

RECEIVED
NOV 21 1984

DIVISION OF
OIL, GAS & MINING

November 21, 1984

Skyline Oil Company
1775 Sherman, Suite 1200
Denver, CO 80203

Dear Applicant:

RE: TEMPORARY APPLICATION
NUMBER 09-1393 (T60393)

Enclosed is a copy of approved Temporary Application Number 09-1393 (T60393). This is your authority to construct your works and to divert the water for the uses described.

While this approved application does give you our permission to divert and use water, it does not grant easements through public or private lands in order to gain access to the source nor to convey the water to the place of use, nor does this approval eliminate the need for such other permits as may be required by this Division or any other agency in implementing your diversion.

This application will expire September 30, 1985, and it is expected that no diversion or use of the water will be done after that date unless another proposal has been made and approved.

Your contact with this office, should you need it is with the Area Engineer, Mark Page. The telephone number is (801)637-1303.

Yours truly,

Dee C. Hansen, P. E.
State Engineer

TEMPORARY

DCH:slm

Encl.: Copy of approved Temporary Application

SKYLINE 
Oil Company

A TEXAS EASTERN COMPANY

RECEIVED

OCT 11 1984

WATER RIGHTS

October 9, 1984

State of Utah
Division of Water Rights
1636 West North Temple
Salt Lake City, UT

Re: Temporary Application
to Appropriate Water
in Utah
San Juan County, Utah

Gentlemen:

Attached please find Skyline Oil Company's application to Temporarily Appropriate water in San Juan County, Utah. We respectfully request that you give prompt consideration to this appropriation. This application is in essence our extension of a previous appropriation (59313 09-1308) that expired 9-14-84.

If you have any questions concerning this appropriation, please contact the undersigned at (303) 860-9031. Your prompt consideration of this application is appreciated.

Sincerely,



Michael D. Anderson
Staff Engineer

MDA:bjs

Att.

RECEIVED

TEMPORARY

Application No.

60 393
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 1 to 9 30 85
(Major Purpose) (Month) (Day) (Month) (Day)

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

and stored each year (if stored) from (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

W. Jay D. Ellison
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 ~~UTAH~~ 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.

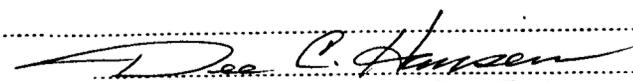
(This section is not to be filled in by applicant)

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. 16737
4. Application microfilmed by Roll No.
5. 10-16-84 Indexed by Om Platted by
6. Application examined by
7. Application returned, or corrected by office
8. Corrected Application resubmitted by mail over counter 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 ~~rejection~~ approval SG & MP
18. 11/21/84 Application copied or photostated by slm proofread by
19. 11/21/84 Application ~~rejected~~ approved

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, 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

TEXAS 
EASTERN
Skyline Oil Company
A TEXAS EASTERN COMPANY

RECEIVED

MAR 14 1985

DIVISION OF OIL
GAS & MINING

March 11, 1985

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

Re: Application for Permit to Drill
Mustang Unit #22-23
NE SW Sec. 22, T36S, R23E
San Juan County, Utah

Gentlemen:

Attached please find the above-referenced APD submitted in triplicate. Drilling water for this project will be obtained from Recapture Creek and has been approved by the State Engineer by Temporary Application number 09-1393 (T60393). A copy of the permit was previously sent to your office.

If you have any questions concerning this matter, please contact me at your convenience.

Sincerely,

TEXAS EASTERN SKYLINE OIL COMPANY



Michael D. Anderson
Staff Engineer

MDA:sdc
Enclosures

REC'D MDO, MAR 14 1985

Form 3160-3
(November 1983)
(formerly 9-331C)

SUBMIT IN TRIPlicate
(Other instructions on
reverse side)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
 Texas Eastern Skyline Oil Company

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
 1520' FSL & 1520' FWL (NE SW) Sec. 22, T36S-R23E
 At proposed prod. zone
 Same

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

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 1520'

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1414'

16. NO. OF ACRES IN LEASE 1520

17. NO. OF ACRES ASSIGNED TO THIS WELL 80

19. PROPOSED DEPTH 6500'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) OGL-5968'

22. APPROX. DATE WORK WILL START* April 15, 1985

5. LEASE DESIGNATION AND SERIAL NO.
 U-23521

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
 Mustang

8. FARM OR LEASE NAME ISMAY PA "A"
 Mustang Unit

9. WELL NO.
 #22-23

10. FIELD AND POOL, OR WILDCAT
 Mustang Flat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 22, T36S, R23E, SLB&M

12. COUNTY OR PARISH San Juan

13. STATE Utah

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
22"	16"	Conductor	40'	Redi-mix
12 1/4"	9 5/8"	36#	2230'	900 sx
8 3/4"	5 1/2"	15.5#	6500'	650 sx

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

RECEIVED

MAR 28 1985

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. Adams TITLE Staff Engineer DATE March 8, 1985

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY /s/ GENE NOODINE TITLE DISTRICT MANAGER DATE 25 MAR 1985

CONDITIONS OF APPROVAL ATTACHED
 FLARING OR VENTING OF GAS IS SUBJECT OF NTL 4-A
 DATED 1/1/80
 *See Instructions On Reverse Side

State of Utah-DOG/M

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

R 23 E

S 89° 51' W

2638'

2638'

T
36
S

N 0° 02' W 5280'

N 0° 01' W 5280'

22

EAST
1520'

MUSTANG UNIT 22-23

O.G. ELEV. = 5963

NORTH
1520'

21 | 22

28 | 27

FD. B.C.

2638' (2534' MEAS.)

FD. B.C.
1/4 COR.

N 89° 54' W

2638'

22 | 25

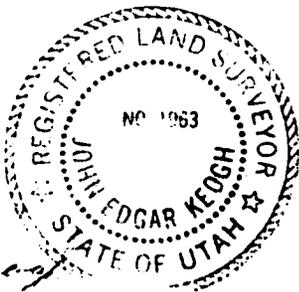
27 | 26

FD. B.C.

BEARING FROM S. LINE, S.W. 1/4, SEC. 22 (N 89° 54' W)

NOTE: BOUNDARY CALLS
ARE RECORD G.L.C. TWP. MAP

WELL LOCATION PLAT OF
MUSTANG UNIT 22-23 IN
NE 1/4 SW 1/4, SEC. 22, T. 36 S., R. 23 E., S. 1 E. 4 M.
SAN JUAN COUNTY, UTAH
TRANSIT & E.D.M. SURVEY
FOR: SKYLINE OIL COMPANY
SCALE: 1" = 1000' DEC. 10, 1984



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

ELEV. BY VER. ANGLES FROM:
U.S.G.S. TOPO. QUAD "BLANDING, UTAH",
1957 (S.W. COR. SEC. 22 = 6080)

Texas Eastern Skyline Oil Company
Well No. Mustang Unit 22-23
NESW Sec. 22, T. 36 S., R. 23 E.
San Juan County, Utah
Lease U-23521

Supplemental Stipulations:

1. All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.
2. An encroachment permit will be obtained from the San Juan County Road Dept., (801) 587-2231, ext. 43.
3. An archaeologist will monitor initial construction of the location to insure that no buried cultural resources will be destroyed during construction activities.
4. Hydraulic controls for the BOP shall be placed on the rig floor and on the ground level in remote location.
5. The accumulator system shall conform to the minimum standards of API Bulletin RP53 section 5-A.
6. A BOP drill shall be conducted prior to drilling out each casing shoe, however, such drill shall not be required more frequently than one per week.
7. All BOP drills and operations shall be recorded in the driller's log.
8. Ram-type preventers and related control equipment must be tested to the rated working pressure of the stack assembly, or to 70 percent of the minimum internal yield pressure of the casing, whichever is less.
9. Your contact with the District Office is:
Robert (Bob) Graff, Petroleum Engineer, Office Phone: 801-259-6111 Ext 216
Home Phone: 801-259-6088
Gregg Noble, Petroleum Engineer, Office Phone: 801-259-6111 Ext 229
Home Phone: 801-259-8811
Address: 82 East Dogwood, P.O. Box 970
Moab, Utah 84532

Resource Area Manager's address and contacts are: San Juan Resource Area
Richard McClure, Natural Resource Specialist
Office Phone: 801-587-2201
Home Phone: 801-587-2874
Address: 480 South First West, P.O. Box 7
Monticello, Utah 84535

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
 Texas Eastern Skyline Oil Company *303-860-4031*

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface
 1520' FSL & 1520' FWL (NE SW) Sec. 22, T36S-R23E
 At proposed prod. zone
 Same

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

16. NO. OF ACRES IN LEASE
 1520

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 1414'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 OGL-5968'

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
22"	16"	Conductor	40'	Redi-mix
12 1/4"	9 5/8"	36#	2230'	900 sx
8 3/4"	5 1/2"	15.5#	6500'	650 sx

5. LEASE DESIGNATION AND SERIAL NO.
 U-23521

6. IF INDIAN, ALLOTTED OR TRIBE NAME

7. UNIT AGREEMENT NAME
 Mustang

8. FARM OR LEASE NAME
 Mustang Unit

9. WELL NO.
 #22-23

10. FIELD AND POOL, OR WILDCAT
 Mustang Flat

11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA
 Sec. 22, T36S, R23E, SLB&M

12. COUNTY OR PARISH
 San Juan

13. STATE
 Utah

16. NO. OF ACRES IN LEASE
 1520

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 1414'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 OGL-5968'

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
22"	16"	Conductor	40'	Redi-mix
12 1/4"	9 5/8"	36#	2230'	900 sx
8 3/4"	5 1/2"	15.5#	6500'	650 sx

17. NO. OF ACRES ASSIGNED TO THIS WELL
 80

20. ROTARY OR CABLE TOOLS
 Rotary

22. APPROX. DATE WORK WILL START*
 April 15, 1985

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: 3/26/85
 BY: John R. Bair
 WELL SPACING: A-3 (Unit)

RECEIVED

MAR 14 1985

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 March 8, 1985

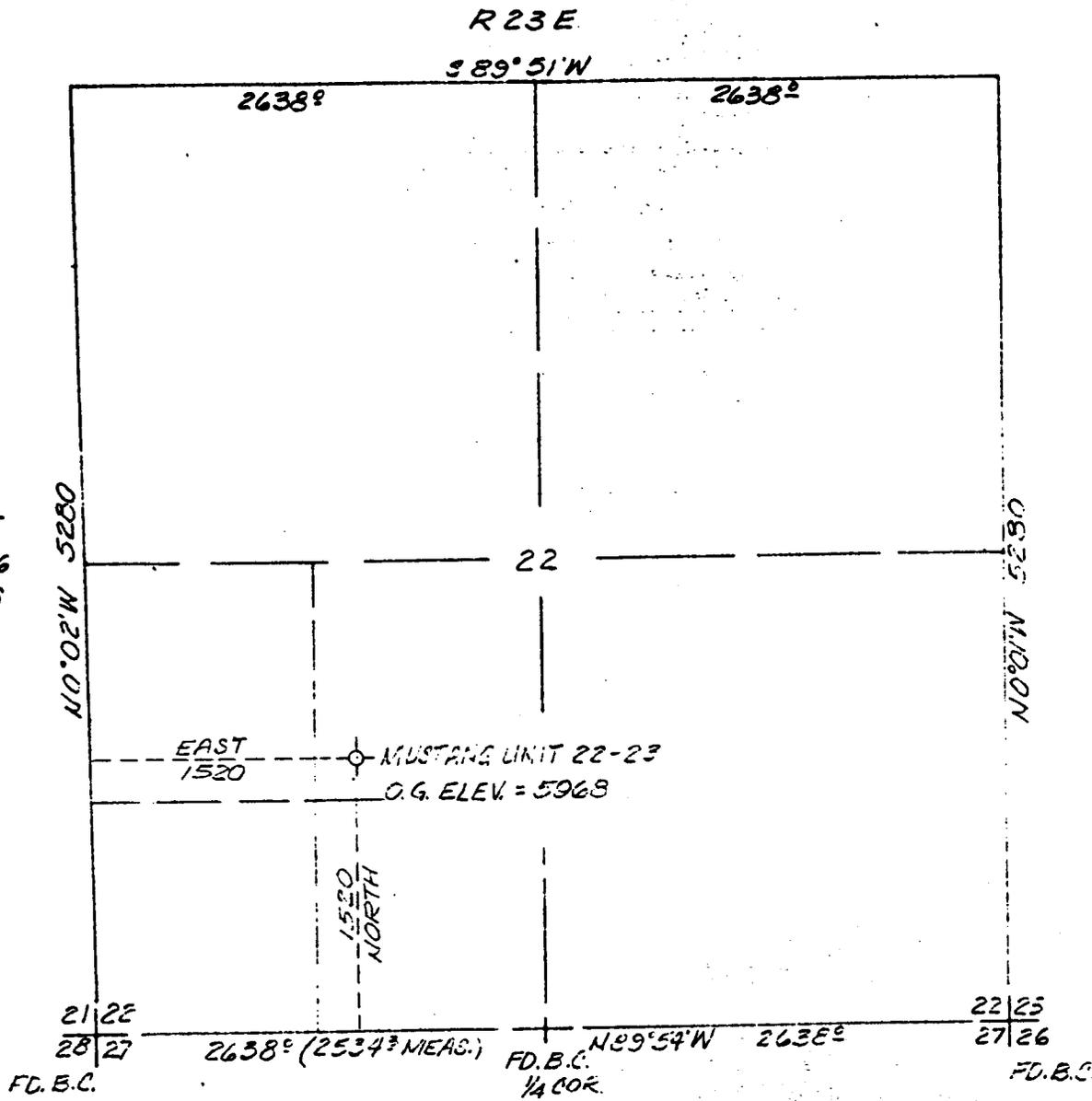
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

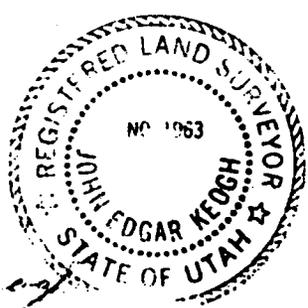
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side



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

WELL LOCATION PLAT OF
MUSTANG UNIT 22-23 IN
NE 1/4 SW 1/4, SEC. 22, T.36S, R.23E, S.1.E. 1/4 M.
SAN JUAN COUNTY, UTAH
TRANSIT & E.D.M. SURVEY
FOR SKYLINE OIL COMPANY
SCALE: 1"=1000' DEC. 10, 1964



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

ELEV. BY VER. ANGLES FROM
U.S.G.S. TOPO. QUAD. "BLANDING, UTAH"
1957 (SW. COR. SEC. 22 - 6080)

TEXAS EASTERN
SKYLINE OIL COMPANY
DRILLING PROGRAM

MUSTANG UNIT #22-23
NE SW Section 22, T36S-R23E
San Juan County, Utah
Lease No. U-23521

1. Geologic Name of Surface Formation

Dakota Formation (Lower Cretaceous)

2. Estimated Tops of Important Geologic Markers

Entrada 1240'	Hermosa	4690'
Navajo 1440'	Ismay	6080'
Chinle 2180'	Desert Creek	6340'
Cutler 3200'	Akah Shale	6420'

3. All known fresh water sands will be protected behind surface casing set at + 2230'. Prospective hydrocarbon bearing formations are the Ismay and Desert Creek.

4. Pressure Control Equipment

Pressure control equipment will consist of a 10" 3000 psi WP double gate hydraulic BOP set on a 10" 3000 psi WP casinghead with screwed outlets. After cementing the surface casing, cement will be allowed to set 8 hours and the BOP assembly will be installed. The BOP assembly will then be tested to a minimum of 1000 psi. After testing the surface casing will be drilled out after a minimum of 24 hrs WOC. Pipe ram operation will be checked daily and blind rams operated when drillpipe is removed from the hole on trips.

5. Proposed Casing Program

<u>Hole Size</u>	<u>Csg Size & Weight</u>	<u>Cond</u>	<u>Depth</u>	<u>Estimated Cem Vol. & Top</u>
22"	14" Tinhorn	New	40'	Redi-mix Surf.
12 1/4"	9 5/8" 36#/ft.	New	2230'	900 sx Surf.
8 3/4"	5 1/2" 15.5#/ft.	New	6500'	650 sx 4300'

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

6. Drilling Mud Program

<u>Interval</u>	<u>Program</u>
0-2230'	Fresh water with gel/lime sweeps to clean hole
2230 -5500'	Fresh water with gel/lime sweeps to clean hole

5500-6500'

Fresh water low, solids & lightly dispersed. MW 8.7-9.2, Vis 30-40
WL 10-20

7. Auxiliary Equipment

Auxiliary equipment to be used will consist of a Kelly cock and a full-opening drillpipe safety valve in open position on the rig floor at all times. A bit float will not be used.

8. Testing, Coring and Logging Program

Two DST's 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	TD to 4500'
GR-BHC Sonic	TD to base of surface casing with 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, Temperature and Potential Hazards

No abnormal pressures, temperatures or hazards are anticipated.

10. It is anticipated that drilling operations will commence on or about April 15, 1985 with approximately 20 days of drilling to reach TD. Completion operations will require an additional 30-45 days.

MULTIPOINT SURFACE USE AND OPERATIONS PLAN

TEXAS EASTERN
SKYLINE OIL COMPANY
MUSTANG UNIT #22-23
NE SW Section 22, T36S-R23E
San Juan County, Utah

Lease No. U-23521

1. Existing Roads - Exhibits "A" & "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 onto graveled county road in Recapture Canyon and travel generally east for 2.4 miles to junction. Turn left at junction and travel 2.4 miles generally north and east to junction of county roads 206 and 207. Turn right at junction and travel 4 miles generally south and east to lease access road. Turn right onto graveled access road and travel 1.5 miles to junction, turn right at junction and travel approximately 0.7 miles to wellsite.

2. Planned Access Road

No additional access road will be required for the drilling of this well.

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 archeological sites may be done if damage occurs.

The operator or his contractor will notify the San Juan Resource Area Office 48 hours prior to beginning any work on public land.

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

The operator will notify the San Juan Area Manager of the spud date 24 hours prior to spudding the well.

3. Location of Existing Wells - Exhibit "B"

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

Gas wells - 2	Abandoned wells - 1
Oil wells - 3	Injection wells - 0
Water wells - 0	Temp. Abandoned wells - 0
Drilling wells - 0	Proposed wells - 0

4. Location of Existing and/or Proposed Facilities - Exhibit "C"

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 placed inside a 60'x40'x4.5' earthen retaining wall to prevent contamination in the unlikely event of a tank rupture. All flowlines will be buried 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, non-reflective, earthtone color. The selected color for this equipment is sandstone brown. 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 location, it will be surrounded by an earthen dike of sufficient capacity to contain 1 1/2 times the storage capacity of the battery.

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

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

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

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

Gas meter runs for each well will be placed 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 report 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 measurements.

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 the water has been approved by the Utah State Engineer for this well.

6. Source of Construction Materials

No construction materials, other than gravel, will be required that are not present at the construction site. Gravel will be obtained through an approved private source. No material will be obtained from Federal or Indian lands.

7. Methods of Handling Waste Disposal

The reserve pit will not be lined with commercial bentonite. At least half the capacity will be in cut.

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.

A trash basket will be utilized for collection of trash. The collected trash will be hauled to an approved disposal site for disposal.

Produced 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 pursuant to Onshore Oil and Gas Order No. 3.

8. Ancillary Facilities

None are planned.

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

The top 12" of soil material will be removed from the location and stockpiled separate from trees on the east side of the location. The access road will enter the wellsite on the north side of the location as shown on Exhibit "E".

Exhibit "D" shows the wellsite cross-sections and the required amounts of cut and fill.

10. Plans for Restoration of Surface

Immediately upon completion of drilling, all trash and debris will be collected from the location and surrounding area. All trash and debris will be placed in the trash basket and properly disposed.

The operator or his contractor will contact the San Juan Resource Area Office (801) 587-2201, 48 hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

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.

The stockpiled topsoil will be spread evenly over the disturbed area. All disturbed areas will be ripped 12" deep with the contour.

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.

2 lbs/acre Indian ricegrass (*Oryzopsis hymenoides*)
2 lbs/acre Western wheatgrass (*Agropyron smithii*)
2 lbs/acre Fourwing saltbush (*Atriplex canescens*)
1 lb/acre Wild Sunflower (*Helianthus annuus*)

After seeding is complete, the stockpiled trees will be scattered evenly over the disturbed area.

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. The remaining stockpile of topsoil will be seeded in place using the prescribed seed mixture.

11. Surface and Mineral Ownership

The present lessee of Record of Federal Lease No. U-23521 in SW/4 Section 22, T36S-R23E is Yates Petroleum. The leasehold acreage is federal with the surface administered by the BLM.

12. Other Information

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

The location soil consists of valley fill comprised of rock and sand.

Vegetation includes Pinion, Juniper, sagebrush and a few native grasses. Fauna includes deer, rabbit, lizards, snakes, bobcats, and assorted flying and crawling insects.

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 written 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 approval 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 expiration, a new application will be filed and approved before any operations are permitted.

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

13. Lessee's or Operators Representative

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

Certification

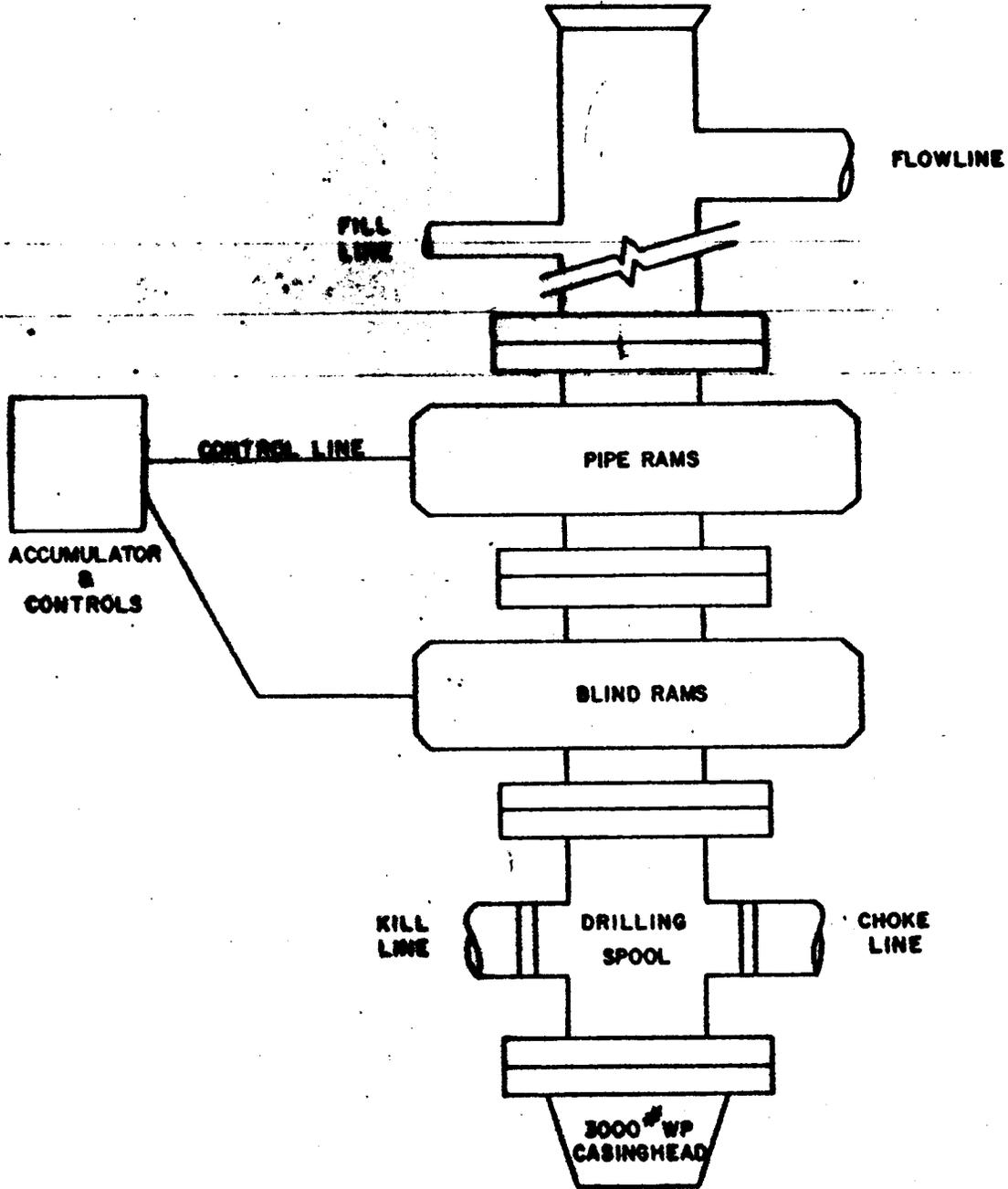
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions that presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that work associated with the operations proposed

herein will be performed by Texas Eastern Skyline Oil Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

MARCH 8 1985
DATE

Michael D. Anderson
Michael D. Anderson

TEXAS EASTERN SKYLINE OIL COMPANY

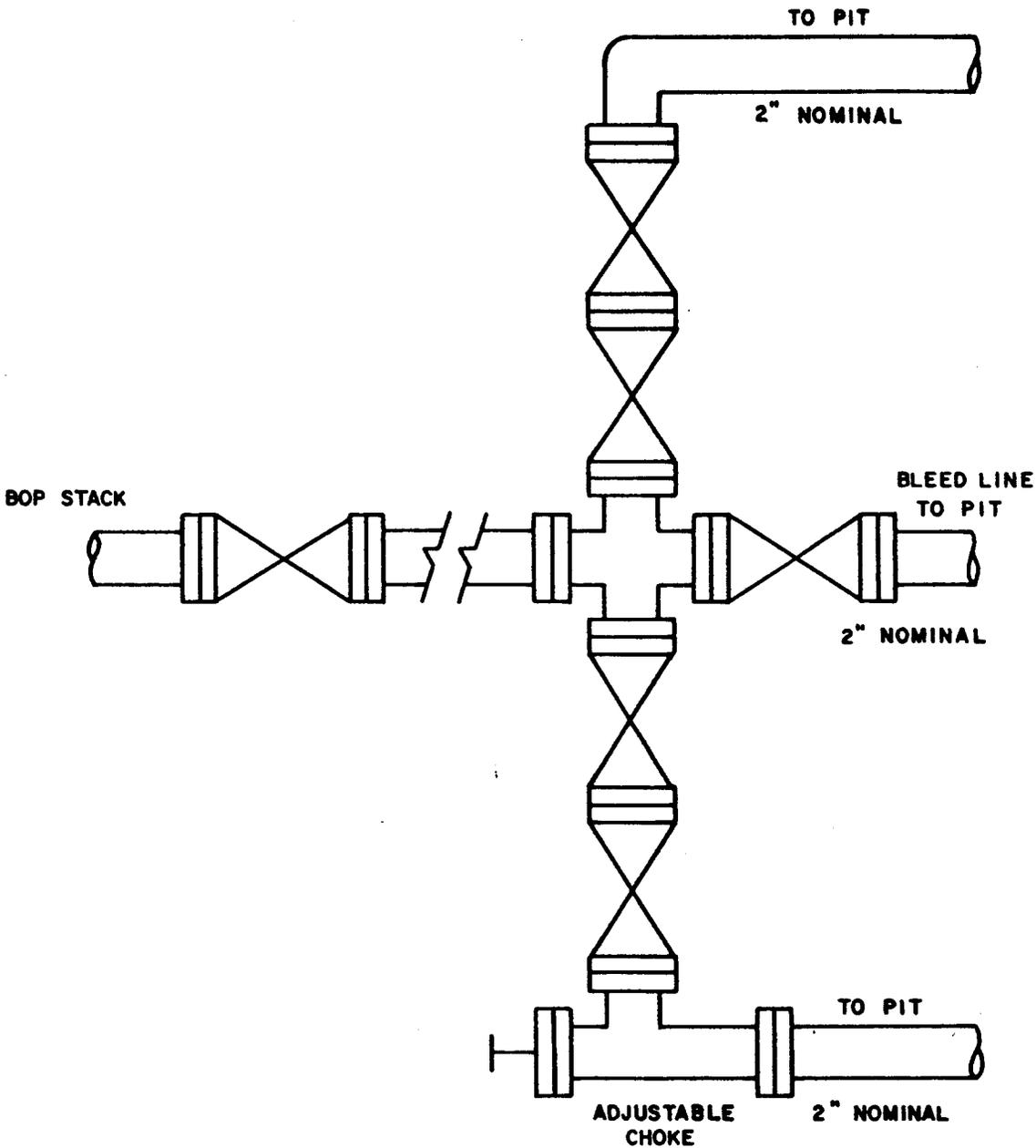


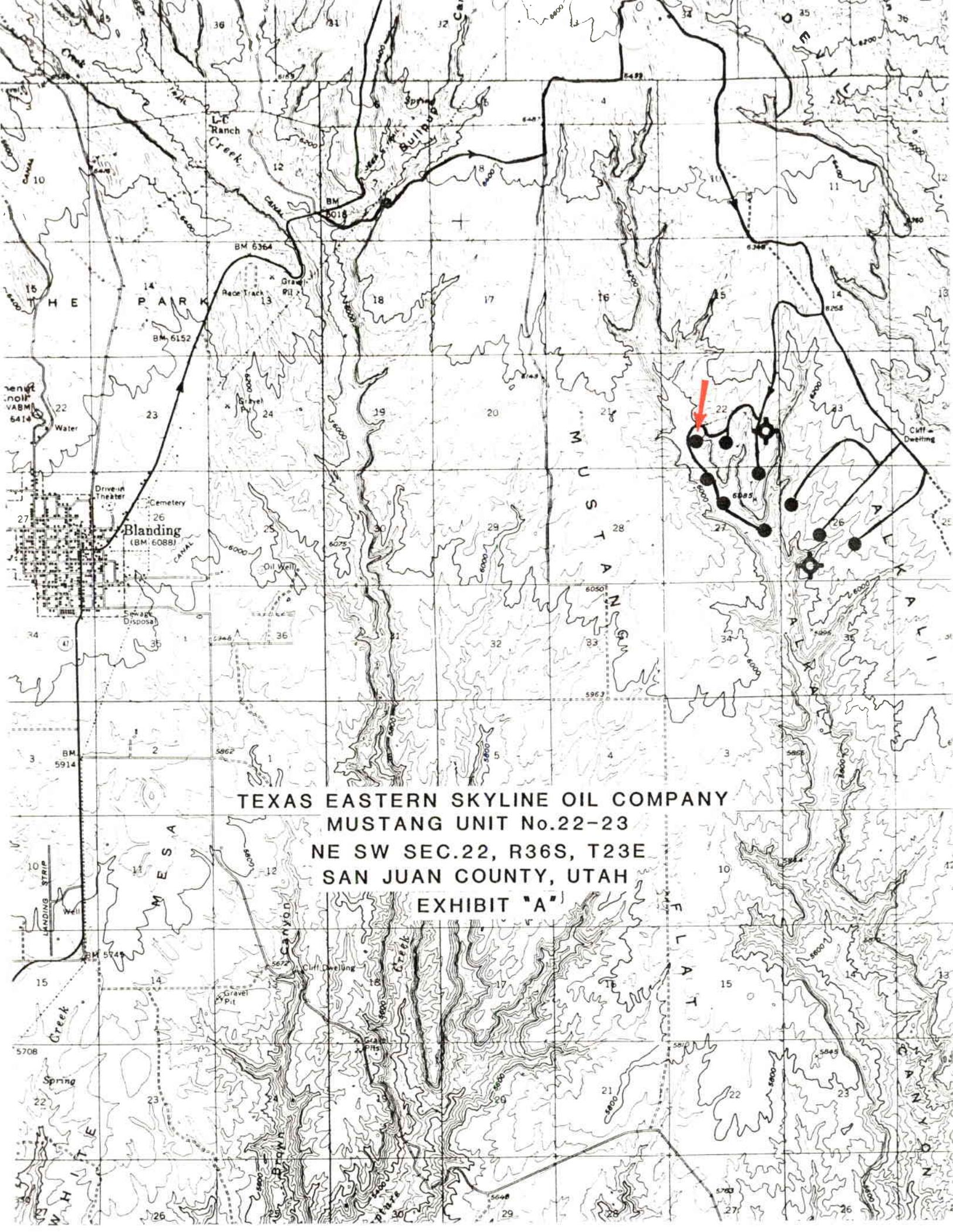
BLOWOUT PREVENTER SCHEMATIC

3000 psi WORKING PRESSURE

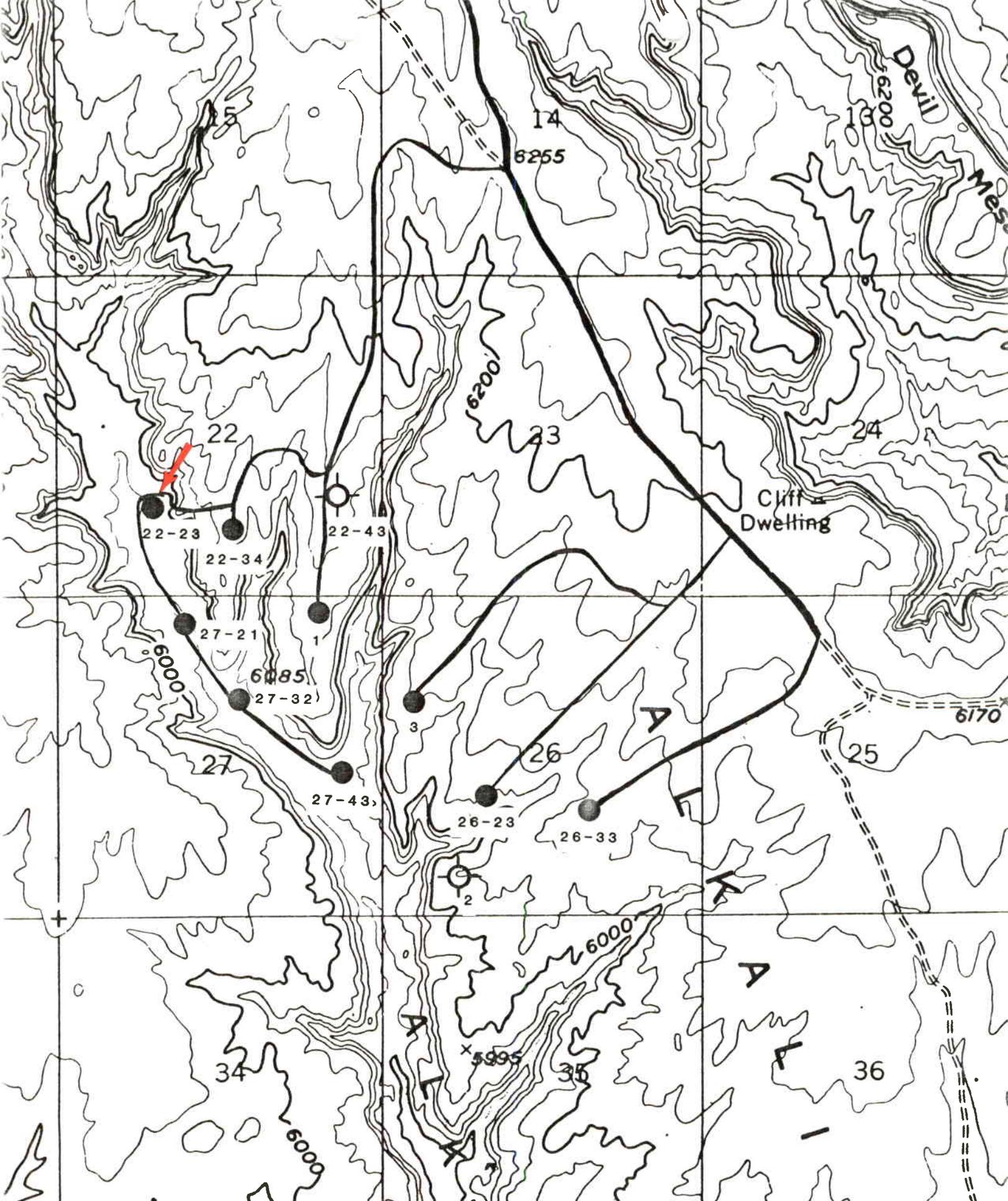
TEXAS EASTERN SKYLINE OIL COMPANY

CHOKE MANIFOLD

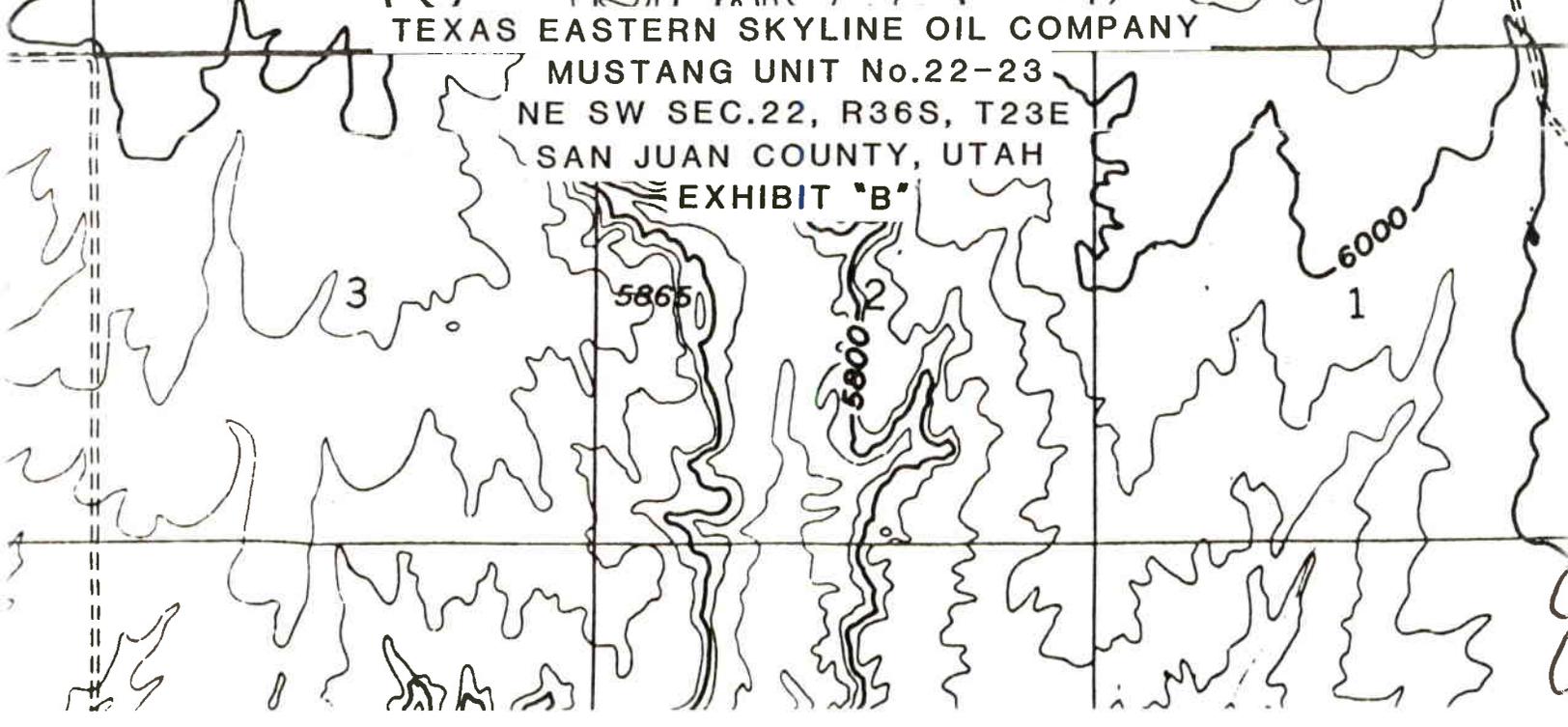




TEXAS EASTERN SKYLINE OIL COMPANY
MUSTANG UNIT No.22-23
NE SW SEC.22, R36S, T23E
SAN JUAN COUNTY, UTAH
EXHIBIT "A"



TEXAS EASTERN SKYLINE OIL COMPANY
MUSTANG UNIT No.22-23
NE SW SEC.22, R36S, T23E
SAN JUAN COUNTY, UTAH
EXHIBIT "B"



**TEXAS EASTERN SKYLINE OIL COMPANY
MUSTANG UNIT 22-23
PRODUCTION FACILITIES**

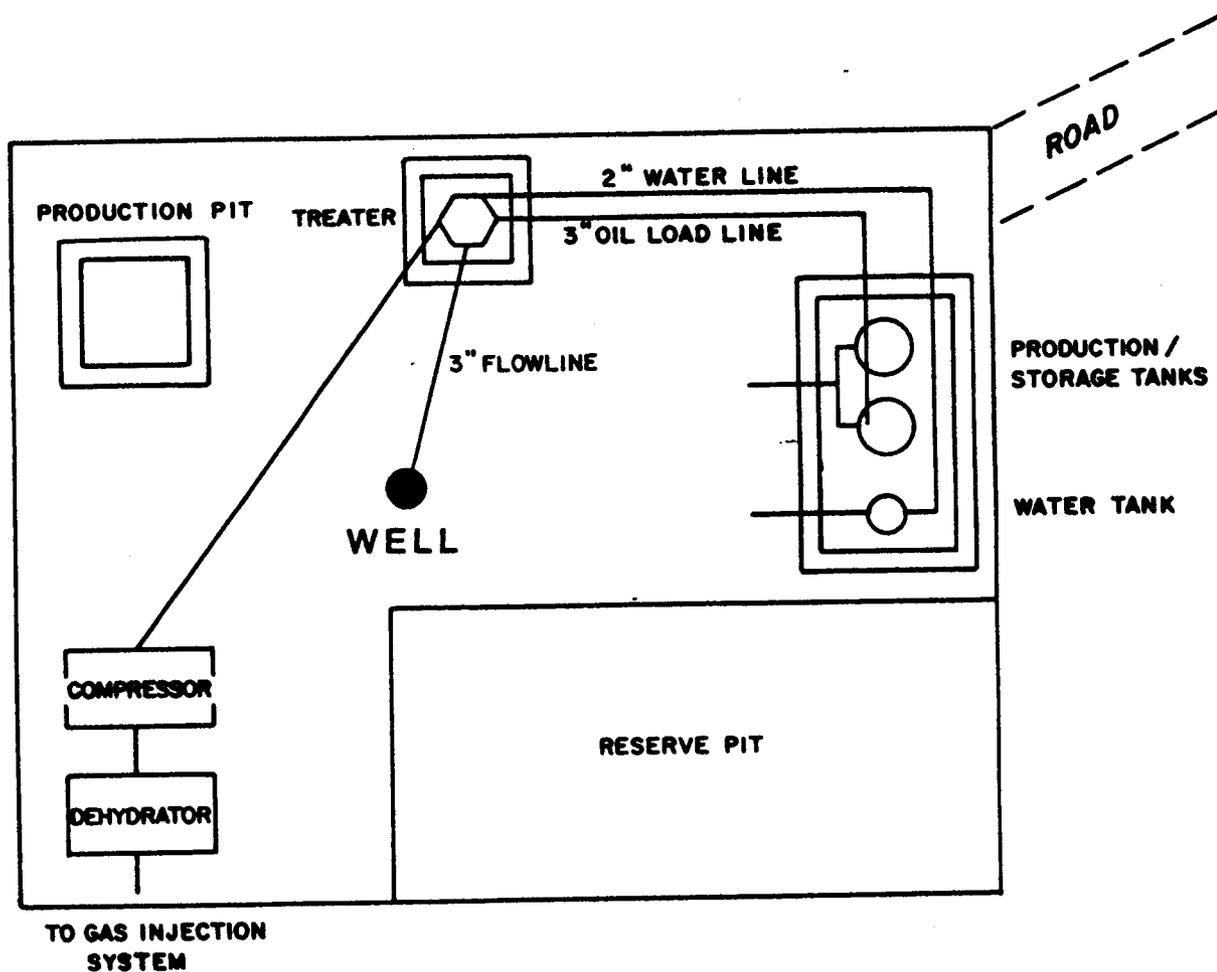


EXHIBIT "C"

TEXAS EASTERN SKYLINE OIL COMPANY
MUSTANG UNIT 22-23
CROSS SECTIONS

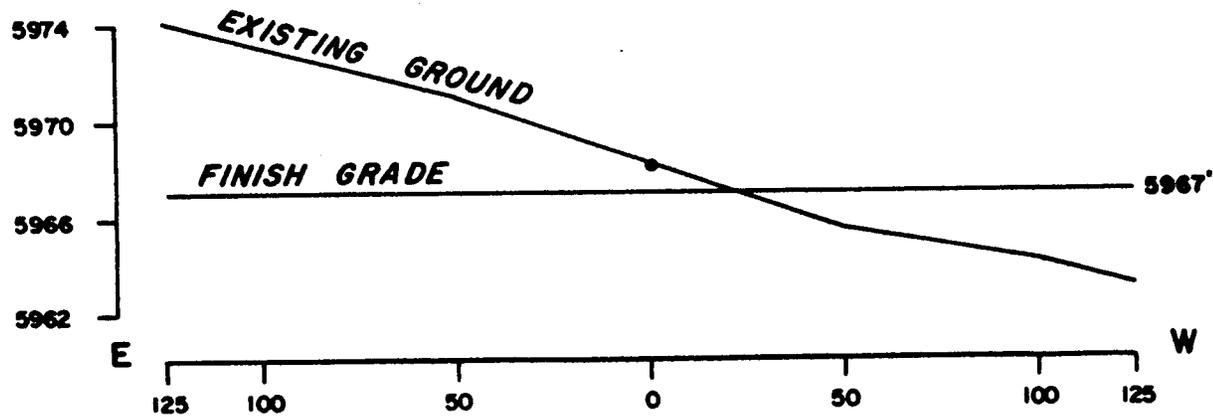
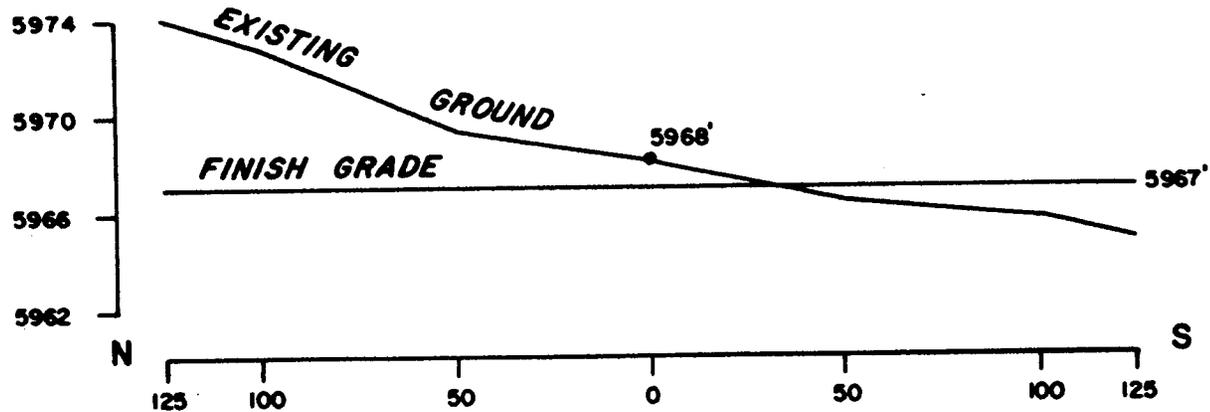
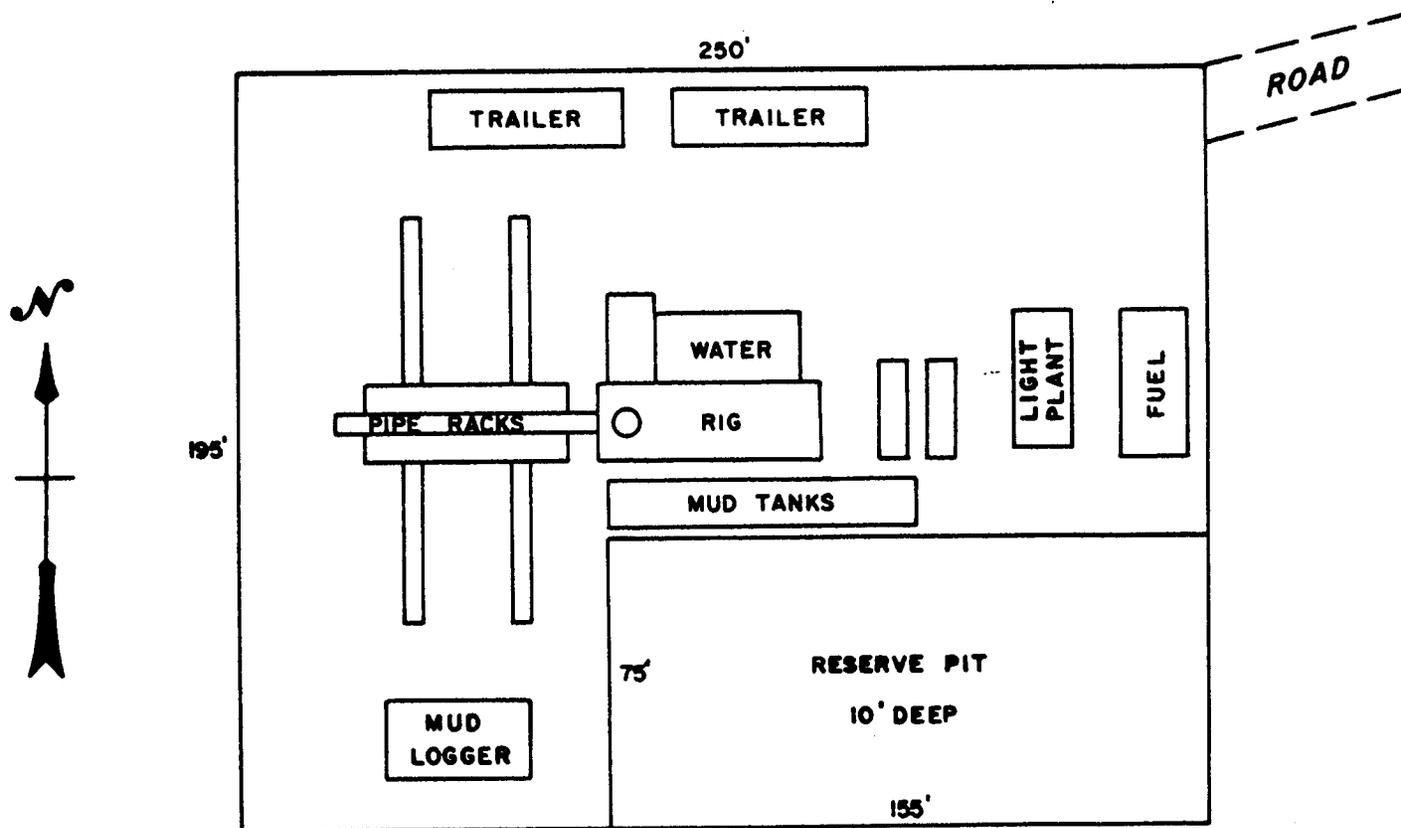


EXHIBIT "D"

TEXAS EASTERN SKYLINE OIL COMPANY
MUSTANG UNIT 22-34
DRILL SITE LAYOUT



SCALE 1":50'
EXHIBIT "E"



ARCHEOLOGICAL - ENVIRONMENTAL RESEARCH CORPORATION

P.O. Box 853 Bountiful, Utah 84010
Tel: (801) 292-7061, 292-9668

February 25, 1985

Subject: Cultural Resource Evaluation of Proposed
Mustang Unit No. 22-23 in Alkali Canyon,
San Juan County, Utah

Project: Skyline Oil Company, 1985 Drilling Program

Project No.: SKOC-84-7

Permit: Dept. of Interior 84-Ut-54937
Utah State _____

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,
P.O. Box 1327, Monticello, Utah 84535

Info: Mr. Rich Fike, State Archeologist, Bureau of Land
Management, CFS Financial Center Bldg., 324 South State,
Salt Lake City, Utah 84111-2303

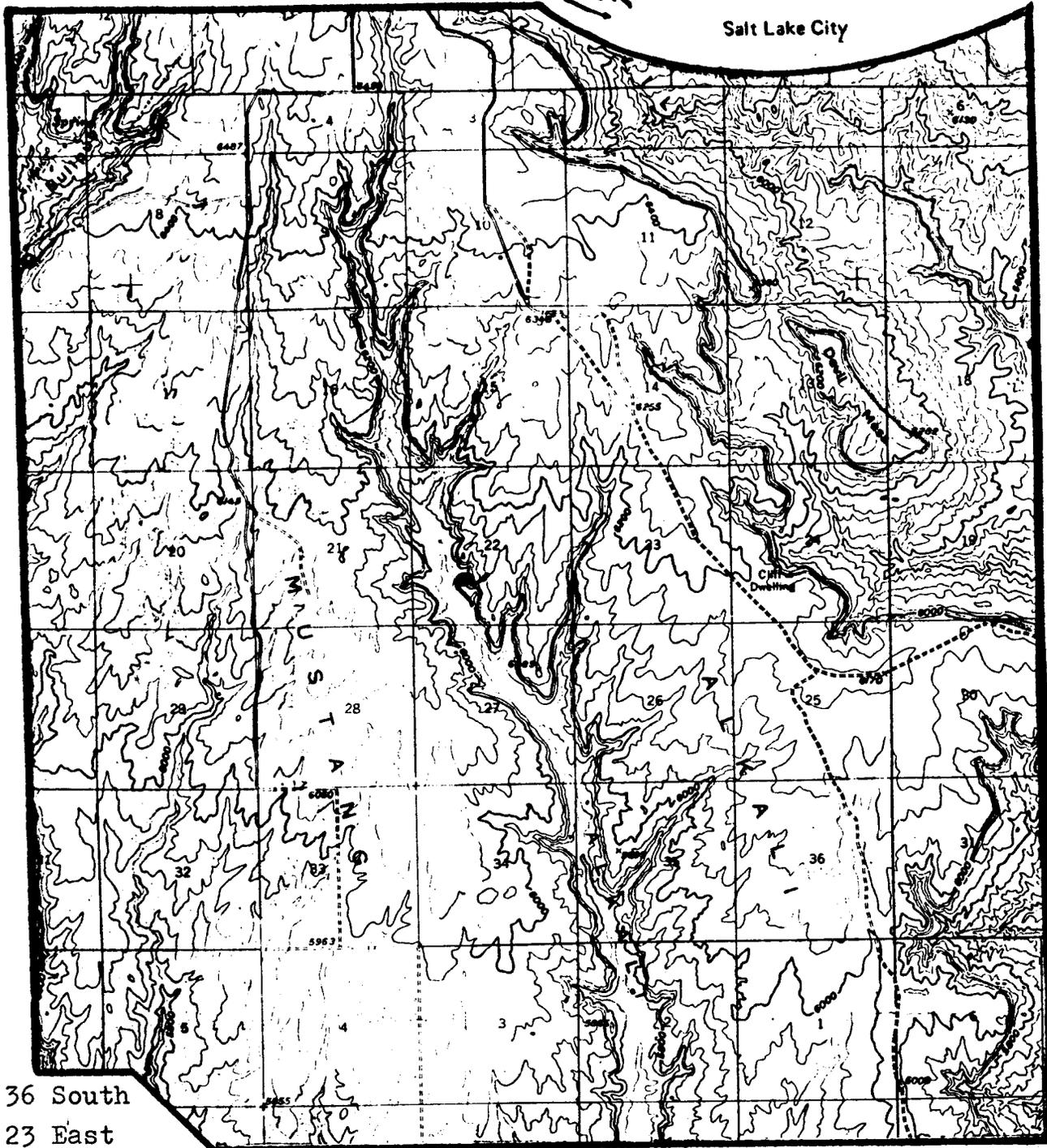
Antiquities Section, Division of State History, 300 Rio
Grande, Salt Lake City, Utah 84101

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. The sage flat on the bottom of Alkali Canyon where the well pad will be constructed should be monitored by an archeologist during the initial construction of the location. Monitoring activity will insure that no significant cultural resources buried in the disturbance zone will be destroyed during the brush clearing and initial blading operations.



Salt Lake City



T. 36 South

R. 23 East

Meridian: Salt Lake B. & M.

Quad:
Blanding, Utah
15 minute-USGS

Project: SKOC-84-7
Series: San Juan
Date: 2-25-85

Cultural Resource Survey
of Mustang Unit No. 22-
23 in the Alkali Canyon
Locality of San Juan Co.

Legend:
Well Unit No. 22-23 ●
Existing Road ~



1" = 1 mile

Scale

072823

OPERATOR Super Eastern Skyline Oil Co. DATE 3-14-85

WELL NAME Mustang Unit # 22-23

SEC NE SW 22 T 36S R 23E COUNTY San Juan

43-037-31154
API NUMBER

Lease
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

Unit well - on P.O.D. (per Lois BLM)
Water & -

APPROVAL LETTER:

SPACING: A-3 Mustang
UNIT

c-3-a _____
CAUSE NO. & DATE

c-3-b

c-3-c

STIPULATIONS:



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

March 26, 1985

Texas Eastern Skyline Oil Company
1775 Sherman, Suite 1200
Denver, Colorado 80203

Gentlemen:

Re: Well No. Mustang Unit #22-23 - NW SW Sec. 22, T. 36S, R. 23E
1520' FSL, 1520' FWL - 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.

Page 2
Texas Eastern Skyline Oil Company
Well No. Mustang Unit #22-23
March 26, 1985

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 43-037-31154.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

as
Enclosures
cc: Branch of Fluid Minerals

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

SUBMIT IN TRIPLICATE
(Other instructions
verse side)

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

SUNDRY NOTICES AND REPORTS ON RECEIVED

(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. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER		APR 29 1985	
2. NAME OF OPERATOR Texas Eastern Skyline Oil Company		DIVISION OF OIL GAS & MINING	
3. ADDRESS OF OPERATOR 1775 Sherman St., Suite 1200, Denver, Colorado 80203			
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1520' FSL & 1520' FWL (NE SW) Sec. 22, T36S, R23E			
14. PERMIT NO. API# 43-037-31154	15. ELEVATIONS (Show whether DF, ST, OR, etc.) OGL-5968'		12. COUNTY OR PARISH San Juan
		18. STATE Utah	
5. LEASE DESIGNATION AND SERIAL NO. U-23521			
6. IF INDIAN, ALLOTTEE OR TRIBE NAME			
7. UNIT AGREEMENT NAME Mustang			
8. FARM OR LEASE NAME Mustang Unit			
9. WELL NO. 22-23			
10. FIELD AND POOL, OR WILDCAT Mustang Flat			
11. SEC., T., R., M., OR B.L.K. AND SURVEY OR AREA Sec. 22, T36S, R23E, SLB & M			

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
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 ACIDISING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANE <input type="checkbox"/>	(Other) <u>Spud</u>	<input checked="" type="checkbox"/>
(Other)		(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.)*

Move in Arapahoe rig #4. Spudded well @ 8 P.M. 4-17-85.
Drilled 18" hole to 44'. Ran 44' 16" 64# conductor casing.
Cemented w/30 sx Class 'H' WOC. Nipple up. Drilled 13 3/8" hole to 2111'. Ran 9 5/8" 36# K-55 STC casing to 2111'. Cemented with 690 sx Lite and 200 sx Class 'B'. Circ. cement to surface WOC. Install wellhead and pressure test to 1000 psi. Install BOP pressure test to 3000 psi--OK. Drill out float collar and cement pressure test casing to 900 psi. Drilling ahead with 8 3/4" bit.

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

SIGNED Michael D. Anderson TITLE Engineering Manager DATE 4-24-85

(This space for Federal or State office use)

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

*See Instructions on Reverse Side

**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 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.)

CONFIDENTIAL	
<p>1. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER</p> <p>2. NAME OF OPERATOR TEXAS EASTERN SKYLINE OIL COMPANY</p> <p>3. ADDRESS OF OPERATOR 1775 Sherman St., Suite 1200, Denver, Colorado 80203</p> <p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1520' FSL & 1520' FWL (NE SW) Sec. 22, T36S, R23E</p> <p>14. PERMIT NO. API #43-037-31154</p>	<p>5. LEASE DESIGNATION AND SERIAL NO. U-23521</p> <p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME</p> <p>7. UNIT AGREEMENT NAME Mustang</p> <p>8. FARM OR LEASE NAME Mustang Unit</p> <p>9. WELL NO. 22-23</p> <p>10. FIELD AND POOL, OR WILDCAT Mustang Flat</p> <p>11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA Sec 22, T36S, R23E SLB & M</p> <p>12. COUNTY OR PARISH San Juan</p> <p>13. STATE Utah</p>
<p>15. ELEVATIONS (Show whether DF, WT, OR, etc.) OGL - 5968'</p>	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
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 type="checkbox"/>	(Other) <u>Drilling Progress</u> <input checked="" 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.)*

Drilled 8 3/4" hole to 6194'. Ran DST #1 to 6066'-6194'.
Recovered GTS in 15 mins. Maximum Rate: 150 MCFD. Recovered 1982' oil cut drilling mud in drillpipe. Drilled 8 3/4" hole to TD of 6473'. Ran electric logs. Ran 156 jts 5 1/2" 15.5# K-55 casing to 6473'. Cemented with 425 sx cement. Displaced cement w/152 BW. Plug down 6:00 A.M., 5-5-85. Set slips, clean pits, release rig at 12:00 Noon, 5-5-85.

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

SIGNED Michael D. Anderson TITLE Engineering Manager DATE 5-8-85

(This space for Federal or State office use)

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

***See Instructions on Reverse Side**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPL
(Other instructions
verse 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.)

CONFIDENTIAL		5. LEASE DESIGNATION AND SERIAL NO. U-23521
1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR TEXAS EASTERN SKYLINE OIL COMPANY		7. UNIT AGREEMENT NAME Mustang
3. ADDRESS OF OPERATOR 1775 Sherman St., Suite 1200, Denver, Colorado 80203		8. FARM OR LEASE NAME Mustang Unit
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1520' FSL & 1520' FWL (NE SW) Sec. 22, T36S, R23E		9. WELL NO. 22-23
14. PERMIT NO. API #43-037-31154	15. ELEVATIONS (Show whether DP, TV, GR, etc.) OGL - 5968'	10. FIELD AND POOL, OR WILDCAT Mustang Flat
		11. SEC., T., R., M., OR B.L. AND SURVEY OR AREA Sec. 22, T36S, R23E, SLB & M
		12. COUNTY OR PARISH San Juan
		13. STATE Utah

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PLUG 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 type="checkbox"/>	(Other) <input type="checkbox"/>	
(Other) <input type="checkbox"/>	Complete <input checked="" 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 proposes to complete the subject well as follows:

- (A) Move in & rig up completion unit. PU 2 3/8" tubing and TIH to \pm 6350'. Circ. hole, clean, and TOOH.
- (B) Run GR-CBL-CCL log from PBTD to 200' above cement top.
- (C) Perforate Upper Ismay 6184-6192', 6195'-6197', 6206'-6210', 6220-6236'.
- (D) Run tubing and packer. Set packer @ \pm 6130'. Acidize well with 3500 gals. 15% HCl.
- (E) Clean up and flow test well for 5-7 days.
- (F) Hydraulically frac well as conditions dictate.
- (G) Clean up and flow test well. Place well on production.

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

SIGNED Michael D. Anderson TITLE Engineering Manager DATE 5-8-85

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ ACCEPTED BY THE STATE _____ DATE _____
 CONDITIONS OF APPROVAL, IF ANY: OF UTAH DIVISION OF OIL, GAS, AND MINING
 Federal approval of this action is required before commencing operations. DATE: 5/16/85
 BY: John R. Dava

TEXAS 
EASTERN
Skyline Oil Company
A TEXAS EASTERN COMPANY

RECEIVED

MAY 10 1985

**DIVISION OF OIL
GAS & MINING**

May 8, 1985

365-23E 22

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

Re: Mustang Unit #22-23

Gentlemen:

Texas Eastern Skyline Oil Company respectfully requests that information from the subject well be held confidential for the maximum period allowed by the Division of Oil, Gas, & Mining.

Sincerely,

TEXAS EASTERN SKYLINE OIL COMPANY



Michael D. Anderson
Engineering Manager

MDA: sdc

GEOLOGICAL REVIEW

GEOLOGICAL WELL REPORT

TEXAS EASTERN SKYLINE OIL CO:
Mustang Unit # 22-23
Sec. 22, T 36 S - R 23 E
San Juan Co. Utah

By: B. F. Latch
May 10, 1985

GEOLOGICAL REVIEW

TEXAS EASTERN SKYLINE OIL CO.
Mustang # 22-23
Sec. 22, T 36 S - R 23 E
San Juan Co. Utah

=====

GENERAL OPERATIONS

The drilling of this well was undertaken using rotary tools. Fresh water and a chemically treated gel mud were used as the circulating medium.

In order to protect fresh water aquifers and to insure against drilling problems, a protective string of 9-5/8" casing was set at a depth of 2111'. This is sufficient casing to cover all fresh water aquifers recognized in the area. Sufficient cement was run to circulate to the surface.

All drilling objectives were accomplished with a minimal amount of operational problems. At no time did situations arise that constituted an undue danger to either the drilling equipment or the personnel involved in the drilling operation.

=====

EVALUATION

GEOLOGICAL SUPERVISION:

This well was under constant geological supervision from a depth of 4500' until the total depth of 6473' was reached.

SAMPLES:

Ten foot samples were caught from a depth of 4500' to

GEOLOGICAL REVIEW

the total depth of 6473'. Sample quality was fair to good. All samples were caught and microscopically examined while drilling was in progress.

MUD LOGGING:

A one man mud logging unit, from Intermountain Geo Tech, was utilized from a depth of 4500' to the total depth of 6473'. This unit was equipped with both a hot wire and a chromatograph for hydrocarbon analysis.

Several shows were encountered during the drilling of the well but only one was associated with sufficient visible porosity and hydrocarbon shows of proper magnitude to warrant a drill stem test in the eyes of the well site geologist.

CORES:

No cores were anticipated for this well and none were cut.

DRILL STEM TESTS:

One drill stem test was conducted during the drilling of this well. This test covered the interval from 6060' to 6194'. This included the upper porosity zones in the upper Ismay and also the black shale at the top of the Ismay. It is to be noted that this black shale interval not only yielded substantial gas shows as is common, but visible amounts of free oil were observed on the pits while drilling this interval. This is not a common occurrence.

Gas flowed at a measured rate of 150 mcfd and the fluid

GEOLOGICAL REVIEW

recovery of 1982' of heavily oil and gas cut mud with no visible water, definitely indicate the presence of hydrocarbon bearing zones within the tested interval.

Pressures recorded were about normal for the field although the initial SIP may indicate either the presence of some supercharge or a small amount of overpressuring in the shale zone.

A pressure loss of some 300 psi between the initial SIP and the final SIP could indicate a substantial amount of reservoir energy depletion or else confirm the supercharge hypothesis. The writer tends to favor the depletion theory in that the measured gas flow was slightly decreasing toward the end of the test.

(Details of test are appended)

ELECTRICAL LOGGING:

Upon reaching a total depth of 6473', the following logs were run by Schlumberger.

Dual Laterolog - MSFL	6473-2111
Litho Density w CNL	6473-4500
Long Space Sonic w Waveforms	6473-4500
Natural Gamma Ray Spectrometry Log	6473-4500
Cyberlook	6473-4500

Evaluation of these logs revealed no additional zones of interest but did cause the lower zones of porosity in the upper zone of the Ismay to look better than examination of the samples

GEOLOGICAL REVIEW

while drilling indicated.

CONCLUSIONS

Evaluation of all information available indicate this well to have some economic value.

Oil and gas shows from the black shale zone, encountered from 6070' to 6096' are questionable in value. The obvious lack of both effective porosity and permeability normally precludes any hope of sustained production from this interval. However, the unexpected magnitude of the dip and the intensity of the folding on this end of the structure may have created enough fracturing in this horizon to endow this zone with the necessary reservoir requirements to sustain commercial rates of production.

Three zones of porosity are observed in the anomalous section in the lower part of the upper Ismay. These calculate close enough to being productive that one almost has to try them. If found productive anywhere in the area, they would greatly enhance the reserve picture in the prospect area.

RECOMMENDATIONS

The decision was made to run casing on this well and to test all potential productive zones through casing to obtain definitive information for both the low structural position and the anomalous porosity zones.

A continuing evaluation of lower porosity zones and

GEOLOGICAL REVIEW

their depositional meaning should be emphasized.

These horizons do bear hydrocarbons and indicate good reservoir parameters. Their encounter in a productive structural position would greatly expand both the quality and the areal extent of this reservoir as it is now recognized.

=====

IMPORTANT LOG TOPS

AGE	FORMATION		DEPTH	DATUM
Jurassic	Morrison		Spud	?????
Jurassic	Bluff	(est)	577	+5403
Jurassic	Entrada	(est)	880	+5100
Jurassic	Carmel	(est)	1048	+4932
Jurassic	Navajo	(est)	1090	+4890
Jurassic	Kayenta	(est)	1578	+4402
Jurassic	Wingate	(est)	1610	+4370
Triassic	Chinle	(est)	2090	+3890
Triassic	Shinarump		2658	+3322
Permian	Moenkopi		2767	+3213
Permian	Cutler		2957	+3023
Pennsylvanian	Hermosa		4667	+1313
Pennsylvanian	Ismay (upper)		6097	- 117
Pennsylvanian	Ismay (lower)		6290	- 310
Pennsylvanian	Desert Creek		6360	- 380
Pennsylvanian	Akah sh		6455	- 475

El. = 5980 *R_w* = 0.0400 FORMATION Phi (upper)
 a = 1.0000
 m = 2.0000

El. = 5980 *R_w* = 0.0350 FORMATION Phi (upper)
 a = 1.0000
 m = 2.0000

DATUM	DEPTH	PORVAL	RT	*F*	SW	REMARKS	DATUM	DEPTH	PORVAL	RT	*F*	SW	REMARKS
-176	6156						-176	6156					
-178	6158	0.066	20.00	229.57	0.68	!O+W	-178	6158	0.066	20.00	229.57	0.63	!O+W?
-180	6160	0.102	15.00	96.12	0.51	!O+W	-180	6160	0.102	15.00	96.12	0.47	!O
AVGS. = 0.084 17.500 162.843 0.592 !O+W							AVGS. = 0.084 17.500 162.843 0.554 !O						
-204	6184						-204	6184					
-206	6186	0.119	10.00	70.62	0.53	!O+W	-206	6186	0.119	10.00	70.62	0.50	!O
-208	6188	0.190	5.00	27.70	0.47	!O	-208	6188	0.190	5.00	27.70	0.44	!O
-210	6190	0.174	10.00	33.03	0.36	!O	-210	6190	0.174	10.00	33.03	0.34	!O
-212	6192	0.120	20.00	69.44	0.37	!O	-212	6192	0.120	20.00	69.44	0.35	!O
-214	6194	0.044	55.00	516.53	0.61	!TIGHT	-214	6194	0.044	55.00	516.53	0.57	!TIGHT
-216	6196	0.115	13.00	75.61	0.48	!O	-216	6196	0.115	13.00	75.61	0.45	!O
-218	6198	0.089	25.00	126.25	0.45	!O	-218	6198	0.089	25.00	126.25	0.42	!O
AVGS. = 0.122 19.714 131.312 0.469 !O							AVGS. = 0.122 19.714 131.312 0.439 !O						

El. = 5980 *R_w* = 0.0400 FORMATION Phi (upper)
 a = 1.0000
 m = 2.2000

El. = 5980 *R_w* = 0.0350 FORMATION Phi (upper)
 a = 1.0000
 m = 2.2000

DATUM	DEPTH	PORVAL	RT	*F*	SW	REMARKS	DATUM	DEPTH	PORVAL	RT	*F*	SW	REMARKS	P R E F E R E D E V A L U A T I O N
-176	6156						-176	6156						R
-178	6158	0.066	20.00	395.37	0.89	!W	-178	6158	0.066	20.00	395.37	0.83	!W?	E
-180	6160	0.102	15.00	151.73	0.64	!O+W	-180	6160	0.102	15.00	151.73	0.60	!O+W	D
AVGS. = 0.084 17.500 273.551 0.763 !W							AVGS. = 0.084 17.500 273.551 0.713 !O+W							E
-204	6184						-204	6184						V
-206	6186	0.119	10.00	108.09	0.66	!O+W	-206	6186	0.119	10.00	108.09	0.62	!O+W	A
-208	6188	0.190	5.00	38.61	0.56	!O+W	-208	6188	0.190	5.00	38.61	0.52	!O+W	L
-210	6190	0.174	10.00	46.86	0.43	!O	-210	6190	0.174	10.00	46.86	0.40	!O	U
-212	6192	0.120	20.00	106.12	0.46	!O	-212	6192	0.120	20.00	106.12	0.43	!O	A
-214	6194	0.044	55.00	964.73	0.84	!TIGHT	-214	6194	0.044	55.00	964.73	0.78	!TIGHT	T
-216	6196	0.115	13.00	116.54	0.60	!O+W	-216	6196	0.115	13.00	116.54	0.56	!O+W	I
-218	6198	0.089	25.00	204.81	0.57	!O+W	-218	6198	0.089	25.00	204.81	0.54	!O+W	O
AVGS. = 0.122 19.714 226.537 0.588 !O+W							AVGS. = 0.122 19.714 226.537 0.550 !O+W							N

El. = 5980 "Rw" = 0.0400 FORMATION Phi (upper)
 "a" = 1.0000
 "m" = 2.0000

El. = 5980 "Rw" = 0.0350 FORMATION Phi (upper)
 "a" = 1.0000
 "m" = 2.0000

DATUM	DEPTH	PORVAL	RT	"F" =	SW=	REMARKS	DATUM	DEPTH	PORVAL	RT	"F" =	SW=	REMARKS
-226	6206						-226	6206					
-228	6208	0.145	8.00	47.56	0.49	0	-228	6208	0.145	8.00	47.56	0.46	0
-230	6210	0.098	8.00	104.12	0.72	W	-230	6210	0.098	8.00	104.12	0.67	0+W
AVGS. = 0.122 8.000 75.843 0.605 0+W							AVGS. = 0.122 8.000 75.843 0.566 0+W						
-240	6220						-240	6220			ERR	ERR	
-242	6222	0.110	12.00	82.64	0.52	0+W	-242	6222	0.110	12.00	82.64	0.49	0
-244	6224	0.106	12.00	89.00	0.54	0+W	-244	6224	0.106	12.00	89.00	0.51	0+W
-246	6226	0.083	20.00	145.16	0.54	0+W	-246	6226	0.083	20.00	145.16	0.50	0
-248	6228	0.057	14.00	307.79	0.94	TIGHT	-248	6228	0.057	14.00	307.79	0.88	TIGHT
-250	6230	0.095	12.00	110.80	0.61	0+W	-250	6230	0.095	12.00	110.80	0.57	0+W
-252	6232	0.135	8.00	54.87	0.52	0+W	-252	6232	0.135	8.00	54.87	0.49	0
-254	6234	0.145	9.00	47.56	0.46	0	-254	6234	0.145	9.00	47.56	0.43	0
-256	6236	0.102	13.00	96.12	0.54	0+W	-256	6236	0.102	13.00	96.12	0.51	0+W
AVGS. = 0.104 12.500 116.743 0.585 0+W							AVGS. = 0.104 12.500 116.743 0.547 0+W						
-270	6250			ERR	ERR		-270	6250			ERR	ERR	
-272	6252	0.074	10.00	182.62	0.85	W	-272	6252	0.074	10.00	182.62	0.80	W
-274	6254	0.101	5.00	98.03	0.89	W	-274	6254	0.101	5.00	98.03	0.83	W
-276	6256	0.162	4.50	38.10	0.58	W+0?	-276	6256	0.162	4.50	38.10	0.54	0+W
AVGS. = 0.112 6.500 106.250 0.774 W							AVGS. = 0.112 6.500 106.250 0.724 W						

El. = 5980 "Rw" = 0.0400 FORMATION Phi (upper)
 "a" = 1.0000
 "m" = 2.2000

El. = 5980 "Rw" = 0.0350 FORMATION Phi (upper)
 "a" = 1.0000
 "m" = 2.2000

DATUM	DEPTH	PORVAL	RT	"F" =	SW=	REMARKS	DATUM	DEPTH	PORVAL	RT	"F" =	SW=	REMARKS
-226	6206						-226	6206					
-228	6208	0.145	8.00	69.98	0.59	0+W	-228	6208	0.145	8.00	69.98	0.55	0+W
-230	6210	0.098	8.00	165.69	0.91	W	-230	6210	0.098	8.00	165.69	0.85	W
AVGS. = 0.122 8.000 117.838 0.751 W							AVGS. = 0.122 8.000 117.838 0.702 W						
-240	6220						-240	6220					
-242	6222	0.110	12.00	128.51	0.65	0+W	-242	6222	0.110	12.00	128.51	0.61	0+W
-244	6224	0.106	12.00	139.42	0.68	0+W	-244	6224	0.106	12.00	139.42	0.64	0+W
-246	6226	0.083	20.00	238.80	0.69	0+W	-246	6226	0.083	20.00	238.80	0.65	0+W
-248	6228	0.057	14.00	545.85	1.25	TIGHT	-248	6228	0.057	14.00	545.85	1.17	TIGHT
-250	6230	0.095	12.00	177.42	0.77	W	-250	6230	0.095	12.00	177.42	0.72	W
-252	6232	0.135	8.00	81.90	0.64	0+W	-252	6232	0.135	8.00	81.90	0.60	0+W
-254	6234	0.145	9.00	69.98	0.56	0+W	-254	6234	0.145	9.00	69.98	0.52	0+W
-256	6236	0.102	13.00	151.73	0.68	0+W	-256	6236	0.102	13.00	151.73	0.64	0+W
AVGS. = 0.104 12.500 191.702 0.741 W							AVGS. = 0.104 12.500 191.702 0.693 W???						
-270	6250						-270	6250					
-272	6252	0.074	10.00	307.39	1.11	W	-272	6252	0.074	10.00	307.39	1.04	W
-274	6254	0.101	5.00	155.06	1.11	W	-274	6254	0.101	5.00	155.06	1.04	W
-276	6256	0.162	4.50	54.84	0.70	W	-276	6256	0.162	4.50	54.84	0.65	0+W
AVGS. = 0.112 6.500 172.428 0.974 W							AVGS. = 0.112 6.500 172.428 0.911 W						

P
R
E
F
E
R
E
D
E
V
A
L
U
A
T
I
O
N

DRILL STEM TEST

(6060' - 6194')

Gauge @ 6034'

Gauge @ 6066'

1st flow - IHP	2950 psi	3048 psi
1st flow - IFP	141 psi	246 psi
1st flow - FFP	342 psi	334 psi
1st flow - SIP	2672 psi	2762 psi
2nd flow - IFP	268 psi	272 psi
2nd flow - FFP	741 psi	769 psi
2nd flow - SIP	2388 psi	2450 psi
2nd flow - FHP	2950 psi	3011 psi

BHT = 129° F

Tool open 30 minutes with good blow; GTS in 15 mins.; Shut in 60 MINS.

Opened Tool 90 mins. with a weak blow inc to a good blow in 40 mins.;

Shut in 180 minutes.

Recovered 120 cc drilling mud, 1100 cc of oil, and 5.35 cu ft. gas

(50° A.P.I. @ 78° F)

WELL PERFORMANCE TESTING™ REPORT

A Production System Analysis (NODAL™)
Based On Model Verified™ Interpretation

TEST DATE:
1-MAY-85

Company: TEXAS EASTERN SKYLINE OIL		Well: MUSTANG 22-23																																			
TEST IDENTIFICATION		WELL LOCATION																																			
Test Type OH-DST	OH-DST	Field	WILDCAT																																		
Test No. 1	1	County	SAN JUAN																																		
Formation ISMAY	ISMAY	State	UTAH																																		
Test Interval (ft) 6060-6194	6060-6194	Sec/Twn/Rng	20-36S-23E																																		
Reference Depth KB	KB	Elevation (ft)	5980																																		
HOLE CONDITIONS		MUD PROPERTIES																																			
Total Depth (MD/TUD) (ft) 6184/6184	6184/6184	Mud Type	UNICAL																																		
Hole Size (in) 7.875	7.875	Mud Weight (lb/gal)	9.3																																		
Casing/Liner I.D. (in) -	-	Mud Resistivity (ohm.m)	1.35																																		
Perf'd Interval/Net Pay (ft) .. -	-	Filtrate Resistivity (ohm.m) ..	1																																		
Shot Density/Diameter (in) ... -	-	Filtrate Chlorides (ppm)	400																																		
INITIAL TEST CONDITIONS		TEST STRING CONFIGURATION																																			
Initial Hydrostatic (psi) 3067	3067	Pipe Length (ft)/I.D. (in) ...	5225/3.826																																		
Gas Cushion Type	-	Collar Length (ft)/I.D. (in) ..	485/2.25																																		
Surface Pressure (psi)	-	Packer Depths (ft)	6060																																		
Liquid Cushion Type	-	Bottomhole Choke Size (in)75																																		
Cushion Length (ft)	-	Gauge Depth (ft)/Type	6066/J-200																																		
NET PIPE RECOVERY		NET SAMPLE CHAMBER RECOVERY																																			
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Volume</th> <th style="width: 30%;">Fluid Type</th> <th style="width: 50%;">Properties</th> </tr> </thead> <tbody> <tr> <td>9.4 BBLS</td> <td>DRLG MUD</td> <td>5% OIL, 95% MUD</td> </tr> <tr> <td>9.4 BBLS</td> <td>OIL & MUD</td> <td>68.5% 48 API OIL</td> </tr> <tr> <td>4.9 BBLS</td> <td>OIL</td> <td>100% 45 API OIL</td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Volume	Fluid Type	Properties	9.4 BBLS	DRLG MUD	5% OIL, 95% MUD	9.4 BBLS	OIL & MUD	68.5% 48 API OIL	4.9 BBLS	OIL	100% 45 API OIL							<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Volume</th> <th style="width: 30%;">Fluid Type</th> <th style="width: 50%;">Properties</th> </tr> </thead> <tbody> <tr> <td>1100 CC</td> <td>OIL</td> <td>50 API @ 78 DEG F.</td> </tr> <tr> <td>120 CC</td> <td>MUD</td> <td>RW=1.3 @ 75 DEG F.</td> </tr> <tr> <td>5.35 CU.FT.</td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Volume	Fluid Type	Properties	1100 CC	OIL	50 API @ 78 DEG F.	120 CC	MUD	RW=1.3 @ 75 DEG F.	5.35 CU.FT.								
Volume	Fluid Type	Properties																																			
9.4 BBLS	DRLG MUD	5% OIL, 95% MUD																																			
9.4 BBLS	OIL & MUD	68.5% 48 API OIL																																			
4.9 BBLS	OIL	100% 45 API OIL																																			
Volume	Fluid Type	Properties																																			
1100 CC	OIL	50 API @ 78 DEG F.																																			
120 CC	MUD	RW=1.3 @ 75 DEG F.																																			
5.35 CU.FT.																																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Pressure: 600</td> <td style="width: 30%;">GOR: 773.23</td> <td style="width: 40%;">GLR: 773.23</td> </tr> </table>		Pressure: 600	GOR: 773.23	GLR: 773.23	ROCK/FLUID/WELLBORE PROPERTIES																																
Pressure: 600	GOR: 773.23	GLR: 773.23																																			
INTERPRETATION RESULTS		Oil Density (deg. API) 48.3																																			
Model of Behavior DUAL POROSITY		Basic Solids (%)																																			
Fluid Type Used for Analysis . Liquid		Gas Gravity																																			
Reservoir Pressure (psi) 2706		Water Cut (%)																																			
Transmissibility (md.ft/cp) .. 97.38		Viscosity (cp)																																			
Effective Permeability (md) .. 1.15		Total Compressibility (1/psi) . 3.24E-4																																			
Skin Factor/Damage Ratio96/1.22		Porosity (%)																																			
Storativity Ratio		Reservoir Temperature (F) 128																																			
Interporosity Flow Coeff.		Form.Uol.Factor (bbl/STB) 1.9																																			
Distance to an Anomaly (ft) ..																																					
Radius of Investigation (ft) .. 8.98																																					
Potentiometric Surface (ft) .. 6163																																					

PRODUCTION RATE DURING TEST: 186.22 BLPD

MAXIMUM PRODUCTION RATE POTENTIAL

179 BLPD

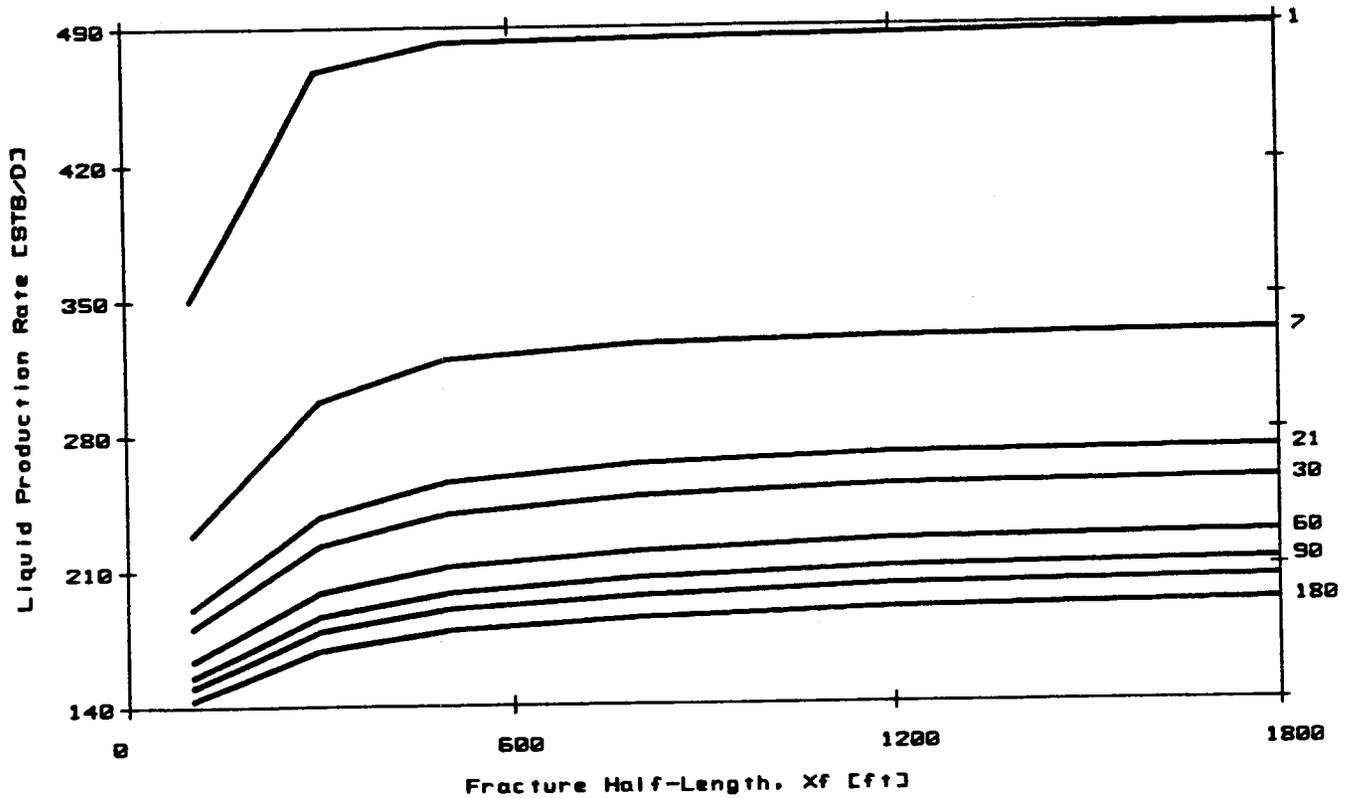
COMMENTS:

WITH 500' FRAC AND KFW=500 MD-FT AFTER 180 DAYS THIS IS A REVISION OF THE ORIGINAL REPORT WHERE NET HEIGHT WAS TAKEN AS 132 FEET VERSE THE 22 FEET FROM THE LOGS. THIS CHANGED THE EFFECTIVE PERMEABILITY TO OIL TO 1.15 MD VERSE 0.19 MD. THE REVISED COVER PAGE WITH APPROPRIATE SENSITIVITY PLOTS HAS BEEN SENT TO THE ORIGINAL DISTRIBUTION LOCATIONS.

WELL TEST INTERPRETATION REPORT #: 36783E		PAGE: 8.
CLIENT : TEXAS EASTERN SKYLINE OIL		20-MAY-85
REGION : CENTRAL	SENSITIVITY ANALYSIS Rate vs. Xf (vs. Time) FRAC'D SENSITIVITY	Field: WILDCAT
DISTRICT: UERNAL		Zone : ISMAY
BASE : DENUER		Well : MUSTANG 22-23
Engr : BOUCHER		Location: 20-36S-23E

Reservoir Pressure: 2706 psi Gas/Liquid Ratio: 773.0 SCF/STB
 Permeability: 1.15 md Tubing Size: 2.441 in (id)
 Net Thickness: 22.0 ft Wellhead Pressure: 200.0 psi

Fracture Conductivity, kf/w : 500.0 md.ft

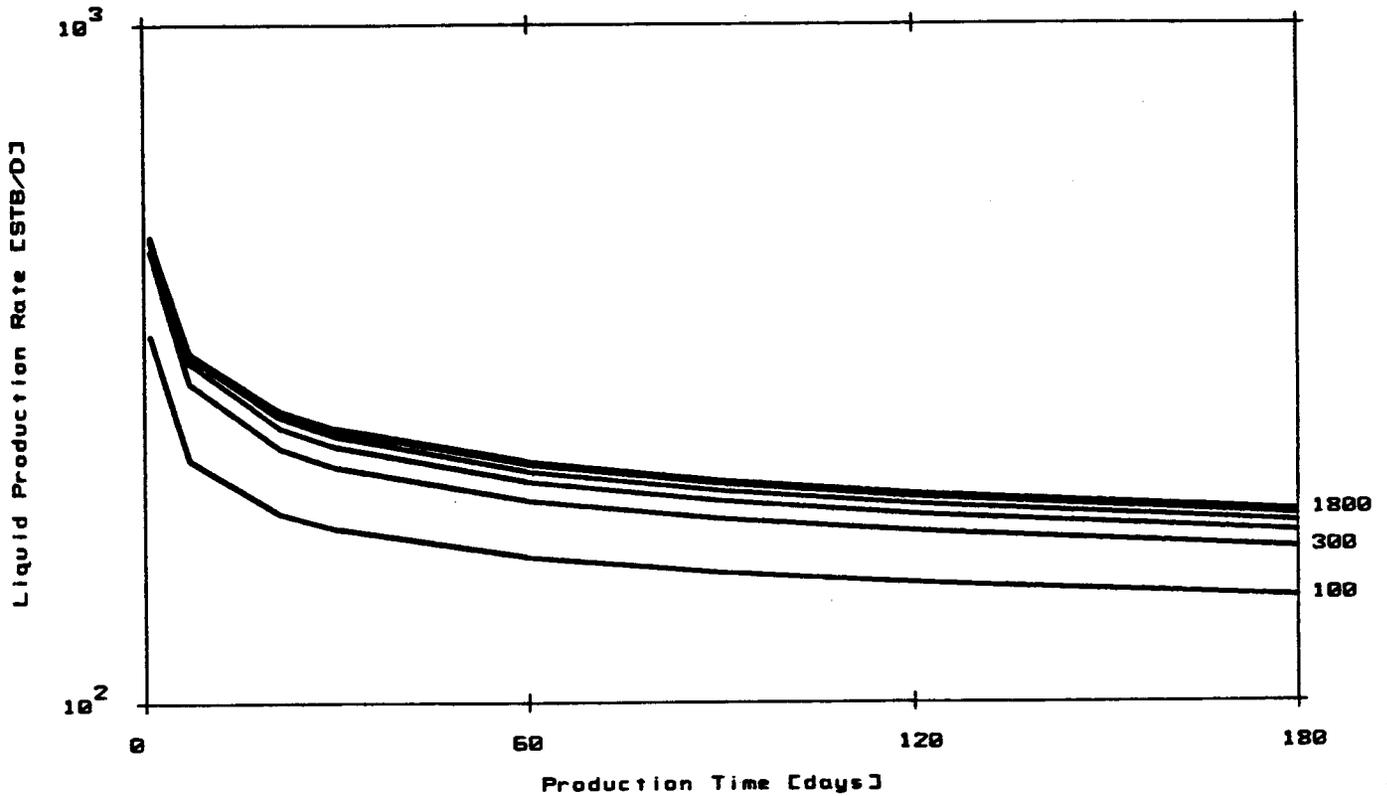


Production Rate vs. Frac. Half-Length, Transient Conditions
 1 to 180 days : FRAC'D SENSITIVITY

WELL TEST INTERPRETATION REPORT #:36783E		PAGE: 9.
CLIENT : TEXAS EASTERN SKYLINE OIL		20-MAY-85
REGION :CENTRAL	SENSITIVITY ANALYSIS Rate vs. Time (vs. Xf) FRAC'D SENSITIVITY	Field: WILDCAT
DISTRICT: UERNAL		Zone : ISMAY
BASE : DENUER		Well : MUSTANG 22-23
Engr : BOUCHER		Location: 20-36S-23E

Reservoir Pressure: 2705 psi Gas/Liquid Ratio: 773.0 SCF/STB
 Permeability: 1.15 md Tubing Size: 2.441 in (id)
 Net Thickness: 22.0 ft Wellhead Pressure: 200.0 psi

Fracture Conductivity, kf#w: 500.0 md.ft

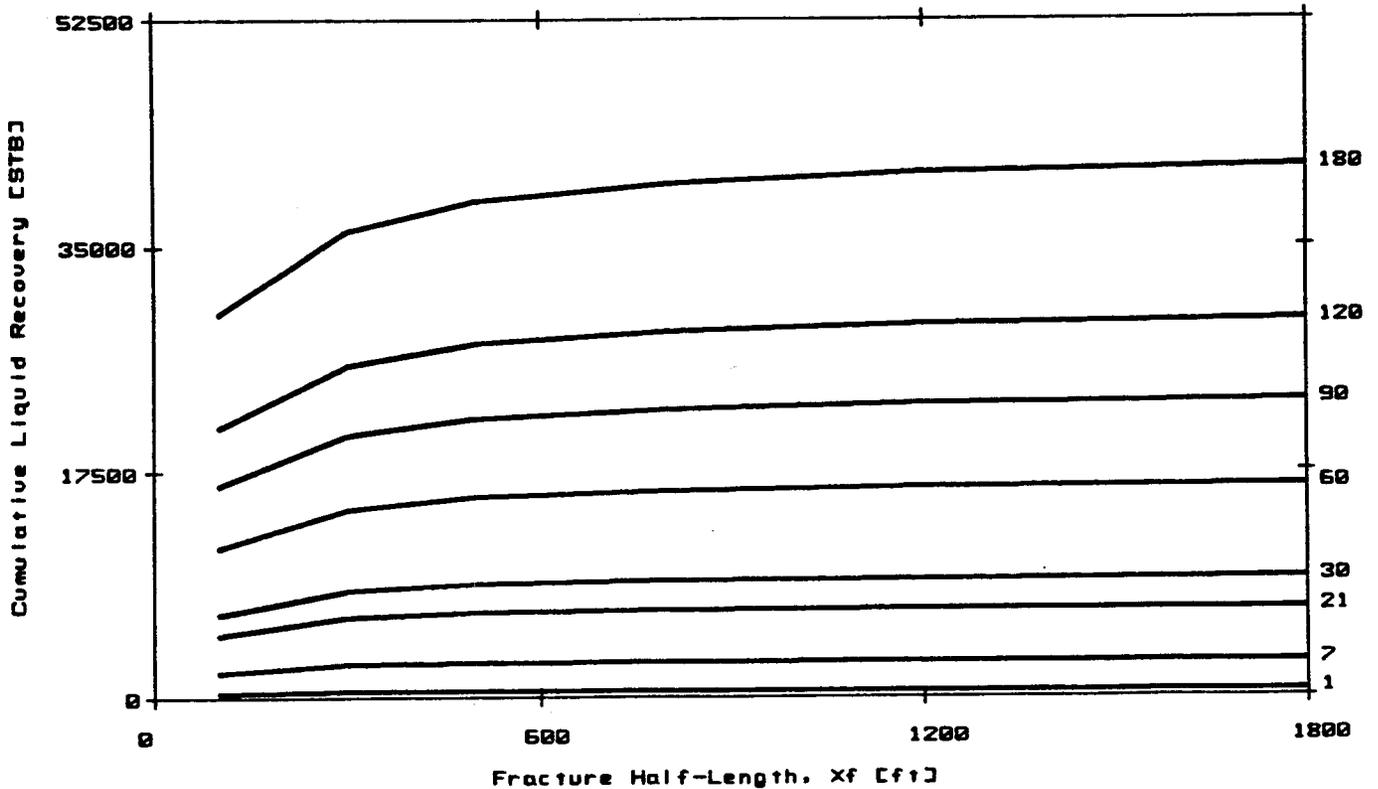


Effect of Time on Production Rate, for Fracture Half-Lengths
 from 100 to 1800 ft : FRAC'D SENSITIVITY

WELL TEST INTERPRETATION REPORT #: 36783E		PAGE: 10.
CLIENT : TEXAS EASTERN SKYLINE OIL		20-MAY-85
REGION : CENTRAL	SENSITIVITY ANALYSIS Recovery vs. Xf (vs. Time) FRAC'D SENSITIVITY	Field: WILDCAT
DISTRICT: UERNAL		Zone : ISMAY
BASE : DENVER		Well : MUSTANG 22-23
Engr : BOUCHER		Location: 20-355-23E

Reservoir Pressure: 2706 psi Gas/Liquid Ratio: 773.0 SCF/STB
 Permeability: 1.15 md Tubing Size: 2.441 in (id)
 Net Thickness: 22.0 ft Wellhead Pressure: 200.0 psi

Fracture Conductivity, kf#w: 500.0 md.ft

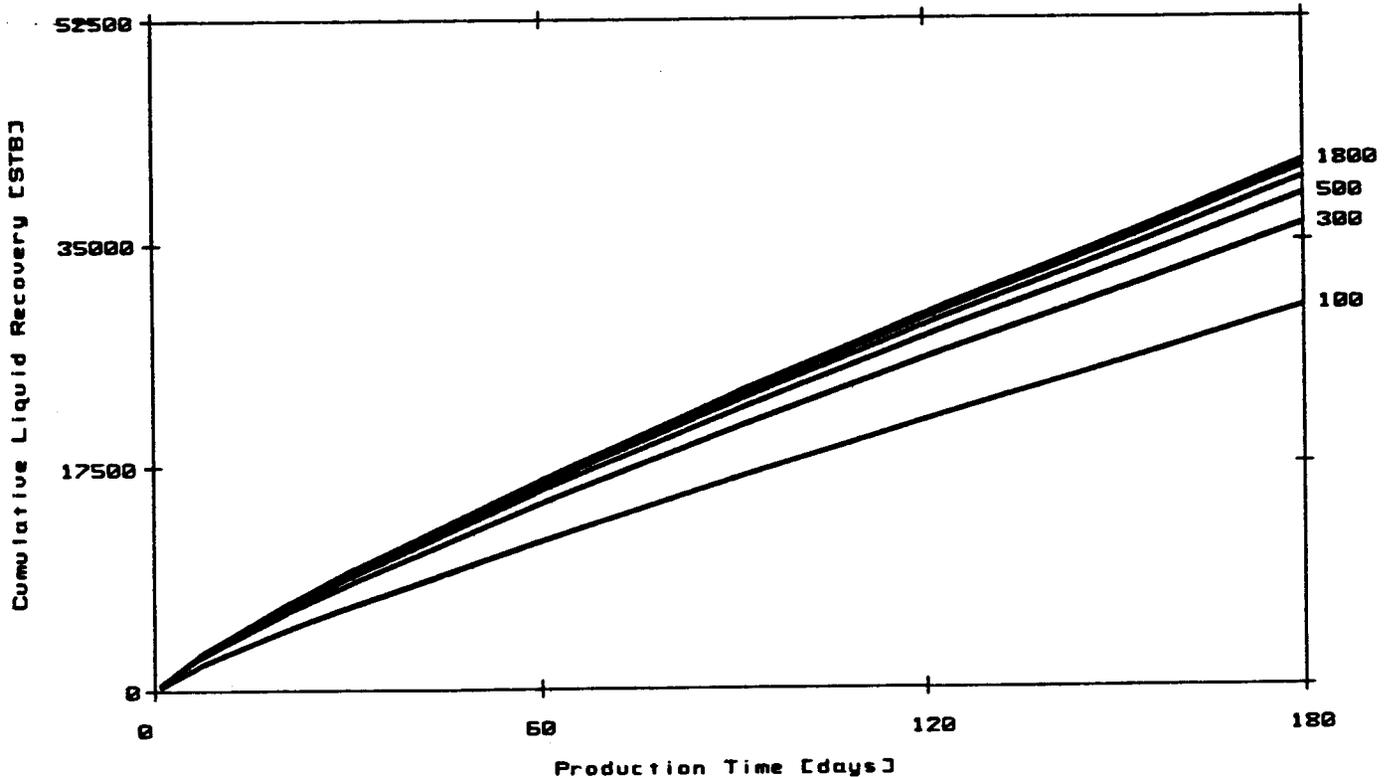


Cumulative Recovery vs. Frac. Half-Length, Transient Conditions
1 to 180 days : FRAC'D SENSITIVITY

WELL TEST INTERPRETATION REPORT #: 36783E		PAGE: 11.
CLIENT : TEXAS EASTERN SKYLINE OIL		20-MAY-85
REGION : CENTRAL	SENSITIVITY ANALYSIS Recovery vs. Time (vs. Xf) FRAC'D SENSITIVITY	Field: WILDCAT
DISTRICT: UERNAL		Zone : ISMAY
BASE : DENVER		Well : MUSTANG 22-23
Engr : BOUCHER		Location: 20-36S-23E

Reservoir Pressure: 2706 psi Gas/Liquid Ratio: 773.0 SCF/STB
Permeability: 1.15 md Tubing Size: 2.441 in (id)
Net Thickness: 22.0 ft Wellhead Pressure: 200.0 psi

Fracture Conductivity, kf#w: 500.0 md.ft



Effect of Time on Cumulative Recovery, for Fracture Half-Lengths from 100 to 1800 ft : FRAC'D SENSITIVITY

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

Form 3160-6
(November 1983)
(Formerly 9-329)

**MONTHLY REPORT
OF
OPERATIONS**

Lease No. U-23521
 Communitization Agreement No. _____
 Field Name Mustang Flat
 Unit Name Mustang
 Participating Area _____
 County San Juan State Utah
 Operator TEXAS EASTERN SKYLINE OIL COMPANY
 Amended Report

The following is a correct report of operations and production (including status of all unplugged wells) for the month of May, 1985

(See Reverse of Form for Instructions)

This report is required by law (30 U.S.C. 189, 30 U.S.C. 359, 25 U.S.C. 396d), regulation (43 CFR 3162.4-3), and the terms of the lease. Failure to report can result in the assessment of liquidated damages, (43 CFR 3160), penalties, shutting down operations, or basis for recommendation to cancel the lease and forfeit the bond (43 CFR 3160).

Well No.	Sec. & 1/4 of 1/4	TWP	RNG	Well Status	Days Prod.	*Barrels of Oil	*MCF of Gas	*Barrels of Water	Remarks
22-23	NE SW Sec. 22	36S	23E	DRG	11	17	TSTM	726	Drilled well to T.D. of 6473'. Ran and cementing 5 1/2" casing. Started completion 5-10-85. Perforated interval 6184'-6236'. Presently testing interval 6184'-6236'.

RECEIVED
JUN 05 1985
 DIVISION OF OIL
 GAS & MINING

*If none, so state.

DISPOSITION OF PRODUCTION (Lease, Participating Area, or Communitized Area basis)

	Oil & Condensate (BBLs)	Gas (MCF)	Water (BBLs)
*On hand, Start of Month	None	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX
*Produced	17	TSTM	726
*Sold	None	None	XXXXXXXXXXXXXXXXXXXX
*Spilled or Lost	None	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX
*Flared or Vented	XXXXXXXXXXXXXXXXXXXX	TSTM	XXXXXXXXXXXXXXXXXXXX
*Used on Lease	None	None	XXXXXXXXXXXXXXXXXXXX
*Injected	None	None	None
*Surface Pits	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX	726
*Other (Identify)	None	None	None
*On hand, End of Month	17	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX
*API Gravity/BTU Content	N.A.	TSTM	XXXXXXXXXXXXXXXXXXXX

Authorized Signature: Michael D. Peterson Address: 1775 Sherman St., Ste. 1200
 Title: Engineering Manager Page 1 of 1 Denver, CO 80203

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIP
(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.)

CONFIDENTIAL		5. LEASE DESIGNATION AND SERIAL NO. U-23521
1. NAME OF OPERATOR TEXAS EASTERN SKYLINE OIL COMPANY		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. ADDRESS OF OPERATOR 1775 Sherman Street, Suite 1200, Denver, Colorado 80203		7. UNIT AGREEMENT NAME Mustang
3. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1520' FSL & 1520' FEL (NE SW) Sec. 22, T36S, R23E		8. FARM OR LEASE NAME Mustang Unit
14. PERMIT NO. API #43-037-31154	15. ELEVATIONS (Show whether SP, ST, OR, etc.) OGL - 5968'	9. WELL NO. 22-23
		10. FIELD AND POOL, OR WILDCAT Mustang Flat - Ismay
		11. SEC., T., R., N., OR S.E. AND SURVEY OR AREA Sec. 22, T36S, R23E, SLB & M
		12. COUNTY OR PARISH San Juan
		13. STATE Utah

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
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 ACIDISING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANE <input type="checkbox"/>	(Other) _____	
(Other) Squeeze & re-perforate <input checked="" 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 intends to perform the following work on subject well:

Drill out CIBP @6215'. Cement squeeze interval 6184'-6236'.
Drill out cement and test squeeze. Re-squeeze if necessary.
Sand jet interval 6184'-6192'. Test and evaluate interval 6184'-6192'.

RECEIVED

MAY 28 1985

DIVISION OF OIL
GAS & MINING

Federal approval of this action is required before commencing operations.

ACCEPTED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 5/30/85
BY: John R. Bayne

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

SIGNED Michael D. Anderson TITLE Engineering Manager DATE 5-23-85

(This space for Federal or State office use)

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

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIP
(Other instructions
verse side)

FE-
re-

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. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		7. UNIT AGREEMENT NAME Mustang	
2. NAME OF OPERATOR TEXAS EASTERN SKYLINE OIL COMPANY		8. FARM OR LEASE NAME Mustang Unit	
3. ADDRESS OF OPERATOR 1775 Sherman Street, Suite 1200, Denver, Colorado 80203		9. WELL NO. 22-23	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1520' FSL & 1520' FWL (NE SW) Sec. 22, T36S, R23E		10. FIELD AND POOL, OR WILDCAT Mustang Flat - Ismay	
14. PERMIT NO. API # 43-037-31154		12. COUNTY OR PARISH San Juan	
15. ELEVATIONS (Show whether DF, RT, OR, etc.) OGL - 5968'		18. STATE Utah	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
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 checked="" type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANE <input type="checkbox"/>	(Other) <input type="checkbox"/>	

(NOTE: Report results of multiple completion on Well Completion or Recoupletion 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.)*

Rig up completion unit. Cleaned out casing to 6380'.
Pressure test casing to 1500# -DK. Run cement bond log--indicated cement top at 4529'. Perforated Ismay at 6184'-6192', 6195'-6197', 6206'-6210', and 6220'-6236'.
Acidized well with 2000 gals. 15% HCl. Swab well recovering only salt water. Set CIBP @6215'. Swab test interval 6215'-6184'.

RECEIVED
MAY 28 1985
DIVISION OF OIL
GAS & MINING

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

SIGNED Michael W. Anderson TITLE Engineering Manager DATE 5-23-85

(This space for Federal or State office use)

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

*See Instructions on Reverse Side

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

Form 3160-6
(November 1983)
(Formerly 9-329)

**MONTHLY REPORT
OF
OPERATIONS**

Lease No. U-23521
 Communitization Agreement No. _____
 Field Name Mustang Flat
 Unit Name Mustang
 Participating Area _____
 County San Juan State Utah
 Operator Texas Eastern Skyline Oil Company
 Amended Report

The following is a correct report of operations and production (including status of all unplugged wells) for the month of June, 1985

(See Reverse of Form for Instructions)

This report is required by law (30 U.S.C. 189, 30 U.S.C. 359, 25 U.S.C. 396d), regulation (43 CFR 3162.4-3), and the terms of the lease. Failure to report can result in the assessment of liquidated damages, (43 CFR 3160), penalties, shutting down operations, or basis for recommendation to cancel the lease and forfeit the bond (43 CFR 3160).

Well No.	Sec. & 1/4 of 1/4	TWP	RNG	Well Status	Days Prod.	*Barrels of Oil	*MCF of Gas	*Barrels of Water	Remarks
22-23	NE SW Sec. 22	36S	23E	DRG	30	52	TSTM	333	Tested and abandoned interval 6184'-6236' Perf. and test interval 6120'-6130' Perf. and test interval 6080-6098'

RECEIVED
JUL 10 1985
DIVISION OF OIL
GAS & MINING

*If none, so state.

DISPOSITION OF PRODUCTION (Lease, Participating Area, or Communitized Area basis)

	Oil & Condensate (BBLs)	Gas (MCF)	Water (BBLs)
*On hand, Start of Month	17	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
*Produced	52	TSTM	333
*Sold	None	None	XXXXXXXXXXXXXXXXXX
*Spilled or Lost	69	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
*Flared or Vented	XXXXXXXXXXXXXXXXXX	TSTM	XXXXXXXXXXXXXXXXXX
*Used on Lease	None	None	XXXXXXXXXXXXXXXXXX
*Injected	None	None	None
*Surface Pits	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	333
*Other (Identify)	None	None	None
*On hand, End of Month	69	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
*API Gravity/BTU Content	N.A.	N.A.	XXXXXXXXXXXXXXXXXX

Authorized Signature: Michael D. [Signature] Address: 1775 Sherman, Suite 1200 Denver, CO 80203
 Title: Engineering Manager Page 1 of 1

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

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

SUBMIT IN TRIPLA
(Other instructions
verse 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.)

<p>1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/></p> <p>2. NAME OF OPERATOR TEXAS EASTERN SKYLINE OIL COMPANY</p> <p>3. ADDRESS OF OPERATOR 1775 Sherman Street, Suite 1200, Denver, Colorado 80203</p> <p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1520' FSL & 1520' FWL (NE SW) Sec. 22, T36S, R23E</p> <p>14. PERMIT NO. API #43-037-31154</p>		<p>5. LEASE DESIGNATION AND SERIAL NO. U-23521</p> <p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME</p> <p>7. UNIT AGREEMENT NAME Mustang</p> <p>8. FARM OR LEASE NAME Mustang Unit</p> <p>9. WELL NO. 22-23</p> <p>10. FIELD AND POOL, OR WILDCAT Mustang Flat - Ismay</p> <p>11. SEC., T., R., M., OR B.L.K. AND SURVEY OR AREA Sec. 22, T36S, R23E, SLB & M</p> <p>12. COUNTY OR PARISH 13. STATE San Juan Utah</p>
<p>15. ELEVATIONS (Show whether DP, RT, OR, etc.) OGL-5968'</p>		

RECEIVED

JUL 10 1985

DIVISION OF OIL
GAS & MINING

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
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 checked="" 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 PLANE <input 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.)

Drilled out CIBP @6215'. Set cement retainer @6108'. Squeeze interval 6186-6236' w/50 sx RFC cement. Drill out retainer and cement. Ran GR-CBL-CCL log. Pressure test squeeze to 1500#--OK. Ran sand jet and cut 3 holes per foot over interval 6186'-6194'. Test interval 6186'-6194' recovering only water. Acidized interval 6186'-6194' w/1000 gals. 15% HCl. Tested only water. Set cement retainer @6170'. Squeeze interval 6186'-6194' w/30 sx Class 'G'. Perfed interval 6120'-6130'. Acidized interval 6120'-6130' w/2000 gals. 15% HCl. Swab tested several days. Acid frac'd interval 6120'-6130' w/5600 gals. 15% HCl and 7500 gals. gel. Tested well several days. Set RBP @6010'. Perfed interval 6080'-6098'. Acidized interval 6080'-6098' w/1500 gals. 7.5% HCl. Tested interval for several days. Shut well in--evaluating.

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

SIGNED Michael D. Anderson TITLE Engineering Manager DATE July 5, 1985

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: _____

*See Instructions on Reverse Side

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

Form 3160-6
(November 1983)
(Formerly 9-329)

**MONTHLY REPORT
OF
OPERATIONS**

Lease No. U-23521
Communitization Agreement No. _____
Field Name Mustang Flat
Unit Name Mustang
Participating Area _____
County San Juan State Utah
Operator Texas Eastern Skyline Oil Company
 Amended Report

The following is a correct report of operations and production (including status of all unplugged wells) for the month of July, 1985

(See Reverse of Form for Instructions)

This report is required by law (30 U.S.C. 189, 30 U.S.C. 359, 25 U.S.C. 396d), regulation (43 CFR 3162.4-3), and the terms of the lease. Failure to report can result in the assessment of liquidated damages, (43 CFR 3160), penalties, shutting down operations, or basis for recommendation to cancel the lease and forfeit the bond (43 CFR 3160).

Well No	Sec & 1/4 of 1/4	TWP	RNG	Well Status	Days Prod	*Barrels of Oil	*MCF of Gas	*Barrels of Water	Remarks
22-23	NE SW Sec. 22	36S	23E	DRG	2	1	TSTM	4	Shut well in-- evaluating

RECEIVED
SEP 12 1985
DIVISION OF OIL
GAS & MINING

*If none, so state.

DISPOSITION OF PRODUCTION (Lease, Participating Area, or Communitized Area basis)

	Oil & Condensate (BBLs)	Gas (MCF)	Water (BBLs)
*On hand, Start of Month	69	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX
*Produced	1	--	4
*Sold	--	--	XXXXXXXXXXXXXXXXXXXX
*Spilled or Lost	--	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX
*Flared or Vented	XXXXXXXXXXXXXXXXXXXX	--	XXXXXXXXXXXXXXXXXXXX
*Used on Lease	--	--	XXXXXXXXXXXXXXXXXXXX
*Injected	--	--	--
*Surface Pits	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX	4
*Other (Identify)	--	--	--
*On hand, End of Month	70	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX
*API Gravity/BTU Content	N.A.	N.A.	XXXXXXXXXXXXXXXXXXXX

Authorized Signature: *M. Anderson* Address: 1775 Sherman St., Ste. 1200, Denver, CO
Title: Engineering Manager Page 1 of 1 80203

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.

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

Form 3160-6
(November 1983)
(Formerly 9-329)

**MONTHLY REPORT
OF
OPERATIONS**

Lease No. U-23521
 Communitization Agreement No. _____
 Field Name Mustang Flat
 Unit Name Mustang
 Participating Area _____
 County San Juan State Utah
 Operator Texas Eastern Skyline Oil Company
 Amended Report

The following is a correct report of operations and production (including status of all unplugged wells) for the month of August, 1985

(See Reverse of Form for Instructions)

This report is required by law (30 U.S.C. 189, 30 U.S.C. 359, 25 U.S.C. 396d), regulation (43 CFR 3162.4-3), and the terms of the lease. Failure to report can result in the assessment of liquidated damages, (43 CFR 3160), penalties, shutting down operations, or basis for recommendation to cancel the lease and forfeit the bond (43 CFR 3160).

Well No	Sec & 1/4 of 1/4	TWP	RNG	Well Status	Days Prod	*Barrels of Oil	*MCF of Gas	*Barrels of Water	Remarks
22-23	NE SW Sec. 22	36S	23E	DRG	--	--	--	--	Well shut in -- evaluating

RECEIVED
SEP 12 1985
DIVISION OF OIL
GAS & MINING

*If none, so state.

DISPOSITION OF PRODUCTION (Lease, Participating Area, or Communitized Area basis)

	Oil & Condensate (BBLs)	Gas (MCF)	Water (BBLs)
*On hand, Start of Month	<u>70</u>	<u>XXXXXXXXXXXXXXXXXX</u>	<u>XXXXXXXXXXXXXXXXXX</u>
*Produced	<u>--</u>	<u>--</u>	<u>--</u>
*Sold	<u>--</u>	<u>--</u>	<u>XXXXXXXXXXXXXXXXXX</u>
*Spilled or Lost	<u>--</u>	<u>XXXXXXXXXXXXXXXXXX</u>	<u>XXXXXXXXXXXXXXXXXX</u>
*Flared or Vented	<u>XXXXXXXXXXXXXXXXXX</u>	<u>--</u>	<u>XXXXXXXXXXXXXXXXXX</u>
*Used on Lease	<u>--</u>	<u>--</u>	<u>XXXXXXXXXXXXXXXXXX</u>
*Injected	<u>--</u>	<u>--</u>	<u>--</u>
*Surface Pits	<u>XXXXXXXXXXXXXXXXXX</u>	<u>XXXXXXXXXXXXXXXXXX</u>	<u>--</u>
*Other (Identify)	<u>--</u>	<u>--</u>	<u>--</u>
*On hand, End of Month	<u>--</u>	<u>XXXXXXXXXXXXXXXXXX</u>	<u>XXXXXXXXXXXXXXXXXX</u>
*API Gravity/BTU Content	<u>--</u>	<u>--</u>	<u>XXXXXXXXXXXXXXXXXX</u>

Authorized Signature: *M. D. Anderson*
 Title: Engineering Manager

Address: 1775 Sherman, Ste. 1200, Denver, CO 80203

Page 1 of 1

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPL.
(Other instructions
verse 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. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		7. UNIT AGREEMENT NAME Mustang	
2. NAME OF OPERATOR Texas Eastern Skyline Oil Company		8. FARM OR LEASE NAME Mustang Unit	
3. ADDRESS OF OPERATOR 1775 Sherman Street, Suite 1200, Denver, Colorado 80203		9. WELL NO. 22-23	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1520' FSL & 1520' FWL (NE SW) Sec. 22, T36S, R23E		10. FIELD AND POOL, OR WILDCAT Mustang Flat - Ismay	
14. PERMIT NO. API #43-037-31154		15. ELEVATIONS (Show whether OF, BT, OR, etc.) OGL - 5968'	
		12. COUNTY OR PARISH San Juan	13. STATE Utah

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
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 checked="" 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 PLANE <input 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.)*

MIRU workover unit. Release pkr. TIH to RBP latch onto and release RBP.
TOOH. LD RBP - TIH. Set packer @ 6030'. Swabbed well for 3 days. Recovered trace oil and 165 bbls. load water. RU Western. Frac'd. intervals 6080'-6098' and 6120'-6130' with 33,600 gals. gelled 3% HCL and 31,500# 20-40 Sand. RD Western. Flowed and swabbed back load water for 7 days. Shut well in--evaluating.

RECEIVED

SEP 12 1985

DIVISION OF OIL
GAS & MINING

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

SIGNED Michael D. Anderson TITLE Engineering Manager DATE 9-5-85

(This space for Federal or State office use)

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

*See Instructions on Reverse Side

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

SUBMIT IN TRIPlicate
(Other instructions
verse side)

Form approved.
Budget Bureau No. 1004-0115
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 level.
Use "APPLICATION FOR PERMIT" for such proposals.)

5. LEASE DESIGNATION AND SERIAL NO.
U-23521

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
Mustang

8. FARM OR LEASE NAME
Mustang Unit

9. WELL NO.
22-23

10. FIELD AND POOL, OR WILDCAT
Mustang Flat Ismay

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 22, T36S, R23E, SLB&M

12. COUNTY OR PARISH
San Juan

13. STATE
Utah

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
TEXAS EASTERN SKYLINE OIL COMPANY

3. ADDRESS OF OPERATOR
1775 Sherman Street, Suite 1200, Denver, Colorado 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface
1520' FWL and 1520' FSL (NE SW) Sec. 22, T36S, R23E

14. PERMIT NO.
API# 43-037-31154

15. ELEVATIONS (Show whether DF, RT, GR, etc.)
OGL-5968'

OCT 22 1985

DIVISION OF OIL
GAS & MINING

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

NOTICE OF INTENTION TO:

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

SUBSEQUENT REPORT OF:

WATER SHUT-OFF	<input type="checkbox"/>	REPAIRING WELL	<input type="checkbox"/>
FRACTURE TREATMENT	<input type="checkbox"/>	ALTERING CASING	<input type="checkbox"/>
SHOOTING OR ACIDIZING	<input type="checkbox"/>	ABANDONMENT*	<input type="checkbox"/>
(Other)			

(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 proposes to P&A the subject well as follows:

- Plug #1 10 sx 6050'-6130'
- Cut off 5½" casing at ± 4500' and pull 5½" casing
- Plug #2 50 sx 4400'-4600'
- Plug #3 80 sx 2200'-2000'
- Plug #4 10 sx Surface

Install a regulation dry hole marker. Rehabilitate location as weather permits.

ACCEPTED BY THE COMMISSIONER
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 10/25/85
BY: John R. Dugan

Federal approval of this action
is required before commencing
operations

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

SIGNED Michael L. Johnson TITLE Engineering Manager DATE 10-18-85

(This space for Federal or State office use)

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

OCT 23 1985

*See Instructions on Reverse Side

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

Form 3160-6 (November 1983) (Formerly 9-329)

MONTHLY REPORT OF OPERATIONS

Lease No. U-23521
Communitization Agreement No.
Field Name Mustang Flat
Unit Name Mustang
Participating Area
County San Juan State Utah
Operator Texas Eastern Skyline Oil Company
Amended Report

The following is a correct report of operations and production (including status of all unplugged wells) for the month of October, 1985

(See Reverse of Form for Instructions)

This report is required by law (30 U.S.C. 189, 30 U.S.C. 359, 25 U.S.C. 396d), regulation (43 CFR 3162.4-3), and the terms of the lease. Failure to report can result in the assessment of liquidated damages, (43 CFR 3160), penalties, shutting down operations, or basis for recommendation to cancel the lease and forfeit the bond (43 CFR 3160).

Table with 10 columns: Well No, Sec. & 1/4 of 1/4, TWP, RNG, Well Status, Days Prod, *Barrels of Oil, *MCF of Gas, *Barrels of Water, Remarks. Row 1: 22-23, NE SW Sec. 22, 36S, 23E, P&A, --, --, --, --, P&A well 10-27-85

*If none, so state.

DISPOSITION OF PRODUCTION (Lease, Participating Area, or Communitized Area basis)

Table with 3 columns: Oil & Condensate (BBLs), Gas (MCF), Water (BBLs). Rows include: On hand, Start of Month; Produced; Sold; Spilled or Lost; Flared or Vented; Used on Lease; Injected; Surface Pits; Other (Identify); On hand, End of Month; API Gravity/BTU Content.

Authorized Signature: Michael D. Anderson Address: 1775 Sherman St., Ste. 1200, Denver, CO
Title: Engineering Manager Page 1 of 1

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPlicate (Other instructions verso 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. OIL WELL [X] GAS WELL [] OTHER []
2. NAME OF OPERATOR: TEXAS EASTERN SKYLINE OIL COMPANY
3. ADDRESS OF OPERATOR: 1775 Sherman Street, Suite 1200, Denver, Colorado 80203
4. LOCATION OF WELL: 1520' FWL & 1520' FSL (NE SW) Sec. 23, T36S, R23E
14. PERMIT NO.: API# 43-037-31154
15. ELEVATIONS: OGL-5968'

6. LEASE DESIGNATION AND SERIAL NO: U-23521
7. UNIT AGREEMENT NAME: Mustang
8. FARM OR LEASE NAME: Mustang Unit
9. WELL NO.: 22-23
10. FIELD AND POOL, OR WILDCAT: Mustang Flat
11. SEC., T., R., M., OR BLE. AND SUBST. OR AREA: Sec. 22, T36S, R23E SLB & M
12. COUNTY OR PARISH: San Juan
13. STATE: Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data
NOTICE OF INTENTION TO: TEST WATERS SHUT-OFF, FRACTURE TREAT, SHOOT OR ACIDIZE, REPAIR WELL, (Other)
PULL OR ALTER CASING, MULTIPLE COMPLETE, ABANDON*, CHANGE PLANE
SUBSEQUENT REPORT OF: WATER SHUT-OFF, FRACTURE TREATMENT, SHOOTING OR ACIDIZING, (Other)
REPAIRING WELL, ALTERING CASING, ABANDONMENT* [X]
(Notes: 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.)

The subject well was plugged and abandoned on October 27, 1985 as follows:

- Plug #1 6050'-6150' 55 sx Class "H"
Ran free point and cut off casing at 2520'.
Pulled 2520' 5 1/2" 15.5# K-55 casing.
Plug #2 2420'-2620' 75 sx Class "H"
Plug #3 2103'-2203' 50 sx Class "H"
Plug #4 Surface 15 sx Class "H"

Installed regulation dry hole marker.
Location will be rehabilitated during Spring, 1986.

18. I hereby certify that the foregoing is true and correct
SIGNED: [Signature] TITLE: Engineering Manager DATE: Dec. 4, 1985

(This space for Federal or State office use)
APPROVED BY: TITLE:
CONDITIONS OF APPROVAL, IF ANY:
ACCEPTED BY: [Signature] DATE: 12/10/85
OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 12/10/85 BY: [Signature]

*See Instructions on Reverse Side

**UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY**

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

Form approved,
Budget Bureau No. 42-R355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input checked="" type="checkbox"/> Other _____		RECEIVED DEC 09 1985		5. LEASE DESIGNATION AND SERIAL NO. <u>U-23521</u>	
b. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other _____				6. IF INDIAN, ALLOTTEE OR TRIBE NAME _____	
2. NAME OF OPERATOR <u>TEXAS EASTERN SKYLINE OIL COMPANY</u>				7. UNIT AGREEMENT NAME <u>Mustang</u>	
3. ADDRESS OF OPERATOR <u>1775 Sherman Street, Suite 1200, Denver, Colorado 80203</u>				8. FARM OR LEASE NAME <u>Mustang Unit</u>	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface <u>1520' FSL and 1520' FWL (NE SW) Sec. 22, T36S, R23E</u> At top prod. interval reported below <u>SAME</u> At total depth <u>SAME</u>				9. WELL NO. <u>22-23</u>	
14. PERMIT NO. <u>API# 43-037-31154</u> DATE ISSUED _____				10. FIELD AND POOL, OR WILDCAT <u>Mustang Flat</u>	
15. DATE SPUNDED <u>4-18-85</u> 16. DATE T.D. REACHED <u>5-3-85</u> 17. DATE COMPL. (Ready to prod.) <u>P&A 10-27-85</u>				11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA <u>Sec. 22, T36S R23E, SLB&M</u>	
18. ELEVATIONS (DF, REB, RT, GR, ETC.)* <u>GL 5967'</u>				12. COUNTY OR PARISH <u>San Juan</u>	
20. TOTAL DEPTH, MD & TVD <u>6473</u> 21. PLUG BACK T.D., MD & TVD <u>6473</u> 22. IF MULTIPLE COMPL., HOW MANY* _____				13. STATE <u>Utah</u>	
23. INTERVALS DRILLED BY _____ ROTARY TOOLS _____ CABLE TOOLS _____				19. ELEV. CASINGHEAD <u>5967'</u>	
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* <u>P&A 10-27-85</u>				25. WAS DIRECTIONAL SURVEY MADE <u>No</u>	
26. TYPE ELECTRIC AND OTHER LOGS RUN <u>GR-FDC-CNL, GR-BHC Sonic, GR-DIL, SFL, GR-CBL-CCL</u>				27. WAS WELL CORED <u>No</u>	
28. CASING RECORD (Report all strings set in well)					
CASING SIZE		WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	
16"		64#	44'	22"	
9 5/8"		36#	2111'	12 1/4"	
5 1/2"		15.5#	6473'	8 3/4"	
CEMENTING RECORD			AMOUNT PULLED		
30 SX			None		
890 SX			None		
425 SX			2520'		
29. LINER RECORD			30. TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE
					DEPTH SET (MD)
					PACKER SET (MD)
31. PERFORATION RECORD (Interval, size and number)				32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
6184' - 6236'				DEPTH INTERVAL (MD)	
6120' - 6130'				AMOUNT AND KIND OF MATERIAL USED	
6080' - 6098'				6184-6236 3000 gals 15% HCl	
				6120-6130 9500 gals 15% HCl	
				6080-6098 1500 gals 7.5% HCl & 33,600 gals gel & 31,500# Sand	
33.* PRODUCTION					
DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)			WELL STATUS (Producing or shut-in)
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.
					WATER—BBL.
					GAS-OIL RATIO
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.
					OIL GRAVITY-API (CORR.)
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)					TEST WITNESSED BY
35. LIST OF ATTACHMENTS <u>DST Report, Geologic Report</u>					
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records					
SIGNED _____		TITLE <u>Engineering Manager</u>		DATE <u>12-4-85</u>	

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

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

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

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

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool. **Item 33:** Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES: SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES		38. GEOLOGIC MARKERS	
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Ismay	6060	6194	DST #1 30-60-90-180 Gauge depth-6034' IHP: 2950 psi IFP: 141-342 psi 30 min. ISIP: 2672 psi 60 min. FFP: 268-741 psi 90 min. FSIP: 2388 psi 180 min. FHP: 2950 psi BHT: 129°F Recovered 1982' gas cut mud and oil Sampler contained 5.4 CF gas, 1100 cc oil 120 cc mud
			TOP
			MEAS. DEPTH
			TRUE VERT. DEPTH
			NAME
			Surface
			1090
			1610
			2090
			2658
			2767
			4667
			6097
			6290
			6360
			6455
			6473
			TD



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

August 28, 1986

Texas Eastern Skyline Oil Co.
1775 Sherman Street #1200
Denver, Colorado 80203

Gentlemen:

Re: Well No. Mustang Unit #22-23 - Sec. 22, T. 36S., R. 23E.,
San Juan County, Utah - API #43-037-31154

Review of our records indicate that copies of the GR-FDC-CNL, GR-BHC Sonic, GR-DIL, SFL, GR-CBL-CCL logs which were run on the referenced well as indicated on the Well Completion Report dated December 4, 1985, have not been received.

Rule 312, Oil and Gas Conservation General Rules, requires that copies of the electric or other logs run be submitted within 90 days of the completion of a well.

Please forward the requested information to the address below at your earliest convenience, but not later than September 12, 1986.

Utah Division of Oil, Gas and Mining
Attention: Suspense File - Norm Stout
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Sincerely,

R. J. Firth
Associate Director, Oil & Gas

cc: Dianne R. Nielson
Ronald J. Firth
John R. Baza
Well File
Suspense File

.0431S/10

orig: M. Yared
XC: M. Anderson

Bureau of Land Management
Branch of Fluid Minerals (U-922)
324 South State Street
Salt Lake City, Utah 84111-2303

022404

February 6, 1987

Samedan Oil Corporation
1616 Glenarm Place
Suite 2550
Denver, Colorado 80202

L. M. TURNER
FEB 9 1987

Land & Property Admin.

Re: Successor of Operator
Mustang Unit
San Juan County, Utah

Gentlemen:

We received an indenture dated February 1, 1987, whereby Texas Eastern Skyline Oil Company resigned as Operator and Samedan Oil Corporation was designated as Operator for the Mustang Unit Agreement, San Juan County, Utah.

This indenture was executed by all required parties. The signatory parties have complied with Section 6 of the unit agreement. The instrument is hereby accepted effective as of February 6, 1987. Please advise all interested parties of the change in unit operator.

Sincerely,

(Orig. Sgd.) H.A. Lemm

Howard A. Lemm
Chief, Branch of Fluid Minerals

Enclosure

cc: Texas Eastern Skyline Oil Company

FEB 10 1987

BRANCH OF FLUID MINERALS
SALT LAKE CITY, UTAH

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

3 IN TRIPLICATE*
See instructions on
reverse side)

021205

SUNDRY NOTICES AND REPORTS ON WELLS <small>(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.)</small>		5. LEASE DESIGNATION AND SERIAL NO. U-23521
1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER P&A		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Texas Eastern Skyline Oil Company		7. UNIT AGREEMENT NAME Mustang
3. ADDRESS OF OPERATOR 1775 Sherman Street, Suite 1200, Denver, Colorado 80203		8. FARM OR LEASE NAME Mustang Unit
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1520' FSL & 1520' FWL (NE SW) Sec. 22, T36S, R23E		9. WELL NO. 22-23
14. PERMIT NO. API #43-037-31154		10. FIELD AND POOL, OR WILDCAT Mustang Flat (Ismay)
15. ELEVATIONS (Show whether OF, RT, OR, etc.) GL - 5968'		11. SEC., T., R., M., OR BLEK. AND SURVEY OR AREA Sec. 22, T36S, R23E, SLB&M
12. COUNTY OR PARISH San Juan		13. STATE Utah

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> SHOOT OR ACIDIZE <input type="checkbox"/> REPAIR WELL <input type="checkbox"/> (Other) <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETE <input type="checkbox"/> ABANDON* <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/> FRACTURE TREATMENT <input type="checkbox"/> SHOOTING OR ACIDIZING <input type="checkbox"/> (Other) <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> ABANDONMENT* <input checked="" 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.)*

The subject well has been rehabilitated and reseeded as required. Texas Eastern Skyline Oil Company respectfully requests that your office conduct an inspection of the subject well and approve the rehabilitation as complete.

RECEIVED

FEB 09 1987

DIVISION OF
OIL, GAS & MINING

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

SIGNED Michael D. Anderson TITLE Manager DATE 2-5-87

(This space for Federal or State office use)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions
verse side)

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

6. LEASE DESIGNATION AND SERIAL NO.
U-23521

8. IF INDIAN, ALLOTTEE OR TRIBE NAME
022424

7. UNIT AGREEMENT NAME
Mustang

8. FARM OR LEASE NAME
Mustang Unit

9. WELL NO.
22-23

10. FIELD AND POOL, OR WILDCAT
Mustang Flat (1*smay)

11. SEC., T., R., M., OR BLK. AND
SUBVY OR AREA
Sec. 22, T36S, R23E,
SLB&M

12. COUNTY OR PARISH | 13. STATE
San Juan | Utah

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
Texas Eastern 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.*
See also space 17 below.)
At surface
1520' FSL & 1520' FWL (NE SW) Sec. 22, T36W, R23E

14. PERMIT NO.
API #43-037-31154

15. ELEVATIONS (Show whether DF, ST, OR, etc.)
GL - 5968'

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

NOTICE OF INTENTION TO:

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

SUBSEQUENT REPORT OF:

WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
(Other) Notice of Sale <input checked="" 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 on January 30, 1987, completed the sale of this property to Samedan Oil Corporation. Effective upon receipt by the BLM of the necessary paperwork, Samedan will assume all rights and obligations as Operator. Samedan's address is:

Samedan Oil Corporation
1616 Glenarm Place, Suite 2550
Denver, Colorado 80202

Attn: Gary Brune

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

SIGNED Michael D. Anderson TITLE Manager DATE 2-2-87
Michael D. Anderson
(This space for Federal or State office use)

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

*See Instructions on Reverse Side