

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG \_\_\_\_\_ ELECTRIC LOGS \_\_\_\_\_ FILE X WATER SANDS \_\_\_\_\_ LOCATION INSPECTED \_\_\_\_\_ SUB REPORT/abd. \_\_\_\_\_

DATE FILED 10-12-84

LAND: FEE & PATENTED \_\_\_\_\_ STATE LEASE NO. \_\_\_\_\_ PUBLIC LEASE NO. U-23352 INDIAN \_\_\_\_\_

DRILLING APPROVED: 11-29-84 - OIL

SPUDDED IN: \_\_\_\_\_

COMPLETED: \_\_\_\_\_ PUT TO PRODUCING: \_\_\_\_\_

INITIAL PRODUCTION: \_\_\_\_\_

GRAVITY A.P.I. \_\_\_\_\_

GOR: \_\_\_\_\_

PRODUCING ZONES: \_\_\_\_\_

TOTAL DEPTH: \_\_\_\_\_

WELL ELEVATION: \_\_\_\_\_

DATE ABANDONED: VA. Application Rescinded 4.4.80

FIELD: MUSTANG FLAT

UNIT: MUSTANG

COUNTY: SAN JUAN

WELL NO. MUSTANG UNIT #26-42 API #43-037-31110

LOCATION 2091' FNL FT. FROM (N) (S) LINE. 709' FEL FT. FROM (E) (W) LINE. SE NE 1/4 - 1/4 SEC. 26

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
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<u>36S</u>	<u>23E</u>	<u>26</u>	<u>Texas Eastern Skyline Oil Company</u>				
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**SKYLINE**   
**Oil Company**

A TEXAS EASTERN COMPANY

October 9, 1984

State of Utah  
Division Oil, Gas & Mining  
4241 State Office Building  
Salt Lake City, UT 84114

**RECEIVED**

**OCT 12 1984**

**DIVISION OF OIL  
GAS & MINING**

Re: Application for Permit to Drill  
Mustang Unit Nos. 22-43, 26-42  
and 26-44  
San Juan County, Utah

Gentlemen:

Attached please find the above referenced APD's submitted  
in triplicate for your approval.

In addition, an application for temporary water rights has  
been submitted to the State Engineer for approval. Upon receiving  
approval, a copy will be submitted for your records.

If you have any questions concerning this APD, please contact  
the undersigned at (303) 860-9031.

Sincerely,



Michael D. Anderson  
Staff Engineer

MDA:bjs

Enclosure

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  
 Skyline Oil Company

3. ADDRESS OF OPERATOR  
 1775 Sherman Street, Suite 1200, Denver, CO 80203

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
 At surface: 2091' FNL & 709' FEL (SE NE) Sec. 26, T.36S., R.23E.  
 At proposed prod. zone: Same

5. LEASE DESIGNATION AND SERIAL NO.  
 U-23352

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME  
 Mustang

8. FARM OR LEASE NAME  
 Mustang Unit

9. WELL NO.  
 26-42

10. FIELD AND POOL, OR WILDCAT  
 Mustang Flat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 Sec. 26, T.36S., R.23E, SLB&M

12. COUNTY OR PARISH      13. STATE  
 San Juan      Utah

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 6 miles east of Blanding, Utah

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)  
 1929

16. NO. OF ACRES IN LEASE  
 960

17. NO. OF ACRES ASSIGNED TO THIS WELL  
 40

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
 1898

19. PROPOSED DEPTH  
 6600'

20. ROTARY OR CABLE TOOLS  
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 Original Ground Level - 6144'

22. APPROX. DATE WORK WILL START\*  
 January 1, 1985

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
18"	14"	Tinhorn	50'	Redi-Mix
12 3/4"	9-5/8"	36#	2270'	800 sx.
8-3/4"	5 1/2"	15.5#	6600'	550 sx.

See attached 10-Point Plan and Multipoint Surface Use and Operations Plan for additional information.

APPROVED BY THE STATE  
 OF UTAH DIVISION OF  
 OIL, GAS, AND MINING  
 DATE: 11/29/84  
 BY: [Signature]

RECEIVED  
 OCT 12 1984  
 DIVISION OF OIL  
 GAS & MINING

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

24. SIGNED: [Signature] TITLE: Staff Engineer DATE: 10-9-84

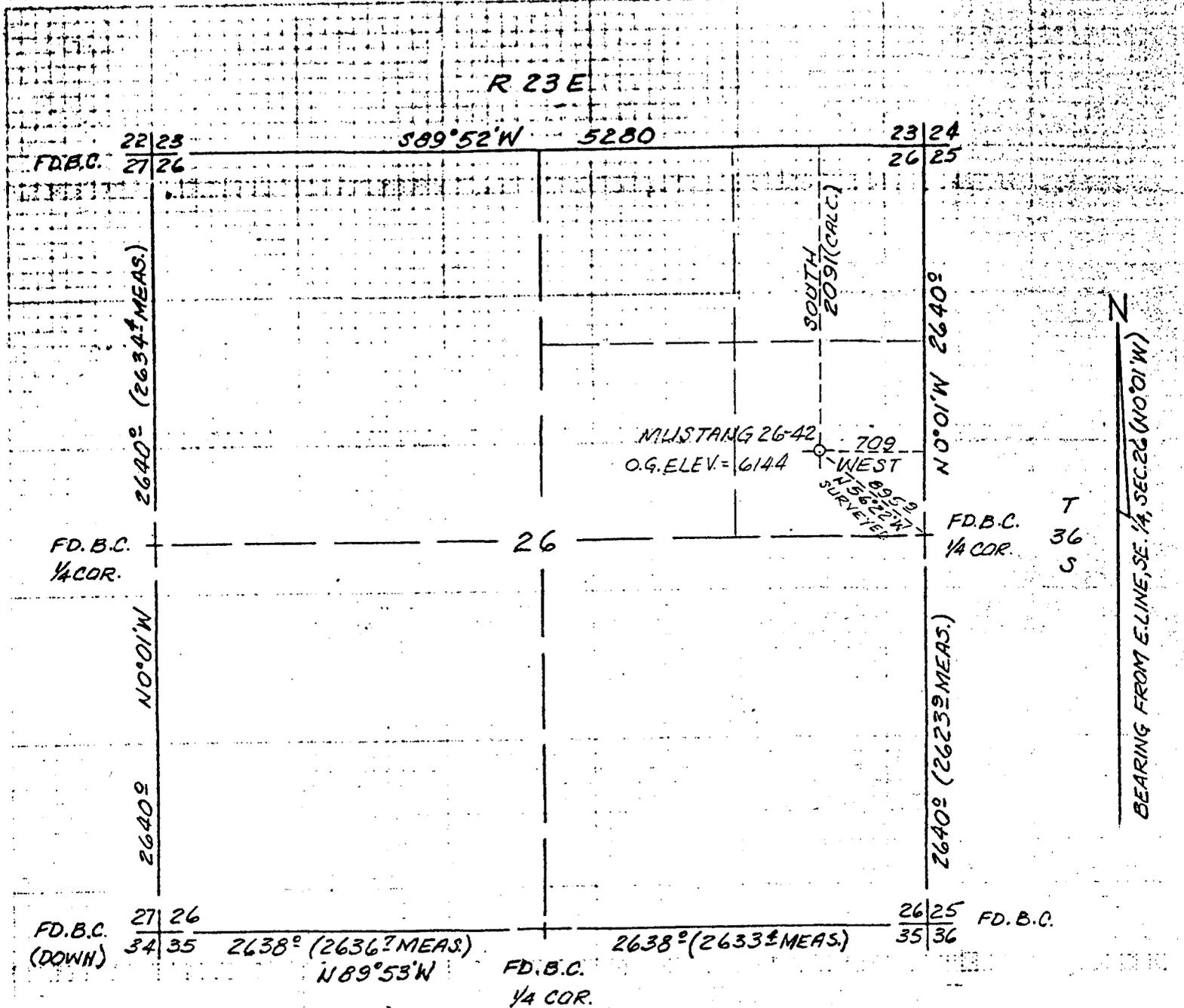
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

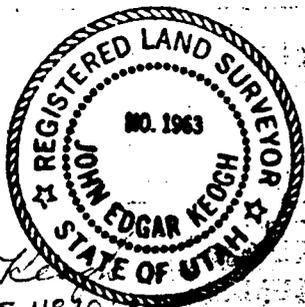
CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side



NOTE: BOUNDARY CALLS ARE FROM G.L.O. TWP. MAP.

WELL LOCATION PLAT OF  
 MUSTANG 26-42 IN  
 S.E. 1/4 N.E. 1/4, SEC. 26, T. 36 S, R. 23 E, S.L.B. & M.  
 SAN JUAN COUNTY, UTAH  
 TRANSIT & E.D.M. SURVEY  
 FOR: TEXAS EASTERN OIL CO.  
 SCALE: 1" = 1000'      SEPT. 13, 1984



John E. Keoch  
 UTAH R.L.S. No. 1963

ELEV. BY VER. ANGLES FROM U.S.G.S.  
 TOPO. QUAD. "BLANDING, UTAH" 1957.  
 (EAST 1/4 COR. SEC. 36 = 6000')

SKYLINE OIL COMPANY  
10-POINT PLAN

Mustang Unit #26-42  
SE NE Section 26, T. 36S., R 23E., SLM  
San Juan County, Utah  
Lease No. U-23352

1. Geologic Name of the Surface Formation:

Dakota Formation (Lower Cretaceous)

2. Estimated Tops of Important Geological Markers:

Entrada	1280'
Navajo	1480'
Chinle	2230'
Ismay	6140'
Desert Creek	6490'
Akah Shale	6570'

3. Water sands will be protected behind the surface pipe set at 2270'. Prospective oil bearing formations are the Ismay and Desert Creek.

4. Proposed Casing Program:

<u>Hole Size</u>	<u>Csg. Size &amp; Weight</u>	<u>Cond.</u>	<u>Setting Depth</u>	<u>Cement</u>	<u>Anticipated Top</u>
18"	14" Tinhorn	New	50'	Redi-mix	Surface
12 $\frac{1}{4}$ "	9-5/8" 36#/ft.	New	2270'	800 sx.	Surface
8-3/4"	5 $\frac{1}{2}$ " 15.5/ft.	New	6600'	600 sx.	4000'

Actual cement volumes will be determined by caliper log plus adequate excess.

5. Pressure Control Equipment:

Surface: A rotating head will be installed on the conductor casing while drilling the surface hole.

Production: A 10" 3000 psi W.P. double gate hydraulic BOP will be set on a 10" 3000 psi W.P. casing head with screwed outlets. We will wait on cement 8 hours, nipple up the BOP assembly, and test BOP to 2000 psi. After testing, the surface casing will be drilled out after a minimum 24 hours WOC. Pipe ram operation will be checked daily and blind rams operated when pipe is removed from the hole on trips.

6. Drilling Mud Program

<u>Interval</u>	<u>Program</u>
0 - 2270'	Hole will be drilled with air and then mudded up prior to running surface casing.
2270' - 4500'	Fresh water, low solids & non-dispersed MW: 8.8-9.0 Vis: 32-38 WL: 15-20
4500' - TD	Fresh water, low solids & lightly dispersed MW: 8.8-9.5 Vis: 36-40 WL: 10

7. Auxiliary Equipment:

Auxiliary equipment to be used will consist of a Kelly cock and a full-opening drillpipe valve in open position on the rig floor at all times. A bit float will only be used while drilling the surface hole with air.

8. Testing, Coring and Logging Program:

Two drillstem tests are possible - one each in the Ismay and Desert Creek Formations.

No coring is anticipated.

The following logs will be run:

GR-DIL-SFL	TD to base of surface casing
GR-FDC-CNL-Cal	TD to 4000'
GR-BHC Sonic	TD to base of surface casing w/GR run to surface

The completion program is anticipated as follows:

- A. Clean out casing to PBTD.
- B. Run GR-CBL-CCL log to 200' above cement top.
- C. Selectively perforate pay interval as determined by electric logs.
- D. Run packer and tubing. Stimulate pay interval as determined by well conditions.
- E. Flow test well to determine producing characteristics.
- F. If additional pay intervals are present, isolate initial pay interval and repeat steps C-E.
- G. Place well on production or shut well in pending installation of gas gathering system.

9. Anticipated Abnormal Pressures, Temperatures & Potential Hazards:

No abnormal pressures, temperatures or hazards are anticipated.

10. It is anticipated that drilling operations will commence on or about January 1, 1985 with approximately 20 days of drilling to reach T.D. Completion operations will require an additional 30-45 days.

MULTIPOINT SURFACE USE AND OPERATIONS PLAN

SKYLINE OIL COMPANY  
MUSTANG UNIT #26-42  
SE NE SEC. 26, T36S, R23E  
SAN JUAN COUNTY, UTAH

LEASE NO. U-23352

1. Existing Roads - Exhibits "A" and "B"

Exhibits "A" and "B" show the wellsite as staked and its position relative to existing towns, roads, wells and topography. To reach the wellsite, travel 4.5 miles north of Blanding, Utah on U. S. Highway 160. Turn right on gravelled county road in Recapture Canyon and go generally east for 2.4 miles to junction. Turn left at junction and travel 2.4 miles generally north and east to junction. Turn right and travel 6 miles generally southeast to access road turnoff. Turn right onto access road and travel approximately 1/2 mile and turn right onto new access road and travel approximately 1/4 mile to location.

All existing roads are shown on Exhibits "A" and "B". The existing roads to be used are shown in blue with the planned access road shown in red.

All county roads are maintained and are all-weather roads.

The San Juan County Road Department (801-587-2231. Ext. 43) will be contacted and an encroachment permit obtained prior to the use of the county roads.

Maintenance to existing county roads may be done if required.

2. Planned Access Road:

The attached Exhibits "A" and "B" show the planned access road in red. The planned access road is within the Mustang Unit of which Skyline Oil Company is operator. The access road will follow an existing seismic trail for approximately 200 yards and then along a previously flagged route to the location. The access road will be flat bladed with an 18' running surface and total disturbed width of 22'. If production is established, the access road will be water barred or brought to Class III Road Standards within 60 days of cessation of completion activities. Surfacing material will be gravel obtained through commercial sources.

The operator will furnish its dirt contractor with a complete copy of the approved APD with attachments prior to the initiation of any work associated with this APD.

If subsurface cultural material is exposed during construction, work in that spot will stop immediately and the San Juan Resource Area Office contacted. All personnel working in the area will be informed by the operator that they are subject to prosecution for disturbing archeological sites and/or removal of artifacts. Salvage or excavation of identified archeological sites will only be done if damage occurs.

The operator or his contractor will contact the San Juan Resource Area Office in Monticello, Utah (801-587-2201), 48 hours prior to beginning any work on public land.

Surface disturbance and vehicular travel will be limited to the approved location and access route. Any additional area required for operations will be approved in advance prior to any work.

3. Location of Existing Wells - Exhibit "B"

The locations of all existing wells within a one-mile radius of the proposed well are shown on Exhibit "B". The well types are as follows:

Gas wells	- 1	Abandoned wells	- 1
Oil wells	- 1	Injection wells	- 0
Water wells	- 1	Temp. abandoned wells	- 0
Drilling wells	- 0	Proposed wells	- 3

4. Location of Existing and/or Proposed Facilities - Exhibits "B" & "C"

The operator has no existing facilities within a one-mile radius of the proposed well. In the future, oil storage facilities are planned at the Mustang Unit Nos. 3, 26-23 and the proposed wells which lie within the one-mile radius. In addition, a field-wide gas gathering system is planned.

The proposed production facilities layout shown on the attached Exhibit "C" at a 1" = 50' scale. All production equipment and production pit will be fenced. Two 500-barrel production/storage tanks and one 300-barrel water storage tank will be inside a 50'X60' X 4.5' earthen retaining wall to prevent contamination in the unlikely event of a tank rupture. All flowlines will be buried if possible and have working pressures exceeding the highest pressure anticipated for their use.

All permanent (onsite for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective, earthtone color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Inter-Agency Committee. All facilities will be painted within six (6) months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain  $1\frac{1}{2}$  times the storage capacity of the battery.

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

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.

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

Gas meter runs for each well will be located within five hundred (500) feet of the wellhead. The gas flowline will be buried from the wellhead and/or separator to the meter along with any other sections occurring on the pad. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three (3) months on new meter installations and at least quarterly thereafter. The Area Manager will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration reports will be submitted to the Resource Area Office. All meter measurement facilities will conform with API standards for liquid hydrocarbons and AGA standards for natural gas measurement.

5. Location and Type of Water Supply:

Water used for drilling and completion operations will be obtained from Recapture Lake 4 miles north of Blanding, Utah.

Use of water for this operation will be approved by obtaining a temporary use permit from the Utah State Engineer (801) 637-1303 and by receiving permission from surface managing agency to use the land containing the water source.

6. Source of Construction Materials

No outside construction materials other than gravel will be required during drilling operations. Gravel, if required to stabilize the drillsite, will be obtained through an approved private source. No material will be obtained from Federal or Indian lands.

7. Methods of Waste Disposal

The reserve pit will not be lined with commercial bentonite to prevent seepage. Three sides of the reserve pit will be fenced with four strands of barbed wire before drilling starts. The fourth side will be fenced as soon as drilling is completed. The fence will be kept in good repair while the pit is drying and until rehabilitation is initiated.

A trash pit will be constructed near the mud tanks and dug at least six feet into solid undisturbed material. It will be totally enclosed with a fine wire mesh before the rig moves in. The road and pad will be kept litter free.

A burning permit is required for burning trash between May 1 and October 31. This can be acquired by contacting the State Fire Warden, John Baker, at (901) 587-2705.

Produced waste water will be confined to the unlined reserve 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 for the District Manager's approval.

8. Ancillary Facilities

None are planned.

9. Well Site Layout - Exhibits "D" & "E"

The top 12" of soil material will be removed from the wellsite and stockpiled separately on the south side of the pad. Topsoil along the access road will be reserved in place. The access road will enter the pad on the north side of the location as shown on Exhibit "E".

Exhibit "D" shows the wellsite cross-sections with the required amounts of cut and fill. Mud pits will be in at least 50% cut material.

10. Plans for Restoration of Surface:

- a. Immediately upon completion of drilling, all trash and debris will be collected from the location and surrounding area. All trash and debris will be disposed of in the trash pit and will then be compacted and buried under a minimum of two feet of compacted soil.

- b. The operator or his contractor will contact the San Juan Resource Area Office in Monticello, Utah (801-587-2201), 48 hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.
- c. Before any dirt work to restore the location takes place, the reserve pit must be completely dry.
- d. All disturbed areas will be recontoured to blend as nearly as possible with the natural topography. This includes removing all berms and refilling all cuts.
- e. The stockpiled topsoil will be spread evenly over the disturbed area. All disturbed areas will be ripped 12" deep with the contour.
- f. Water bars will be built as follows to control erosion.

<u>Grade</u>	<u>Spacing</u>
2%	Every 200 feet
2-4%	Every 100 feet
4-5%	Every 75 feet
5+%	Every 50 feet

- g. Seed will be broadcast between October 1 and February 28 with the following prescription. A harrow or similar implement will be dragged over the area to assure seed cover.
  - 4 lbs./acre Crested wheatgrass (*Agropyron desertorum*)
  - 1 lb/acre Fourwing saltbush (*Atriplex canenscens*)
  - 1 lb/acre Cliffrose (*Cowania mexicana*)
  - 1 lb/acre Wild sunflower (*Helianthus annuus*)
- h. After seeding is complete, the stockpiled trees will be scattered evenly over the disturbed area. The access will be blocked to prevent vehicular access.
- i. The reserve pit and that portion of the location not needed for production or production facilities will be reclaimed as described above. Enough topsoil will be kept to reclaim the remainder of the location at a future date. This remaining stockpile of topsoil will be seeded in place using the prescribed seed mixture.

11. Surface and Mineral Ownership

The present Lessees of Record of Federal Lease U-23352 in Sec. 26, T.36S, R.23E are Skyline Oil Company, MCOR, Diamond Shamrock, and Santa Fe. The leasehold acreage is federal with the surface administered by the BLM.

12. Other Information

The location and road will be along areas consisting of rock and wash material. Most of the areas to be disturbed have little soil development.

Vegetation includes Pinion Pine, Juniper, sagebrush, locoweed, and a few native grasses. Fauna consists of deer, rabbits, ground squirrels, lizards and assorted flying and crawling insects.

Grazing is the only surface use activity in the immediate area of the location.

No dwellings of any kind exist in the area. No archeological, historical or cultural sites are apparent. An archeological inspection report is included. If subsurface cultural or paleontological material is exposed during construction, work will stop immediately and the San Juan Resource Area Office contacted.

There will be no deviation from the proposed drilling program without prior approval from the District Manager. Safe drilling and operating practices will be observed. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.2.

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

The dirt contractor will be supplied with an approved copy of the surface use plan.

Upon completion of drilling operations, the BLM's representative will be notified of production and/or restoration plans.

This permit will be valid for a period of one (1) year from date of approval. After permit termination, a new application will be filed for approval for any future operations.

Any production facilities will be painted a single, low gloss, pastel color that blends in with the surrounding soil, rock and/or vegetation. Desert Brown color has been approved by the BLM for this application.

13. Lessee's or Operator's Representative

Skyline Oil Company's representatives are Messers:  
Michael D. Anderson, Reed G. Spjut or Clifford E. Selin,  
1200 Mellon Financial Center, 1775 Sherman Street, Denver,  
Colorado 80203, telephone (303) 860-9031.

Certification

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 presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that work associated with the operations proposed herein will be performed by Skyline Oil Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

October 9 1984

Date

Michael D. Anderson

Michael D. Anderson  
Staff Engineer



# ARCHEOLOGICAL - ENVIRONMENTAL RESEARCH CORPORATION

P.O. Box 853 - Bountiful, Utah 84010

Tel.: 801 292-7061

September 21, 1984

Subject: Cultural Resource Evaluations of Proposed Well Locations in the Alkali Canyon Locality of San Juan County, Utah

Project: Skyline Oil Company, 1984 Drilling Program on Mustang Units 27-43, 26-33, 26-42, 26-44, and 22-43

Project No.: SKOC-84-4

Permit: Dept. of Interior 81-Ut-179  
Utah State U-84-26-73b

To: ✓ Mr. Michael Anderson, Skyline Oil Company, 1200 Mellon Financial Center, 1775 Sherman Street, Denver, Colorado 80203

Mr. Ed Scherick, Area Manager, Bureau of Land Management, San Juan Resource Area, P.O. Box 1327, Monticello, Utah 84535

Info: Mr. Rich Fike, BLM State Archeologist, Bureau of Land Management, University Club Building, 136 East South Temple, Salt Lake City, Utah 84111

Antiquities Section, Division of State History, 300 Rio Grande, Salt Lake City, Utah 84101

Summary Report of  
Inspection for Cultural Resources

BLM Report ID No. \_\_\_\_\_  
Report Acceptable Yes  No   
Mitigation Acceptable Yes  No   
Comments: \_\_\_\_\_

Report Title ALKALI CANYON WELL LOCATIONS

Development Company Skyline Oil Company, Mustang Units 27-43, 26-33, 26-42, 26-44 and 22-43

Report Date 09 17 1984 4. Antiquities Permit No. 81-Ut-179

Responsible Institution AERC SKOC-84-4 County San Juan

Fieldwork Location: TWN 36S Range 23E Section(s) 22 26 27  
62 65 66 69 70 71 72 73 74 75 76 77  
TWN    Range    Section(s)     
78 81 82 85 86 87 88 89 90 91 92 93  
Source Area SJ TWN    Range    Section(s)     
110 111 94 97 98 101 102 103 104 105 106 107 108 109

PO= PONY EXPRESS, BR= BEAR RIVER, PR= PRICE RIVER, WS= WARM SPRINGS  
BC= BOOK CLIFFS, HR= HOUSE RANGE, SE= SEVIER RIVER  
HM= HENRY MOUNTAINS, BE= BEAVER RIVER, DX= DIXIE  
KA= KANAB, ES= ESCALANTE, SJ= SAN JUAN, GR= GRAND  
SF= SAN RAFAEL, DM= DIAMOND MOUNTAIN, Fill in spaces 65, 69, 81, 85, 97, 101 Only  
V= Vernal Meridian  
H= Half Township

Description of Examination Procedures: The archeologist, F. R. Hauck, walked a series of 15 meter wide transects to cover the development area for each proposed well location. A 15 to 20 m. wide buffer zone around each location was also evaluated although it was difficult to ascertain the complete pad zone since only center stakes were present during the on-site inspection. Two 15 meter wide transects were walked along each proposed access route. Roads to be

Linear Miles Surveyed 2 10. Inventory Type I  
and/or 112 117 130  
R= Reconnoissance  
Definable Acres Surveyed    I= Intensive  
and/or 118 123 S= Statistical Sample  
Legally Undefinable Acres Surveyed 10

(\* A parcel hard to cadastrally locate i.e., center of section)  
Description of Findings (attach appendices, if appropriate) 12. Number Sites Found: 2  
Two newly identified cultural sites (42Sa16622 and 16623) No sites = 0  
were recorded during the evaluations. Site 931R/1 (42Sa16622) was  
found in the vicinity of Mustang 26-42 and that well location was therefore moved about 32 meters to the south to  
facilitate avoidance of the prehistoric, significant BMIII single  
habitation structure. Site 931R/2 (42Sa16623) consists of a limited lithic  
scatter, possible campsite, situated outside the eastern periphery of Mustang  
26-44. This site is not considered significant but can be preserved from  
disturbance by restricting the development of the well pad to the west side (over  
Actual/Potential National Register Properties Affected:

The National Register has been consulted and no registered properties will be affected by the developments. The Alkali Ridge Archeological District is outside the project area.

Literature Search, Location/Date: SHPO 9-11-84  
Monticello Area Office 9-12-84

Conclusion/Recommendations:  
AERC recommends that a cultural resource clearance be granted to  
Skyline Oil Company  
based upon adherence to the stipulations noted on the reverse:  
F. R. Hauck

#8 cont.: upgraded for access were examined on foot and from the vehicle. Mustang Unit No. 22-43 was found to be identical with Mustang Unit No. 4 which had been evaluated by AERC in June, 1982 (see report SKOC-82-7, dated 6-18-82). This location was therefore not reexamined by F. R. Hauck during the present on-site inspection.

#11 cont.: of several large trees which have been flagged in red.

In addition to the recording of these two newly identified sites, the archeologist examined the area adjacent to the proposed well locations to determine whether any known resource sites would be adversely affected by the development. The following known sites will not be disturbed by the developments: 42Sa11221 outside access road to No. 26-42

42Sa11167 well out of range of No. 26-42

42Sa11223 and 14048 are not in the vicinity of No. 26-33

42Sa14045 is well out of range of No. 27-43

42Sa 8753 was just outside the southern periphery of Unit 27-43 but will be avoided since location of 27-43 was shifted to the north about 45 meters.

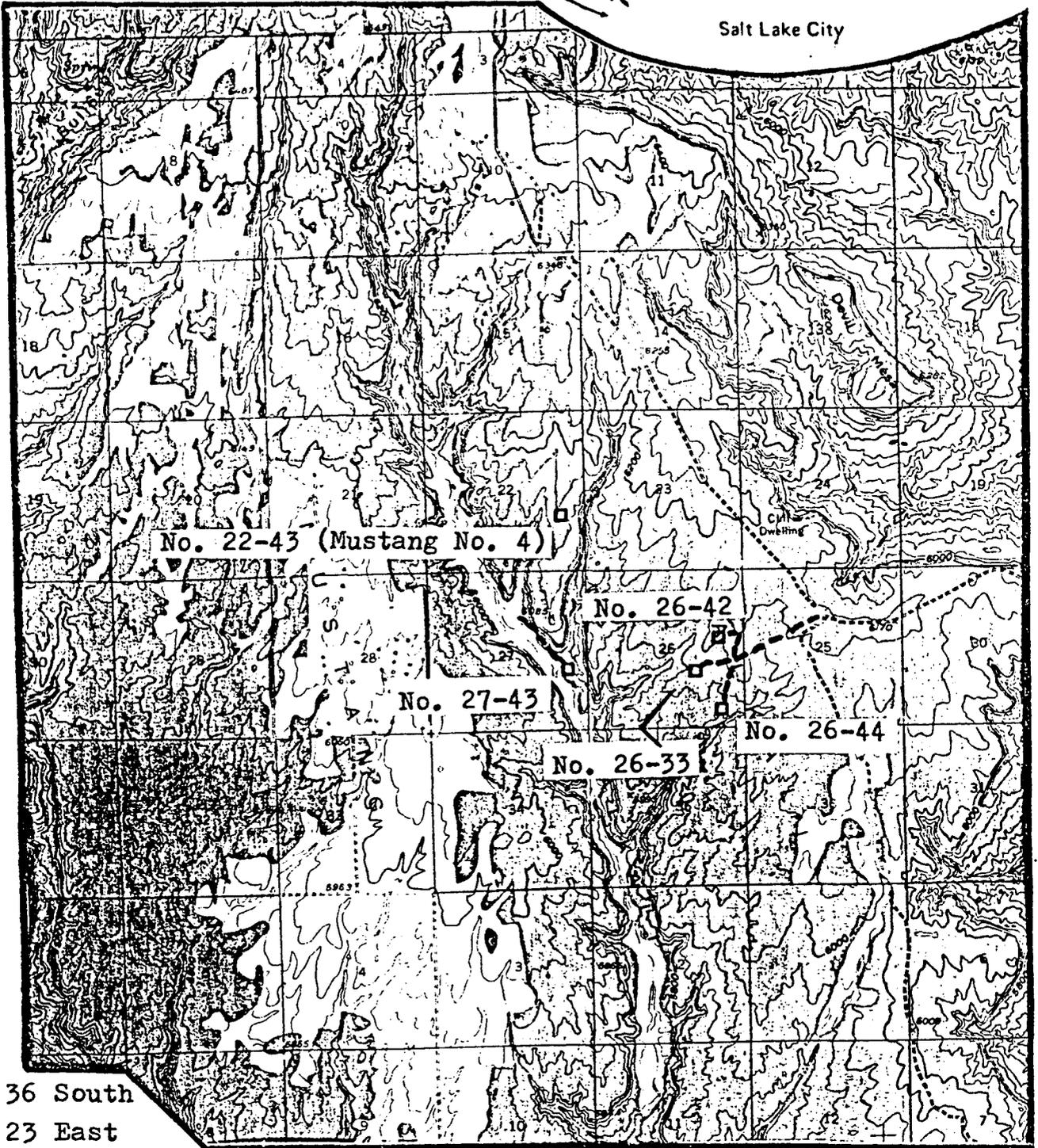
Sites 42Sa13710, 16593, and 14044 are adjacent to the access route to Unit 27-43. Site 42Sa16593, a recently recorded prehistoric ditch and site 42Sa13710, a habitation unit, will be crossed by the northern segment of the access road into Unit 27-43. These sites can be preserved by adherence to the stipulations given below and by placing a gravel road base on the access road in this locality. The western periphery of 42Sa14044 will also be crossed by the access route into Unit 27-43. Disruption of this site by vehicle traffic can be curtailed by having a gravel road base placed in the seismic road that crosses the site. Gravel bases should be from 1 to 1.5 feet in depth and well packed to adequately allow heavy traffic and eliminate any disturbance to these three sites by road grading activities.

#### 16. CONTINUED:

1. All vehicular traffic, personnel movement, and construction be confined to the locations examined and to the evaluated access roads.
2. All personnel refrain from collecting artifacts or from disturbing any cultural resources in the area.
3. A qualified archeologist be consulted should cultural remains from subsurface deposits be exposed during construction work or if the need arises to relocate or otherwise alter the construction area.
4. A qualified archeologist should monitor the construction of the access road and well location for Mustang Unit No. 27-43.
5. A gravel road base should be laid over segments of the access route to No. 27-43 in order to preserve sites 42Sa13710, 16593, and 14044 from disturbance.



Salt Lake City



T. 36 South  
R. 23 East

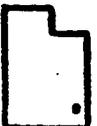
Meridian: Salt Lake B. & M.

Quad:

Project: SKOC-84-4  
Series: San Juan  
Date: 9-21-84

MAP 1  
Cultural Resource Survey  
of Proposed Well Locations  
in the Alkali Canyon Area  
of San Juan County, Utah

Blanding, Utah  
15 minute-USGS



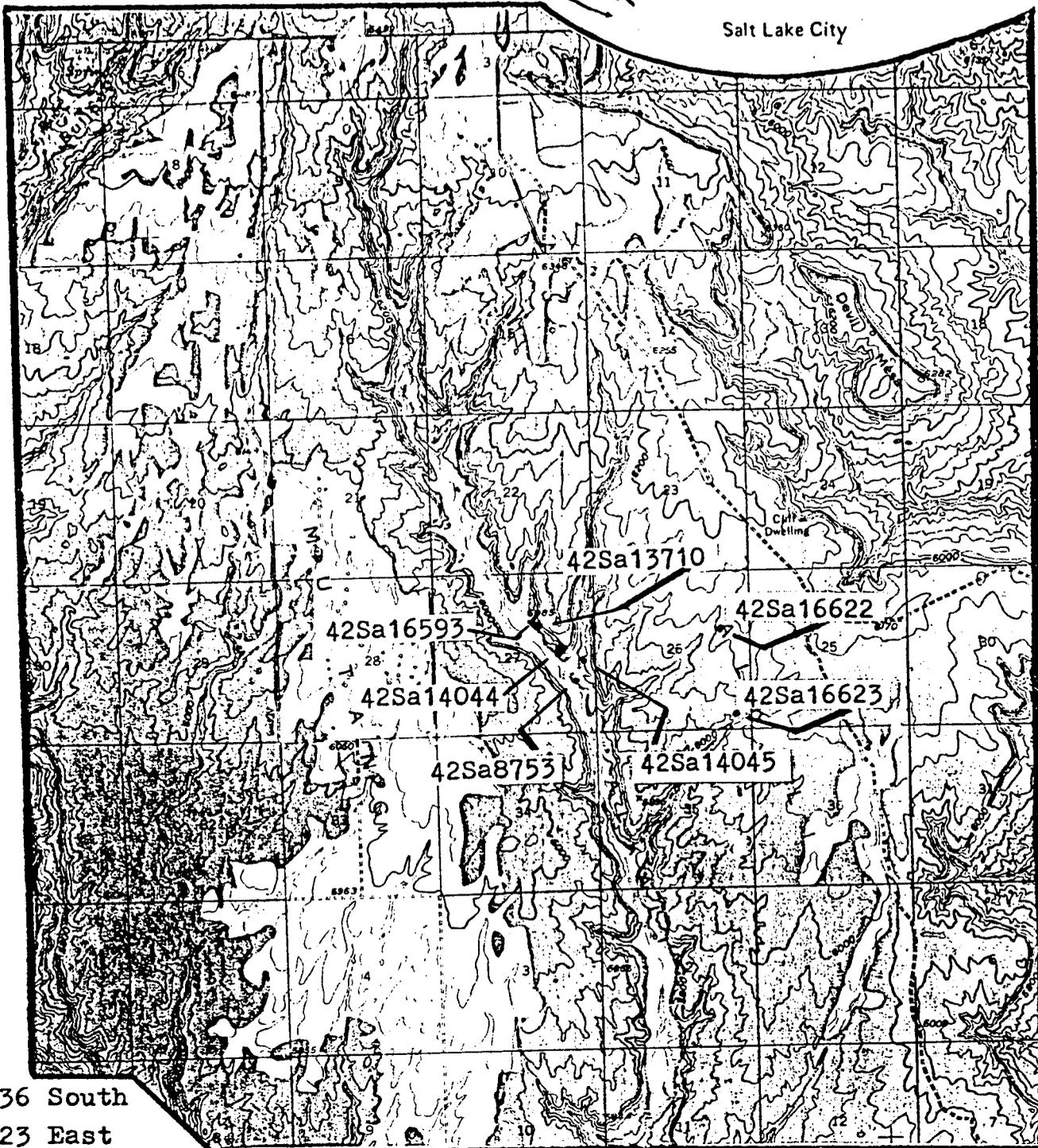
Legend:  
Well Location □  
Access Route - - -



1" = 1 mile



Salt Lake City



T. 36 South  
R. 23 East

Meridian: Salt Lake B. & M.

Quad:

Project: SKOC-84-4  
Series: San Juan  
Date: 9-21-84

MAP 2  
Cultural Resources in  
the Vicinities of Proposed  
Well Locations in the  
Alkali Canyon Locality

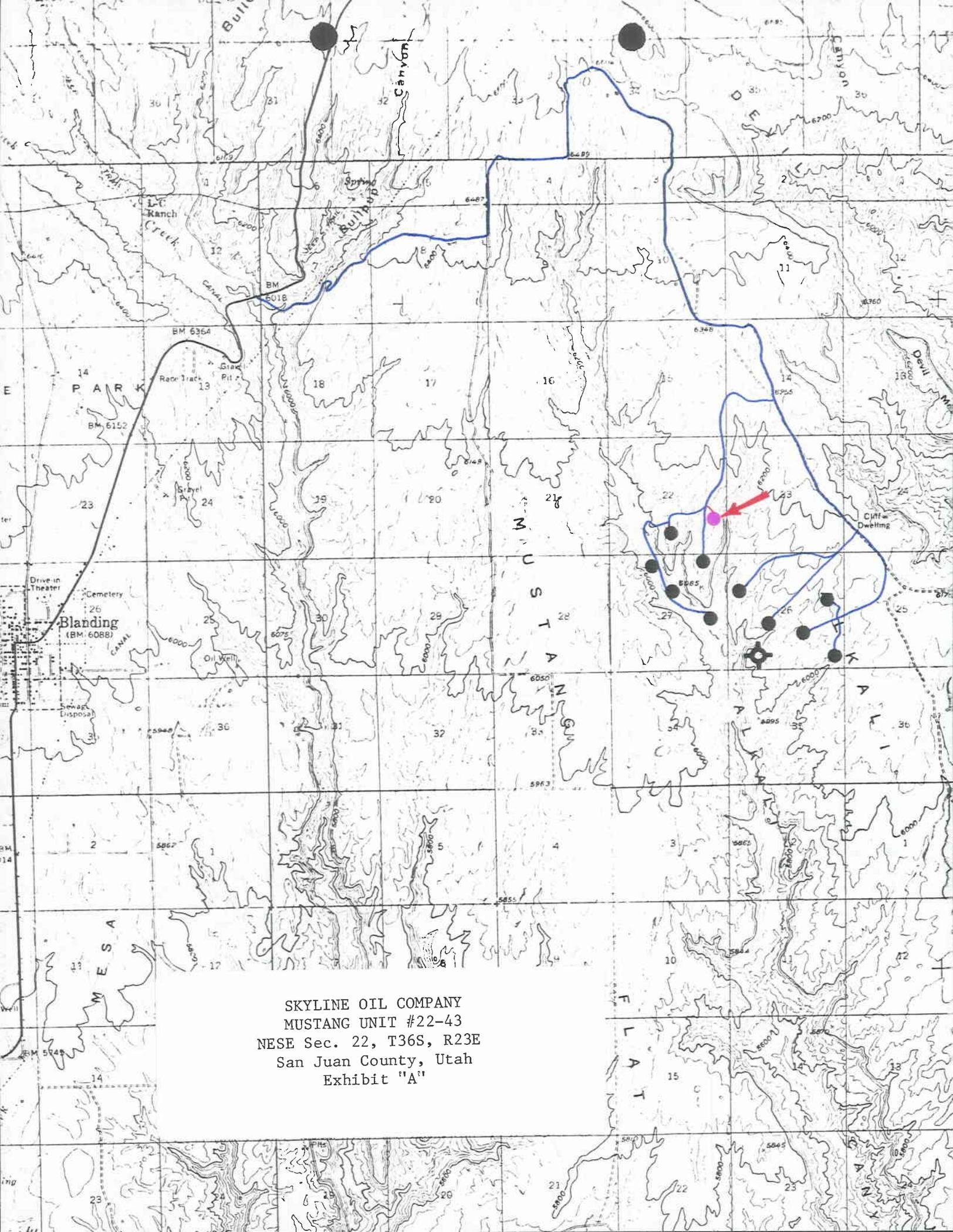
Blanding, Utah  
15 minute-USGS



Legend:  
Cultural Site

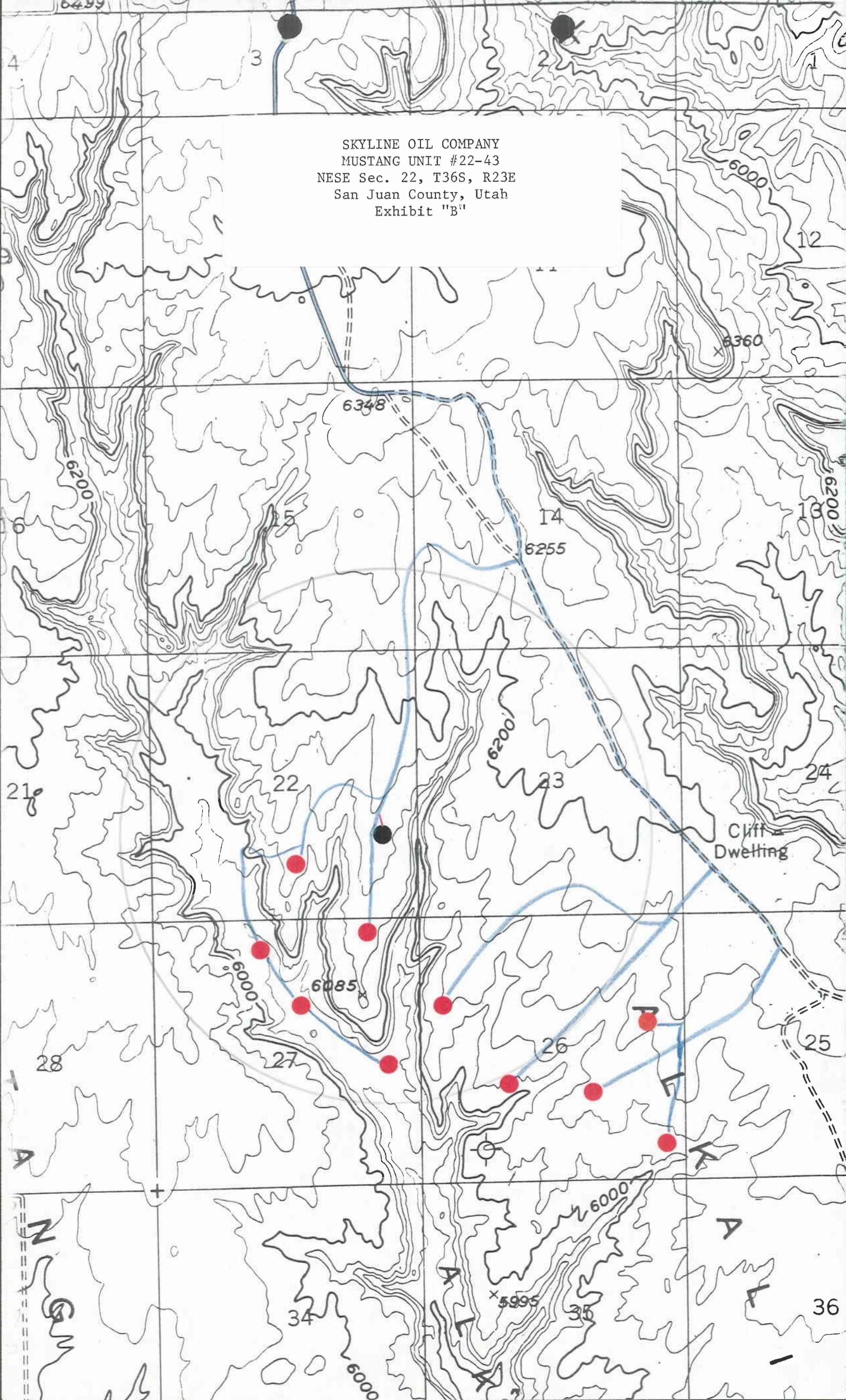


1" = 1 mile



SKYLINE OIL COMPANY  
MUSTANG UNIT #22-43  
NESE Sec. 22, T36S, R23E  
San Juan County, Utah  
Exhibit "A"

SKYLINE OIL COMPANY  
MUSTANG UNIT #22-43  
NESE Sec. 22, T36S, R23E  
San Juan County, Utah  
Exhibit "B"



SKYLINE OIL COMPANY  
MUSTANG UNIT 22-43  
PRODUCTION FACILITIES

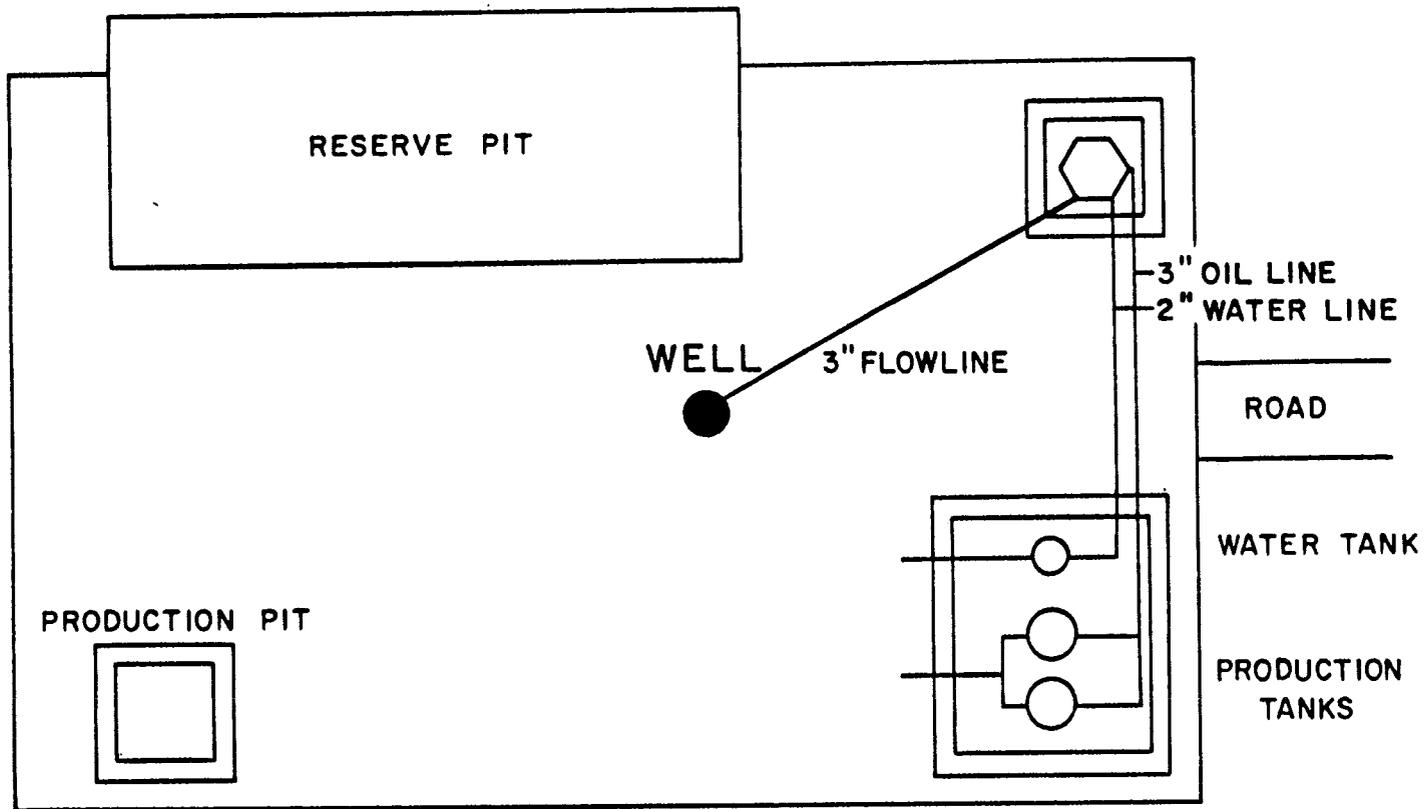


EXHIBIT "C"

SKYLINE OIL COMPANY  
MUSTANG UNIT 22-43  
CROSS SECTIONS

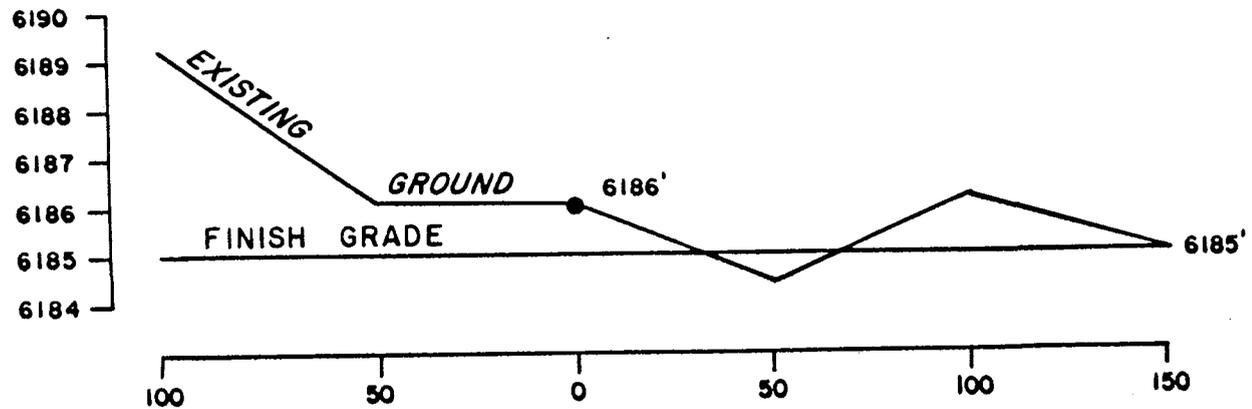
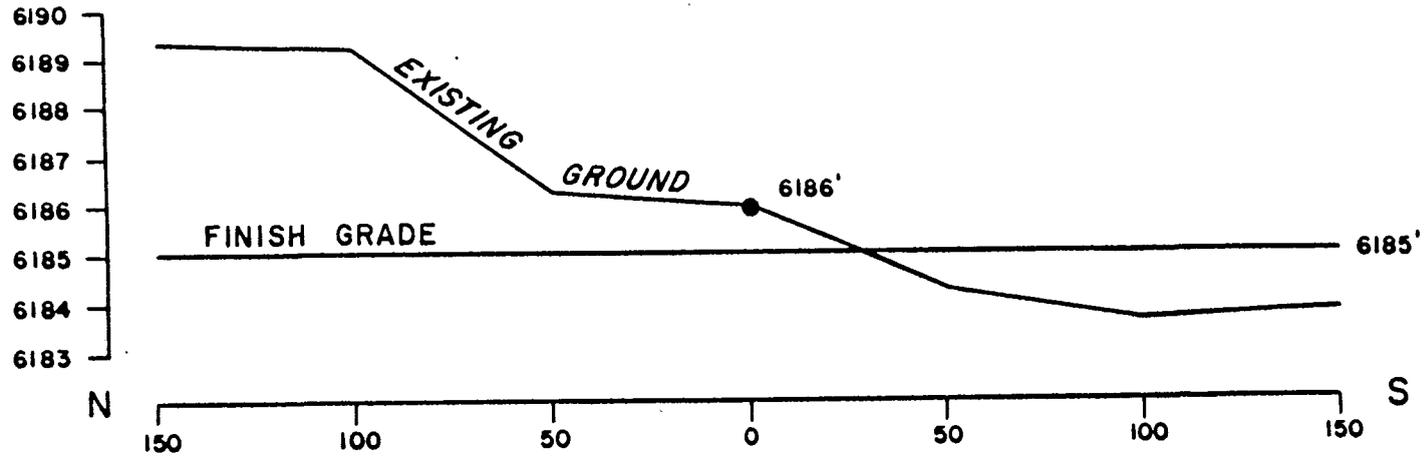


EXHIBIT "D"

SKYLINE OIL COMPANY  
MUSTANG UNIT 22-43  
DRILL SITE LAYOUT

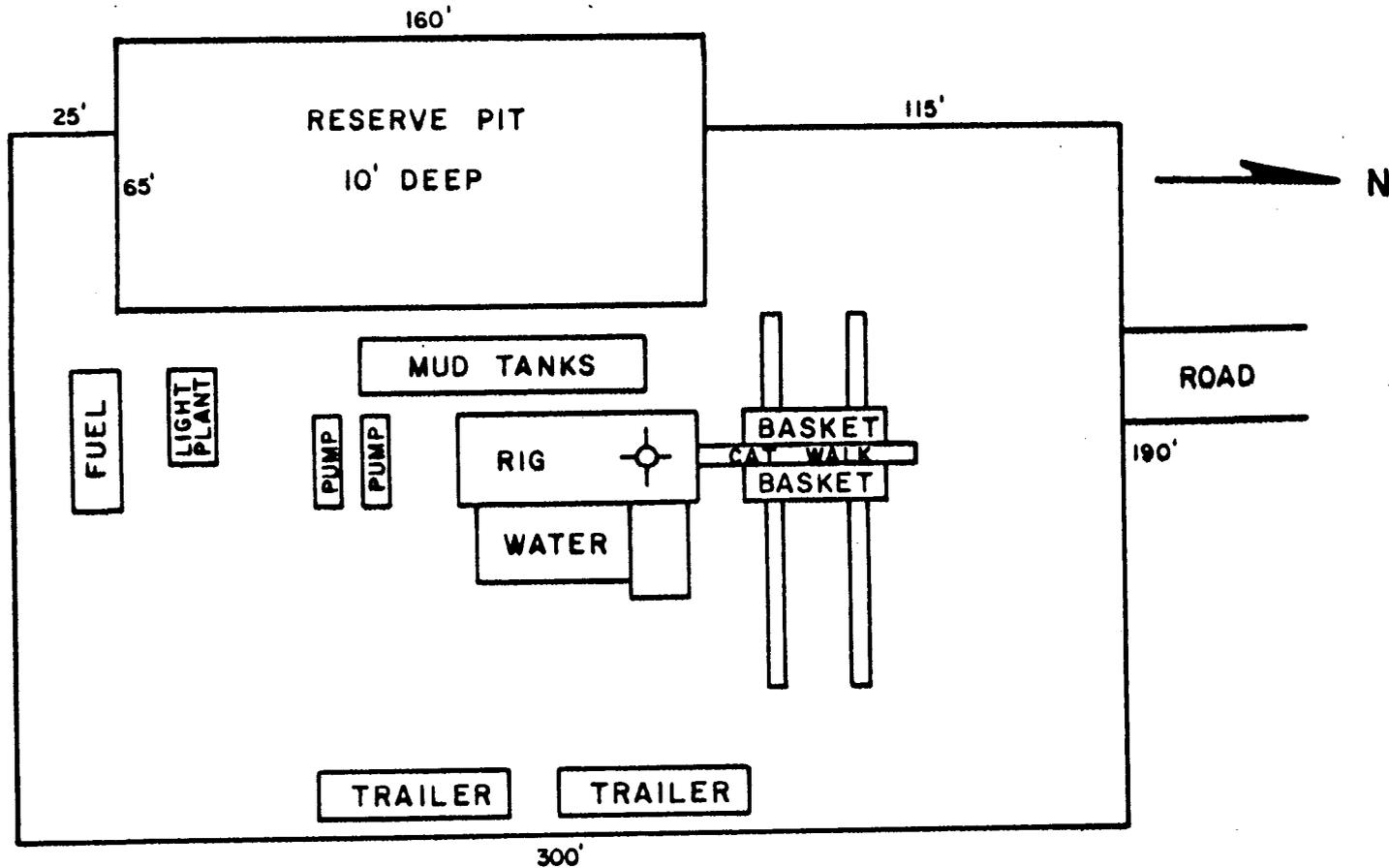


EXHIBIT "E"

RECEIVED

TEMPORARY

Application No.

60393  
09-1393

APPLICATION TO APPROPRIATE WATER

OCT 11 1964

STATE OF UTAH

NOTE: -The information given in the following blanks should be free from explanatory matter, but when necessary, a complete supplementary statement should be made on the following page under the heading "Explanatory."

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, for uses indicated by (X) in the proper box or boxes, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of the Laws of Utah.

1. Irrigation  Domestic  Stockwatering  Municipal  Power  Mining  Other Uses

2. The name of the applicant is Skyline Oil Company

3. The Post Office address of the applicant is 1775 Sherman, Suite 1200, Denver, CO 80203

4. The quantity of water to be appropriated ~~20~~ 20 acre-feet

5. The water is to be used for Oil well drilling from 10 (Month) 1 (Day) to 9 (Month) 30 (Day)

other use period (Minor Purpose) from to (Month) (Day) (Month) (Day)

and stored each year (if stored) from to (Month) (Day) (Month) (Day)

6. The drainage area to which the direct source of supply belongs is (Leave Blank)

7. The direct source of supply is\* Recapture Creek (Name of stream or other source)

which is tributary to San Juan River, tributary to Colorado River

\*Note.-Where water is to be diverted from a well, a tunnel, or drain, the source should be designated as "Underground Water" in the first space and the remaining spaces should be left blank. If the source is a stream, a spring, a spring area, or a drain, so indicate in the first space, giving its name, if named, and in the remaining spaces, designate the stream channels to which it is tributary, even though the water may sink, evaporate, or be diverted before reaching said channels. If water from a spring flows in a natural surface channel before being diverted, the direct source should be designated as a stream and not a spring.

8. The point of diversion from the source is in San Juan County, situated at a point\* NE 1/4 SE 1/4 SE 1/4 Sec. 12, T36S, R22E

\*Note.-The point of diversion must be located definitely by course and distance or by giving the distances north or south, and east or west with reference to a United States land survey corner or United States mineral monument, if within a distance of six miles of either, or if at a greater distance, to some prominent and permanent natural object. No application will be received for filing in which the point of diversion is not defined definitely.

9. The diverting and carrying works will consist of transfer to water hauling truck and moved to drilling site by truck.

10. If water is to be stored, give capacity of reservoir in acre-feet NA height of dam area inundated in acres legal subdivision of area inundated

11. If application is for irrigation purposes, the legal subdivisions of the area irrigated are as follows: NA

Total Acres

12. Is the land owned by the applicant? Yes No X If "No," explain on page 2.

13. Is this water to be used supplementally with other water rights? Yes No X If "yes," identify other water rights on page 2.

14. If application is for power purposes, describe type of plant, size and rated capacity. NA

15. If application is for mining, the water will be used in NA Mining District at the mine, where the following ores are mined

16. If application is for stockwatering purposes, number and kind of stock watered NA

17. If application is for domestic purposes, number of persons NA, or families

18. If application is for municipal purposes, name of municipality NA

19. If application is for other uses, include general description of proposed uses to be used as drilling fluid in oil and gas exploration

20. Give place of use by legal subdivision of the United States Land Survey for all uses described in paragraphs 14 to 19, incl. Sections 22, 26 & 27, Township 36 South, Range 23 East SLB&M, San Juan County, Utah

21. The use of water as set forth in this application will consume 20 acre-feet of water and 0 acre feet will be returned to the natural stream or source at a point described as follows:

EXPLANATORY

The following additional facts are set forth in order to define more clearly the full purpose of the proposed application:

Water is to be used as drilling fluid for Petroleum Exploration.

Drill sites for use of water are located on federally owned land administered by the Bureau of Land Management.

Skyline Oil Company has an agreement with Mr. Norman Johnson of the San Juan Cattleman's Association for use of water from Recapture Creek.

(Use page 4 if additional explanatory is needed.)

The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purpose herein described

*Jay D. Elman*  
Signature of Applicant\*

\*If applicant is a corporation or other organization, signature must be the name of such corporation or organization by its proper officer, or in the name of the partnership by one of the partners, and the names of the other partners shall be listed. If a corporation or partnership, the affidavit below need not be filled in. If there is more than one applicant, a power of attorney, authorizing one to act for all, should accompany the Application.

DECLARATION OF CITIZENSHIP

STATE OF ~~XXXX~~ COLORADO }  
County of Denver } ss

On the 9th day of October, 1984, personally appeared before me, a notary public for the State of Utah, the above applicant who, on oath, declared that he is a citizen of the United States, or has declared his intention to become such a citizen.

My commission expires: August 12, 1987

(SEAL)

*Twyla K. Schwieger*  
Notary Public  
Twyla K. Schwieger  
1775 Sherman Street, Suite 1200  
Denver, Colorado 80203

**FEES FOR APPLICATIONS TO APPROPRIATE WATER IN UTAH**

Flow rate — c.f.s.	Cost	
0.0 to 0.1 .....	\$ 15.00	
over 0.1 to 0.5 .....	30.00	
over 0.5 to 1.0 .....	45.00	
over 1.0 to 15.0 .....	45.00	plus \$7.50 for each cfs above the first cubic
over 15.0 .....	150.00	foot per second.

Storage — acre-feet		
0 to 20 .....	22.50	
over 20 to 500 .....	45.00	
over 500 to 7500 .....	45.00	plus \$7.50 for each 500 a.f. above the first
over 7500 .....	150.00	500 acre feet.

(This section is not to be filled in by applicant)

**STATE ENGINEER'S ENDORSEMENTS**

1. 10/11/84 Application received by mail in State Engineer's office by CO
2. Priority of Application brought down to, on account of .....
3. 10-11-84 Application fee, \$ 15.00, received by J.H. Rec. No. 16757
4. Application microfilmed by ..... Roll No. ....
5. 10-16-84 Indexed by am ..... Platted by .....
6. Application examined by .....
7. Application returned, ..... or corrected by office .....
8. Corrected Application resubmitted by mail to State Engineer's office.
9. Application approved for advertisement by .....
10. Notice to water users prepared by .....
11. Publication began; was completed .....  
Notice published in .....
12. Proof slips checked by .....
13. Application protested by .....
14. Publisher paid by M.E.V. No. ....
15. Hearing held by .....
16. Field examination by .....
17. 11/7/84 Application designated for approval SG & MP
18. 11/21/84 Application copied or photostated by slm proofread by .....
19. 11/21/84 Application approved ~~rejected~~
20. **Conditions:**

This Application is approved, subject to prior rights, as follows:

- a. Actual construction work shall be diligently prosecuted to completion.
- b. Proof of Appropriation shall be submitted to the State Engineer's office by NPR
- c. TEMPORARY APPROVAL -- EXPIRES September 30, 1985.

*Dee C. Hansen*  
Dee C. Hansen, P.E., State Engineer

21. Time for making Proof of Appropriation extended to .....
22. Proof of Appropriation submitted.
23. Certificate of Appropriation, No. ...., issued

Application No. 60393

OPERATOR Skylone Oil Co. DATE 10-23-84

WELL NAME Mustang Unit # 26-42

SEC SE NE 26 T 36S R 28E COUNTY San Juan

43-037-31110  
API NUMBER

Oil  
TYPE OF LEASE

POSTING CHECK OFF:

<input type="checkbox"/>	INDEX	<input type="checkbox"/>	HL	<input type="checkbox"/>
<input type="checkbox"/>	NID	<input type="checkbox"/>	PI	<input type="checkbox"/>
<input type="checkbox"/>	MAP	<input type="checkbox"/>		<input type="checkbox"/>

PROCESSING COMMENTS:

Unit well - R POD 11/14/84

Water of

---



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APPROVAL LETTER:

SPACING:  A-3 Mustang UNIT  c-3-a \_\_\_\_\_ CAUSE NO. & DATE

c-3-b  c-3-c

SPECIAL LANGUAGE: STIPULATIONS

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RECONCILE WELL NAME AND LOCATION ON APD AGAINST SAME DATA ON PLAT MAP.

AUTHENTICATE LEASE AND OPERATOR INFORMATION

VERIFY ADEQUATE AND PROPER BONDING

AUTHENTICATE IF SITE IS IN A NAMED FIELD, ETC.

APPLY SPACING CONSIDERATION

ORDER \_\_\_\_\_

UNIT \_\_\_\_\_

c-3-b

c-3-c

CHECK DISTANCE TO NEAREST WELL.

CHECK OUTSTANDING OR OVERDUE REPORTS FOR OPERATOR'S OTHER WELLS.

IF POTASH DESIGNATED AREA, SPECIAL LANGUAGE ON APPROVAL LETTER

IF IN OIL SHALE DESIGNATED AREA, SPECIAL APPROVAL LANGUAGE.

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

SUBMIT IN TRIPlicate  
(Other Instructions reverse side)

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. <b>OIL WELL</b> <input type="checkbox"/> <b>GAS WELL</b> <input checked="" type="checkbox"/> <b>OTHER</b> <input type="checkbox"/>		5. <b>LEASE DESIGNATION AND SERIAL NO.</b> U-23352
2. <b>NAME OF OPERATOR</b> Texas Eastern Skyline Oil Company		6. <b>IF INDIAN, ALLOTTEE OR TRIBE NAME</b>
3. <b>ADDRESS OF OPERATOR</b> 1775 Sherman, Suite 1200, Denver, CO 80203		7. <b>UNIT AGREEMENT NAME</b> Mustang
4. <b>LOCATION OF WELL</b> (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface  2091' FNL and 709' FEL (SE NE) Sec 26, T36S, R23E		8. <b>FARM OR LEASE NAME</b> Mustang Unit
14. <b>PERMIT NO.</b>	15. <b>ELEVATIONS</b> (Show whether DF, RT, OR, etc.) OGL-6144'	9. <b>WELL NO.</b> 26-42
		10. <b>FIELD AND POOL, OR WILDCAT</b> Mustang Flat
		11. <b>SEC., T., R., M., OR BLE. AND SURVEY OR AREA</b> Sec. 26 T36S, R23E SLB & M
		12. <b>COUNTY OR PARISH</b> 13. <b>STATE</b> San Juan Utah

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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input checked="" type="checkbox"/>	(Other) <input type="checkbox"/>	
(Other) <input type="checkbox"/>		(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

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

Texas Eastern Skyline Oil Company respectfully requests the following changes be made to the approved Application for Permit to Drill:

- A. Change the BOP diagram to that configuration shown on the attached diagram.
- B. Change item 5 of Attachment "A" to read, "and test BOP to 1,000 psi" instead of "and test BOP to 2,000 psi."

**RECEIVED**  
NOV 23 1984

DIVISION OF  
OIL, GAS & MINING

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

SIGNED Michael W. Anderson TITLE Staff Engineer DATE 11/20/84

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

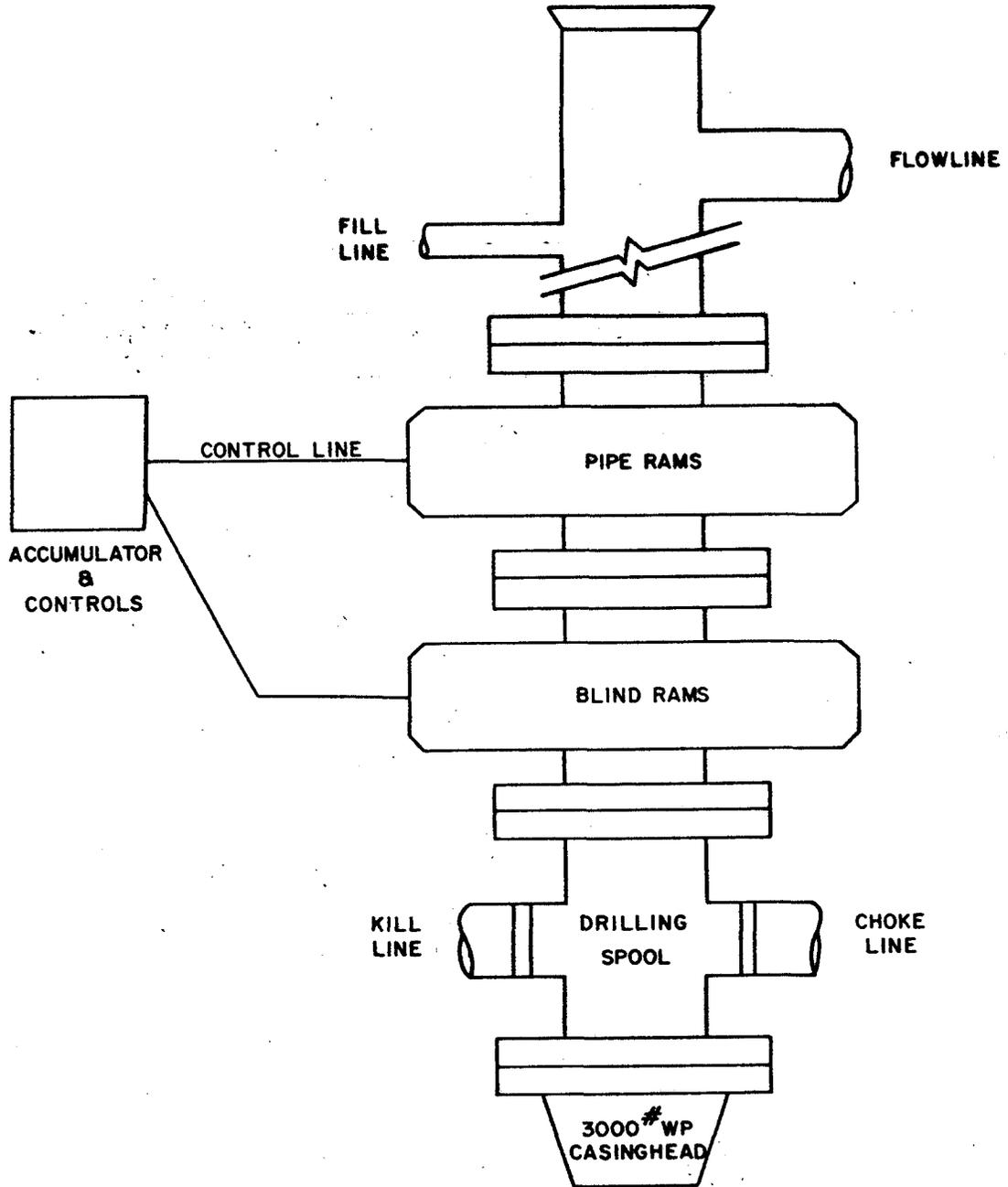
CONDITIONS OF APPROVAL, IF ANY:

Federal approval of this action is required before commencing operations.

\*See Instructions on Reverse Side

**ACCEPTED**  
**APPROVED BY THE STATE**  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING  
DATE: 11/23/84  
BY: John R. Bay

# SKYLINE OIL COMPANY



BLOWOUT PREVENTER SCHEMATIC

3000 psi WORKING PRESSURE

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  
 Skyline Oil Company

3. ADDRESS OF OPERATOR  
 1775 Sherman Street, Suite 1200, Denver, CO 80203

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
 At surface  
 2091' FNL & 709' FEL (SE NE) Sec. 26, T.36S., R.23E.  
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 Same  
 6 miles east of Blanding, Utah

10. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1929

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1898

16. NO. OF ACRES IN LEASE 960

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

19. PROPOSED DEPTH 6600'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 Original Ground Level - 6144'

22. APPROX. DATE WORK WILL START\*  
 January 1, 1985

5. LEASE DESIGNATION AND SERIAL NO.  
 U-23352

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME  
 Mustang

8. FARM OR LEASE NAME  
 Mustang Unit

9. WELL NO.  
 26-42

10. FIELD AND POOL, OR WILDCAT  
 Mustang Flat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 Sec. 26, T.36S., R.23E, SLB&M

12. COUNTY OR PARISH  
 San Juan

13. STATE  
 Utah

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
18"	14"	Tinhorn	50'	Redi-Mix
12 1/2"	9-5/8"	36#	2270'	800 sx.
8-3/4"	5 1/2"	15.5#	6600'	550 sx.

See attached 10-Point Plan and Multipoint Surface Use and Operations Plan for additional information.

RECEIVED

NOV 6 1984

DIVISION OF OIL  
GAS & MINING

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

24. SIGNED Michael D. Anderson TITLE Staff Engineer DATE 10-9-84

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
 APPROVED BY /s/ GENE NODINE TITLE DISTRICT MANAGER DATE 19 NOV 1984  
 CONDITIONS OF APPROVAL, IF ANY:

NOTICE OF APPROVAL

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

\*See Instructions On Reverse Side

ONSITE

DATE: September 13, 1984

PARTICIPANTS:

TITLES:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Your contact with the District Office is: Robert (Bob) Graff

Office Phone: 801-259-6111

Home Phone: 801-259-6088

City: 82 Dogwood, Moab

State: Utah 84532

Resource Area Manager's address and contacts are:

Address: 480 South First West, P. O. Box 7, Monticello, UT 84535

Your contact is: Richard "Rich" McClure

Office Phone: 801-587-<sup>2201</sup>~~2874~~

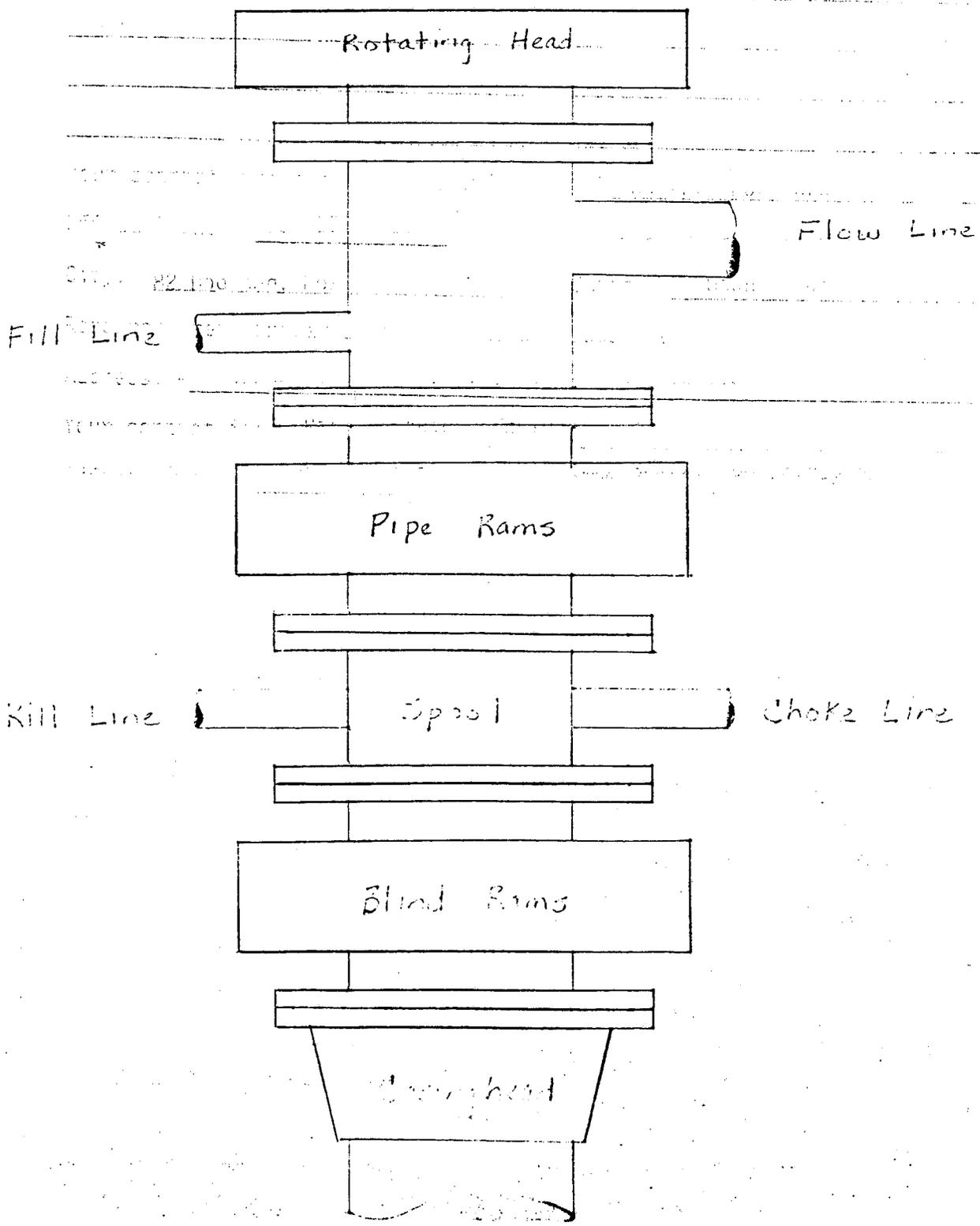
Home Phone: 801-587-2874

Skyline Oil Company

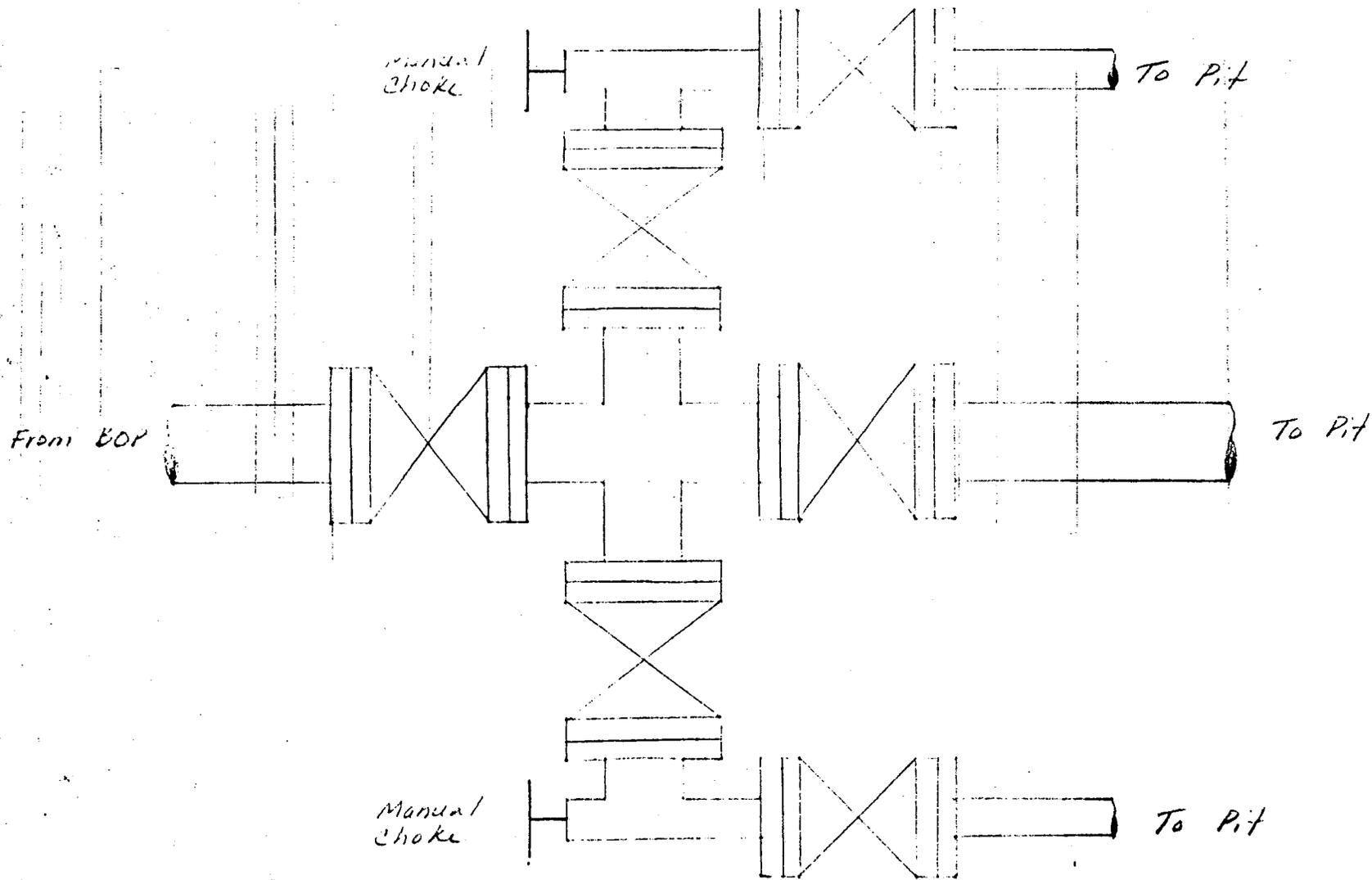
REC'D MDO OCT 18 1984

Mustang Unit # 26-42

Blowout Preventer Diagram



Skylime Oil Company  
Mustang Unit # 25-42  
Choke Manifest Diagram



REC'D MOG OCT 19 1984

DECISION RECORD AND  
FINDING OF NO SIGNIFICANT IMPACT

I. PROJECT IDENTIFICATION

EA No. <u>UT-069-85-08X</u>	Project Type: <u>Oil &amp; Gas Drilling</u>
Operator <u>Skyline Oil Company</u>	Lease/ <del>POW</del> No. <u>U-23352</u>
Project Location <u>T. 36 S.,</u>	Other Info. <u>Mustang Unit 26-42 Well</u>
<u>R. 23 E., Sec. 26: SE<math>\frac{1}{4}</math>NE<math>\frac{1}{4}</math></u>	
Submittal Date: _____	Field Insp. Date: <u>9/13/84</u>

II. DECISION RECORD

A. Decision:

I concur with approval of the Application for Permit to Drill.

B. Rationale:

The surface use plan of the APD will prevent significant impacts to the environment.

C. Environmental Considerations:

See II. B.

D. STIPULATIONS:

None

III. FINDING OF NO SIGNIFICANT IMPACT  
(Does not apply to Categorical Exclusions)

Based on the analysis of potential environmental impacts contained in this Environmental Assessment, I have determined that impacts are not expected to be significant. Therefore an Environmental Impact Statement is not required.

Edward P. Schick  
Area Manager

10/18/84  
Date

UNITED STATES  
 DEPARTMENT OF THE INTERIOR  
 BUREAU OF LAND MANAGEMENT

CONFIRMATION/REPORT OF TELEPHONE CONVERSATION

<b>T O</b>	<b>Name</b> Robert Graff, Petroleum Engineer	<b>F R O M</b>	<b>Name</b> Robert Hendricks, Acting Chief
	<b>Office</b> Branch of Fluid Minerals, Moab District		<b>Office</b> Branch of Fluid Minerals, USO
	<b>Location</b> Moab, Utah		<b>Location</b> Salt Lake City, Utah
	<b>Telephone Number</b> 801-259-6111 Ext-216		<b>Telephone Number</b> 801-524-3023

**Purpose of Call:**

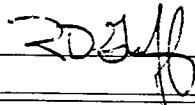
Robert Hendricks called down with verbal approval on Skyline Oil Company's Plan of Development on the Mustang Unit.

Skyline would like for us to process Well 27-43 as soon as possible.

**Explanatory Remarks:**

There are no known mineral rights in the area of the Mustang Unit. The only mineral rights known in the area are not expected to be significant. Therefore, an independent lease agreement is not required.

November 14, 1984  
 (Date)

  
 (Signature)



STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

Scott M. Matheson, Governor  
Temple A. Reynolds, Executive Director  
Dianne R. Nielson, Ph.D., Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

November 29, 1984

Skyline Oil Company  
1775 Sherman Street, Suite 1200  
Denver, Colorado 80203

Gentlemen:

Re: Well No. Mustang Unit #26-42 - SE NE Sec. 26, T. 36S, R. 23E  
2091' FNL, 709' FEL - San Juan County, Utah

Approval to drill the above referenced oil well is hereby granted in accordance with Section 40-6-18, Utah Code Annotated, as amended 1983; and predicated on Rule A-3, General Rules and Regulations and Rules of Practice and Procedure.

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

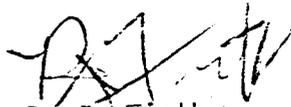
1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695 or R. J. Firth, Associate Director, (Home) 571-6068.
4. Compliance with the requirements and regulations of Rule C-27, Associated Gas Flaring, General Rules and Regulations, Oil and Gas Conservation.

Skyline Oil Company  
Well No. Mustang Unit #26-42  
November 29, 1984  
Page 2

5. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-037-31110.

Sincerely,



R. J. Firth  
Associate Director, Oil & Gas

as  
Enclosures  
cc: Branch of Fluid Minerals

NAME	ACTION CODE(S)	INTL
NORM		<i>N</i>
TAMI		<i>T</i>
VICKY		<i>V</i>
CLAUDIA		
STEPHANE		
CHARLES		
RULA		
MARY ALICE		
CONNIE		
MILLIE		
PAM	<i>5, FILE</i>	

Required Action Code

1. Data Entry
2. Filming
3. Posting
  - a. Card Index
  - b. File Label
  - c. Lists
4. Bonding Verification
5. Other (See Norm)

ROUTE A COPY OF JOHN'S RESCIND LTR  
AS THE ACTION LTR TO CLOSE OUT  
OF DRLG

Dr.

RECEIVED  
MAR 11 1986

3162 (U-065)  
(U-23352)

Moab District  
P. O. Box 970  
Moab, Utah 84532

DIVISION OF  
OIL, GAS & MINING

MAR 10 1986

Texas Eastern Skyline Oil Company  
1200 Mellon Financial Center  
1775 Sherman Street  
Denver, CO 80203

Re: Rescinding Application for  
Permit to Drill  
Well No. Mustang Unit 26-42  
Sec. 26, T. 36 S., R. 23 E.  
San Juan County, Utah  
Lease U-23352

Gentlemen:

The Application for Permit to Drill the referenced well was approved on November 19, 1984. Since that date, no known activity has transpired at the approved location.

Applications for permit to drill are effective for a period of one year. In view of the foregoing, this office is rescinding the approval of the referenced application.

Should you intend to drill at this location at a future date, a new application for permit to drill must be submitted.

If you have any questions, please contact the Branch of Fluid Minerals at (801) 259-6111.

Sincerely,  
/S/ GENE NODINE

District Manager

cc:  
State of Utah, Division of Oil, Gas and Mining ✓  
San Juan Resource Area

bcc:  
U-942, Utah State Office

CFreudiger/cf 3/10/86

3-28-86

Norm,

BLM has not rec'd  
a 1986 Plan of operation  
for Mustang Unit. They will  
informe us when they do.  
I would prefer to wait  
until I see something  
from them before we  
take action. The wells  
are listed on the 1985  
plan for drilling in '85.  
But no further info. is  
available

- JRB



STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

Norman H. Bangerter, Governor  
Dee C. Hansen, Executive Director  
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

April 4, 1986

Texas Eastern Skyline Oil Company  
1200 Mellon Financial Center  
1775 Sherman Street  
Denver, Colorado 80203

Gentlemen:

RE: Well No. Mustang Unit #26-42, Sec.26, T.36S, R.23E,  
San Juan County, Utah, API NO. 43-037-31110

In concert with action taken by the U.S. Bureau of Land Management, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval, prior to future drilling of the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,

A handwritten signature in cursive script that reads "John R. Baza".

John R. Baza  
Petroleum Engineer

cc: BLM-Moab  
D. R. Nielson  
R. J. Firth  
Well file  
0278T-26

ROUTING/ACTION FORM

4-2-86

SEQ	NAME	ACTION	INITIAL
	NORM		
2	TAMI	3A, 5	TA
	VICKY		
3	CLAUDIA	✓	CJ
	STEPHANE		
	CHARLES		
4	RULA	2 WHOLE FILE	
	MARY ALICE		
	CONNIE		
	MILLIE		
	RON		
1	JOHN	6, 7, PLEASE ROUTE BACK TO NORM	JRS
	GIL		
5	PAM	4, 5	PK.

NOTES:

12LM HAS RESCINDED APP

ACTION CODE

1. DATA ENTER
2. FILM
3. POST
a. CARD FILE
b. FILE LABEL
c. LISTS
4. FILE
5. RELOCATE FILE OR CARD
6. DECISION
7. PREPARE LETTER
12. OTHER - SEE NOTES