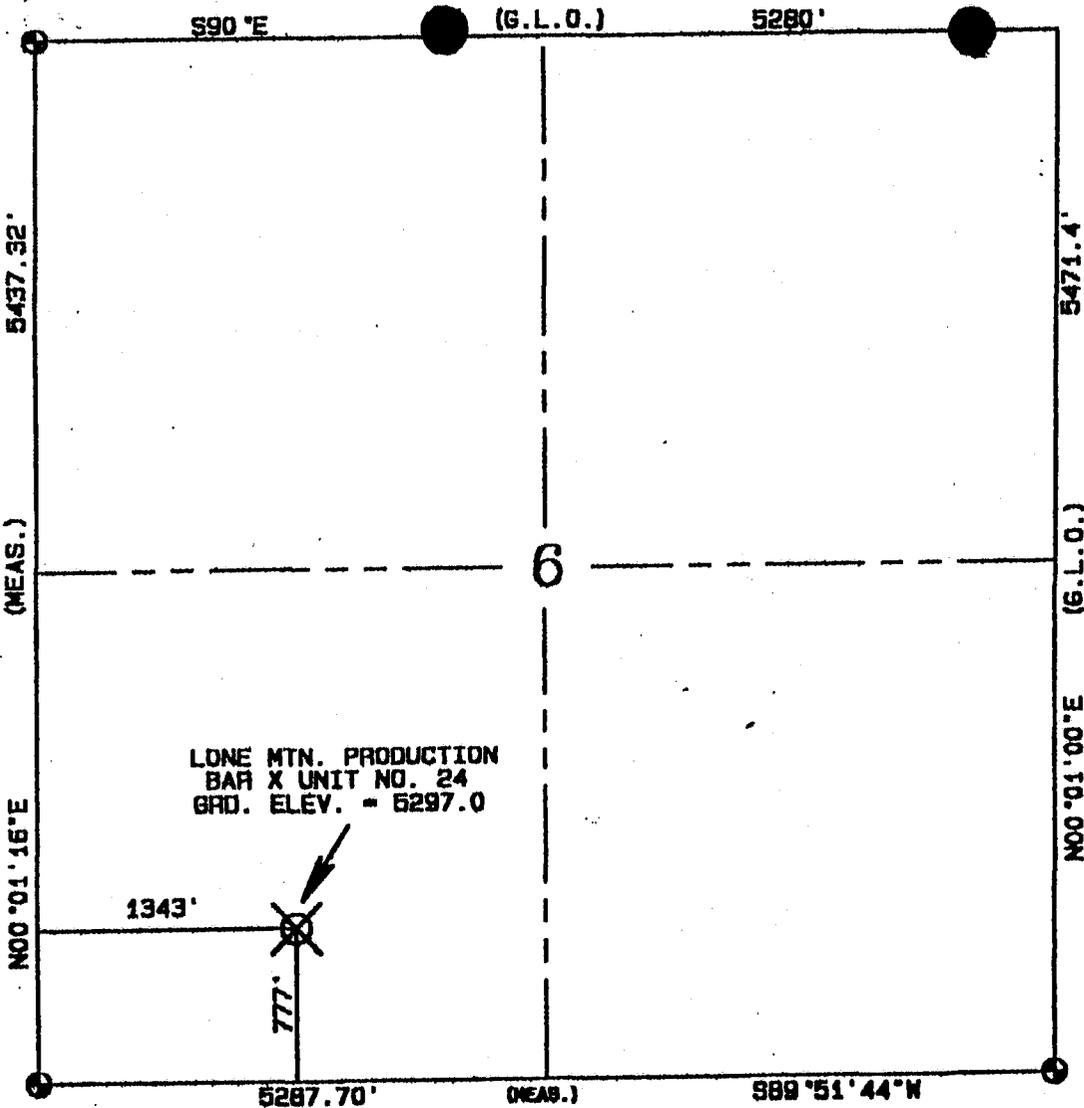
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or reports.

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DIVISION OF  
OIL, GAS AND MINING

Federal Approval of this  
Action is Necessary



LONE MTN. PRODUCTION  
 BAR X UNIT NO. 24  
 GRD. ELEV. = 5297.0

1343'

777'

5287.70'

(MEAS.)

S89°51'44\"

S471.4'

(G.L.O.)

N00°01'00\"

S437.32'

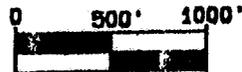
(MEAS.)

N00°01'16\"

(G.L.O.)

5280'

S90°E



SCALE 1" = 1000'

LEGEND

● G.L.O. BRASS CAP

⊗ SET #5 (REBAR)

WELL LOCATION

777 FT. FSL - 1343 FT. FWL  
 SECTION 6, T17S, R26E, S.L.B.& M.  
 GRAND COUNTY, UTAH

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DIVISION OF  
 OIL, GAS AND MINING

SURVEYOR'S STATEMENT

I, MICHAEL W. DRISSEL, a registered Land Surveyor in the State of Utah, do hereby state that the well location shown hereon was staked on the ground based on existing monumentation and/or physical evidence found in the field and is correct to the best of my knowledge and belief.

LICENSED LAND SURVEYOR  
 No. 167362  
 MICHAEL W. DRISSEL  
 STATE OF UTAH  
 5-17-00

**D H SURVEYS INC.**  
 118 OURAY AVE.  
 Grand Junction, CO. 81501-0572  
 970-245-8749

Application for Permit to Drill  
Bar-X Federal No. 24  
SWSW Section 6, T17S-R26E  
Grand County, Utah

---

1. Surface formation is the Mancos shale.
2. Anticipated Geologic Markers: Mancos at surface, Dakota silt at 3310', Dakota sand at 3420', Morrison at 3545'.
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 #23 of form 3160-3.
5. Pressure Control equipment: See attached Well Control Plan and schematic of contractor's BOP stack. BOP's will be tested prior to drilling out from surface casing and checked daily.
6. Air or mist drilling will be used to drill the surface hole and casing will be set and cemented with a rathole rig. Then the drilling rig will be moved in to air drill out under the surface casing.
7. Auxiliary Equipment: See Well Control Plan.
8. The electric logging program will consist of a DIL log from TD to the base of the surface casing and GR-CNL-FDC log on the bottom 1000 feet of the well. 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 August 15, 2000. Completion operations should commence within 30 days of drilling rig release.
11. Survey plats are attached.
12. The gas is not dedicated at this time.
13. Lone Mountain Production Company's Statewide Bond is UT0719.
14. The completion program will be designed after the logs have been evaluated.

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**WELL CONTROL PLAN**

1. Surface casing: 8-5/8", 24#/ft, STC, K55 set at 300 feet and cemented back to surface with 115 sacks Class G + 3% CaCl<sub>2</sub> + ¼ #/sk celloflake. (Yield is 1.18 cu ft/sk)
2. Casing head Flange: 8-5/8" by 4-1/2" 600 series casing head with two 2" 2000 psi outlets.
3. Blow out preventer: The drilling rig is equipped with a 10", 3000 psi double gate hydraulic Shaffer BOP (or equivalent) with drill pipe rams and blind rams to meet requirements for a 2000 psi stack as indicated in On Shore Order No. 2. All fill, kill, and choke lines will be a minimum of 2", 2000 psi WP. A rotating head will be used while air or mist drilling. A new rubber will be installed before drilling through the Dakota. Pipe rams and Hydril will be function tested daily and blind rams on each trip when out of the hole with drill string. BOP's will be tested to 2000 psi but not more than 70% of the casing burst pressure prior to drilling the surface casing shoe joint.
5. Anticipated bottom hole pressure gradient is less than 0.23 psi/ft. No abnormal temperatures or hydrogen sulfide gas are anticipated.

LONE MOUNTAIN PRODUCTION COMPANY

By: \_\_\_\_\_

  
Joe Dyk, Petroleum Engineer

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OIL, GAS AND MINING

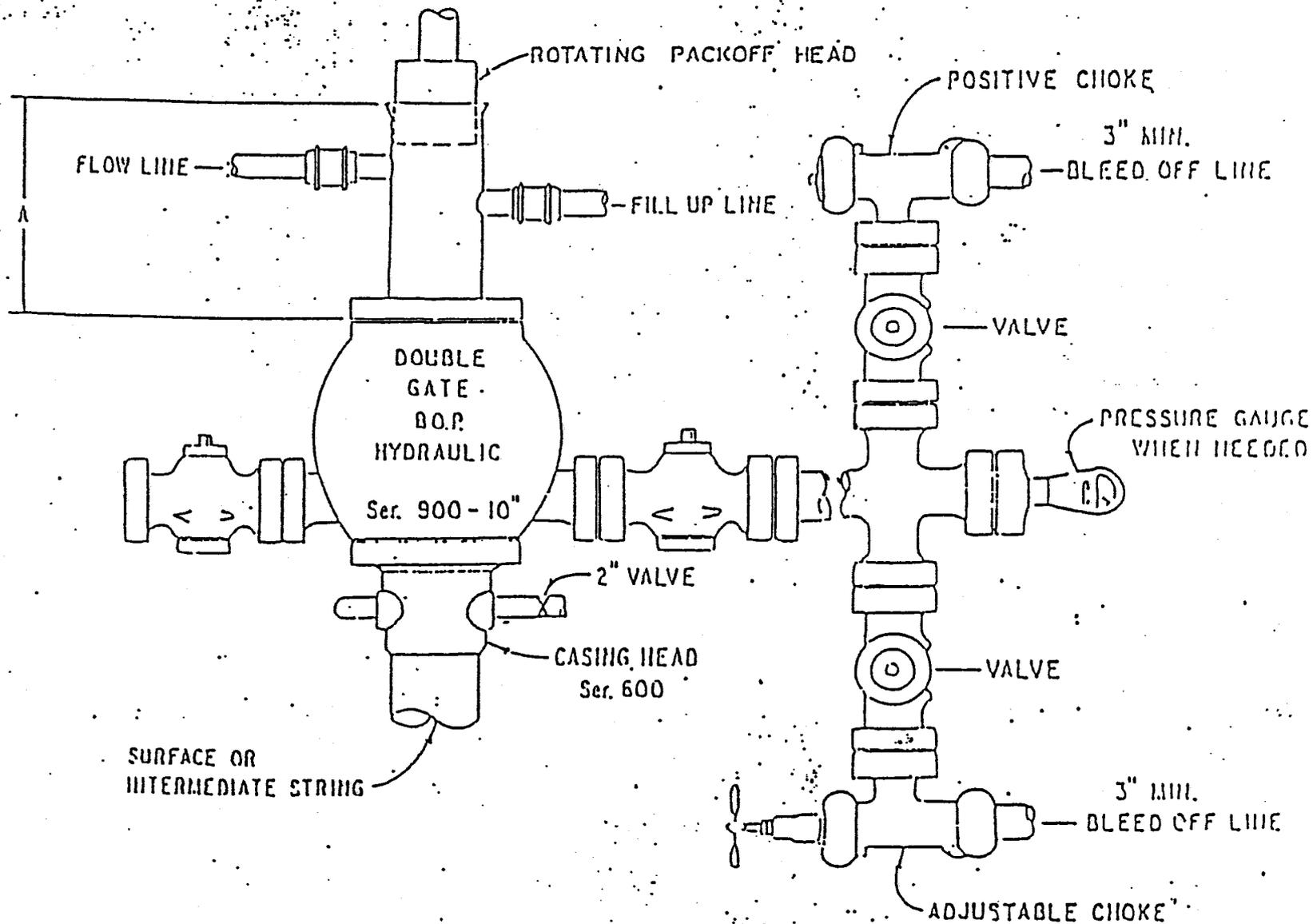


EXHIBIT I  
 BLOWOUT PREVENTER DIAGRAM

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DIVISION OF  
 OIL, GAS AND MINING

## SURFACE USE PLAN

Lone Mountain Production Company  
Bar-X Federal No. 24  
SWSW Sec. 6, T17S-R26E  
Grand County, Utah

### 1. EXISTING ROADS

See maps #1 and #2. This proposed well is located 19 miles from Mack, Colorado. Proceed 9.1 miles west of Mack on Highway 6 & 50. Turn right on 2 Road and go 4.2 miles to the State line. Turn right on the State line fence road and go 4.5 miles north. Turn left and go 1.6 miles west to the new road access to the well. Turn left and go 0.1 mile to the well.

### 2. NEW ROADS

The proposed 0.1 miles of new road will be constructed with an 18 foot travel width. Total disturbance width will be 30 feet. All of the proposed access road is within the Bar-X unit boundary. A cultural survey has been performed on the new road and location area. The topsoil will be wind rowed on the west side of the road.

### 3. LOCATION OF EXISTING WELLS

8 producing wells and 1 dry holes are located within a one mile radius. See map #3.

### 4. LOCATION OF PRODUCTION FACILITIES

Upon completion of the well as a producing gas well, sufficient facilities to handle gas production will be installed. This includes a heated separator, a meter run and an evaporation pit constructed with an 8' dia. Culvert buried 8' in the ground. A submittal in accordance with Onshore Order #7 will be completed at that time. All facilities will be painted Pinyon Green to blend in with the natural surroundings.

### 5. LOCATION AND TYPE OF WATER SUPPLY

Water will be pulled from the Ute water tap at Mack, Colorado.

\* 9/11 municipal  
Le

### 6. SOURCE OF CONSTRUCTION MATERIALS

No construction materials will be used other than native materials. Soils from cuts will be used is fills. Only upon completion will outside material be brought in if deemed necessary for production operations.

### 7. METHODS FOR HANDLING WASTE MATERIALS

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DIVISION OF  
OIL, GAS AND MINING

Cuttings will be buried in the reserve pit at cleanup. Garbage and other waste material will be contained in a trash cage which will be dumped at an approved sanitary land fill. Human waste will be contained in chemically treated porta-potties.

Drilling fluids will be contained in the reserve pit and left to dry out before reclamation of the pit. Flow back from completion operations will also be contained in the reserve pit. Oil will not be put in the reserve pit.

If the well is productive, produced water will be disposed of on site for 30 days or 90 days with the permission of the State Petroleum Engineer. After that time, application will be made for the approval of a permanent disposal method in compliance with the rules and regulations of the State of Utah and Onshore Order No. 7.

## 8. ANCILLARY FACILITIES

A 2-7/8" welded steel surface pipeline will be laid across to the Bar-X No. 23 well approximately 2300 feet east of the Bar-X No. 24. Construction will commence upon approval of the Sundry notice for this line.

## 9. WELLSITE LAYOUT

See plat #2 - Pit and pad layout  
See plat #3 - Cross sections of pit and pad

This location will be constructed large enough to accommodate the drilling rig and associated equipment with allowance made for future completion and production equipment. In addition to the location indicated on the attached plat, it is proposed to remove existing grass and vegetation a radial distance of 75 feet from the reserve pit. This will act as a fire barrier in the event gas flaring while drilling is necessary.

Top soil will be stripped to a depth of 4" and stockpiled on the north edge of the location. No top soil stripping will be done when soils are saturated to a depth of 3" 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. 52" by 16' livestock panels will be used to fence the pit.

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

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OIL, GAS AND MINING

All brush will be cleared prior to removing any soil and stockpiled on the northeast and southwest edges of the location and will be kept separate from the topsoil stockpiles. The brush will be used for mulch after the disturbed area has been reseeded.

#### 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. Seed tags will be submitted to the area manager within 30 days of seeding.

Seed bed will be prepared by contour cultivating 4 - 6" deep and drilling seed ½ to 1" deep following the contour. In areas that cannot be drilled, seed will be broadcast at 1.5 times the application rate and then dragged for cover.

Seeding will be completed after September 15, 2000 and prior to October 31, 2000, if feasible, but no later than the fall of 2001.

If the well is a producer:

Lone Mountain will upgrade and maintain access roads as necessary to prevent soil erosion and accommodate year round traffic. Areas unnecessary to production operations will be reshaped, cultivated on the contour, and seeded with the approved seed mixture with a drill ½ to 1" deep. Areas where seed cannot be drilled will be broadcast seeded at 1.5 times the approved application rate and dragged for seed cover. 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 the final abandonment. Perennial vegetation will be established. Additional work will be required in the case of seeding failures. All permanent facilities will be painted Pinyon 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 back slope. No depressions will be left that could trap water or form ponds. Top soil will be distributed evenly over the location and seeding according to the approved 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 desirable as that present prior to disturbance has been

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OIL, GAS AND MINING

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. NOTIFICATIONS

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

Joel V. Dyk  
Lone Mountain Production Company  
1360 Highway 6 & 50  
Loma, Colorado 81524  
Office Phone: (970) 858-7546  
Home Phone: (970) 858-0536  
Cell Phone: (970) 250-9770

Jim Routson  
Lone Mountain Production Company  
P. O. Box 3394  
Billings, Montana 59103  
Office Phone: (406) 245-5077  
Home Phone: (406) 656-4325

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions that 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

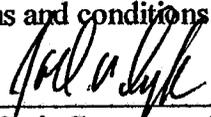
**RECEIVED**

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DIVISION OF  
OIL, GAS AND MINING

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.

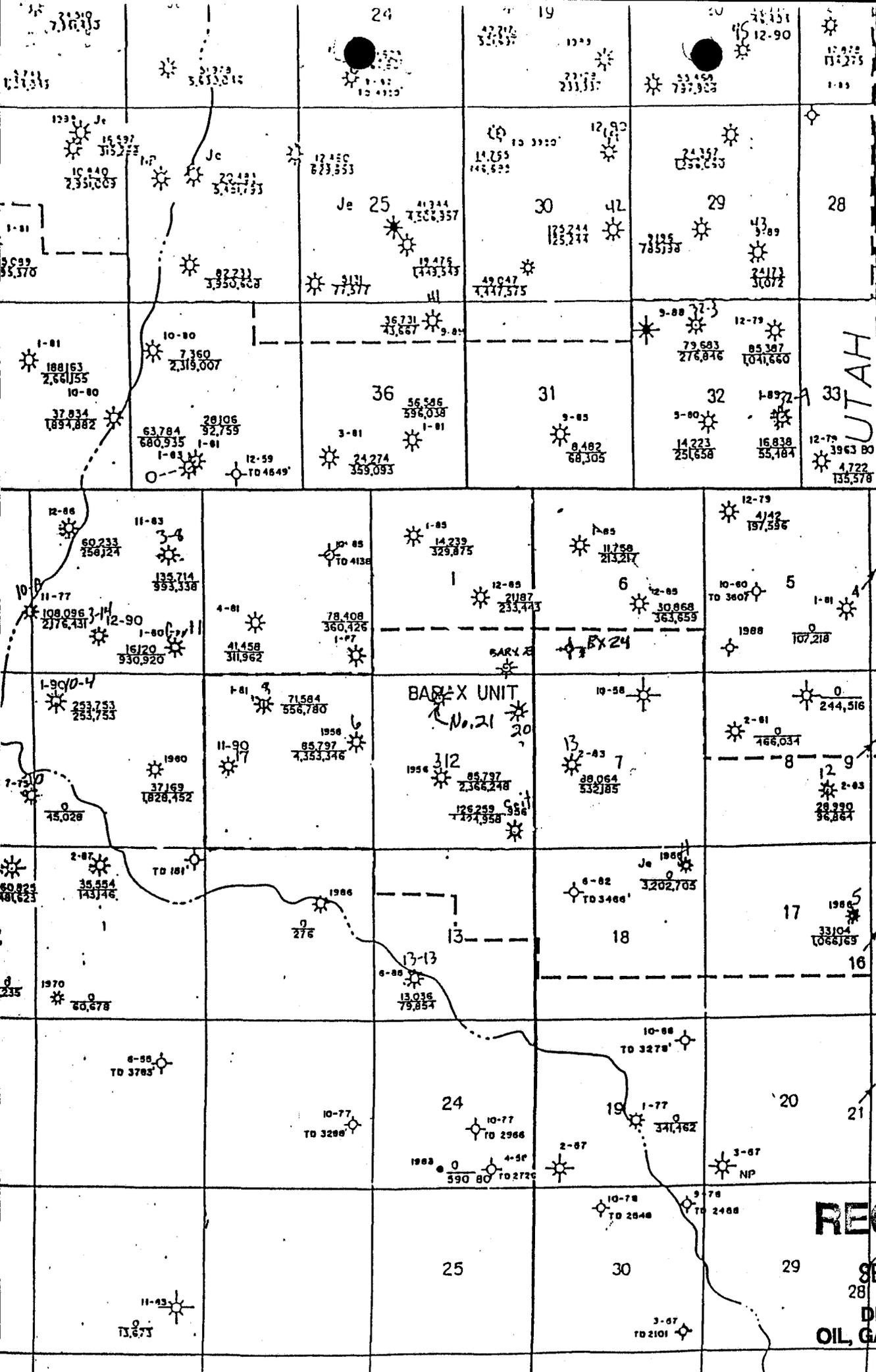
May 30, 2000  
Date

  
Joel V. Dyk, Petroleum Engineer

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BAR-X 24

UTAH  
COLORADO

T  
17  
S

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OIL, GAS AND MINING

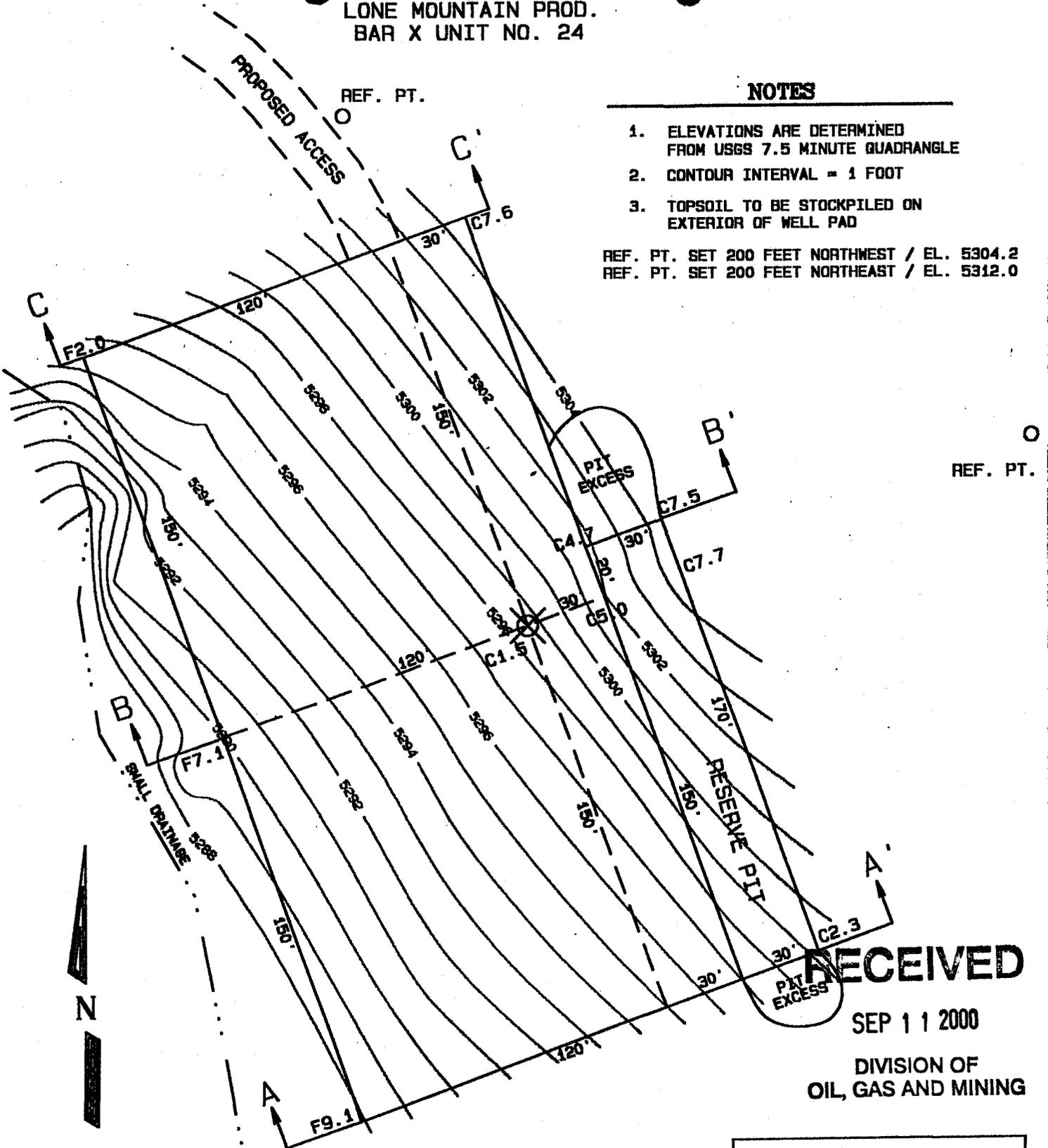
# PAD LAYOUT

LONE MOUNTAIN PROD.  
BAR X UNIT NO. 24

## NOTES

1. ELEVATIONS ARE DETERMINED FROM USGS 7.5 MINUTE QUADRANGLE
2. CONTOUR INTERVAL = 1 FOOT
3. TOPSOIL TO BE STOCKPILED ON EXTERIOR OF WELL PAD

REF. PT. SET 200 FEET NORTHWEST / EL. 5304.2  
REF. PT. SET 200 FEET NORTHEAST / EL. 5312.0



REF. PT.

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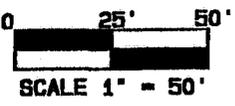
DIVISION OF  
OIL, GAS AND MINING

FILL = 2294 CU. YDS.  
CUT = 3678 CU. YDS

GRD. @ WELL HEAD ELEV. = 5298.5  
PROPOSED PAD ELEV. = 5297

**D H SURVEYS INC.**  
JOB NO. 244-00-08

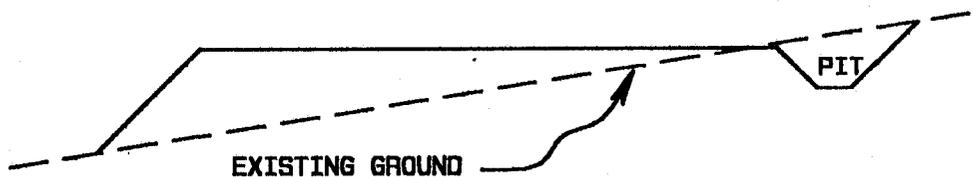
SHEET 2 of 3



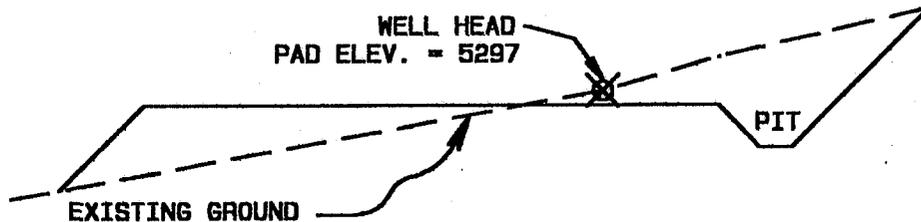
# CROSS SECTIONS

LONE MOUNTAIN PROD.  
BAR X UNIT NO. 24

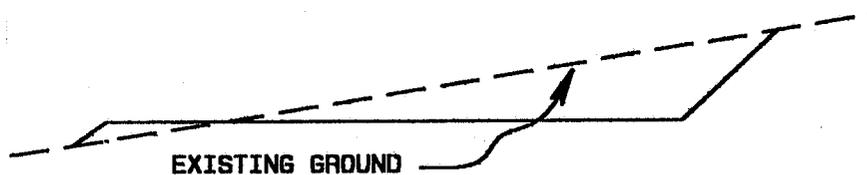
## SECTION A - A'



## SECTION B - B'



## SECTION C - C'



HORIZ. SCALE 1" = 50'  
VERT. SCALE 1" = 20'

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SEP 11 2000

DIVISION OF  
OIL, GAS AND MINING

**D H SURVEYS INC.**

JOB NO. 244-00-08

BAR X UNIT NO. 24

19 +/- MILES FROM WELLHEAD  
TO MACK, CO.





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

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

September 25, 2000

Lone Mountain Production Co.  
PO Box 3394  
Billings MT 59103

Re: Bar X Unit No. 24 Well, 777' FSL, 1343' FWL, SE SW, Sec. 6, T. 17 South, R. 26 East,  
Grand County, Utah

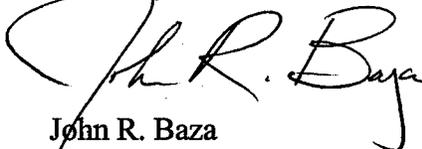
Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31383.

Sincerely,



John R. Baza  
Associate Director

er

Enclosures

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

**Operator:** Lone Mountain Production Co.  
**Well Name & Number** Bar X Unit No. 24  
**API Number:** 43-019-31383  
**Lease:** SL-064806

**Location:** SE SW      **Sec.** 6      **T.** 17 South      **R.** 26 East

### Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338
- Contact Robert Krueger at (801) 538-5274.

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Com pany: LONE MTN PRODUCTION CO

Well Name: BAR X UNIT 24

Api No.. 43-019-31383 LEASE TYPE: FEDERAL

Section 06 Township 17S Range 26E County GRAND

Drilling Contractor HAYES DRILLING RIG # 1

SPUDDED:

Date 02/05/2001

Time 12:00 NOON

How DRY

Drilling will commence \_\_\_\_\_

Reported by JOE DYK

Telephone # 1-970-250-9770

Date 02/05/2001 Signed: CHD

OPERATOR Lone Mountain Production Company

OPERATOR ACCT. NO. N 7210

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		
B	99999	00455	43-019-31383	Bar-X Unit No. 24	SWSW	6	17S	26E	Grand	2/5/2001	2-5-01
WELL 1 COMMENTS:  2-12-01											
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.

(3/89)

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FEB 12 2001

DIVISION OF  
OIL, GAS AND MINING

*James Rantan*  
Signature

President  
Title

2/9/01  
Date

Phone No. (406) 245-5077

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

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

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NO. <b>SL-064806</b>
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		6. IF INDIAN, ALLOTEE OR TRIBE NAME
<b>SUBMIT IN TRIPLICATE</b>		7. IF UNIT OR CA, AGREEMENT DESIGNATION <b>Bar-X Unit UTU-630150</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. WELL NAME and No. <b>Federal No. 24</b>
2. NAME OF OPERATOR <b>Lone Mountain Production Company</b>		9. API WELL NO. <b>43-019-31383</b>
3. ADDRESS OF OPERATOR <b>P. O. Box 3394, Billings, Montana 59103 (406) 245-5077</b>		10. Field and Pool, or Exploratory Area <b>Bar-X</b>
4. LOCATION OF WELL (Footage, Sec, T., R., M., or Survey Description) <b>777' FSL, 1343' FWL Section 6-T17S-R26E (SWSW)</b>		11. County or Parish, State <b>Grand County, Utah</b>

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 <b>Notice of Spud</b>
	<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 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.)\*

**The Bar-X Unit No. 24 was spud at 10:30 a.m., February 5, 2001.**

**Drilled 12" surface hole to 293' with air and mist. Ran 7 jts. 8-5/8", 24# casing to 290' KB. Cemented with 120 sx. Type 3, 5% salt, cement to surface. Tested BOP's and lines to 2000 psi. Tested casing to 2000 psi.**

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**FEB 12 2001**

**DIVISION OF  
OIL, GAS AND MINING**

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

Signed: *James Ponton*

Title: **President**

Date: **February 8, 2001**

(This space for Federal or State office use)

APPROVED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_  
CONDITIONS OF APPROVAL IF ANY

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

**REPORT OF WATER ENCOUNTERED DURING DRILLING**

1. Well name and number: Bar-X Unit No. 24

API number: 43-019-31383

2. Well Location: QQ SWSW Section 6 Township 17S Range 26E County Grand

3. Well operator: Lone Mountain Production Company

Address: P. O. Box 3394

Billings, MT 59103

Phone: 406-245-5077

4. Drilling contractor: Hayes Petroleum Company Inc.

Address: 226½ East Main Street

Rangely, CO 81648-2728

Phone: 970-675-8491

5. Water encountered (attach additional pages as needed):

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
184'	est. 186'	Damp while air drilling, no water to surface, not measured	Unknown

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FEB 14 2001  
DIVISION OF  
OIL, GAS AND MINING

6. Formation tops:			
<u>Dakota Silt</u>	<u>3124'</u>	<u>+2180'</u>	
<u>Dakota Sand</u>	<u>3230'</u>	<u>+2074'</u>	
<u>Morrison</u>	<u>3348'</u>	<u>+1956'</u>	
<u>TD</u>	<u>3509'</u>	<u>+1795'</u>	

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

I hereby certify that this report is true and complete to the best of my knowledge. Date: February 12, 2001

Name & Signature: James S. Routson (cg) Title: President  
James G. Routson

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

**SUBMIT IN  
TRIPLICATE\***  
(Other Instructions on  
reverse side)

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> 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. <b>SL-064806</b>
<b>SUBMIT IN TRIPLICATE</b>		6. IF INDIAN, ALLOTEE OR TRIBE NAME
		7. IF UNIT OR CA. AGREEMENT DESIGNATION <b>Bar-X Unit UTU-630150</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. WELL NAME and No. <b>Federal No. 24</b>
2. NAME OF OPERATOR <b>Lone Mountain Production Company</b>		9. API WELL NO. <b>43-019-31383</b>
3. ADDRESS OF OPERATOR <b>P. O. Box 3394, Billings, Montana 59103 (406) 245-5077</b>		10. Field and Pool, or Exploratory Area <b>Bar-X</b>
4. LOCATION OF WELL (Footage, Sec. T., R., M., or Survey Description) <b>777' FSL, 1343' FWL Section 6-T17S-R26E (SWSW)</b>		11. County or Parish, State <b>Grand County, Utah</b>

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 checked="" type="checkbox"/> Subsequent Report  <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input checked="" type="checkbox"/> Other <u>Run casing</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 of Water <small>(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form)</small>

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.)\*

**Drilled 7-7/8" wellbore to 3509'. Ran E-logs.**

**Log Tops: Dakota Silt @ 3124' (+2180'); Dakota Sand @ 3230' (+2074'); Morrison @ 3348' (+1956')**

**Ran 4-1/2" casing to 5304' and cemented with 210 sx. of Class "G", 8% Calseal.**

**Rig released @ 6:00 a.m., 2/11/01.**

**RECEIVED**

FEB 14 2001

DIVISION OF  
OIL, GAS AND MINING

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

Signed: James J. Roustan (sg) Title: **President**

Date: **February 12, 2001**

(This space for Federal or State office use)

APPROVED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_  
CONDITIONS OF APPROVAL IF ANY

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.

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

SUBMIT IN  
TRIPLICATE\*  
(Other Instructions on  
reverse side)

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NO. <b>SL-064806</b>
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		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
<b>SUBMIT IN TRIPLICATE</b>		
1. TYPE OF WELL OIL <input type="checkbox"/> GAS <input type="checkbox"/> SINGLE <input type="checkbox"/> MULTIPLE <input type="checkbox"/> WELL <input type="checkbox"/> WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> ZONE <input type="checkbox"/> ZONE <input type="checkbox"/>		7. IF UNIT OR CA, AGREEMENT DESIGNATION <b>Bar-X Unit UTU-630150</b>
2. NAME OF OPERATOR <b>Lone Mountain Production Company</b>		8. WELL NAME and No. <b>Federal No. 24</b>
3. ADDRESS OF OPERATOR <b>P. O. Box 3394, Billings, Montana 59103 (406) 245-5077</b>		9. API WELL NO. <b>43-019-31383</b>
4. LOCATION OF WELL (Footage, Sec. T., R., M., or Survey Description) <b>777' FSL, 1343' FWL Section 6-T17S-R26E (SWSW)</b>		10. Field and Pool, or Exploratory Area <b>Bar-X</b>
		11. County or Parish, State <b>Grand County, Utah</b>

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 checked="" type="checkbox"/> Subsequent Report  <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input checked="" type="checkbox"/> Other <b>Report of first production</b>	<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 of Water <small>(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form)</small>

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.)\*

**Initial production of the Bar-X Unit No. 24 well into the LMPC/Bar-X Gathering System began at 4:30 p.m., March 23, 2001.**

**SICP 710 psi, SITP 695 psi, initial rate 500 MCFD.**

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

Signed: *James D. Porter*

Title: **President**

Date: **March 27, 2001**

(This space for Federal or State office use)

APPROVED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_  
CONDITIONS OF APPROVAL IF ANY

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

SUBMIT IN DUPLICATE

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

LEASE DESIGNATION AND SERIAL NO.

SL-064806

IF INDIAN, ALLOTTEE OR TRIBE NAME

UNIT AGREEMENT NAME

Bar-X Unit UIU-630150

FARM OR LEASE NAME

Federal

WELL NO.

No. 24

FIELD AND POOL, OR WILDCAT

Bar-X

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

Section 6: T17S-R26E (SWSW)

COUNTY OR PARISH

Grand

STATE

Utah

WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

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

2. TYPE OF COMPLETION: NEW WELL  WORK OVER  DEEP EN  PLUG BACK  DIFF. REVR.  Other \_\_\_\_\_

3. NAME OF OPERATOR  
Lone Mountain Production Company

4. ADDRESS OF OPERATOR  
P. O. Box 3394, Billings, Montana 59103

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*  
At surface 777' FSL, 1343' FWL  
At top prod. interval reported below Same  
At total depth Same

14. PERMIT NO. 43-019-31383  
DATE ISSUED 9/25/2000

15. DATE SPUDDED 2/5/01  
16. DATE T.D. REACHED 2/9/01  
17. DATE COMPL. (Ready to prod.) 3/15/01  
18. ELEVATIONS (DF, RKB, RT, GR, ETC.)\* 5297' GL, 5304' KB  
19. ELEV. CASINGHEAD 5298'

20. TOTAL DEPTH, MD & TVD 3509'  
21. PLUG, BACK T.D., MD & TVD 3504'  
22. IF MULTIPLE COMPL., HOW MANY\*  
23. INTERVALS DRILLED BY → 0-TD  
ROTARY TOOLS CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\*  
3442' - 3465' Morrison  
25. WAS DIRECTIONAL SURVEY MADE  
No

26. TYPE ELECTRIC AND OTHER LOGS RUN  
2-29-01 FDC/CNL/GR 2-27-01 DIL/GR 2-22-01 CBL/GR  
27. WAS WELL CORED  
No

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24	290'	12"	120 sx Type 3, 3% NaCl	---
4-1/2"	10.5	3504'	7-7/8"	220 sx 8-0 Thixotropic	---

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	30. TUBING RECORD
					SIZE 2-3/8" DEPTH SET (MD) 3284' PACKER SET (MD) None

31. PERFORATION RECORD (Interval, size and number)

3443'-3457', 2 spf, 17 shots total, .35 EHD  
3454'-3462', 2 spf, 17 shots total, .35 EHD

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
	None

33. PRODUCTION

DATE FIRST PRODUCTION 3/15/01  
PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing  
WELL STATUS (Producing or shut-in) producing

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
3/16/01	1	1-1/4"	→		95.4		

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	WATER—BBL.	OIL GRAVITY-API (CORR.)
81 psig	390 psig	→	2290		

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)  
Vented  
APR 02 2001  
TEST WITNESSED BY Joe Dyk

35. LIST OF ATTACHMENTS  
None

36. I hereby certify that the foregoing and attached information is, to the best of my knowledge and belief, true and correct as determined from all available records

SIGNED Jam. P. [Signature] TITLE President DATE 3/30/01

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

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUK VERT. DEPTH
Dakota	3243'	3267'	Tight gas	Dakota Silt	3124'	+ 2180'
Dakota	3291'	3310'	Tight gas	Dakota Sand	3230'	+ 2074'
Dakota	3332'	3346'	Tight gas	Morrison	3348'	+ 1956'
Morrison	3442'	3465'	Gas			

38. GEOLOGIC MARKERS

UNITED STATES

**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 650  
Billings, MT 59101

June 4, 2001

State of Utah  
Division of Oil, Gas & Mining  
1594 W. Temple, Suite 1210  
P. O. Box 145801  
Salt Lake City, Utah 84114-5801

RE: SUNDRY NOTICE  
BAR-X UNIT NO. 24  
SWSW SECTION 6: T17S-R26E  
GRAND COUNTY, UTAH

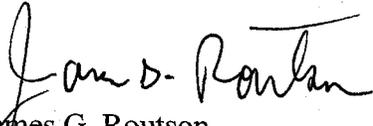
Gentlemen:

Enclosed is one sundry notice, in duplicate, notifying your office of the fracture stimulation performed on the Bar-X Unit No. 24 well.

Should you have any questions or need further information please contact me at (406) 245-5077 or Joe Dyk at (970) 858-7546 (office) or (970) 250-9770 (cell).

Sincerely,

LONE MOUNTAIN PRODUCTION COMPANY

  
James G. Routson  
President

enclosure

cc: Joe Dyk

**RECEIVED**

JUN 06 2001

DIVISION OF  
OIL, GAS AND MINING

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

**SUBMIT IN  
TRIPLICATE\***  
(Other Instructions on  
reverse side)

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> 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. <b>SL-064806</b>
<b>SUBMIT IN TRIPLICATE</b>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
1. TYPE OF WELL OIL                      GAS WELL <input type="checkbox"/> WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. IF UNIT OR CA, AGREEMENT DESIGNATION <b>Bar-X Unit UTU-630150</b>
2. NAME OF OPERATOR <b>Lone Mountain Production Company</b>		8. WELL NAME and No. <b>Federal No. 24</b>
3. ADDRESS OF OPERATOR <b>P. O. Box 3394, Billings, Montana 59103                      (406) 245-5077</b>		9. API WELL NO. <b>43-019-31383</b>
4. LOCATION OF WELL (Footage, Sec, T., R., M., or Survey Description) <b>777' FSL, 1343' FWL Section 6-T17S-R26E (S1/2SW) E</b>		10. Field and Pool, or Exploratory Area <b>Bar-X</b>
12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		11. County or Parish, State <b>Grand County, Utah</b>

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

**5/12/01: Fracture treated Morrison formation with 50,000# sand, 670 bbls. cross linked borate fluid.  
Swabbed back, returned well to production 5/19/01.**

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

Signed: *James Porter*

Title: **President**

Date: **June 4, 2001**

(This space for Federal or State office use)

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

TITLE: \_\_\_\_\_

**RECEIVED**

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

**DIVISION OF  
OIL, GAS AND MINING**

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.  
SL-064806

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
Federal No. 24

9. API Well No.  
43-019-31383

10. Field and Pool, or Exploratory Area  
Bar X

11. County or Parish, State  
Grand Co. Utah

**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 80965    Billings, MT 59108

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
777' FSL 1343' FWL Sec. 6, T17S, R26E

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 checked="" 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 type="checkbox"/> Other
	<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.)\*

On March 18, 2002 this well was recompleted from the Morrison zone to the Dakota. A CIBP was set @ 3420' with 1 sack of cement dump bailed on top. The Dakota was perforated with 9 holes @ 3245, 3249, 3254, 3257, 3260, 3295, 3306 3336, 3342'. The Dakota was frac'd with 56,000# of 20/40 sand.

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

Signed [Signature] Title Petroleum Engineer Date 3/22/02

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Conditions of approval, if any:

**RECEIVED**

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\*See Instruction on Reverse Side

**DIVISION OF  
OIL, GAS AND MINING**