

UTAH OIL AND GAS CONSERVATION COMMISSION

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

DATE FILED 11-17-86

LAND: FEE & PATENTED \_\_\_\_\_ STATE LEASE NO. \_\_\_\_\_ PUBLIC LEASE NO. U-20894 INDIAN \_\_\_\_\_

DRILLING APPROVED: 11-24-86

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

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

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

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

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

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

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

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

DATE ABANDONED: 2-6-87 LA'D

FIELD: WILDCAT

UNIT: \_\_\_\_\_

COUNTY: SAN JUAN

WELL NO. HORSE CANYON FEDERAL 13-44 API #43-037-31289

LOCATION 470' FSL FT. FROM (N) (S) LINE, 850' FEL FT. FROM (E) (W) LINE SE SE 1/4 - 1/4 SEC. 13

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR

38S	23E	13	WINTERSHALL CORPORATION
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BASF Group

November 5, 1986

Bureau of Land Management  
Branch of Fluids  
P.O. Box 970  
Moab, Utah 84532

Dear Sirs,

Brain Wood with Permits West, Inc. is employed by Wintershall Corporation and as such has the authority to sign APD's as agent for Wintershall Corporation.

Sincerely,

A handwritten signature in cursive script that reads "David P. Howell". The ink is dark and the signature is fluid and legible.

David P. Howell  
Operations Manager  
Rocky Mountain Division

DPH/cjr  
Enclosure

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.  
**U-20894**

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

7. UNIT AGREEMENT NAME  
**N/A**

8. FARM OR LEASE NAME  
**Horse Canyon**

9. WELL NO.  
**13-44 Federal**

10. FIELD AND POOL, OR WILDCAT  
 **Wildcat**

11. SEC., T., E., M., OR BLK.  
AND SURVEY OR AREA  
**13-38S-23E SLBM**

12. COUNTY OR PARISH  
**San Juan**

13. STATE  
**Utah**

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  
**Wintershall Corporation (303) 694-0988**

3. ADDRESS OF OPERATOR  
**5251 DTC Pkwy., Ste. 500, Englewood, Co. 80111**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
 At surface  
**470' FSL & 850' FEL (SESE)**  
 At proposed prod. zone  
**Same**

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

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)  
**470'**

16. NO. OF ACRES IN LEASE  
**640**

17. NO. OF ACRES ASSIGNED TO THIS WELL  
**40**

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
**1,030'**

19. PROPOSED DEPTH  
**6,014'** *shd*

20. ROTARY OR CABLE TOOLS  
**Rotary**

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
**5,112' ungraded**

22. APPROX. DATE WORK WILL START\*  
**Upon Approval**

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT

RECEIVED  
NOV 17 1986

- BOP, casing, and cementing programs are on PAGES 2-4
- Well is located on federal surface and subsurface
- Well is an orthodox location.

DIVISION OF OIL, GAS & MINING  
 APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING  
 DATE: 11-24-86  
 BY: John R. Bay  
 WELL SPACING: 302

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 Brian Wood TITLE Consultant DATE 11-13-86

(This space for Federal or State office use)

PERMIT NO. 43-037-31289 APPROVAL DATE \_\_\_\_\_

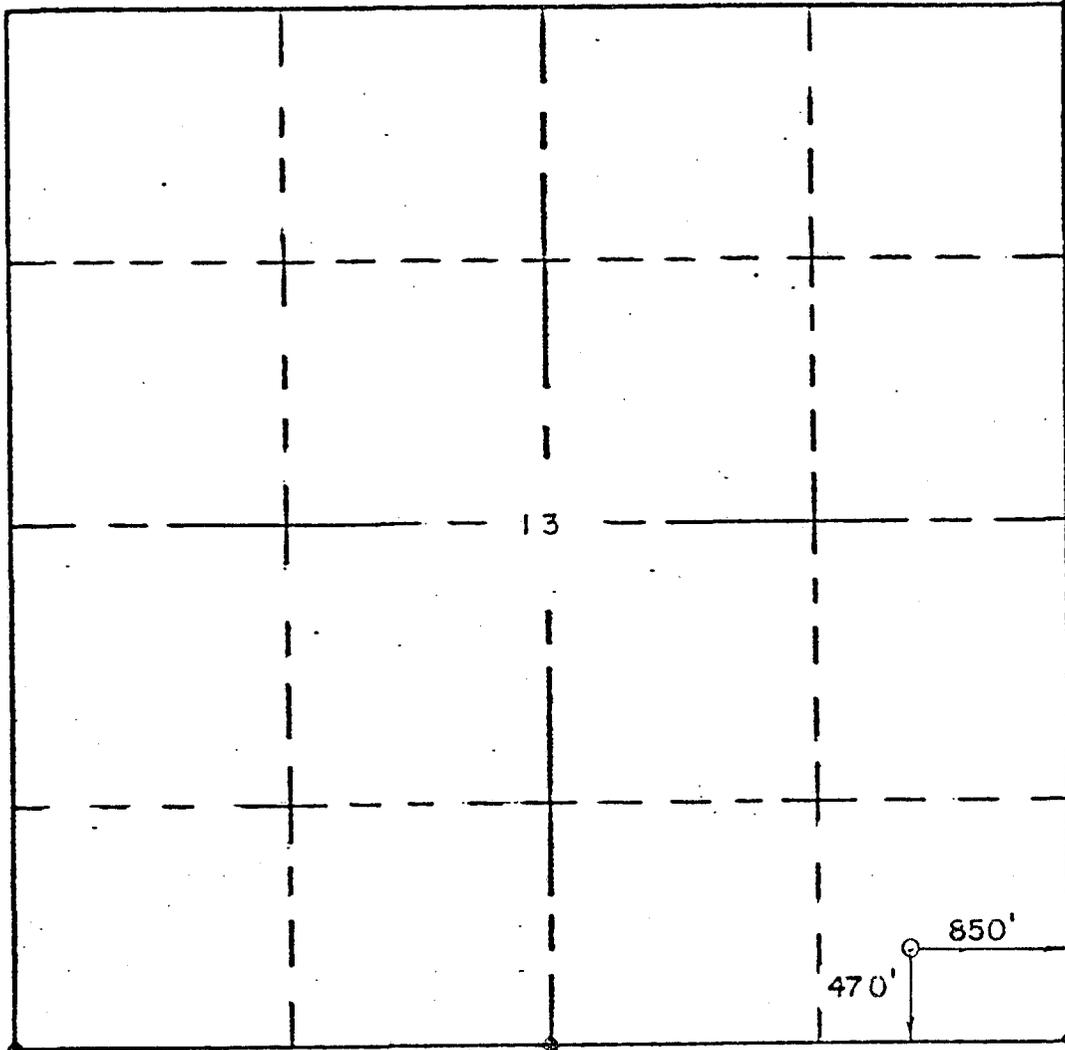
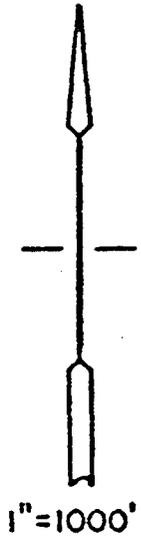
APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

cc: Howell (3), Lowry (3), MDO (3), SJRA (2), UDOGM (2)

\*See Instructions On Reverse Side

WELL LOCATION PLAT



WELL LOCATION DESCRIPTION:

WINTERSHALL OIL & GAS  
Horse Canyon #13-44  
470' FSL & 850' FEL  
Section 13, T.38 S., R.23 E., SLM  
San Juan County, Utah  
5112' grd. elevation  
References: 200' South, 5110' grd. elevation

The above plat is true and correct to my knowledge and belief.

11-10-'86

REGISTERED LAND SURVEYOR  
No. 5705  
GERALD G. HUDDLESTON  
Gerald G. Huddleston, LS  
STATE OF UTAH

Wintershall Corporation  
Horse Canyon 13-44 Federal  
470' FSL & 850' FEL  
Sec. 13, T. 38 S., R. 23 E.  
San Juan County, Utah

PAGE 1

All lease operations will be conducted in full compliance with applicable laws, regulations (43 CFR 3100), Onshore Oil & Gas Order #1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. Wintershall will furnish a copy of these conditions to its field representative to assure compliance.

### 8 Point Drilling Program

1. The estimated tops of important geologic markers are:

<u>Formation Name</u>	<u>Depth</u>	<u>Subsea</u>
Morrison	000'	+5112' (ungraded)
Bluff	494'	+4618'
Entrada	746'	+4366'
Navajo	924'	+4188'
Chinle	1844'	+3268'
DeChelly Cutler	2564'	+2548'
Hermosa	4462'	+ 650'
Upper Ismay	5688'	- 576'
Lower Ismay	5806'	- 694'
Desert Creek	5906'	- 794'
Akañ (TD)	6014'	- 902'

2. The estimated depths at which water, oil, gas, or other mineral bearing zones are expected to be encountered are:

Possible Water Zone

Navajo: 924'

Possible Oil Zones

Upper Ismay: 5688'

Lower Ismay: 5806'

Desert Creek: 5906'

Wintershall Corporation  
Horse Canyon 13-44 Federal  
470' FSL & 850' FEL  
Sec. 13, T. 38 S., R. 23 E.  
San Juan County, Utah

PAGE 2

Surface casing will be set 50' into the Chinle. Water bearing zones will be protected with weighted mud. All fresh water encountered during drilling will be recorded by depth, cased, and cemented. All oil and gas shows will be tested to determine commercial potential.

3. BOP systems will be consistent with API RP 53. A diagram of a typical 3000 psi BOP (actual model will not be known until bid is let) is on Page 3.

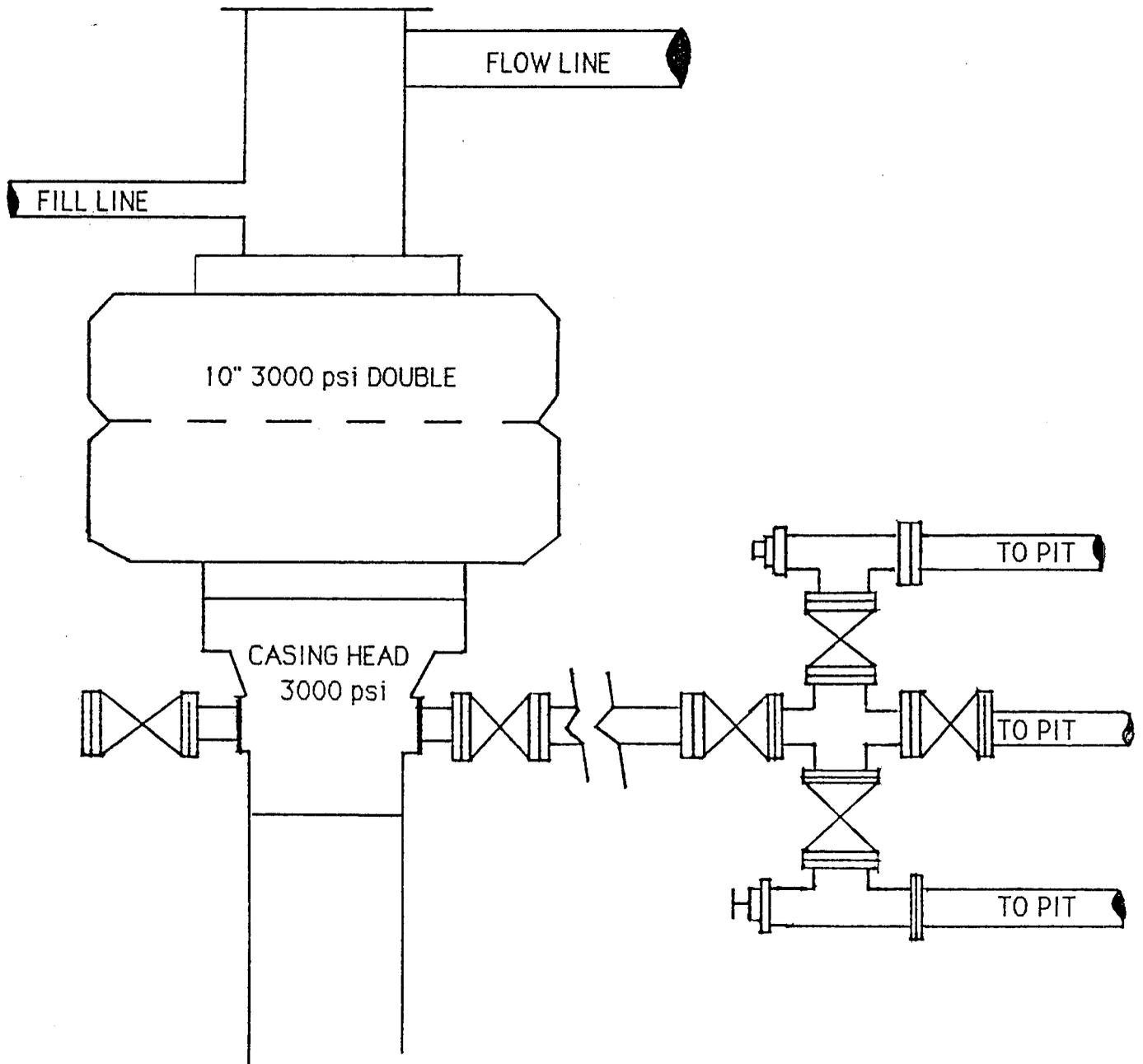
Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. BOP controls will be installed before drilling the surface casing plug, and will stay in use until the well is completed or abandoned. Preventers will be pressure tested before drilling casing cement plugs. All BOP mechanical and pressure tests will be recorded on the drillers log. Call Mike Wade at the Resource Area (801) 587-2141 or home (801) 587-2026 one day before pressure testing. If Mike is gone, call Greg Noble at the District Office (801) 259-6111 or home (801) 259-8811.

BOPs will be inspected and operated at least daily to assure good mechanical working order. This inspection will be recorded on the daily drilling report.

4. The following may be inspected. Call Mike Wade at the Resource Area (801) 587-2141 or home (801) 587-2026 one day before the event, or on a dry hole as soon as possible. If unable to reach Mike Wade, call Greg Noble at the District Office (801) 259-6111 or home (801) 259-8811.
  - The cementing and testing of surface casing.
  - If a dry hole, setting and testing of surface casing shoe plug.
  - If a depleted producer, setting and testing of plugs across the producing horizon and, if applicable, the surface casing shoe plug and/or annulus (casing to formation) squeeze jobs.

Wintershall Corporation  
Horse Canyon 13-44 Federal  
470' FSL & 850' FEL  
Sec. 13, T. 38 S., R. 23 E.  
San Juan County, Utah

PAGE 3



**BLOWOUT PREVENTER**

Wintershall Corporation  
 Horse Canyon 13-44 Federal  
 470' FSL & 850' FEL  
 Sec. 13, T. 38 S., R. 23 E.  
 San Juan County, Utah

The San Juan Resource Area [(801) 587-2141] will be notified 1 day before running casing strings and cement. The proposed casing and cementing program is:

<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>Age</u>	<u>Setting Depth</u>
17-1/2"	13-3/8"	54*	J-55	ST&C	New	0'- 80'
12-1/4"	9-5/8"	36*	J-55	ST&C	New	0'-1894'
7-7/8"	5-1/2"	15.5*	J-55	ST&C	New	0'-6014' (TD)

Conductor Pipe: Cement to surface (0' to 80') with 125 sx

Surface Casing: Cement to surface (0' to 1894') with:

<u>Lead System</u>	<u>Tail System</u>
1,000 sx "Lite"	100 sx Class B

Production Casing: Cement to surface (0' to 6014') with:  
 150 sx low water loss Class B

5. The proposed mud program is:

<u>Depth</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>F/L</u>	<u>pH</u>
0'-3500'	Gel-Water	8.7-8.8	30	N/C	N/C
3500'-5000'	Gel w/ Chem	9.0-9.5	40	12-15	10
5000'-6014' (TD)	Gel w/ Chem	9.5-10.5	40-45	8-10	10+

6. Drill stem tests will be run in the Upper and Lower Ismay, our primary objectives, if good shows are found. No cores are anticipated. The following logs will be run:

DIL/SFL, Gamma Ray/SP, BHC/Sonic: Base of Surface Casing to TD  
 Density Neutron & Dipmeter: Zones of Interest from 4500' to TD

Wintershall Corporation  
Horse Canyon 13-44 Federal  
470' FSL & 850' FEL  
Sec. 13, T. 38 S., R. 23 E.  
San Juan County, Utah

PAGE 5

Whether the well is completed as a dry hole or producer, "Well Completion or Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well, or after completion of operations being performed, *per* 43 CFR 3164. Two copies of all logs, core descriptions & analyses, well test data, geologic summaries, sample descriptions, and all other data obtained during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. (If requested, sample cuttings, fluids, and/or gases will be submitted to the District Manager.)

7. The maximum expected bottom hole pressure is 3500 psi.  
No abnormal pressures, temperatures, or hydrogen sulfide are expected.
  
8. The anticipated spud date is November 19, 1986. It is expected it will take 20 days to drill the well and 10 days to complete the well.

Wintershall, or its dirt contractor, will contact the Resource Area before beginning dirt work.

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the District Manager. If operations are to be suspended, prior approval of the District Manager will be obtained and notification given before resumption of operations.

The spud date will be phoned to the Resource Area, a minimum of 24 hours before spudding. A Sundry Notice (Form 3160-5), reporting the spud date and time, will be sent to the District Manager within 24 hours after spudding. If the spud is on a weekend or holiday, the Sundry will be sent on the following regular work day.

Wintershall Corporation  
Horse Canyon 13-44 Federal  
470' FSL & 850' FEL  
Sec. 13, T. 38 S., R. 23 E.  
San Juan County, Utah

PAGE 6

Starting with the month in which operations begin, and continuing each month until the well is physically plugged and abandoned, a "Monthly Report of Operations" (Form 3160-6) will be sent to the District Manager.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual events will be promptly reported to the Resource Area *per* NTL-3A.

A Sundry Notice will be filed for prior approval of the District Manager if a replacement rig is planned for completion. All conditions of this approved plan apply to all operations of the replacement rig. In emergencies, verbal approval can be given by the District Manager.

If the well is successfully completed for production, then the District Manager will be notified. Written notification will be sent not later than 5 business days following the date on which the well is placed on production. The Resource Area will schedule a first production conference within 15 days after receipt of the first production notice.

Approval to vent or flare gas during initial well evaluation will be obtained from the District Manager. This preliminary approval will not exceed 30 days or 50 MMcf of gas. Approval to vent or flare beyond this initial period will require the District Manager's approval *per* NTL-4A.

No well abandonment operations will begin without the prior approval of the District Manager. With a newly drilled dry hole, failure, or emergency, oral approval will be obtained from the District Manager. A Sundry Notice will be sent to the District Manager within 30 days following completion of the well for abandonment. The Sundry will note where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the reclamation required by the approved APD or abandonment notice has been completed to the satisfaction of the Area Manager.

Wintershall Corporation  
Horse Canyon 13-44 Federal  
470' FSL & 850' FEL  
Sec. 13, T. 38 S., R. 23 E.  
San Juan County, Utah

PAGE 7

Once plugged, a regulation dry hole marker will be erected. The following information will be beaded on with a welding torch: Wintershall Corp., Horse Canyon 13-44 Federal, SESE 13-38S-23E, U-20894.

Wintershall Corporation  
Horse Canyon 13-44 Federal  
470' FSL & 850' FEL  
Sec. 13, T. 38 S., R. 23 E.  
San Juan County, Utah

PAGE 8

### 13 Point Surface Use Plan

#### 1. EXISTING ROADS (See PAGES 17 & 18)

From the Post Office in Montezuma Creek, Utah, go north 14.1 mi. on Utah 262.

Then turn right and go east 6.8 mi. on a paved county road (*aka*, \*N-5099) to Hatch's Trading Post.

Then turn left and go north and west 13.6 mi. on a county road (\*246) which starts out paved, turns to gravel, and ends as dirt (\*206).

Then turn left and go south 3.3 mi. on what is first a gravel road, but soon becomes a dirt county road.

"Then turn right and go northwest 1.5 mi. on a Meridian Oil lease road."\*

Then bear right and go 0.2 mi. north on a seismic trail ("of which the first 0.1 mi. is off-lease") to the well site.

All access is successively state, county, Meridian lease, or Wintershall lease roads. (Wintershall is applying for a right-of-way across the Meridian lease road.) The roads will be maintained to a standard at least equal to their present condition - this includes maintaining that portion of Meridian's lease road which Wintershall will use during drilling. Should production result, Wintershall is willing to enter into a cooperative agreement with Meridian for the maintenance of the common road.

No improvements or new disturbances are planned for the existing roads. An Encroachment Permit has been submitted to the San Juan County Road Dept.

\*Wintershall is applying for a right-of-way for those road portions in quotation marks.

Wintershall Corporation  
Horse Canyon 13-44 Federal  
470' FSL & 850' FEL  
Sec. 13, T. 38 S., R. 23 E.  
San Juan County, Utah

PAGE 9

## 2. ROADS TO BE UPGRADED (See PAGES 18)

The seismic trail will be flat bladed with a 20' wide running surface (30' maximum disturbed width). Maximum grade will be 8%. There will be no turnouts, fence crossings, culverts, or major cuts or fills. A cultural resource site east of the road will be archaeologically monitored during construction.

Surface disturbance and vehicle travel will be limited to the approved location and access. Any additional area needed will be approved in advance by the Area Manager. If access is used during wet winter weather, road surfacing may be required.

The access road will be water barred or brought to Class III Road Standards within 60 days of dismantling the drill rig. If this deadline cannot be met, the Resource Area will be notified so temporary drainage control can be installed. Class III Road Standards control drainage through the use of topography, ditch turnouts, dips, outsloping, crowning, low water crossings, and culverts. Specific measures will be determined at a field inspection.

## 3. EXISTING WELLS (See PAGE 18)

There are no existing water, injection, or disposal wells within one mile. Meridian Oil has the only two producers within a mile. Its Havasu Federal 41-24 (1050' FNL & 500' FEL 24-38S-23E) is 1560' away. The Havasu Federal 22-19 (1850' FNL & 1255' FWL 19-38S-24E) is 3133' away.

In addition, Wintershall has applied to drill three other wells in 13-38S-23E. Horse Canyon 13-14 Federal (460' FSL & 500' FWL) is 2900' away, Horse Canyon 13-24 Federal (575' FSL & 1760' FWL) is 1644' away, and the Horse Canyon 13-34 (460' FSL & 1880' FEL ) is 1030' away.

Wintershall Corporation  
Horse Canyon 13-44 Federal  
470' FSL & 850' FEL  
Sec. 13, T. 38 S., R. 23 E.  
San Juan County, Utah

PAGE 10

#### 4. PROPOSED PRODUCTION FACILITIES

The type and layout of the production facilities are not known now. A Sundry Notice will be submitted for approval before they are installed.

All permanent (on site for 6 or more months) surface facilities will be painted a flat, nonreflective, neutral color to match the trees or soil. Painting will be completed within 6 months of installation. Parts required to comply with OSHA colors will be excluded.

If a tank battery is built, it will be surrounded by a dike of sufficient capacity to contain 150% of the storage capacity of the battery. All loading lines will be placed inside the dike.

All site security guidelines in 43 CFR 3162.7 will be obeyed. All product lines entering and 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.

Any gas meter run will be within 500' of the wellhead. The gas flowline will be buried from the wellhead to the meter and 500' downstream of the meter run and any production facilities. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well pad. Meters will be calibrated in place before delivery begins. Meter accuracy tests will be conducted monthly for the first 3 months on new meters, and at least quarterly thereafter. The Resource Area will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be sent to

Wintershall Corporation  
Horse Canyon 13-44 Federal  
470' FSL & 850' FEL  
Sec. 13, T. 38 S., R. 23 E.  
San Juan County, Utah

PAGE 11

the Resource Area. All meters will conform with API standards for liquid hydrocarbons and AGA standards for natural gas measurement.

5. WATER SUPPLY (See PAGE 17)

Water will be trucked from an artesian well on BLM administered land in NENW Sec. 27, T. 40 S., R. 23 E. BLM has given Hay Hot Oil, Inc. permission to truck water from this well. An Application to Appropriate Water (09-1419 [A60809]) has been approved by the State of Utah Div. of Water Rights.

6. CONSTRUCTION MATERIALS

Pad construction materials are native in situ soils on lease. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

7. WASTE DISPOSAL

The reserve pit will be unlined. More than half of the capacity will be in cut. It will be fenced on 3 sides with woven wire topped with barbed wire. The 4th side will be fenced once the rig moves off. The fence will be kept in good repair while the pit is drying. Care will be taken during construction to avoid an archaeological site uphill from the reserve pit.

All trash will be placed in a portable trash cage. When full, it will be hauled to an approved landfill in Colorado. The road and pad will be kept litter free.

Human waste will be disposed of in 20' deep ratholes or chemical toilets. The ratholes will be immediately filled when the trailers are removed.

Wintershall Corporation  
Horse Canyon 13-44 Federal  
470' FSL & 850' FEL  
Sec. 13, T. 38 S., R. 23 E.  
San Juan County, Utah

PAGE 12

Produced water will be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period an NTL-2B application will be submitted for the District Manager's approval of a permanent disposal method and site.

8. ANCILLARY FACILITIES

There will be no formal camp, though two camper trailers may on site for the company man and tool pusher.

9. WELL SITE LAYOUT

See PAGES 19-21 for depictions of the well pad, cross sections, cut and fill diagrams, reserve pit, burn pit, access road onto the pad, parking, living facilities, soil stockpile, and rig orientation.

The top 12" of soil material will be removed from the flat portion of the location and stockpiled on the south side. Topsoil along the access will be reserved in place.

10. RECLAMATION

Immediately upon completion of drilling, all trash and debris will be collected from the pad and surrounding area and placed in the trash cage.

Wintershall's dirt contractor will call the Resource Area 48 hours before starting reclamation that involves earth moving equipment, and upon completion of reclamation. The reserve pit must be completely dry before it is backfilled.

All disturbed areas will be recontoured to blend as nearly as possible

Wintershall Corporation  
Horse Canyon 13-44 Federal  
470' FSL & 850' FEL  
Sec. 13, T. 38 S., R. 23 E.  
San Juan County, Utah

PAGE 13

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.

*3 lb/ac Crested wheatgrass (Agropyron desertorum)*  
*3 lb/ac Fourwing saltbush (Atriplex canenscens)*  
*3 lb/ac Galleta (Hilaria jamesii)*

After seeding is complete, the stockpiled trees will be scattered evenly over the disturbed area. The access will be blocked to prevent vehicle access and water bars built as follows:

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

The reserve pit and that part of the pad not needed for production will be reclaimed as previously described. Enough topsoil will be kept to reclaim the remainder of the pad at a future date. The remaining topsoil stockpile will be seeded in place using the prescribed seed mix.

Wintershall Corporation  
Horse Canyon 13-44 Federal  
470' FSL & 850' FEL  
Sec. 13, T. 38 S., R. 23 E.  
San Juan County, Utah

PAGE 14

#### 11. SURFACE OWNER

The surface owner of the pad and the road requiring construction is the U.S. Government.

#### 12. OTHER INFORMATION

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

There will be no change from the proposed drilling and/or workover plan without prior approval from the District Manager. A Sundry Notice will be filed for approval for all changes of plans and other operations per 43 CFR 3164.

Safe drilling and operating practices must be used. All wells, whether drilling, producing, suspended, or abandoned will be identified per 43 CFR 3162.2.

If subsurface cultural materials are exposed during construction, work in that spot will stop immediately and the Resource Area will be called. All people who are in the area will be informed by Wintershall that they are subject to prosecution for disturbing archaeological sites or picking up artifacts, including arrowheads.

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

The District Office's mailing address is P.O. Box 970, Moab, Utah 84532. The phone number is (801) 259-6111. Ask for Greg Noble.

Wintershall Corporation  
Horse Canyon 13-44 Federal  
470' FSL & 850' FEL  
Sec. 13, T. 38 S., R. 23 E.  
San Juan County, Utah

PAGE 15

The Resource Area's mailing address is P.O. Box 7, Monticello, Utah 84535. The phone number is (801) 587-2141. Ask for Rich McClure for surface problems. Ask for Mike Wade for subsurface problems.

The nearest hospital is a 60 minute drive to Monticello, Utah. It is 3 blocks northwest of the intersection of US 666 and US 191. Phone number is (801) 587-2116. The nearest medical helicopter is in Grand Junction, Colorado, at St. Mary's Hospital. Call (303) 244-2550.

### 13. REPRESENTATION AND CERTIFICATION

For questions concerning the APD, please contact:

Brian Wood  
Permits West, Inc.  
37 Verano Loop  
Santa Fe, NM 87505  
(505) 984-8120

The field representative for Wintershall Corporation will be:

Fred Clawson, Area Supt.  
Wintershall Corporation  
P.O. Box 23  
Towaoc, Co. 81334  
(303) 565-7773

Ralph Sloane, Jr.  
Consultant  
797 Road 3000  
Aztec, NM 87410  
(505) 327-9171

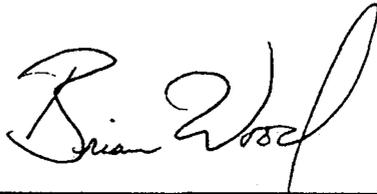
### CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Wintershall Corporation and its contractors and subcontractors in

Wintershall Corporation  
Horse Canyon 13-44 Federal  
470' FSL & 850' FEL  
Sec. 13, T. 38 S., R. 23 E.  
San Juan County, Utah

PAGE 16

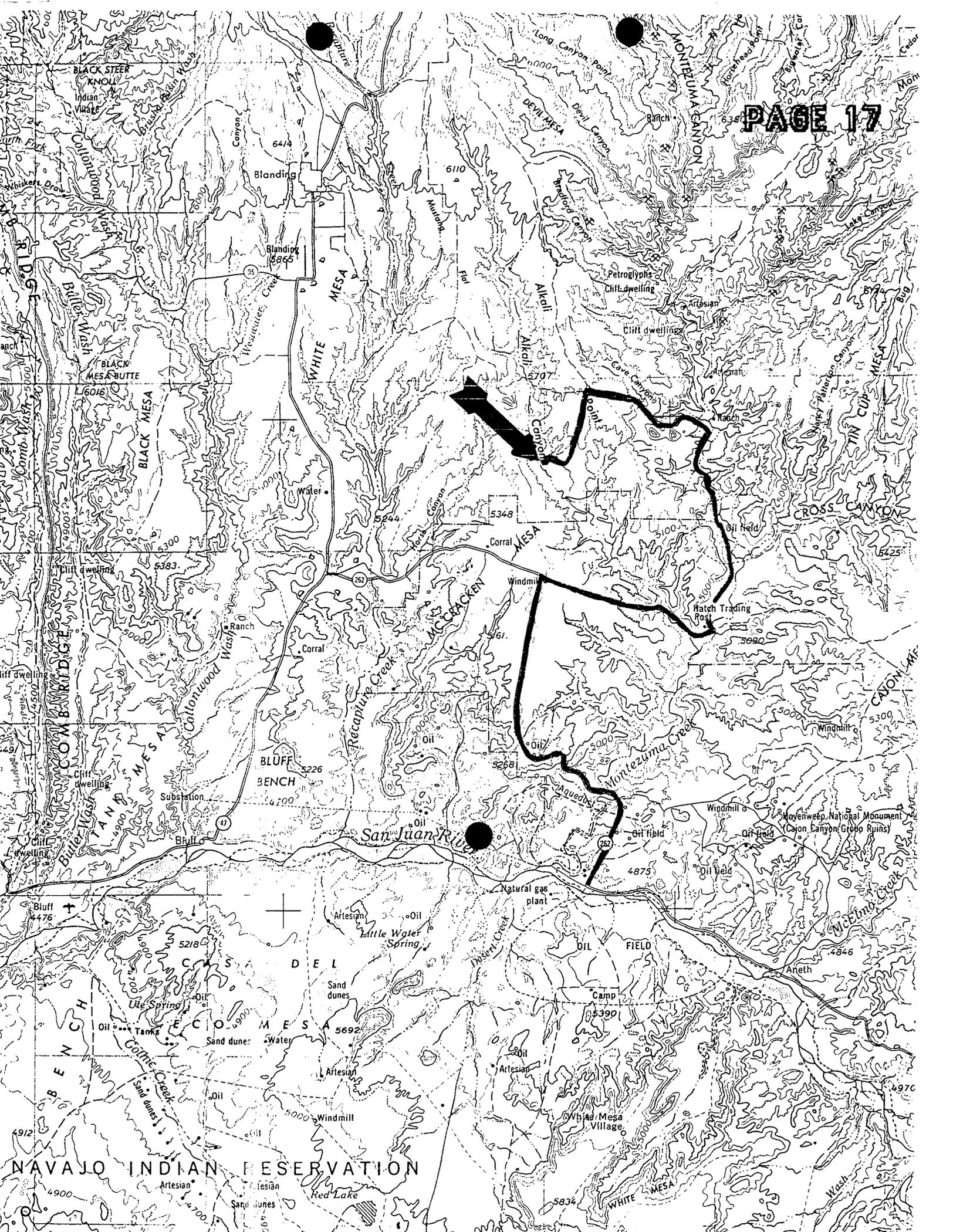
conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

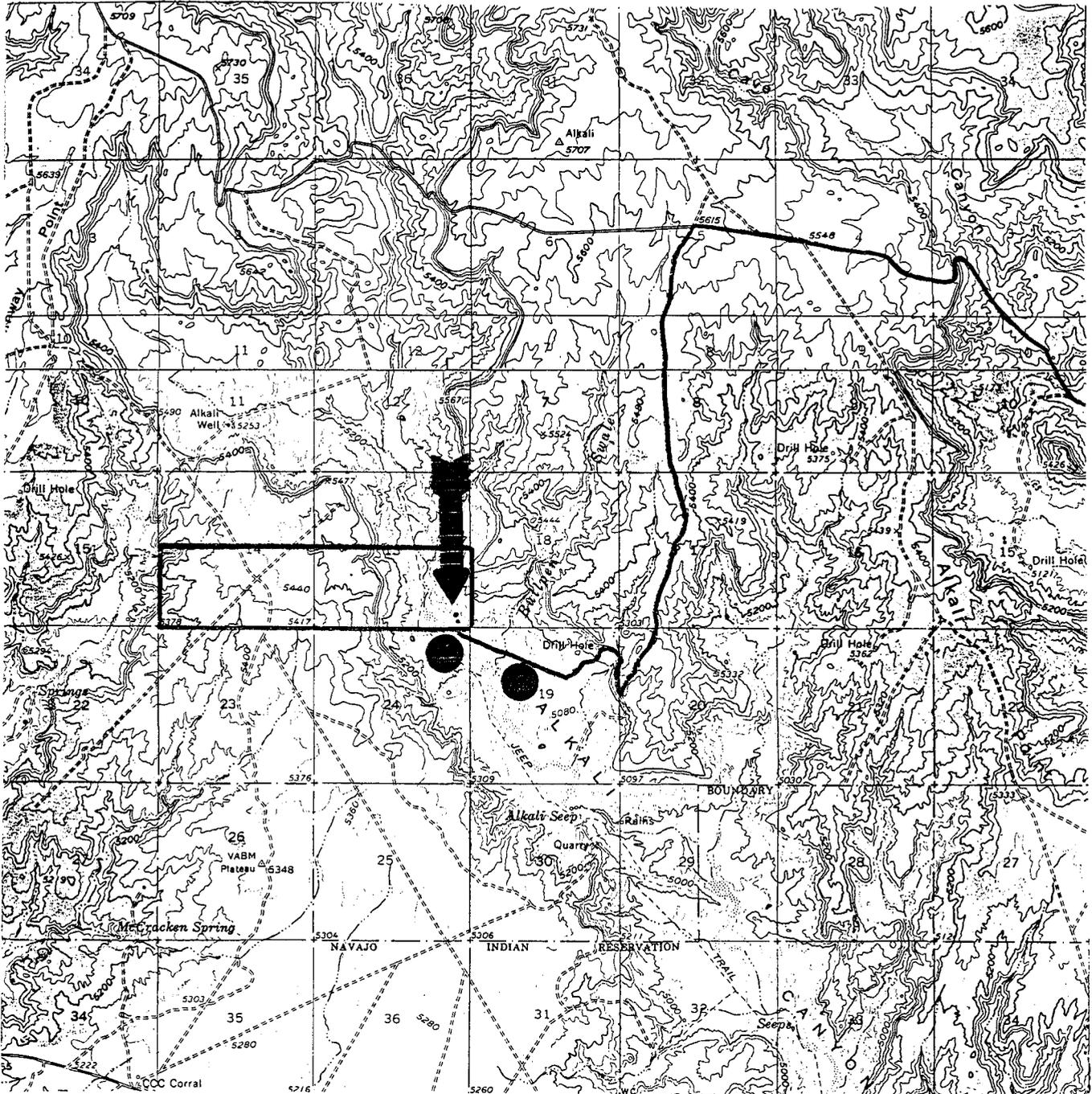


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Brian Wood  
Consultant for Wintershall Corporation

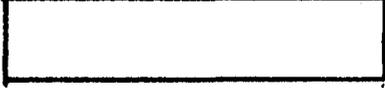
November 13, 1986





EXISTING ROAD: 

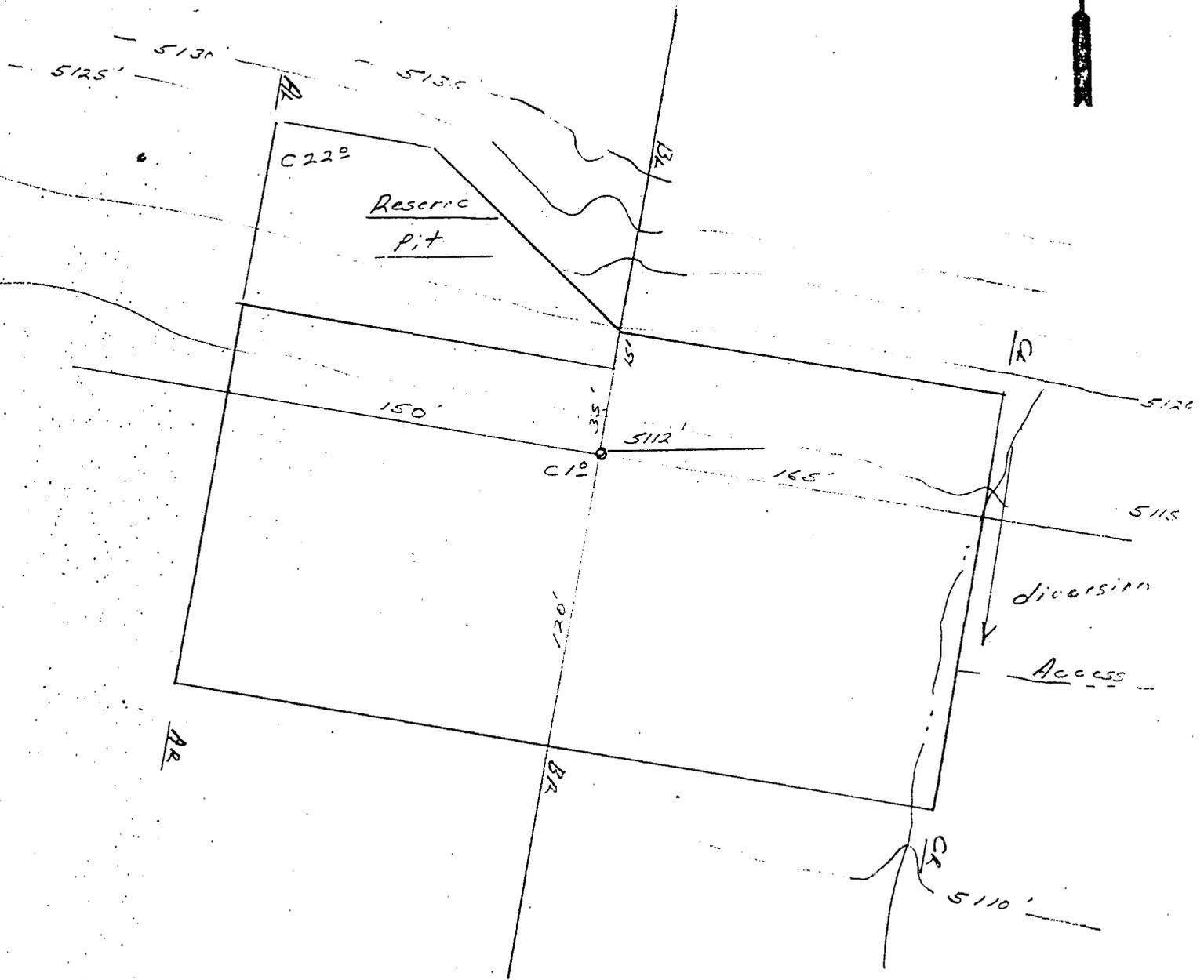
NEW ROAD: 

LEASE U-20894: 

HORSE CANYON 13-44: 

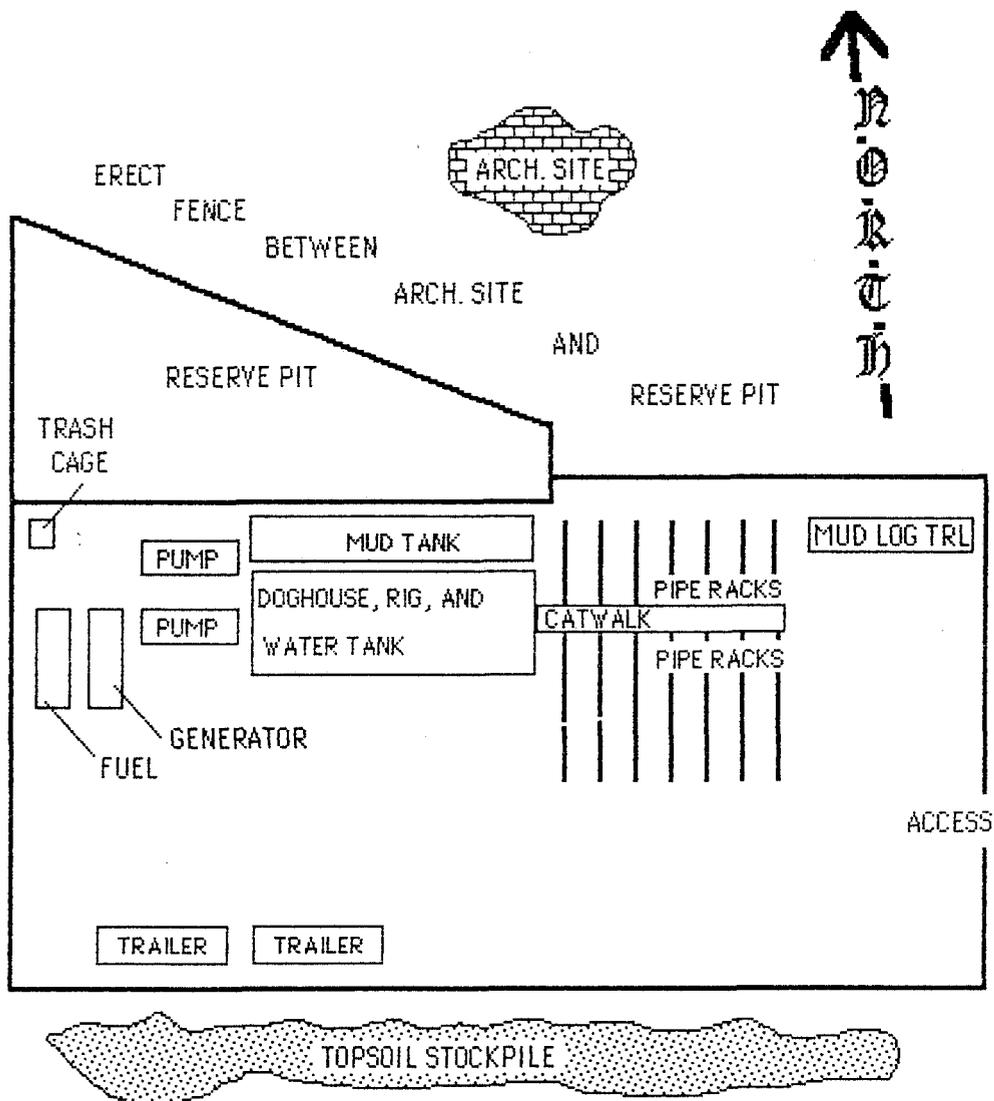
EXISTING OIL WELLS: 

Horse Canyon 13-44



Wintershall Corporation  
Horse Canyon 13-44 Federal  
470' FSL & 850' FEL  
Sec. 13, T. 38 S., R. 23 E.  
San Juan County, Utah

PAGE 20

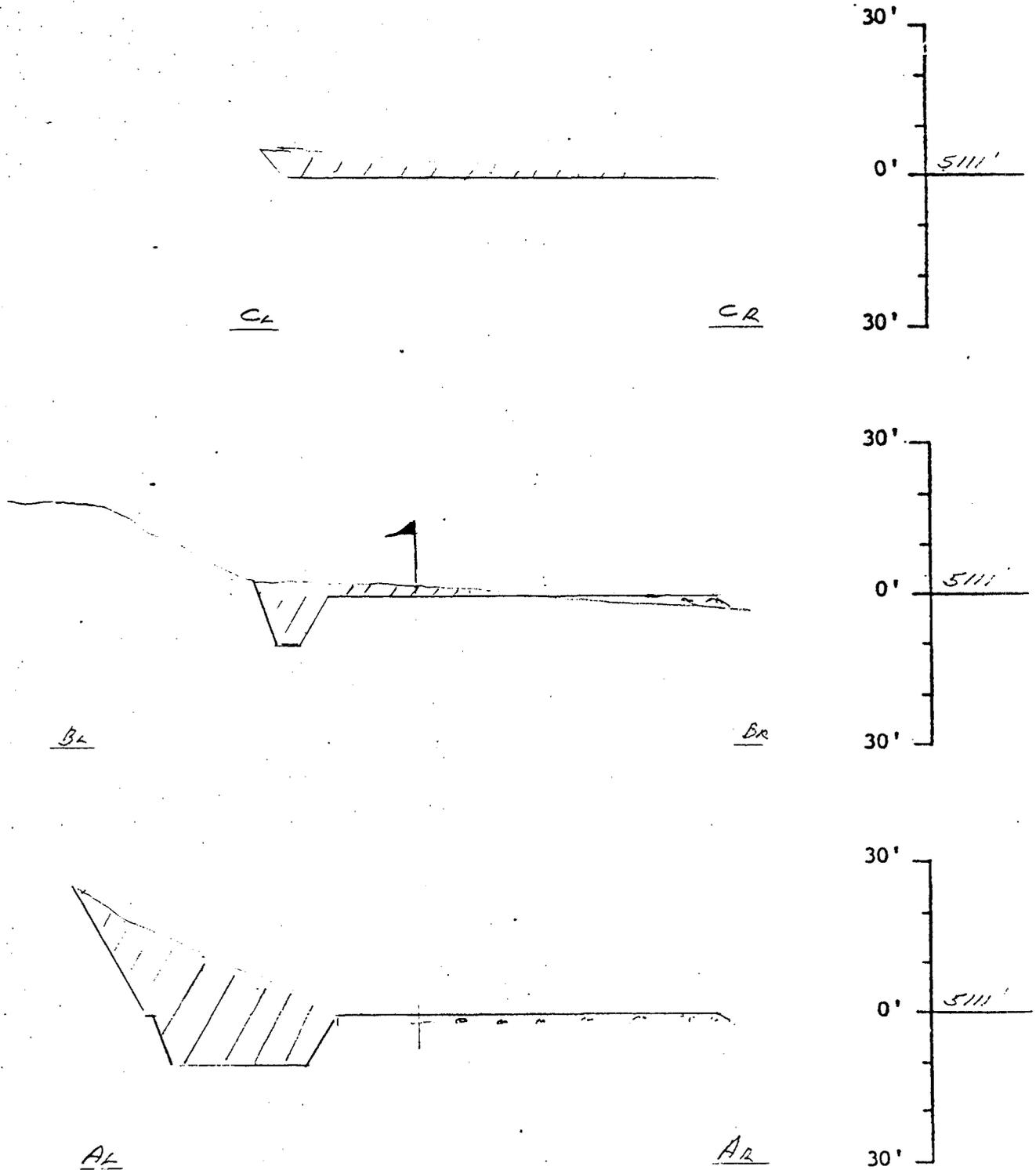


WELL PAD CROSS-SECTION

Cut   
Fill 

Scales: 1" = 60' H.  
1" = 30' V.

Horse Canyon 13-44



SUPERVISOR, OIL AND GAS OPERATIONS:

**DESIGNATION OF OPERATOR**

The undersigned is, on the records of the Bureau of Land Management, holder of oil and gas lease

DISTRICT LAND OFFICE:

SERIAL NO.: U-20894

and hereby designates

NAME: Wintershall Corporation

ADDRESS: 5251 DTC Parkway, Suite 500, Englewood, CO. 80111

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to (describe acreage to which this designation is applicable):

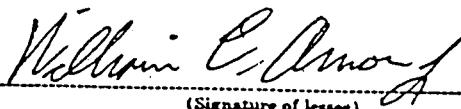
Township 38 South, Range 23 EastSection 13: S $\frac{1}{2}$ Section 14: S $\frac{1}{2}$ 

San Juan County, Utah

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the oil and gas supervisor of any change in the designated operator.



(Signature of lessee)

William C. Armour, Jr.

3422 So. Energy Lane, Casper, Wy. 82604

(Address)

10/28/86

(Date)

# DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE:  
SERIAL No.: UTAH 20894

and hereby designates

WINTERSHALL CORPORATION  
NAME: 5251 DTC Parkway, Ste 500  
ADDRESS: Englewood, CO 80111

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

Township 38 South, Range 23 East  
Section 13: S $\frac{1}{2}$   
Section 14: S $\frac{1}{2}$

San Juan County, Utah

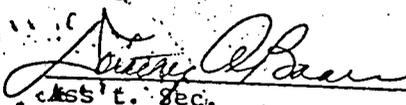
It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

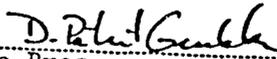
ATTEST:

CHORNEY OIL COMPANY

  
Ass't. Sec.

October 28, 1986

(Date)

  
Vice Pres. (Signature of lessee)  
555 17th Street, Ste 1000  
Denver, CO 80202-3910

(Address)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

STATE OFFICE: Salt Lake City, Utah  
SERIAL NO.: U-20894

and hereby designates

NAME: Wintershall Corporation  
ADDRESS: 5251 DTC Parkway, Suite 500  
Englewood, Colorado 80111

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the authorized officer may serve written or oral instructions in securing compliance with the Operating Regulations (43 CFR 3160) with respect to (describe acreage to which this designation is applicable):

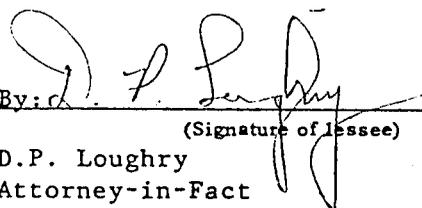
Township 38 South, Range 23 East, S.L.M.  
Section 13: SE $\frac{1}{4}$

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the authorized officer of any change in the designated operator.

TEXACO PRODUCING INC.

By:   
(Signature of lessee)

D.P. Loughry  
Attorney-in-Fact

P.O. Box 2100, Denver, Colorado 80201  
(Address)

November 5, 1986  
(Date)

OPERATOR Wintershall Corp DATE 11-24-86

WELL NAME Arrow Canyon Fed 13-44

SEC SE SE 13 T 38S R 23E COUNTY San Juan

43-037 31289  
API NUMBER

Fed  
TYPE OF LEASE

CHECK OFF:

- PLAT
- BOND
- NEAREST WELL
- LEASE
- FIELD
- POTASH OR OIL SHALE

PROCESSING COMMENTS:

No other well within 920'  
Water & - 09-1419 (A 60809)

APPROVAL LETTER:

SPACING:  203 \_\_\_\_\_ UNIT  302

\_\_\_\_\_ CAUSE NO. & DATE  302.1

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

November 24, 1986

Wintershall Corporation  
5251 DTC Parkway, Suite 500  
Englewood, Colorado 80111

Gentlemen:

Re: Horse Canyon Federal 13-44 - SE SE Sec. 13, T. 38S, R. 23E  
470' FSL, 850' FEL - San Juan County, Utah

Approval to drill the referenced well is hereby granted in accordance with Rule 302, Oil and Gas Conservation General Rules.

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 311.3, Associated Gas Flaring, Oil and Gas Conservation General Rules.
5. Prior to commencement of the proposed drilling operations, plans for toilet facilities and the disposal of sanitary waste at the drill site shall be submitted to the local health department having jurisdiction. Any such drilling operations and any subsequent well operations must be conducted in accordance with applicable State and local health department regulations. A list of all local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 533-6163.

Page 2  
Wintershall Corporation  
Horse Canyon Federal 13-44  
November 24, 1986

6. 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 43-037-31289.

Sincerely,



R. J. Firth  
Associate Director, Oil & Gas

as  
Enclosures  
cc: Branch of Fluid Minerals  
D. R. Nielson  
8159T

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPlicate\*  
(other instructions  
reverse side)

120204

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.)

5. LEASE DESIGNATION AND SERIAL NO. **U-20894**

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

7. UNIT AGREEMENT NAME **N/A**

8. FARM OR LEASE NAME **Horse Canyon**

9. WELL NO. **13-44 Federal**

10. FIELD AND POOL, OR WILDCAT **Wildcat**

11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA **13-38S-23E SLBM**

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

OIL WELL  WELL  OTHER

2. NAME OF OPERATOR **Wintershall Corporation (303) 694-0988**

3. ADDRESS OF OPERATOR **5251 DTC Parkway, Suite 500, Englewood, Co. 80111**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*  
See also space 17 below.)  
At surface  
**Surface: 470' FSL & 850' FEL Bottom: Same**

14. REPAIR NO. **43-037-31289** 15. DEPT. WELLS (Show whether DP, RT, GR, etc.) **5,112' ungraded**

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 checked="" type="checkbox"/>	(Other) <input type="checkbox"/>	(Other) <input type="checkbox"/>

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

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

**Will change water source as described on PAGE 11 of APD. New source is NWSE Sec. 12, T. 38 S., R. 24 E. Land is private and owner has given permission. Our use approved by Div. of Water Rights Nov. 21, 1986.**

**RECEIVED**  
DEC 01 1986

DIVISION OF  
OIL, GAS & MINING

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

SIGNED *Brian Ross* TITLE Consultant DATE 11-24-86

(This space for Federal or State office use)

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

CONDITIONS OF APPROVAL, IF ANY: \_\_\_\_\_

cc: BLM (3), Clausen (1), Howell (1), UD06M (2)

\*See Instructions on Reverse Side

120310

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  
 Wintershall Corporation (303) 694-0988

3. ADDRESS OF OPERATOR  
 5251 DTC Pkwy., Ste. 500, Englewood, Co. 80111

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
 At surface  
 470' FSL & 850' FEL (SESE)  
 At proposed prod. zone  
 Same

5. LEASE DESIGNATION AND SERIAL NO.  
 U-20894

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

7. UNIT AGREEMENT NAME  
 N/A

8. FARM OR LEASE NAME  
 Horse Canyon

9. WELL NO.  
 13-44 Federal

10. FIELD AND POOL, OR WILDCAT  
 Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 13-385-23E SLBM

12. COUNTY OR PARISH  
 San Juan

13. STATE  
 Utah

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

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)  
 470'

16. NO. OF ACRES IN LEASE  
 640

17. NO. OF ACRES ASSIGNED TO THIS WELL  
 40

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
 1,030'

19. PROPOSED DEPTH  
 6,014'

20. ROTARY OR CABLE TOOLS  
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 5,112' ungraded

22. APPROX. DATE WORK WILL START\*  
 Upon Approval

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
--------------	----------------	-----------------	---------------	--------------------

4303731289

RECEIVED  
 DEC 02 1986  
 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 Brian Wood TITLE Consultant DATE 11-13-86

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
/s/ GENE NODINE DISTRICT MANAGER NOV 21 1986  
 APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

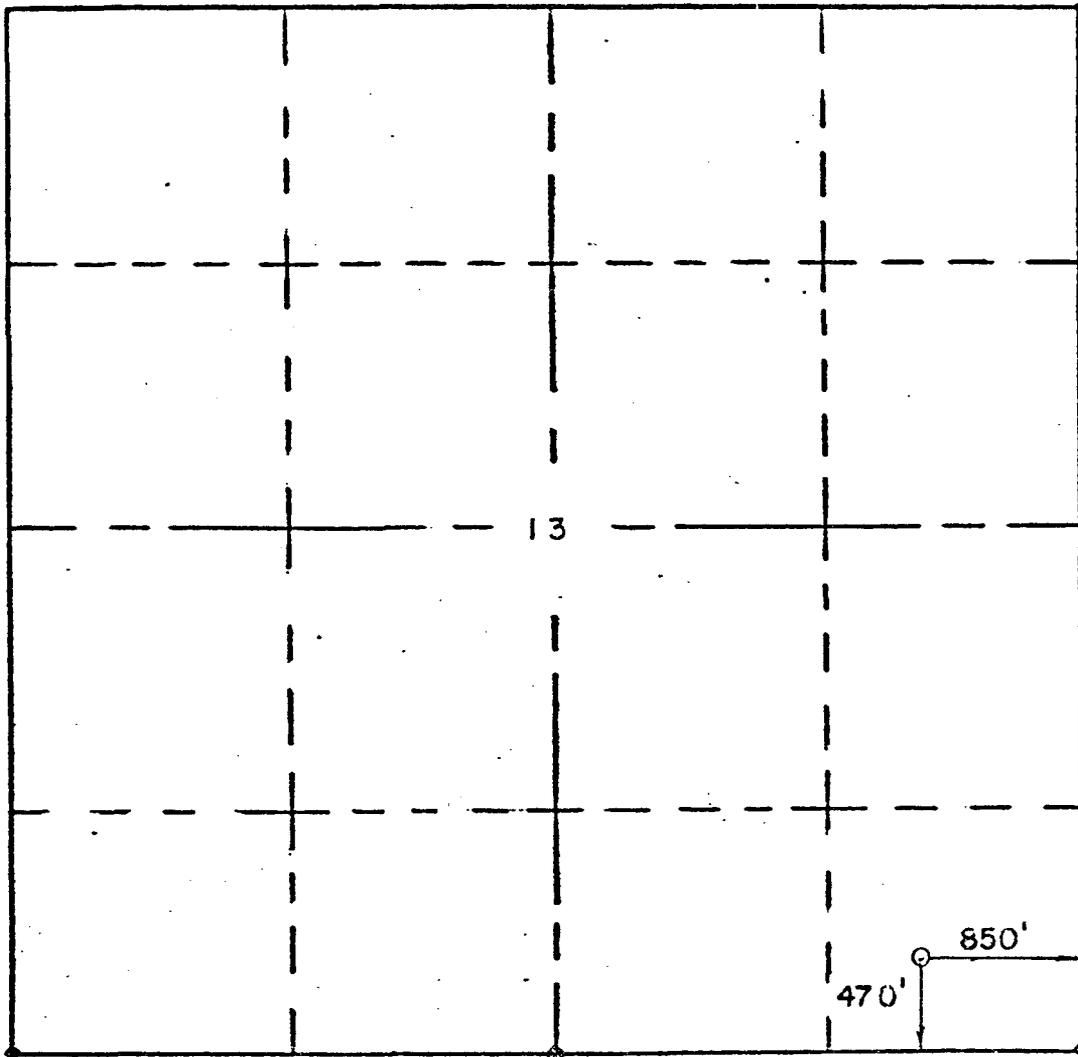
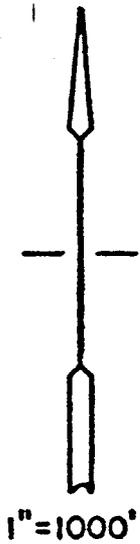
CONDITIONS OF APPROVAL: 1. A3, HEDD (3), SJRA (2), UD00M (2)

\*See Instructions On Reverse Side SUBJECT TO RIGHT OF WAY

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

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.

WELL LOCATION PLAT



WELL LOCATION DESCRIPTION:

WINTERSHALL OIL & GAS  
Horse Canyon #13-44  
470' FSL & 850' FEL  
Section 13, T.38 S., R.23 E., SLM  
San Juan County, Utah  
5112' grd. elevation  
References: 200' South, 5110' grd. elevation

The above plat is true and correct to my knowledge and belief.

11-10-'86

REGISTERED LAND SURVEYOR  
No. 5705  
GERALD G. HUDDLESTON  
Gerald G. Huddleston, LS  
STATE OF UTAH

Wintershall Corporation  
Well No. Horse Canyon 13-34 Federal  
Sec. 13, T. 38 S., R. 23 E.  
San Juan County, Utah  
Lease U-20894

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

A. DRILLING PROGRAM

Drilling will not be permitted after November 28, 1986 unless production has been established elsewhere on the lease.

If this well is drilled first, it must be completed by December 19, 1986.

The lease and APD will expire on December 19, 1986 unless production in paying quantities is established prior to that date.



020404

3162 (U-065)  
(U-20894)

*Dist!*

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

JAN 30 1987  
FEB 02 1987

DIVISION OF  
OIL, GAS & MINING

Wintershall Corporation  
5251 DTC Pkwy., Ste. 500  
Englewood, CO 80111

Re: Rescinding Application for  
Permit to Drill  
Well No. Horse Canyon 13-44 Fed  
Sec. 13, T. 38 S., R. 23 E.  
San Juan County, Utah  
Lease U-20894

43-037-31289

Gentlemen:

The Application for Permit to Drill the referenced well was approved on November 21, 1986. A condition of approval on this application stated that unless production had been established elsewhere on the lease drilling would not be permitted after November 28, 1986.

There has been no production established on this lease nor any known activity at the approved location. In view of the foregoing, this office is rescinding the approval of the referenced application.

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

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

~~S/ Kenneth V. Rhea~~

ACTING

District Manager

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

bcc:  
U-942, Utah State Office

CFreudiger/cf 1/28/87



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

020405

February 6, 1987

Wintershall Corporation  
5251 DTC Parkway, Suite #500  
Englewood, Colorado 80111

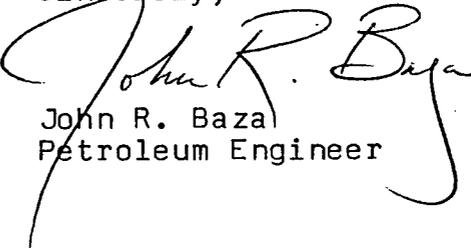
Gentlemen:

RE: Well No. Horse Canyon Federal #13-44, Sec.13, T.38S, R.23E,  
San Juan County, Utah, API NO. 43-037-31289

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

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

Sincerely,



John R. Baza  
Petroleum Engineer

sb  
cc: BLM-Moab  
D. R. Nielson  
R. J. Firth  
Well file  
0327T-47

8702/10