

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

SUBMIT IN TRIPLICATE  
(Other instructions on reverse side)

5. LEASE DESIGNATION AND SERIAL NO.  
ML-25375

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
010618

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  TITLE WELL

2. NAME OF OPERATOR  
Yates Petroleum Corporation

3. ADDRESS OF OPERATOR  
105 South 4th St., Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)  
At surface

200' FNL & 1950' FEL, NW/NE

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
Hammerhead State

9. WELL NO.  
1

10. FIELD AND POOL, OR WILDCAT  
Wildcat

11. SEC., T., R., M., OR BLK. AND SUBST OR ASSA  
Section 16-T38S-R26E

14. PERMIT NO. API #43-037-31370  
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 5804' GR  
12. COUNTY OR PARISH San Juan  
13. STATE UT

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

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF

PULL OR ALTER CASING

WATER SHUT-OFF

REPAIRING WELL

FRACTURE TREAT

MULTIPLE COMPLETE

FRACTURE TREATMENT

ALTERING CASING

SHOOT OR ACIDIZE

ABANDON\*

SHOOTING OR ACIDIZING

ABANDONMENT\*

REPAIR WELL

CHANGE PLANS

(Other) Set 8-5/8" casing

(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.)

Ran 49 joints 8-5/8" 24# J-55 ST&C casing set 2093'. 1-Texas Pattern Notched guide shoe set 2093'. Differential fill float set 2049'. Cemented w/825 sx 65/35 Poz with 12% gel, 1/2#/sx Celloseal, 6#/sx Gilsonite and 2% CaCl (yield 1.8, weight 12.7). Tailed in w/250 sx Class "B" with 3% CaCl (yield 1.18, weight 15.6). PD 9:45 PM 12-21-87. Bumped plug to 1250 psi, released pressure and float held okay. Cement circulated 80 sx to pit. WOC.

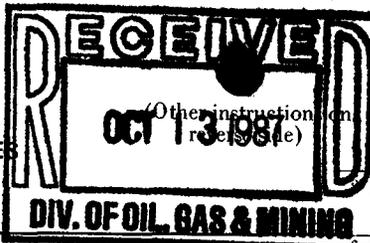
Drilled out 4:30 PM 12-22-87. WOC 18 hrs and 45 minutes. Nipped up and tested to 3000 psi for 30 minutes, OK. Reduced hole to 7-7/8". Drilled plug and resumed drilling.

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

SIGNED [Signature] TITLE Production Supervisor DATE 12-30-87

(This space for Federal or State office use)

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



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

Lease Designation and Serial No. ML-25375  
Indian, Allottee or Tribe Name

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 TITE HOLE Single Zone  Multiple Zone

7. Unit Agreement Name Hammerhead Unit  
8. Farm or Lease Name

2. Name of Operator Yates Petroleum Corporation

9. Well No. HAMMERHEAD STATE #1

3. Address of Operator 105 South Fourth Street - Artesia, NM 88210

10. Field and Pool, or Wildcat Wildcat

4. Location of Well (Report location clearly and in accordance with any State requirements.)\*  
At surface 200' FNL & 1950' FEL UNORTHODOX LOCATION NW/NE  
At proposed prod. zone Same  
14. Distance in miles and direction from nearest town or post office\* Approximately 17 miles northeast of Hatch Trading Post

11. Sec., T., R., M., or Blk. and Survey or Area Section 16-T38S-R26E  
12. County or Parrish San Juan 13. State Utah

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drlg. line, if any) 200'  
16. No. of acres in lease 640  
17. No. of acres assigned to this well 80  
18. Distance from proposed location\* to nearest well, drilling, completed, or applied for, on this lease, ft. 1-1/4 mile  
19. Proposed depth 6200' Akah  
20. Rotary or cable tools Rotary  
21. Elevations (Show whether DF, RT, GR, etc.) 5804'  
22. Approx. date work will start\* ASAP

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
17-1/2"	13-3/8"	48# H-40	Approx. 100'	50 sacks
12-1/4"	8-5/8"	24# J-55	" 2050'*	950 sacks - circulate
7-7/8"	5-1/2"	15.5# J-55	TD	300 sacks

\*Approximately 100-150' into Chinle formation

Yates Petroleum Corporation proposes to drill and test the Akah and intermediate formations. Approximately 2050' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be ran and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW to 5600', fresh water gel to TD. MW 9.0-10.4, Vis 35-45, FL 10-15

BOP PROGRAM: BOP's will be nipped up when surface casing is set

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: Cy Cowan Title: Regulatory Agent Date: Oct. 1, 1987

(This space for Federal or State office use)

Permit No. 43-037-31370

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING

Approved by: Conditions of approval, if any:

Title: DATE: 12-11-87 Date

BY: John P. Day WELL SPACING: R615-3-3

COMPANY YATES PETROLEUM CORPORATION

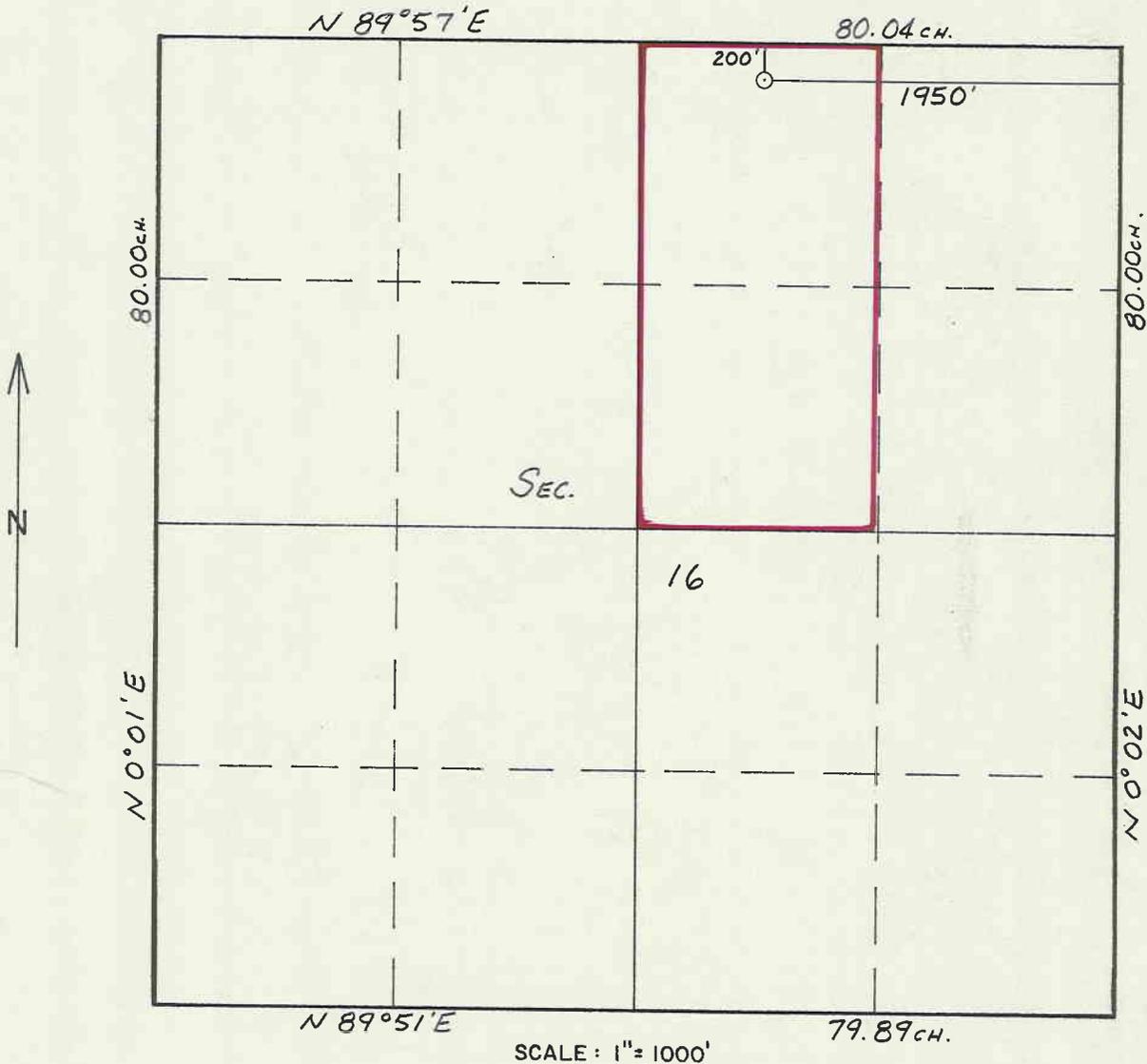
LEASE HAMMERHEAD UNIT WELL NO. 1-1

SEC. 16, T. 38 S, R. 26 E

COUNTY San Juan STATE Utah

LOCATION 200'FNL & 1950'FEL

ELEVATION 5804



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



*W. E. Mahnke II*  
WILLIAM E. MAHNKE II  
NEW MEXICO P.L.S. N° 8466

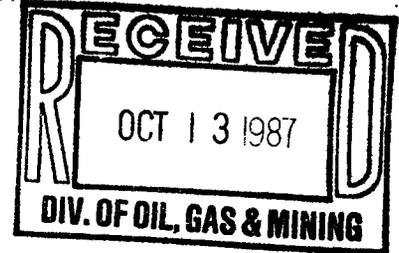
SURVEYED Oct. 5, 1987



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

S. P. YATES  
PRESIDENT  
JOHN A. YATES  
VICE PRESIDENT  
B. W. HARPER  
SEC. - TREAS.

September 30, 1987



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

ATTENTION: Ms. Arlene Sollis

RE: Exception to the location for the  
proposed Yates Petroleum  
Corporation's:  
Hammerhead Unit #1-1  
200' FNL and 1950' FEL of  
Section 16-T38S-R26E  
San Juan County, Utah

Dear Ms. Sollis:

Yates Petroleum Corporation hereby requests an exception to Rule 302 of the Oil and Gas Conservation's general rules and regulations orders. Yates Petroleum Corporation hereby is requesting that the unorthodox location for the Hammerhead Unit #1-1 be favorably approved by the State of Utah, Division of Oil, Gas and Mining.

The reason for moving this location unorthodox was due to geological and topographical reasons. With our interpretation of all materials and information it was determined that this location was best for wildcat drilling activities.

We control the surrounding acreage within a 460 foot radius. A copy of a topographical map is enclosed showing the outline of the lease.

If you have any questions regarding this matter, please contact Yates' geologist, Mr. Steve Speer at 505-748-1471.

Thank you for your cooperation in this matter.

Sincerely yours,

Cy Cowan  
Regulatory Agent

CC:rj

Enclosures



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

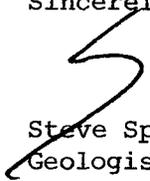
S. P. YATES  
PRESIDENT  
JOHN A. YATES  
VICE PRESIDENT  
B. W. HARPER  
SEC. - TREAS.

September 30, 1987

TO: Cy Cowan  
FROM: Steve Speer  
RE: Hammerhead Unit #1-1

The Hammerhead Unit #1-1 wildcat location was picked at 200' FNL and 1950' FEL of Section 16-T38S-R26E due to the necessity of testing the Upper Ismay geologic anomaly at what I feel is the optimum stratigraphic and structural location. Because Upper Ismay mounds are extremely linear, narrow and sharp-sided, it is very easy to nick or miss them entirely due to compromising the surface location (even by hundreds of feet) due to non-geologic reasons. Since wildcat locations are meant to either prove or disprove a geologic theory, it is imperative that the theory is tested where it best stands the chance of success.

Sincerely,



Steve Speer  
Geologist



YATES PETROLEUM CORPORATION  
 Hammerhead Unit #1-1  
 200' FNL and 1950' FEL of  
 Section 16-T38S-R26E  
 San Juan County, Utah

In conjunction with Form DOGM-1, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information with Utah State Requirements.

1. The geologic surface formation is the Dakota formation.

2. The estimated tops of geologic markers are as follows:

Morrison	200'	Paradox	5690'
Entrada	1000'	Upper Ismay	5820'
Navajo	1260'	Lower Ismay	6010'
Chinle	1960'	Upper Desert Creek	6080'
Shinarump	2740'	Lower Desert Creek	6135'
Cutler	2955'	Akah	6172'
Honaker Trail	4960'	TD	6200'

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered are:

Water: Entrada 1000'; Navajo 1260'

Oil or Gas: Honaker Trail 4960'; Upper Ismay 5820'; Lower Desert Creek 6135'

4. Proposed Cementing Program:

Surface Casing:

There will be one stage of cement. Cemented with 800 sacks of Class "C" 2% CaCl<sub>2</sub> (600 cubic feet of cement) circulated. Casing shoe will be set at 2050' with float equipment set at approximately 2010'.

Production Casing:

There will be one stage or as warranted of cement. Cemented with enough Class "C" to equal 235 cubic feet or approximately 300 sacks to reach estimated top at 5000'. Float collar will be set at approximately 40' above TD with casing shoe set at TD.

5. Pressure Control Equipment: See Form DOGM-1.

6. Mud Program:

<u>DEPTH</u>	<u>TYPE</u>	<u>WEIGHT #/GAL.</u>	<u>VISC. sec.qt</u>	<u>FLUID LOSS</u>
0-5600'	FW	-----	-----	-----
5600-TD	FW Gel/Starch	9.0-10.4	35-45	10-15

7. Auxiliary Equipment: Kelly cock, pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connectors.
8. Testing, Logging & Coring Program:
  - Samples: 10' samples out from under surface casing to TD
  - DST's: Three potential producing zones
  - Coring: None
  - Logging: CNL/LDT, DLL, BHC Sonic from TD to casing; possible dipmeter TD to casing; Gamma Ray to surface
9. Expect over pressured Desert Creek formation. Will increase mud weight to control.
10. Anticipated starting date: As soon as possible after approval.

Hammerhead Unit #1-1

Page 3:

Surface Owners:

State of Utah

Grazees:

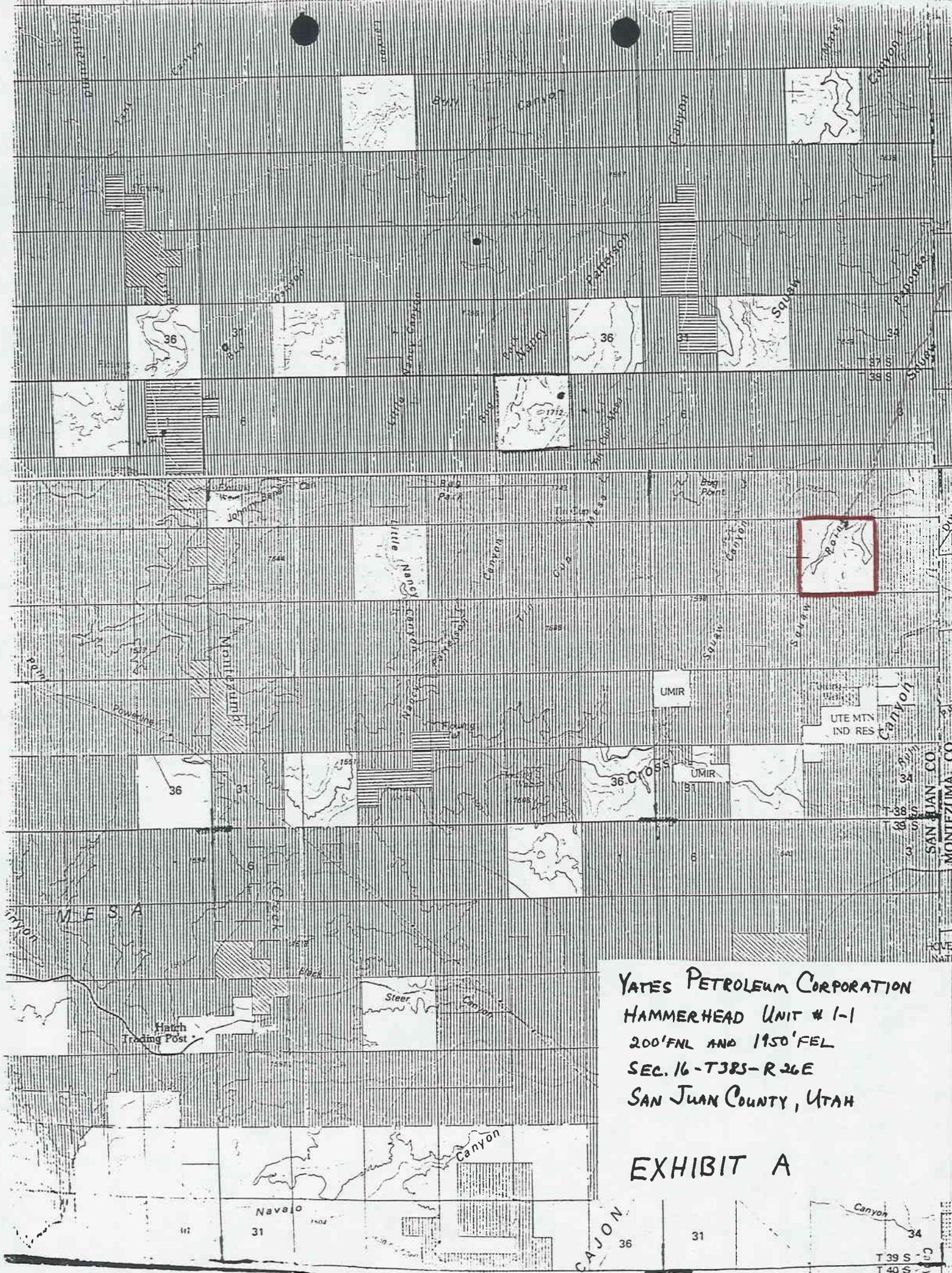
Flying R Ranch  
Mr. Marvin Redburn  
25292 Highway 145  
Dolores, CO 81323

A permit to appropriate water will be submitted to the Utah State Division of Water Rights. The permit number will be forwarded as soon as the permit is issued.

A bond is on file with the State of Utah.

Yates Petroleum Corporation hereby requests approval for non-standard location under Rule 302-1. Enclosed please find material concerning this matter.

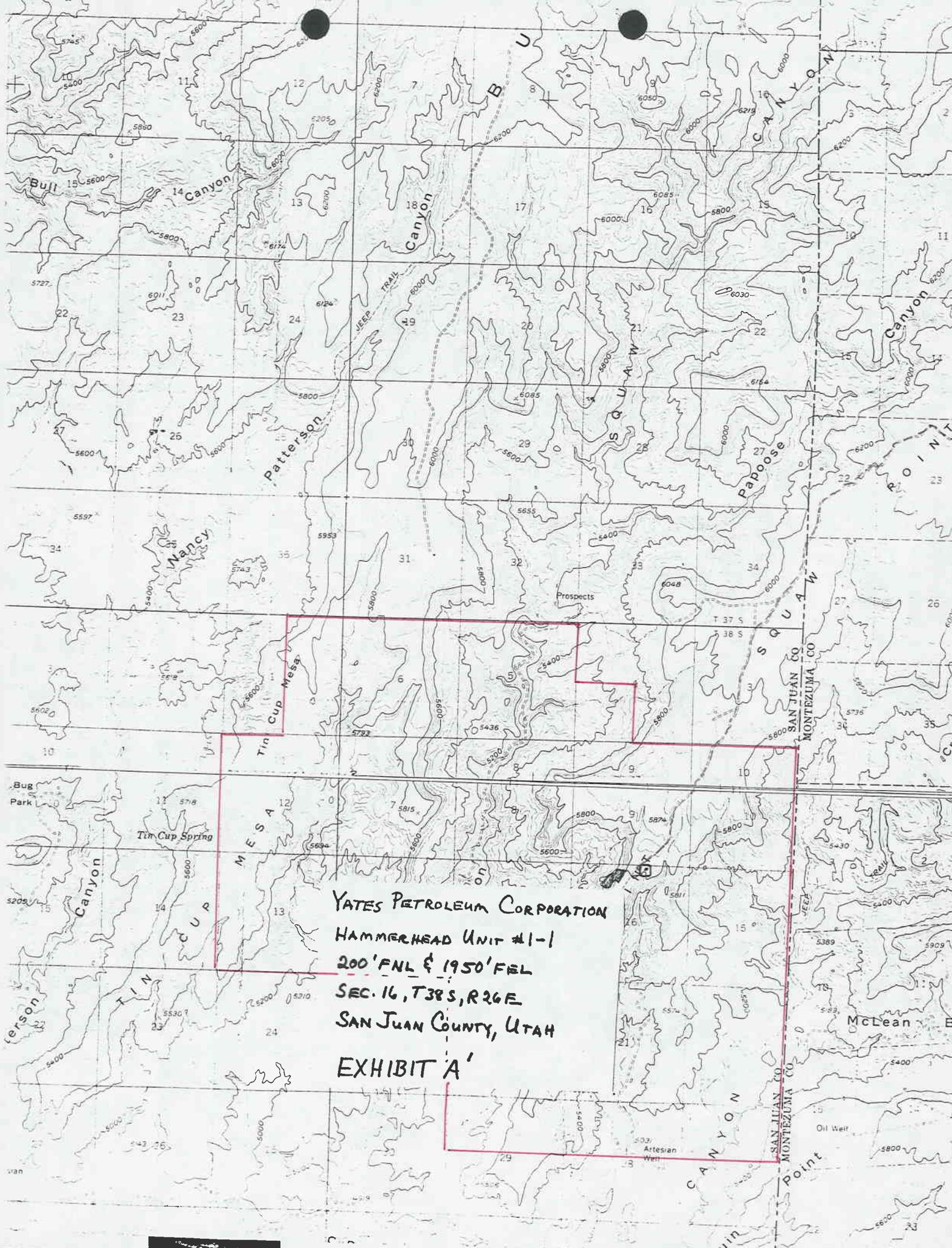
A unit agreement is being put together at this time.



YATES PETROLEUM CORPORATION  
 HAMMERHEAD UNIT # 1-1  
 200'FNL AND 1950'FEL  
 SEC. 16-T38S-R26E  
 SAN JUAN COUNTY, UTAH

EXHIBIT A

T 39 S  
 T 40 S

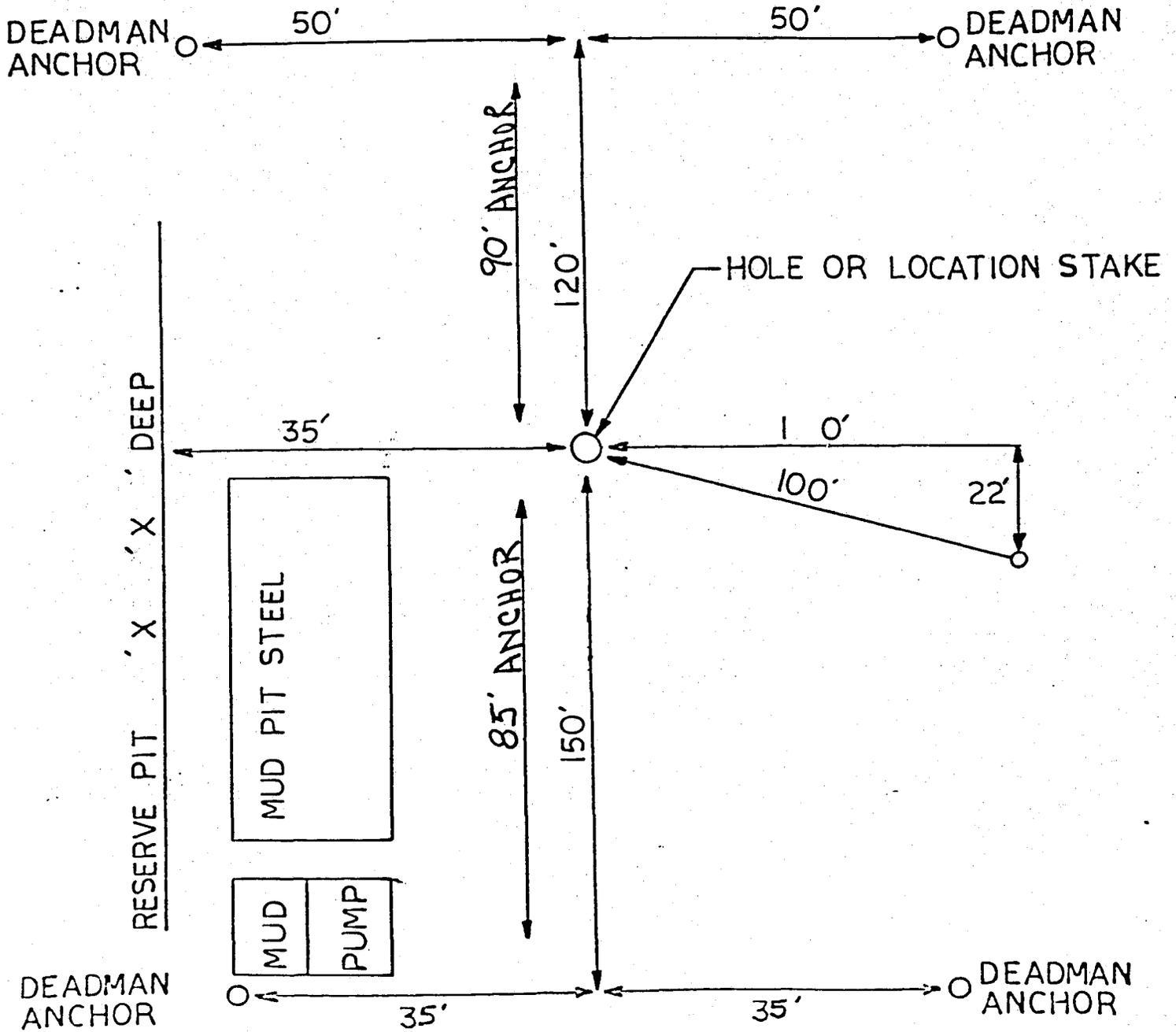


YATES PETROLEUM CORPORATION  
HAMMERHEAD UNIT #1-1  
200' FNL & 1950' FEL  
SEC. 16, T38S, R26E  
SAN JUAN COUNTY, UTAH  
EXHIBIT A'

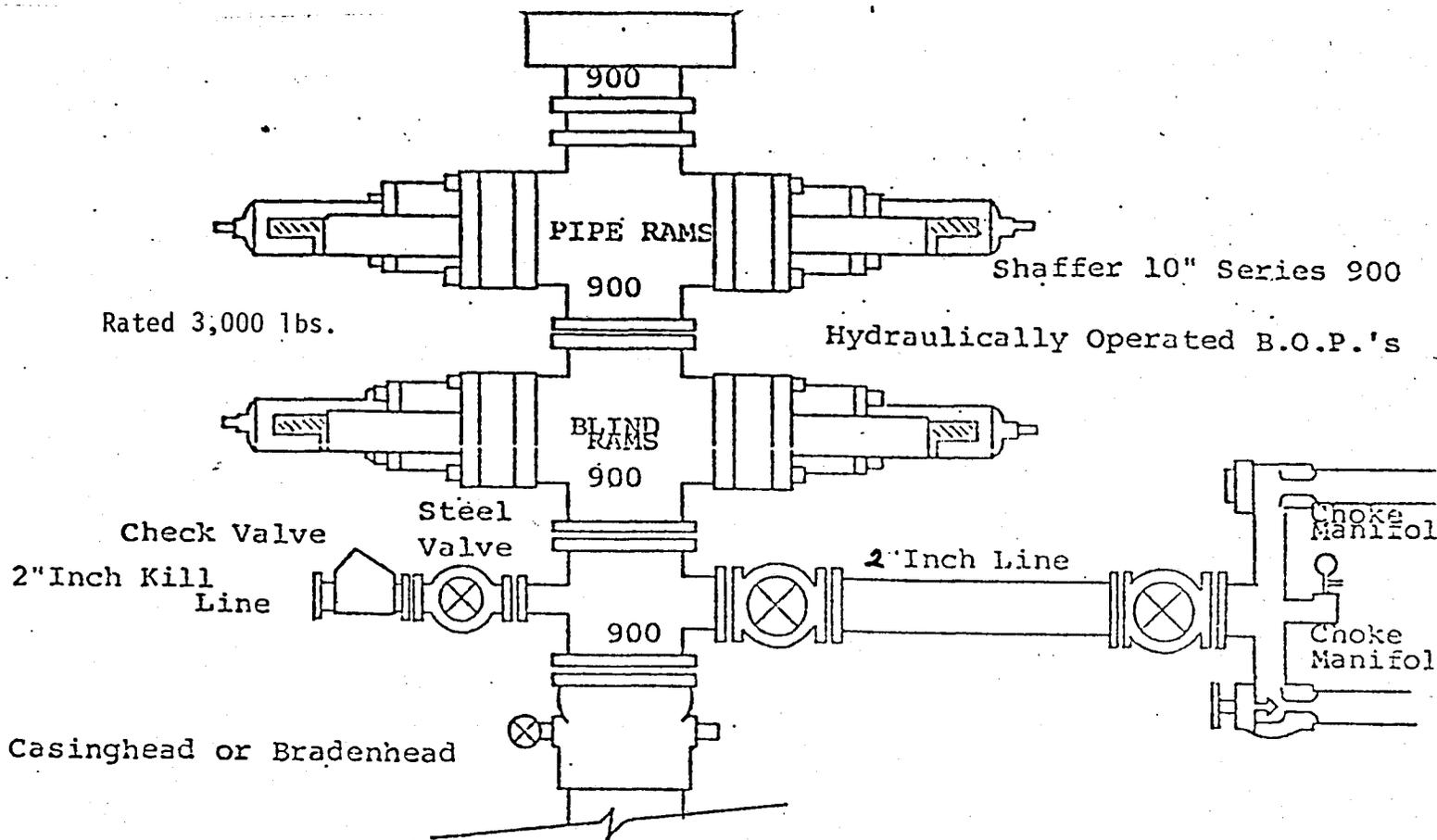
EXHIBIT C

COLEMAN DRILLING CO.

FRONT OF RIG NO. 3



# Exhibit D



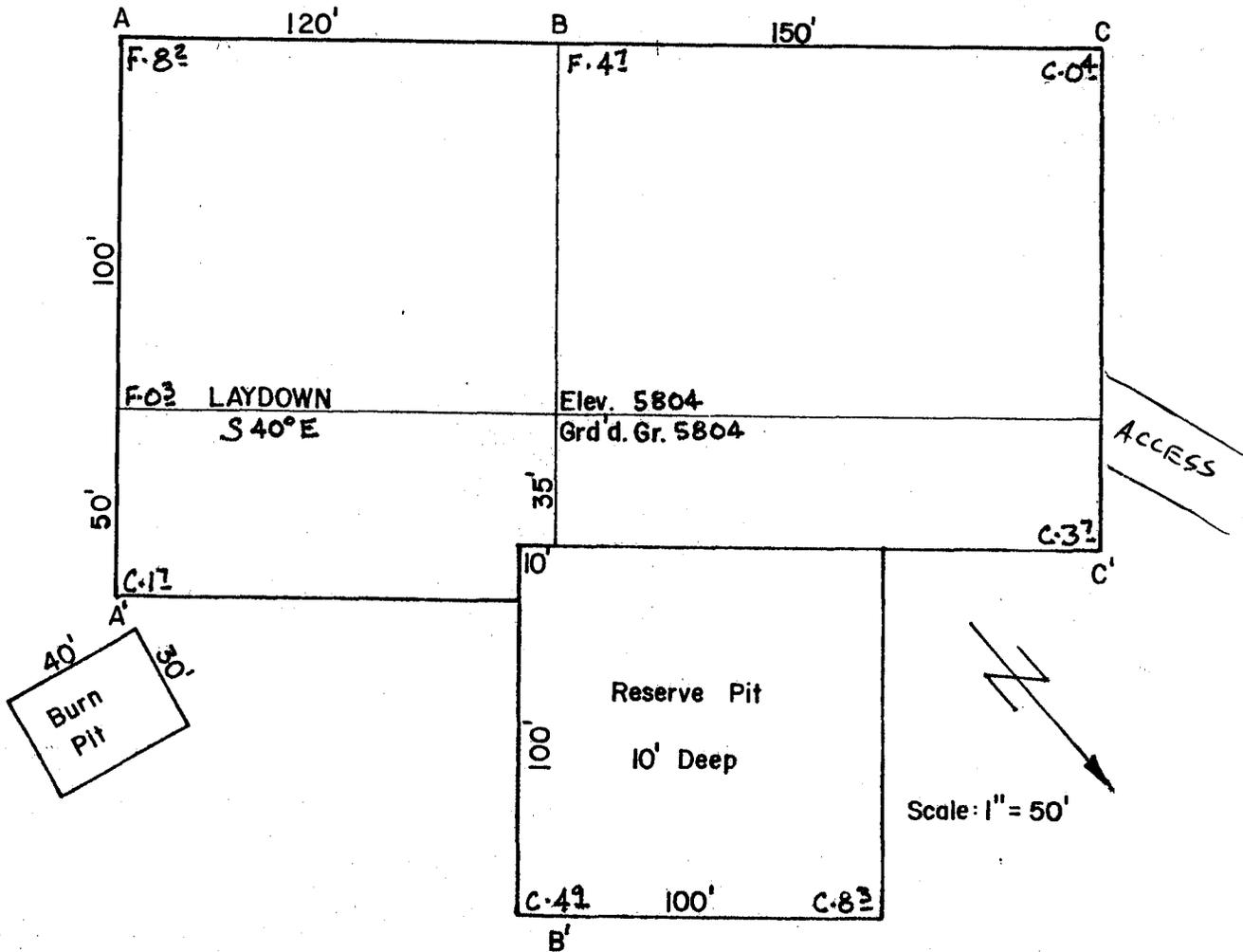
## THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual control installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 2" diameter.
3. Kill line to be of all steel construction of 2" minimum diameter.
4. All connections from operating manifolds to preventers to be all steel hole or tube a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
7. Inside blowout preventer to be available on rig floor.
8. Operating controls located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing.
10. D. P. float must be installed and used below zone of first gas intrusion

YATES PETROLEUM CORPORATION  
 #1-1 HAMMERHEAD UNIT

200'FNL & 1950'FEL  
 Sec.16, T38S, R26E  
 San Juan Co., Utah

EXHIBIT B



A-A'      Vert.: 1" = 30'    Horiz.: 1" = 100'      C/L

5810	-----	-----	-----	-----	-----
5800	-----	-----	-----	-----	-----
	-----	-----	-----	-----	-----

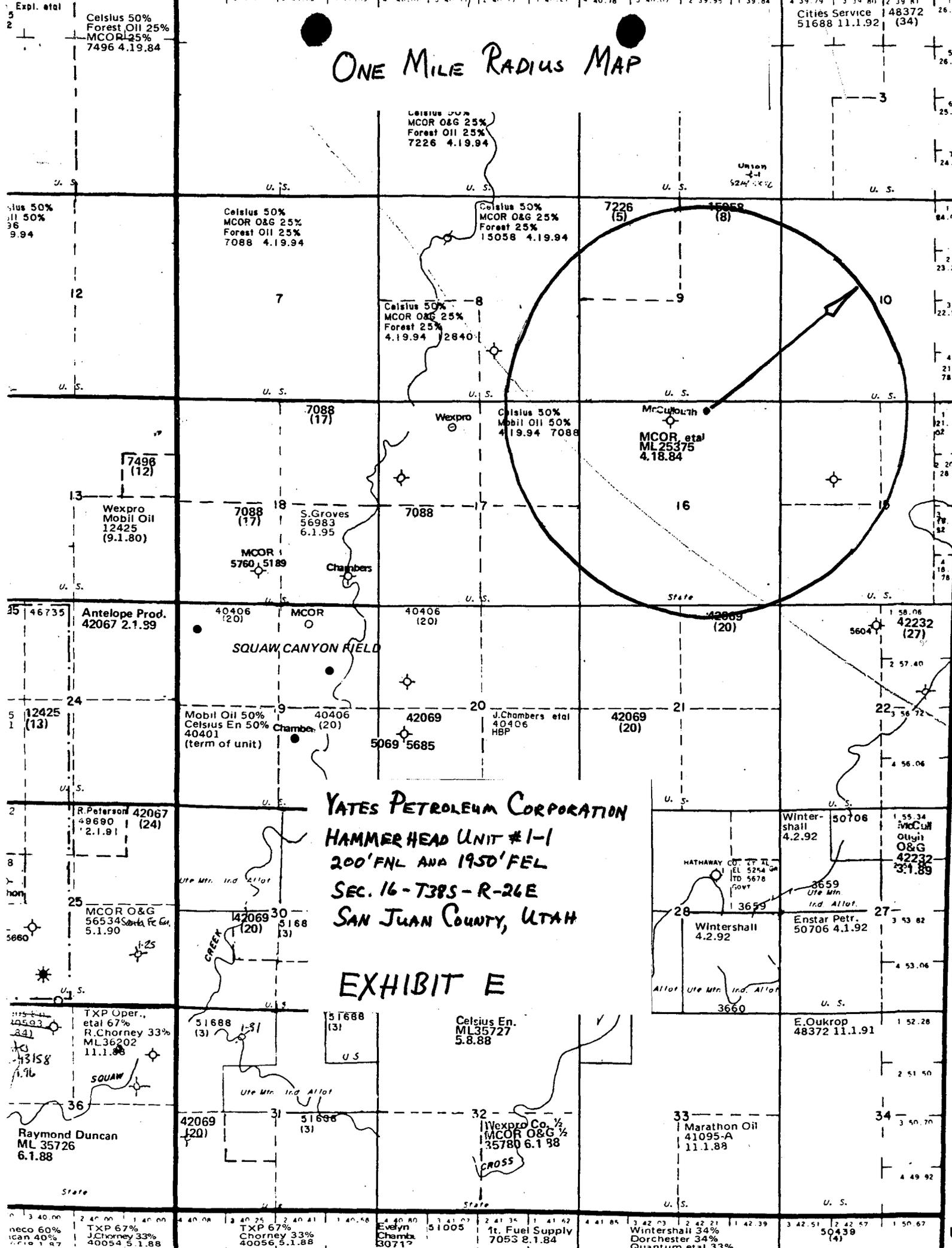
B-B'

5810	-----	-----	-----	-----	-----
5800	-----	-----	-----	-----	-----
	-----	-----	-----	-----	-----

C-C'

5810	-----	-----	-----	-----	-----
5800	-----	-----	-----	-----	-----
	-----	-----	-----	-----	-----

# ONE MILE RADIUS MAP



**YATES PETROLEUM CORPORATION**  
**HAMMER HEAD UNIT #1-1**  
**200' FNL AND 1950' FEL**  
**SEC. 16-T38S-R-26E**  
**SAN JUAN COUNTY, UTAH**

## EXHIBIT E

Expl. etal  
 Celsius 50%  
 Forest Oil 25%  
 MCOR 25%  
 7496 4.19.84

Cities Service 48372  
 51688 11.1.92 (34)

Celsius O&G 25%  
 MCOR O&G 25%  
 Forest Oil 25%  
 7226 4.19.94

Celsius 50%  
 MCOR O&G 25%  
 Forest Oil 25%  
 7088 4.19.94

Celsius 50%  
 MCOR O&G 25%  
 Forest 25%  
 15058 4.19.94

Celsius 50%  
 MCOR O&G 25%  
 Forest 25%  
 4.19.94 2840

Celsius 50%  
 Mobil Oil 50%  
 4.19.94 7088

Mr. Cullouth  
 MCOR, etal  
 ML 25375  
 4.18.84

Wexpro  
 Mobil Oil  
 12425  
 (9.1.80)

7088 (17)  
 S. Groves  
 56983  
 6.1.95

Chambers

Antelope Prod.  
 42067 2.1.89

40406 (20)  
 MCOR

40406 (20)

SQUAW CANYON FIELD

12425 (13)

Mobil Oil 50%  
 Celsius En 50%  
 40401  
 (term of unit)

40406 (20)  
 Chambers

42069 (20)  
 5069 5685

J. Chambers etal  
 40406  
 HBP

42069 (20)

42069 (20)

5604  
 42232 (27)

R. Peterson  
 42067  
 49680  
 2.1.91 (24)

**YATES PETROLEUM CORPORATION**  
**HAMMER HEAD UNIT #1-1**  
**200' FNL AND 1950' FEL**  
**SEC. 16-T38S-R-26E**  
**SAN JUAN COUNTY, UTAH**

Wintershall  
 4.2.92

50706  
 15534  
 McCull  
 O&G  
 42232  
 3.1.89

MCOR O&G  
 56534 Santa Fe Co.  
 5.1.90

42069 (20)  
 5168 (3)

51688 (3)

51688 (3)

Celsius En.  
 ML 35727  
 5.8.88

HATHAWAY CO. OF UT.  
 EL 5254 GA  
 TD 5678  
 GOVT

3659  
 Ute Mtn.  
 Ind. Allot.

Wintershall  
 4.2.92

Enstar Petr.  
 50706 4.1.92

TXP Oper.,  
 etal 67%  
 R. Chorney 33%  
 ML 36202  
 11.1.88

42069 (20)

51688 (3)

51688 (3)

Wexpro Co. 1/2  
 MCOR O&G 1/2  
 35780 6.1.88

Wintershall  
 4.2.92

E. Oukrop  
 48372 11.1.91

Raymond Duncan  
 ML 35726  
 6.1.88

42069 (20)

51688 (3)

51688 (3)

Marathon Oil  
 41095-A  
 11.1.88

50438 (4)

TXP 67%  
 J. Chorney 33%  
 40054 5.1.88

TXP 67%  
 Chorney 33%  
 40056 5.1.88

Evelyn  
 Chambers  
 30717

1. Fuel Supply  
 7053 2.1.84

Wintershall 34%  
 Dorchester 34%  
 Quantum, etal 33%

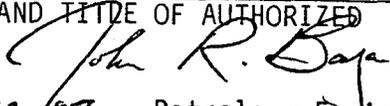
50438 (4)

50438 (4)

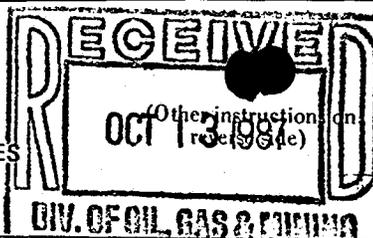
50438 (4)

STATE ACTIONS

Mail to:  
Grants Coordinator  
State Clearinghouse  
116 State Capitol, SLC, UT. 84114  
533-4971

1. ADMINISTERING STATE AGENCY OIL, GAS AND MINING 355 West North Temple 3 Triad Center, Suite 350 Salt Lake City, UT 84180-1203	2. STATE APPLICATION IDENTIFIER NUMBER: (assigned by State Clearinghouse)
3. APPROXIMATE DATE PROJECT WILL START: Upon approval	
4. AREAWIDE CLEARING HOUSE(S) RECEIVING STATE ACTIONS: (to be sent out by agency in block 1)  Southeastern Utah Association of Local Governments	
5. TYPE OF ACTION: <input type="checkbox"/> Lease <input checked="" type="checkbox"/> Permit <input type="checkbox"/> License <input type="checkbox"/> Land Aquisition <input type="checkbox"/> Land Sale <input type="checkbox"/> Land Exchange <input type="checkbox"/> Other _____	
6. TITLE OF PROPOSED ACTION: Application for Permit to Drill	
7. DESCRIPTION: Yates Petroleum Corp. proposes to drill a wildcat well on state lease number ML-25375 in San Juan County, Utah. This action is being presented to RDCC for consideration of resource issues affecting state interests. The DOGM is the primary administrative agency in this case and must issue approval to drill before operations can commence.	
8. LAND AFFECTED (site location map required) (indicate county) NW/4, NE/4, Section 16, Township 38 South, Range 26 East, San Juan County, Utah	
9. HAS THE LOCAL GOVERNMENT(S) BEEN CONTACTED? Unknown	
10. POSSIBLE SIGNIFICANT IMPACTS LIKELY TO OCCUR: No significant impacts are likely to occur	
11. NAME AND PHONE NUMBER OF DISTRICT REPRESENTATIVE FROM YOUR AGENCY NEAR PROJECT SITE, IF APPLICABLE: Chip Hutchinson, Moab, 259-8151	
12. FOR FURTHER INFORMATION, CONTACT:  John Baza PHONE: 538-5340	13. SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL  DATE: 10-14-87 Petroleum Engineer

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



Lease Designation and Serial No.

ML-25375

Indian, Allottee or Tribe Name

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

TITE HOLE

Single Zone

Multiple Zone

7. Unit Agreement Name

Hammerhead Unit

8. Farm or Lease Name

2. Name of Operator

Yates Petroleum Corporation

3. Address of Operator

105 South Fourth Street - Artesia, NM 88210

4. Location of Well (Report location clearly and in accordance with any State requirements.)\*

At surface

200' FNL & 1950' FEL

UNORTHODOX LOCATION

9. Well No.

1-1

10. Field and Pool, or Wildcat

Wildcat

11. Sec., T., R., M., or Blk. and Survey or Area

Section 16-T38S-R26E

14. Distance in miles and direction from nearest town or post office\*

Approximately 17 miles northeast of Hatch Trading Post

12. County or Parrish

San Juan

13. State

Utah

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drlg. line, if any)

200'

16. No. of acres in lease

640

17. No. of acres assigned to this well

80

18. Distance from proposed location\* to nearest well, drilling, completed, or applied for, on this lease, ft.

1-1/4 mile

19. Proposed depth

6200'

20. Rotary or cable tools

Rotary

21. Elevations (Show whether DF, RT, GR, etc.)

22. Approx. date work will start\*

ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
17-1/2"	13-3/8"	48# H-40	Approx. 100'	50 sacks
12-1/4"	8-5/8"	24# J-55	" 2050'*	950 sacks - circulate
7-7/8"	5-1/2"	15.5# J-55	TD	300 sacks

\*Approximately 100-150' into Chinle formation

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24.

Signed

Title

Regulatory Agent

Date Oct. 1, 1987

(This space for Federal or State office use)

Permit No.

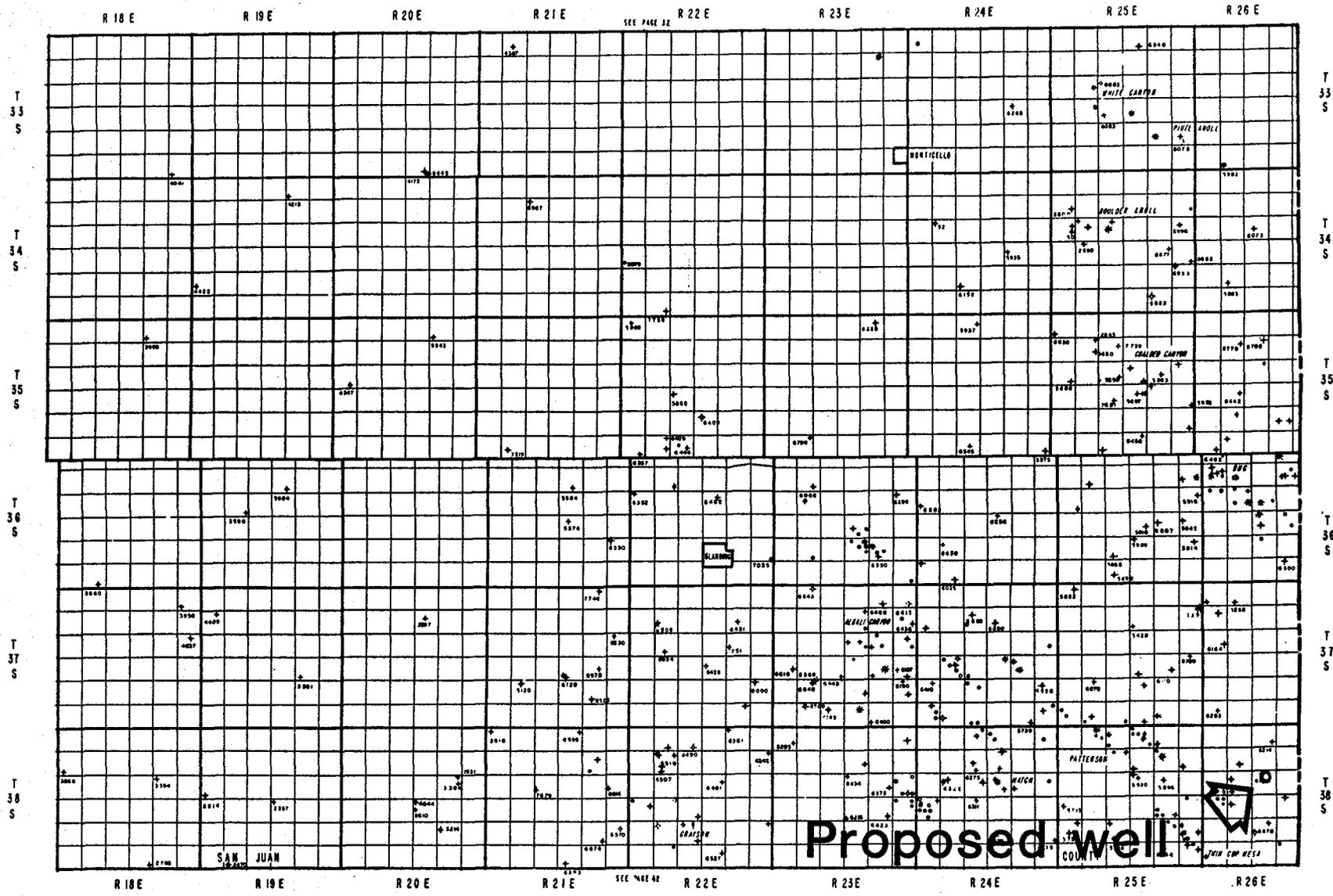
Approval Date

Approved by

Title

Date

Conditions of approval, if any:





NORMAN H. BANGERTER  
GOVERNOR



STATE OF UTAH  
DEPARTMENT OF COMMUNITY AND  
ECONOMIC DEVELOPMENT

6 November 1987

Division of  
State History  
(UTAH STATE HISTORICAL SOCIETY)

MAX J. EVANS, DIRECTOR  
300 RIO GRANDE  
SALT LAKE CITY, UTAH 84101-1182  
TELEPHONE 801/533-5755

John Baza  
Division of Oil, Gas and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 81180-1203

RE: Yates Petroleum Corp. Wildcat Well, State Lease No. ML-25375  
(SAI UT871013-010)

In Reply Please Refer to Case No. K537

Dear Mr. Baza:

The staff of the Utah State Historic Preservation Office has reviewed the information provided concerning the above referenced proposed state action. Our records indicate that we know of no surveys for historic or prehistoric resources in this area. However, we are aware of one site, 42Sa8577, located very near this proposed well site. We have enclosed information concerning this site. It should be noted that the site was listed as potentially eligible for the National Register of Historic Places. The proposed well site is located in an area that has a very high potential for archeological resources, and their presence and potential National Register eligibility should be investigated prior to any earth disturbing activities. Site 42Sa8577 should be located with respect to any possible primary or secondary impacts from this wildcat well and mitigation considered if it is to be adversely impacted.

The above is provided on request as outlined by 36 CFR 800 or Utah Code, Title 63-18-37. If you have questions or need additional assistance, please contact Charles Shepherd at (801) 533-7039.

Sincerely,

A. Kent Powell  
Deputy State Historic  
Preservation Officer

CMS:jrc:K537/4820V OR

cc: Chairperson, Resource Development Coordinating Committee, State Planning  
Office, 118 State Capitol, Salt Lake City, Utah 84114

Enclosure



116 State Capitol Building  
Salt Lake City, UT 84114  
Telephone 801-533-5245

## office of planning and budget

Norman H. Bangerter, Governor Dale C. Hatch, C.P.A., J.D., Director Michael E. Christensen, Ph.D., Deputy Director

October 30, 1987

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

SUBJECT: Yates Petroleum Corporation Application for Wildcat Well Permit on  
State Lease #ML-25375, Juan County  
State Application Identifier #UT871013-010  
*Hammerhead Unit # 1-1*

Dear John:

The Resource Development Coordinating Committee of the State of Utah has reviewed this proposed action and no comments have been indicated.

The Committee appreciates the opportunity of reviewing this document. Please address any other questions regarding this correspondence to Carolyn Wright (801) 533-4971.

Sincerely,

Dale C. Hatch  
Director

DCH/jw



**La Plata Archeological Consultants, Inc.**

P.O. Box 783  
Dolores, Colorado 81323  
303-882-4933

October 29, 1987

Mr. Cy Cowan  
207 South 4th Street  
Artesia, New Mexico 88210

Mr. Cowan:

Please find enclosed the archeological survey report for your proposed Hammerhead Unit 1-1 well site, San Juan County, Utah, on land administered by the State. Given the stipulations contained in the report final archeological clearance for the project has been recommended.

Sincerely,

Barry N. Hibbets  
Secretary-Treasurer

Enclosure  
BNH/cr

Well file



**La Plata Archeological Consultants, Inc.**

P.O. Box 783  
Dolores, Colorado 81323  
303-882-4933

November 2, 1987

John Boza  
State of Utah Natural Resources  
Oil and Gas Program  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

Mr. Boza:

Please find enclosed the survey report for Yates Petroleum Corporation's Hammerhead Unit 1-1 well site, San Juan County, Utah. Given the stipulations contained in the report archeological clearance has been recommended.

Sincerely,

Barry N. Hibbets  
Secretary-Treasurer

**Distribution:**

Yates Petroleum Corporation  
Division of State History  
BLM-Salt Lake City

BNH/cr

**RECEIVED**  
NOV 5 1987  
DIVISION OF OIL  
GAS & MINING

ARCHEOLOGICAL SURVEY OF  
YATES PETROLEUM CORPORATION'S  
HAMMERHEAD UNIT 1-1 WELL SITE,  
SAN JUAN COUNTY, UTAH

LAC REPORT 87121

by  
Barry N. Hibbets

LA PLATA ARCHEOLOGICAL CONSULTANTS, INC.  
P.O. BOX 783  
DOLORES, COLORADO 81323  
(303) 882-4933

October 30, 1987

Utah State Permit  
U87-LA-628 (s)

Prepared For:  
Yates Petroleum  
207 South 4th Street  
Aretesia, New Mexico 88210

RECEIVED

NOV 5 1987

DIVISION OF OIL  
GAS & MINING

## ABSTRACT

During October, 1987, an archeological survey of Yates Petroleum Corporation's Hammerhead Unit 1-1 well site was conducted by personnel of La Plata Archeological Consultants, Inc. The project area is located atop Squaw Point in extreme eastern San Juan County, Utah. All land involved is owned by the State of Utah. The project will consist of the construction of a single well pad ca. 275 x 325' in area. A 660 x 660' square area (10 acres) surrounding the well centerstake was archeologically examined. A small amount of new access will be required (ca. 150') but it is contained in the survey area. During the course of the investigation a previously recorded site (42SA8577) and one isolated occurrence of artifacts (IA-1) was recorded on the well site. No significant cultural resources will be effected by the development and archeological clearance for the project is recommended.

## INTRODUCTION

During October, 1987, an archeological survey of Yates Petroleum Corporation's proposed Hammerhead 1-1 well site was conducted by personnel of La Plata Archeological Consultants, Inc. The project area is located on Squaw Point in extreme eastern San Juan County, Utah. All land involved is owned by the State of Utah. The area is situated in the NW 1/4 of the NE 1/4 of section 16, Township 38 South, Range 26 East, and is contained on the Ruin Point, Utah-Colorado, 7.5' series topographic quadrangle (1985).

The project will consist of the construction of a single well pad ca. 275 x 325' in area. A 660 x 660' square area (10 acres) surrounding the well centerstake was archeologically examined. A small amount of new access road will be required (ca. 150') but it is contained in the survey area.

The survey was conducted on October 8, 1987 by Mr. Barry N. Hibbets of La Plata Archeological Consultants, Inc. during the on-site pre-drill inspection. Others in attendance included Mr. Chip Henderson (State of Utah), Cy Cowan (Yates Petroleum),

69

5'

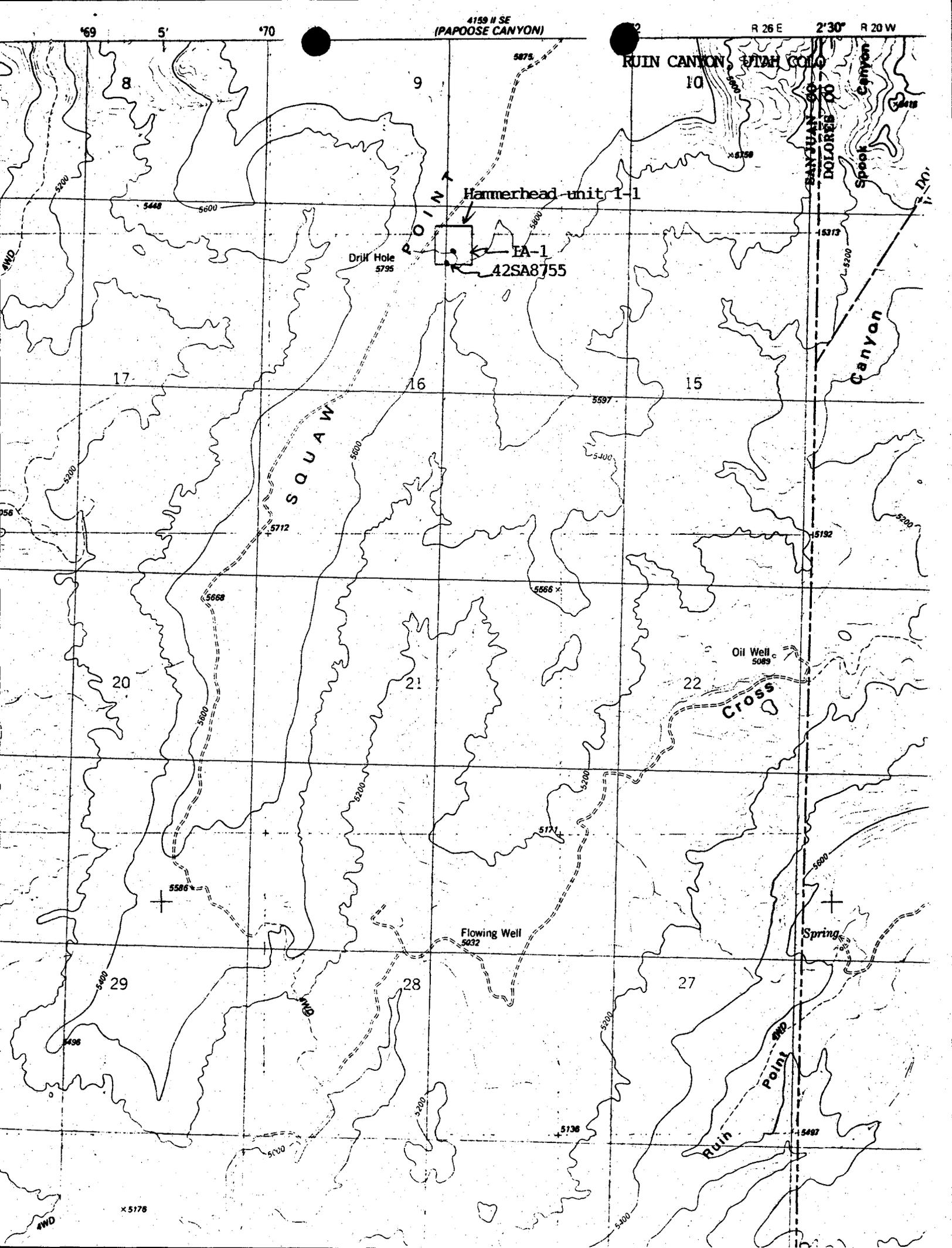
70

4159 N SE (PAPOOSE CANYON)

R 26 E

2'30"

R 20 W



Mr. Howard Hughes (Howard Hughes Construction), and Mr. Bill Mahnke (Powers Elevation).

## **PHYSIOGRAPHY AND ENVIRONMENT**

The project area is located atop and on the eastern rim of Squaw Point, a broad southwest dipping cuesta bounded by Squaw and Cross Canyon's Terrain is gently undulating with southern aspects favored. Elevations in the area range from 5760' to 5800' MSL.

The vegetative structure of the area is a chained pinyon-juniper woodland. Present associations are dominated by invaders such as golden rabbitbush, big sage, and crested wheatgrass.

Sediments consist of poorly developed shallow sandy loams overlying sandstone bedrock. Bedrock is exposed over ca. 25% of the project area.

Another prominent but nondesignated spring is located directly south of the well site, immediately below the rim of Cross Canyon. Most major washes and arroyos carry water seasonally.

Avian reptilian, and mammalian associations are consistent with those of the Upper Sonoran Life Zone throughout the Colorado Plateau.

## **SURVEY PROCEDURE**

Prior to the initiation of the field work site file and literature reviews were conducted at the Bureau of Land Management - San Juan Resource Area Office and through the Utah Division of State History - Antiquities Section. The results of these reviews concluded that none of the project area had been previously surveyed for cultural resources and no previously sites are present in the area, although site 42SA8755 lies south of the impact area.

On-the-ground survey was conducted by the single archeologist systematically walking over the proposed well site via a series of east-west transects spaced at 15 meter intervals.

## **SURVEY RESULTS**

Previously recorded site 42SA8755 was relocated during the examination. It lies south of the project area and will not be effected by developement.

An isolated occurrence of artifacts (IA-1) was recorded on the well site. It consists of an extremely diffuse scatter of three unclassifiable corrugated sherds, one chert interior flake, and four unclassifiable black-onwhite sherds. All of the artifacts are located on sandstone bedrock and are considered to be of no significant value.

## **SUMMARY AND RECOMMENDATIONS**

On October 8, 1987, an archeological survey of Yates Petroleum Corporation's proposed Hammerhead Unit 1-1 well site was conducted by Mr. Barry N Hibbets of La Plata Archeological Consultants, Inc. The project area is located on Squaw Point in extreme eastern San Juan Coutny, Utah on land owned by the State of Utah. The project will consist of the construction of a single well pad ca. 275 x 325' in area. A 660 x 660' square area (10 acres) surrounding the well centerstake was archeologically examined. A small amount of new access will be built (ca. 150') but it is contained in the survey area.

During the coarse of the investigation two cultural resources were encountered. Previously recorded site 42SA8755 was relocated south of the project area it will not be effected by developement. Isolated Artifact 1 (IA-1) was located and recorded on the well site. It consists of an eroded and diffuse scatter of eight artifacts located on sandstone bedrock. It is not considered of significant value.

No significant cultural resources will be effected by development. Archeological clearance for Yates Petroleum Corporation's Hammerhead Unit 1-1 well site is recommended.

DRILLING LOCATION ASSESSMENT  
State of Utah  
Division of Oil, Gas & Mining

OPERATOR: YATES PETROLEUM INC. WELL NAME: HAMMERHEAD 1-1  
QTR/QTR: NWNE SECTION: 16 TWP: 38S RANGE: 26E  
COUNTY: SAN JUAN FIELD: WILDCAT 200' F N L 1950' F E L  
SFC OWNER: STATE LANDS LEASE #: ML-25375  
SPACING: F SECTION LINE F QTR/QTR LINE F ANOTHER WELL  
INSPECTOR: CHIP HUTCHENSEN DATE & TIME: 10-08-87 1:00 PM  
PARTICIPANTS: WILLIAM MOORE, DOGM; CY COWAN, YATES PETROLEUM; BILL MAHNKE, POWERS SURVEY, BARRY TIBBETTS, ARCHEOLOGIST; HOWARD HUGHES, DIRT CONTRACTOR.

REGIONAL SETTING/TOPOGRAPHY: BLANDING BASIN OF THE COLORADO PLATEAU, MESA TOP.

LAND USE

CURRENT SURFACE USE: OPEN RANGE GRAZING

PROPOSED SURFACE DISTURBANCE: PAD 270'X150' WITH 100'X100' PIT.

AFFECTED FLOODPLAINS AND/OR WETLANDS: NATURAL SPRING ABOUT 100' SOUTH OF LOCATION.

FLORA/FAUNA: SAGE, RABBITBRUSH, NATIVE GRASSES, RABBIT, BIRDS, DEER.

ENVIRONMENTAL PARAMETERS

GEOLOGY

SOIL TYPE AND CHARACTERISTICS: REDDISH BROWN SILTYSAND WITH SANDSTONE OUTCROPS.

SURFACE FORMATION & CHARACTERISTICS: DAKOTA FORMATION, YELLOW BROWN SITLYSANDSTONE OVER LAYING BY ABOUT 10' A REDDISH AND GREENISH SILTYCLAY LAYRE ABOUT 3-6' THICK

EROSION/SEDIMENTATION/STABILITY: FAIRLY STABLE MESA TOP.

SUBSURFACE GEOLOGY

OBJECTIVE(S)/DEPTH(S): HONAKER @ 4960'; UPPER ISMAY @ 5820'; LOWER DESERT CREEK @ 6135'.

ABNORMAL PRESSURES - HIGH AND LOW: DESERT CREEK OVERPRESSURED AND POSSIBLE AKAH OVERPRESSURED SALTWATER.

CULTURAL RESOURCES/ARCHAEOLOGY: ISOLATED ARTIFACT SHARDS FROM NORTH; NO SIGNIFICANT ARCH.

WATER RESOURCES: DRAINAGE EAST END OF PAD DRY AND INTERMITTENT. LARGE CANYONS SOUTH AND EAST OF LOCATION. PERCHED WATER TABLE ON CLAY LAYRE AT ABOUT 10'.  
NO KNOWN WATER WELLS IN VICINITY.

RESERVE PIT

CHARACTERISTICS: 100'X100'X10' ON NORTH SIDE OF PAD.

LINING: 2 LBS/SQ.FT. BENTONITE MINIMUM.

MUD PROGRAM: FRESH WATER TO 5600; FRESH WATER AND GEL TO TD.

DRILLING WATER SUPPLY: PRIVATE SOURCE. WILL SEND IN PRIVATE SOURCE PERMIT #.

OTHER OBSERVATIONS: UNORTHODOX LOCATION- ONLY FEASABLE PLACE TO DRILL DUE TO TOPOGRAPHY AND EXPECTED SOURCE. BURN PIT 40'X30' EAST OF PAD.

STIPULATIONS FOR APD APPROVAL: PIT MUST BE LINED WITH MINIMUM 2#/SQ.FT. BENTONITE.

ATTACHMENTS

~~CONFIDENTIAL~~

121604

OPERATOR Yates Petroleum Corp. DATE 10-13-87

WELL NAME Hammerhead STATE # 1

SEC NW NE 16 T 38S R 26E COUNTY San Juan

43-037-31370  
API NUMBER

State  
TYPE OF LEASE

CHECK OFF:

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

PROCESSING COMMENTS:

No other well in Sec. 16 - (~~Grant well~~) (Lease approved)  
Need water permit  
Exception requested  
~~State History~~ Rec'd. 11/5/87

CONFIDENTIAL  
PERIOD  
EXPIRED  
ON 5-02-89

APPROVAL LETTER:

SPACING:  R615-2-3 Hammerhead Unit  R615-3-2  
  R615-3-3  
 CAUSE NO. & DATE

STIPULATIONS:

- 1- water
- ~~State History~~
- 2- The operator shall line the reserve pit w/ a minimum of 2 lbs. per sq. ft. of dry commercial bentonite.
- 4- The operator shall dike or trench the perimeter of the location and divert natural drainages to prevent influent to or effluent from the location.
- 3- At least 48 hours prior to placing fluid in the reserve pit, the operator shall contact Chip Hutchinson, DOGM Moab inspector, ph. 259-8151, for inspection of liner.

0218T



NORMAN H. BANGERTER  
GOVERNOR



STATE OF UTAH  
DEPARTMENT OF COMMUNITY AND  
ECONOMIC DEVELOPMENT

November 10, 1987

Division of  
State History  
(UTAH STATE HISTORICAL SOCIETY)

MAX J. EVANS, DIRECTOR  
300 RIO GRANDE  
SALT LAKE CITY, UTAH 84101-1182  
TELEPHONE 801/533-5755

Mr. Dale Davidson  
Area Archeologist  
Bureau of Land Management  
San Juan Resource Area Office  
P. O. Box 7  
Monticello, Utah 84535

RE: Hammerhead Unit 1-1 Well Site, San Juan County, Utah

In Reply Please Refer to Case No. K563

Dear Mr. Davidson:

The Utah State Historic Preservation Office has received for comment the above referenced project. Review of the report provided by Barry Hibbets of La Plata entitled "Archeological Survey of Yates Petroleum Corporation Hammerhead Unit 1-1 Well Site, San Juan County, Utah" indicates that one site was located within the project area. This site (42Sa8755) was specified as being potentially eligible for the National Register of Historic Places. Our office would concur with this determination of eligibility. We would also concur with the finding of Mr. Hibbets that although the site is located within the project boundaries, if it is avoided there will be no effect to known historic cultural resources by this project.

The above is provided on request as outlined by 36 CFR 800 or Utah Code, Title 63-18-37. If you have questions or need additional assistance, please contact David Schirer at (801) 533-7039.

Sincerely,

A. Kent Powell  
Deputy State Historic  
Preservation Officer

DLS:jrc:K563/4853V OFR/DOE/NE

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NOV 23 1987

DIVISION OF  
OIL, GAS & MINING

# Mobil Exploration & Producing U.S. Inc.

P.O. BOX 5444  
DENVER, COLORADO 80217-5444

Denver Division - Land  
November 24, 1987

State of Utah  
Division of Oil and Gas Mining  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180-1203

Attention: Ms. Arlene Sollis

HAMMERHEAD UNIT #1 WELL  
NW/4NE/4 SEC. 16-T38S-R26E  
SAN JUAN COUNTY, UTAH  
UTAH ML-25375  
MOBIL'S U-730  
LETTER AGREEMENT W-0064-87

Gentlemen:

Enclosed please find in triplicate original fully executed Designations of Operator for the captioned well and lease.

Very truly yours,



R. H. Lichty  
Senior Staff Landman

RHL/lea:11/29  
Enclosure

cc: Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210  
Attn: Ms. Janet Richardson

**RECEIVED**  
NOV 27 1987

DIVISION  
OIL, GAS & MINING

**RECEIVED**  
NOV 27 1987

## DESIGNATION OF OPERATOR

OIL, GAS &amp; MINING

The undersigned is, on the records of the Department of Natural Resources, Division of State Lands, holder of lease, ML 25375 :

and hereby designates

NAME: Yates Petroleum Corporation  
ADDRESS: 105 South Fourth Street  
Artesia, New Mexico 88210

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 Director of the Division of State Lands or his representative may serve written or oral instructions in securing compliance with the Rules and Regulations Governing the Issuance of Mineral Leases with respect to (describe acreage to which this designation is applicable):

Township 38 South, Range 26 East  
Section 16: All  
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 Rules and 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 Director, Division of State Lands or his representative.

The lessee agrees promptly to notify the Division of State Lands of any change in the designated operator.

Mobil Oil Corporation

By: P. L. Caldwell, Jr.  
(Signature of Lessee) *PLC*  
P. L. Caldwell, Jr. Attorney in Fact

November, 1987

(Date)

P.O. Box 5444, Denver, CO 80217

(Address)

# SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS

HAROLD JASON  
WILLIAM D. EGWELL  
Executive Director  
P.O. Drawer A1 • Price, Utah 84501 • Telephone 637-5444

**RECEIVED**  
DEC 4 1987

DIVISION OF  
OIL, GAS & MINING

AREAWIDE CLEARINGHOUSE A-95 REVIEW

NOI \_\_\_ Preapp \_\_\_ App \_\_\_ State Plan \_\_\_ State Action X Subdivision \_\_\_ (ASP # 11-1015-4)

Other (indicate) \_\_\_\_\_ SAI Number UT871013-~~000~~ 010

**Applicant (Address, Phone Number):**  
Oil, Gas and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

**Federal Funds:**  
Requested: \_\_\_\_\_

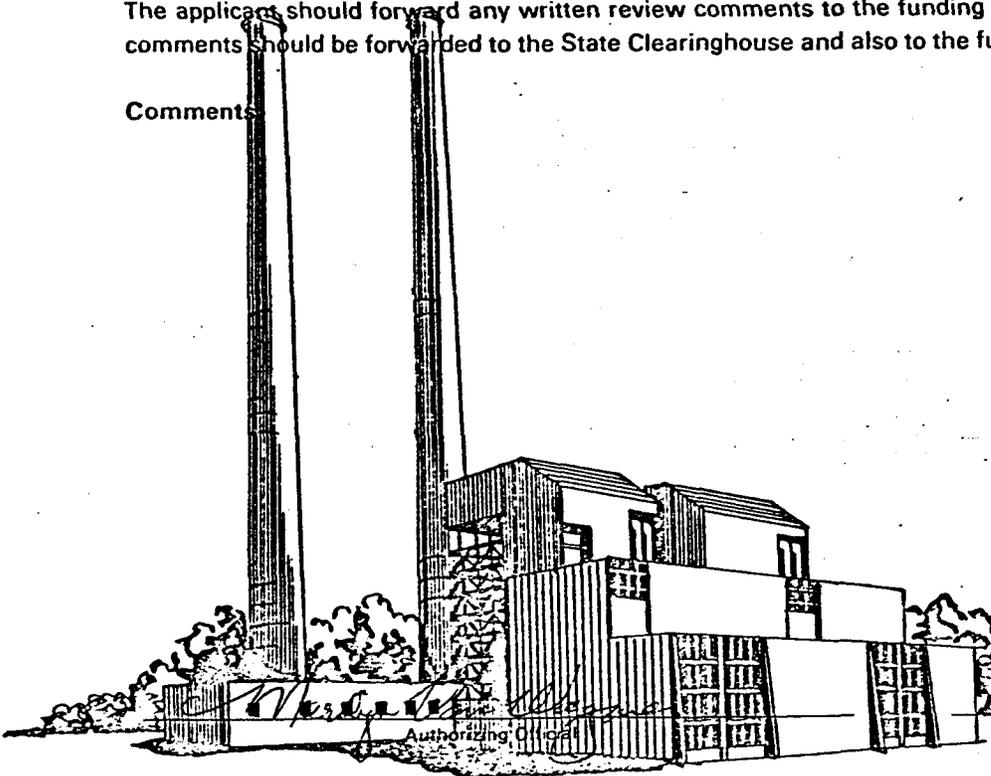
*Yates  
Hammerhead Unit 1-1*

**Title:**  
APPLICATION FOR PERMIT TO DRILL

- No comment
- See comments below
- No action taken because of insufficient information
- Please send your formal application to us for review. Your attendance is requested

The applicant should forward any written review comments to the funding agency. Any written response to those comments should be forwarded to the State Clearinghouse and also to the funding agency.

**Comments**



12-1-87  
Date



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

December 11, 1987

N7400

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

Gentlemen:

Re: Hammerhead State #1 - NW NE Sec. 16, T. 38S, R. 26E  
200' FNL, 1950' FEL - San Juan County, Utah

Approval to drill the referenced well is hereby granted in accordance with Rule R615-3-3, Oil and Gas Conservation General Rules, subject to the following stipulations:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Chapter 3, Title 73, Utah Code Annotated.
2. The operator shall line the reserve pit with a minimum of 2 lbs. per sq. ft. of dry commercial bentonite.
3. At least 48 hours prior to placing fluid in the reserve pit, the operator shall contact Chip Hutchinson, Division of Oil, Gas and Mining Moab inspector, phone 259-8151, for inspection of liner.
4. The operator shall dike or trench the perimeter of the location and divert natural drainages to prevent influent to or effluent from the location.

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 of an Entity Action Form to the Division within five working days of the time that the well is spudded or a change in operations or interests necessitates a change in entity status.

Page 2  
Yates Petroleum Corporation  
Hammerhead State #1  
December 11, 1987

3. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
4. 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.
5. Compliance with the requirements of Rule R615-3-22, Gas Flaring or Venting, Oil and Gas Conservation General Rules.
6. 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) 538-6121.
7. 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 43-037-31370.

Sincerely,



R. J. Firth  
Associate Director, Oil & Gas

as  
Enclosures  
cc: State Lands & Forestry  
Branch of Fluid Minerals  
D. R. Nielson  
8159T

DIVISION OF OIL, GAS AND MINING

123031

*Orl.*

SPUDDING INFORMATION

API # 43-037-31370

NAME OF COMPANY: YATES PETROLEUM CO.

WELL NAME: HAMMERHEAD STATE #1

SECTION NW NE 16 TOWNSHIP 38S RANGE 26E COUNTY SAN JUAN

DRILLING CONTRACTOR COLEMAN

RIG # 2

SPUDDED: DATE 12-18-87

TIME 4:00 PM

How Rotary

DRILLING WILL COMMENCE \_\_\_\_\_

REPORTED BY Tim Bussell

TELEPHONE # \_\_\_\_\_

DATE 12-22-87 SIGNED Chip Hutchinson

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

SUBMIT TRIPPLICATE  
(Other instructions on reverse side)

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.

ML-25375 *Dr.*

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

123018

1. OIL WELL  GAS WELL  OTHER

TITE HOLE

7. UNIT AGREEMENT NAME

Hammerhead Unit

8. NAME OF LEASE

2. NAME OF OPERATOR  
Yates Petroleum Corporation

DEC 28 1987

3. ADDRESS OF OPERATOR  
105 South 4th St., Artesia, NM 88210

DIVISION OF  
OIL, GAS & MINING

9. WELL NO.

1

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)  
At surface

200' FNL & 1950' FEL, NW/NE

10. FIELD AND POOL, OR WILDCAT

Wildcat

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

Section 16-T38S-R26E

14. PERMIT NO.  
API #43-037-31370

15. ELEVATIONS (Show whether DF, RT, OR, etc.)  
5804' GR

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

PULL OR ALTER CASING

WATER SHUT-OFF

REPAIRING WELL

FRACTURE TREAT

MULTIPLE COMPLETE

FRACTURE TREATMENT

ALTERING CASING

SHOOT OR ACIDIZE

ABANDON\*

SHOOTING OR ACIDIZING

ABANDONMENT\*

REPAIR WELL

CHANGE PLANS

(Other) Spud well, set surface pipe

(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.)

Spudded 17-1/2" hole at 8:30 PM 12-18-87. Ran 2 joints 13-3/8" 54.5# K-55 ST&C casing set at 83'. 1-Texas Pattern notched guide shoe set 83'. Baffle plate set 38.95'. Cemented w/150 sx Class "B" with 3% CaCl2 (yield 15.6, weight 1.18). PD 4:30 AM 12-19-87. Did not bump plug. WOC. Drilled out 2:15 PM 12-19-87. WOC 9 hours and 45 minutes. Cut off and welded on flow nipple. Reduced hole to 12-1/4". Drilled plug and resumed drilling.

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

SIGNED *[Signature]*

TITLE Production Supervisor

DATE 12-21-87

(This space for Federal or State office use)

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

TITLE \_\_\_\_\_

DATE \_\_\_\_\_



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

RECEIVED  
JAN 07 1988

DIVISION OF  
OIL, GAS & MINING

S. P. YATES  
PRESIDENT  
JOHN A. YATES  
VICE PRESIDENT

011104

January 4, 1988

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

*Dr. l.*  
43-037-31370

ATTENTION: Ms. Arlene Sollis

RE: Water Source  
Hammerhead Unit #1  
San Juan County, Utah

Dear Ms. Sollis:

We purchased water from:

Mr. Pat Warren  
South Road  
P. O. Box 236  
Dove Creek, CO 81324

This water was used to drill our Hammerhead Unit #1 well located 200' FNL and 1950' FEL of Section 16-T38S-R26E, San Juan County, Utah.

Sincerely,

YATES PETROLEUM CORPORATION

Cy Cowan  
Regulatory Agent

CC:rj

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

SUBMIT ORIGINAL WITH  
(Other functions on  
reverse side)

*041.*

**SUNDRY NOTICES AND REPORTS ON WELLS**

(Do not use this form for proposals to drill or to deepen or plug back an oil or gas well. Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> TITE HOLE		5. LEASE DESIGNATION AND SERIAL NO. ML-25375
2. NAME OF OPERATOR Yates Petroleum Corporation		6. IF INDIAN, ALLOTTEE OR TRIBE NAME 012704
3. ADDRESS OF OPERATOR 105 South 4th St., Artesia, NM 88210		7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 200' FNL & 1950' FEL, NW/NE		8. FARM OR LEASE NAME Hammerhead State
14. PERMIT NO. API #43-037-31370	15. ELEVATIONS (Show whether OF, ST, GR, etc.) 5804' GR	9. WELL NO. 1
		10. FIELD AND POOL, OR WILDCAT Wildcat
		11. SEC., T., S., M., OR BLE. AND SURVEY OR AREA Section 16-T38S-R26E
		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 ACIDIZING <input type="checkbox"/>	ABANDONMENT <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Production Casing, Perforate</u> <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.)

TD 6199'. Reached TD 1-2-88. Ran 148 joints 5-1/2" casing as follows: 5 joints 5-1/2" 17# N-80 LT&C and 143 joints 5-1/2" 15.5# J-55 LT&C (total 6210'), casing set 6199'. Regular guide shoe set 6199', differential - fill float collar set 6157'. Cemented w/20 bbls WMW-1 mudflush, 300 sx Class "H" with .6% CF-9 and 2% KCL (yield 1.14, weight 15.8). PD 1:45 PM 1-4-88. Bumped plug to 2000 psi for 5 minutes, float and casing held okay. WOC. Waiting on completion unit.

1-9-88. Perforated 12 .42" holes 5834-5845' as follows: 5834-36' (2 SPF-4 holes); 5838-45' (1 SPF-8 holes).

1-12-88. Acidized perforations 5834-45' (12 holes) with 1500 gals 20% NEFE acid and ball sealers.

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

SIGNED *Janita Doodler* TITLE Production Supervisor DATE 1-19-88

(This space for Federal or State office use)

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

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

5. LEASE DESIGNATION AND SERIAL NO. ML 25375

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

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 [X] OTHER [ ] Change well classification to gas well.

2. NAME OF OPERATOR Yates Petroleum Corporation

3. ADDRESS OF OPERATOR 105 South 4th St., Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with all requirements. See also space 17 below.) At surface 200' FNL & 1980' FEL (NW/NE)

RECEIVED MAR 16 1988

DIVISION OF OIL, GAS & MINING

7. UNIT AGREEMENT NAME HAMMERHEAD UNIT

8. FARM OR LEASE NAME

9. WELL NO. 1

10. FIELD AND POOL, OR WILDCAT WILDCAT

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 16-T38S-R26E

14. PERMIT NO. API #43-037-31370

15. ELEVATIONS (Show whether OF, ST, OR, etc.) 5804' GR

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 [ ]

PULL OR ALTER CASING [ ]

WATER SHUT-OFF [ ]

REPAIRING WELL [ ]

FRACTURE TREAT [ ]

MULTIPLE COMPLETE [ ]

FRACTURE TREATMENT [ ]

ALTERING CASING [ ]

SHOOT OR ACIDIZE [ ]

ABANDON\* [ ]

SHOOTING OR ACIDIZING [ ]

ABANDONMENT\* [ ]

REPAIR WELL [ ]

CHANGE PLANS [ ]

(Other) Change well to Unit [X]

(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.)

WELL IN UNIT - CHANGE NAME TO HAMMERHEAD UNIT #1

CHANGE WELL CLASSIFICATION TO GAS WELL.

TITE HOLE!

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

SIGNED [Signature] TITLE Production Supervisor DATE 3-10-88

(This space for Federal or State office use)

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

CONDITIONS OF APPROVAL, IF ANY:

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

5. LEASE DESIGNATION AND SERIAL NO.

ML 25375

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

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.)

7. UNIT AGREEMENT NAME  
HAMMERHEAD UNIT

8. FARM OR LEASE NAME

1. OIL WELL  GAS WELL  OTHER  Change well classification to gas well.

2. NAME OF OPERATOR  
Yates Petroleum Corporation

3. ADDRESS OF OPERATOR  
105 South 4th St., Artesia, NM 88210

9. WELL NO.

1

4. LOCATION OF WELL (Report location clearly and in accordance with any special requirements. See also space 17 below.)  
At surface

200' FNL & 1980' FEL (NW/NE)

10. FIELD AND FOOT, OR WILDCAT

WILDCAT

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

Sec. 16-T38S-R26E

RECEIVED  
MAR 16 1988  
DIVISION OF  
OIL, GAS & MINING

14. PERMIT NO.  
API #43-037-31370

15. ELEVATIONS (Show whether OF, ST, GR, etc.)  
5804' GR

12. COUNTY OR PARISH 13. STATE

San Juan

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

PULL OR ALTER CASING

WATER SHUT-OFF

REPAIRING WELL

FRACTURE TREAT

MULTIPLE COMPLETE

FRACTURE TREATMENT

ALTERING CASING

SHOOT OR ACIDIZE

ABANDON\*

SHOOTING OR ACIDIZING

ABANDONMENT\*

REPAIR WELL

CHANGE PLANS

(Other) Change well to Unit

(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.)

WELL IN UNIT - CHANGE NAME TO HAMMERHEAD UNIT #1

CHANGE WELL CLASSIFICATION TO GAS WELL.

TITE HOLE!

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

SIGNED

*[Signature]*

TITLE Production Supervisor

DATE 3-10-88

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

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

5. LEASE DESIGNATION AND SERIAL NO.  
ML-25373 *Drl.*

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
**032105**

7. UNIT AGREEMENT NAME  
Hammerhead Unit

8. FARM OR LEASE NAME

9. WELL NO.  
1

10. FIELD AND POOL, OR WILDCAT  
Wildcat

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA  
Section 16-T38S-R26E

12. COUNTY OR PARISH  
San Juan

13. STATE  
Utah

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG \***

**RECEIVED**  
**MAR 16 1988**

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

b. TYPE OF COMPLETION:  
NEW WELL  WORK OVER  DEEP-EN  PLUG BACK  DIFF. RESVR.  OTHER TITLE HOLE

2. NAME OF OPERATOR  
Yates Petroleum Corporation

3. ADDRESS OF OPERATOR  
105 South 4th St., Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*  
At surface 200' FNL & 1950' FEL, NW/NE  
At top prod. interval reported below  
At total depth

14. PERMIT NO. DATE ISSUED  
API #43-037-31370

15. DATE SPUNDED 12-18-87 16. DATE T.D. REACHED 1-2-88 17. DATE COMPL. (Ready to prod.) 2-22-88 18. ELEVATIONS (DF, RES, RT, GR, ETC.)\* 5804' GR 19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD 6199' 21. PLUG. BACK T.D., MD & TVD 6151' 22. IF MULTIPLE COMPL., HOW MANY\* 23. INTERVALS DRILLED BY → X ROTARY TOOLS CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\*  
5834-36', 5838-45' Upper Ismay 25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN  
FDC/CNL; DLL/MSFL; BHC ✓ *3-16-88* 27. WAS WELL CORSD. No

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8"	54.5#	83'	17-1/2"	150 SX	
8-5/8"	24#	2093'	12-1/4"	1075 SX	
5-1/2"	17 & 15.5#	6199'	7-7/8"	300 SX	

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-7/8"	5767'	5767'

31. PERFORATION RECORD (Interval, size and number)

5834-36' (4 holes-2 SPF)  
5838-45' (8 holes-2 SPF)  
Total 12 .42" Holes

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5834-5845'	w/1500 gals 20% NEEF acid

33. PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)					
2-22-88	Flowing	SI-Waiting on PL					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
2-22-88	24	32/64"	→	-	155	-	-
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
180	PKR	→	-	155	-	-	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)  
Vented during test. Flow tested thru separator 24 hrs.

TEST WITNESSED BY  
Don Mayberry

35. LIST OF ATTACHMENTS  
Logs

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED *[Signature]* TITLE Production Supervisor DATE 3-14-88

\*(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 (dillers, 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 RECOVERY

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
			<p>DST #1: TIMES: TO 15", SI 60", TO 60", SI 180". Opened tool with fair blow to bottom of bucket in 1 minutes. Had 10# in 5 mins, increasing to 34# in 15 mins. Re-opened with fair blow, 55# in 10 mins on 1/4" choke. Increased to 86# in 60 mins. Maximum gas flow 170 mcf @86#. RECOVERY: 11.7 cfg, tr. of drilling mud, no oil or water at 1600 psi. PRESSURES: BOTTOM: IHP 2912, IFP 82-133, FSIP 2441, FFP 108-210, FSIP 2441, FHP 2925.</p> <p>DST #2: ISMAY: TIMES: TO 15", SI 60", TO 60", SI 180". RECOVERY: 93' drilling mud. SAMPLER: .11 scf gas at 20 psi, PRESSURES: IHP 3007, IFP 75-76, ISIP 1442, FFP 67-94, FSIP 1945, FHP 2889.</p>

**38.**

**GEOLOGIC MARKERS**

NAME	MEAS. DEPTH	TOP
Entrada	976	
Navajo	1257	
Chinle	1965	
Shinarump	2735	
Cutler	2837	
Honaker Trail	5173	
Paradox	5669	
Upper Ismay	5822	
Lower Ismay	6011	
Up Desert Creek	6078	
Lwr Desert Creek	6135	
Akah	6182	

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING  
OIL AND GAS INSPECTION RECORD

SBW

MICROFILM

NEE  
NE

OPERATOR Yates Petro LEASE State  
WELL NO. Hammerhead #1 API 43-037-31370  
SEC. 16 T. 38S R. 26E CONTRACTOR \_\_\_\_\_  
COUNTY S/J FIELD 2

DRILLING/COMPLETION/WORKOVER:

APD  WELL SIGN  HOUSEKEEPING  BOPE  
 SAFETY  POLL. CONTROL  SURFACE USE  PITS  
 OPERATIONS  OTHER \_\_\_\_\_

SHUT-IN Y / TA \_\_\_\_\_ :  
Y WELL SIGN Y HOUSEKEEPING None EQUIPMENT\* Y SAFETY  
Y OTHER \_\_\_\_\_

ABANDONED:  
 MARKER  HOUSEKEEPING  REHAB.  OTHER

PRODUCTION:  
 WELL SIGN  HOUSEKEEPING  EQUIPMENT\*  FACILITIES\*  
 METERING\*  POLL. CONTROL  PITS  DISPOSAL  
 SECURITY  SAFETY  OTHER \_\_\_\_\_

GAS DISPOSITION:  
 VENTED/FLARED  SOLD  LEASE USE

LEGEND: Y - YES OR SATISFACTORY  
N - NO OR UNSATISFACTORY  
NA - NOT APPLICABLE

\*FACILITIES INSPECTED: w/H Loc 500 bbl. skid mounted test TK.

REMARKS: SBW Loc Rehab'ed

ACTION: \_\_\_\_\_

INSPECTOR: AA

DATE 10/1/89

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

2

<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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>		<p>5. LEASE DESIGNATION &amp; SERIAL NO. ML 25375</p>
<p>1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/></p>		<p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A</p>
<p>2. NAME OF OPERATOR YATES PETROLEUM CORPORATION</p>		<p>7. UNIT AGREEMENT NAME Hammerhead Unit</p>
<p>3. ADDRESS OF OPERATOR 105 South 4th St., Artesia, NM 88210</p>		<p>8. FARM OR LEASE NAME</p>
<p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 200' FNL &amp; 1950' FEL, NW/NE At proposed prod. zone</p>		<p>9. WELL NO. 1</p>
<p>14. API NO. 43-037-31370</p>		<p>10. FIELD AND POOL, OR WILDCAT Wildcat</p>
<p>15. ELEVATIONS (Show whether DF, RT, GR, etc.) 5804' GR</p>		<p>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 16-T38S-R26E</p>
<p>12. COUNTY San Juan</p>		<p>13. STATE Utah</p>

**RECEIVED**  
JAN 08 1990

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 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) Report status of well <input checked="" type="checkbox"/>	
(Other)		(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	
APPROX. DATE WORK WILL START _____		DATE OF COMPLETION _____	

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.)

SHUT-IN GAS WELL.  
WELL SHUT-IN WAITING ON PIPELINE CONNECTION.

\* Must be accompanied by a cement verification report.

OIL AND GAS	
DRN	RF
JRS	OLH
DTS	SLS
1-TAS	✓
2- MICROFILM	✓
3- FILE	

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

SIGNED Quanita Suddles TITLE Production Supervisor DATE 1-2-90

(This space for Federal or State office use)

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

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



STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number:  
ML 25375

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. If Indian, Allottee or Tribe Name:

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

7. Unit Agreement Name:  
Hammerhead Unit

1. Type of Well: OIL  GAS  OTHER:

8. Well Name and Number:  
Hammerhead Unit #1

2. Name of Operator:  
YATES PETROLEUM CORPORATION

9. API Well Number:  
43-037-31370

3. Address and Telephone Number:  
105 South 4th St., ARTESIA, NM 88210 (505) 748-1471

10. Field and Pool, or Wildcat:  
Wildcat

4. Location of Well  
Footages: 200' FNL, 1950' FEL  
QQ, Sec., T., R., M.: NW/NE, Sec. 16-T38S-R26E

County: San Juan  
State: Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

**NOTICE OF INTENT**  
(Submit in Duplicate)

- Abandonment
- Casing Repair
- Change of Plans
- Conversion to Injection
- Fracture Treat
- Multiple Completion
- Other WELL STATUS REPORT
- New Construction
- Pull or Alter Casing
- Recompletion
- Shoot or Acidize
- Vent or Flare
- Water Shut-Off

Approximate date work will start \_\_\_\_\_

**SUBSEQUENT REPORT**  
(Submit Original Form Only)

- Abandonment \*
- Casing Repair
- Change of Plans
- Conversion to Injection
- Fracture Treat
- Other \_\_\_\_\_
- New Construction
- Pull or Alter Casing
- Shoot or Acidize
- Vent or Flare
- Water Shut-Off

Date of work completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

\* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

ANNUAL STATUS REPORT OF SHUT-IN, TEMPORARILY-ABANDONED, AND SUSPENDED DRILLING WELLS.

THERE ARE NO PIPELINE FACILITIES IN THE AREA OF THIS WELL LOCATION. WELL IS SHUT-IN WAITING ON PIPELINE CONNECTION.

**RECEIVED**

JAN 11 1993

DIVISION OF  
OIL, GAS & MINING

13.

Name & Signature: Juanita D. S. [Signature]

Title: Production Supvr.

Date: 1-8-93

(This space for State use only)

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL  GAS  OTHER:

2. Name of Operator:  
Yates Petroleum Corporation

3. Address and Telephone Number:  
105 South Fourth Street - Artesia, NM 88210

4. Location of Well  
Footages: 200' FNL & 1950' FEL  
QQ, Sec., T., R., M.: NENE (Unit A) of Section 16-T38S-R26E

5. Lease Designation and Serial Number:

ML 25375

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

Hammerhead Unit

8. Well Name and Number:

Hammerhead Unit #1

9. API Well Number:

43-037-31370

10. Field and Pool, or Wildcat:

Wildcat

County: San Juan

State: Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT  
(Submit in Duplicate)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- Other Respond to letter - extend TA
- New Construction
- Pull or Alter Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

Approximate date work will start \_\_\_\_\_

SUBSEQUENT REPORT  
(Submit Original Form Only)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other \_\_\_\_\_
- New Construction
- Pull or Alter Casing
- Reperforate
- Vent or Flare
- Water Shut-Off

Date of work completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

In response to letter dated March 2, 1999: (a copy of letter is attached)

Yates Petroleum Corporation respectfully requests that the status of this well - shut in waiting on pipeline connection - be extended for one (1) year until March 31, 2000. This well is capable of producing gas in paying quantities. We are currently evaluating our options for this wellbore. We have requested a well-connect proposal from a gas pipeline company in the area. We also plan to investigate interest by other operators as to their willingness to take over operations of the well in the event we cannot economically justify connection to gas pipeline.

Thank you for your consideration to this request.

13. Name & Signature: Rusty Klein Rusty Klein Title: Operations Technician Date: 4-8-99

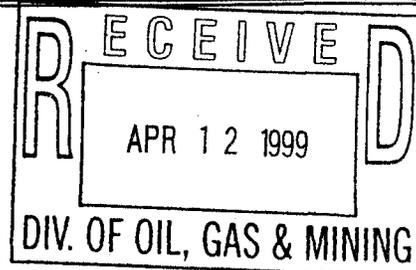
(This space for State use only)

APPROVED

The Utah Division of Oil, Gas and Mining  
Robert J. Krueger, PE, Petroleum Engineer

(See Instructions on Reverse Side)

Date: 4-19-99





cc: B  
 Brian - please send me a copy of your reply to the file. Thanks B

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

1594 West North Temple, Suite 1210  
 PO Box 145801  
 Salt Lake City, Utah 84114-5801  
 801-538-5340  
 801-359-3940 (Fax)  
 801-538-7223 (TDD)

Michael O. Leavitt  
 Governor  
 Lowell P. Braxton  
 Division Director

RECEIVED  
 MAR 15 1999

March 2, 1999

Yates Petroleum Corporation  
 Operator Account No.: N7400  
 105 South 4<sup>th</sup> Street  
 Artesia, NM 88210

RECEIVED  
 APR 12 1999  
 DIV. OF OIL, GAS & MINING

Marick,  
 Please handle.  
 Thanks!  
 Brian  
 20 Mar 99

BY CERTIFIED MAIL NO.: Z 350 464 750

Re: Shut-in and Temporarily Abandoned Wells Compliance Review

Dear Operator:

The Utah Division of Oil, Gas and Mining (the "Division") has completed a review of our database with regards to operators of temporarily abandoned and shut-in wells. Your company has been found to have wells that are not in compliance with Division Rules and either:

- have been temporarily abandoned ("TA") or shut-in ("SI") for over 1 year; and/or,
- have been nonproductive for over 5 years.

Wells that meet these criteria include the following:

*Hammerhead Unit #1*

Lease Type	Well API #	Well Status	Completion Date	Last Production	Years Inactive
State	43-037-31370	SI	1988	0	11

In accordance with Oil and Gas Conservation General Rule R649-3-36 (copy enclosed), please file a Sundry Notice (Form 9, blank copy enclosed) indicating the following:

1. Reason why the well(s) are inactive and should not be plugged;
2. Evidence that the well(s) have mechanical integrity and do not pose a threat to public health, safety or the environment; and,
3. A request for Division approval of extension of the current well status or a proposed well plugging procedure prepared according to R649-3-24.

In the event that good cause for extension of well status is not established, the Division will order the well (s) to be plugged. Please respond to us as to your plans for the subject well(s) within 30 days.

*APR 14*

Bob

If you have any questions please call Robert J. Krueger, Petroleum Engineer at (801) 538-5274 or me at (801) 538-5334.

Sincerely,



John R. Baza  
Associate Director

Enclosures

Cc: SITLA, By Regular Mail

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER:	5. Lease Designation and Serial Number: ML 45375
2. Name of Operator: Yates Petroleum Corporation	6. If Indian, Allocated or Tribe Name:
3. Address and Telephone Number: 105 South Fourth Street - Artesia, NM 88210	7. Unit Agreement Name: Hammerhead Unit
4. Location of Well Footages: 200' FNL & 1950' FEL QQ, Sec., T., R., M.: NENE (Unit A) of Section 16-T38S-R26E	8. Well Name and Number: Hammerhead Unit #1
	9. API Well Number: 43-037-31370
	10. Field and Pool, or Wildcat: Wildcat
	County: San Juan State: Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT (Submit in Duplicate)	SUBSEQUENT REPORT (Submit Original Form Only)
<input checked="" type="checkbox"/> Abandon <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Multiple Completion <input type="checkbox"/> Other _____	<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Other _____
<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Recomplete <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Abandon <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Other _____
Approximate date work will start <u>ASAP after approval</u>	Date of work completion _____
	Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form. * Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Propose to plug and abandon as follows:

1. Load well as necessary to ensure well is dead. Nipple down tree and nipple up and test BOP. Release packer at 5767'. POOH with production tubing and packer.
2. Set CIBP at 5800' and cap with 50' of cement.
3. RIH with tubing. Circulate hole full with 9 ppg plugging mud.
4. Determine free point of casing. NOTE: CBL indicates top of cement at 5000'. Cut and pull as much casing as possible.
5. Spot 30 sacks of Class C cement across production casing stub. Place at least 50' of cement inside the casing stub and at least 50' above the stub.
6. Spot 40 sacks Class G cement across surface casing shoe from 2150-2040'. Place at least 50' of cement below the shoe and at least 50' above the shoe. WOC. Tag plug.
7. Spot a 20 sack Class C cement plug from 50' to surface. *All open csg annuli shall be similarly plugged at the surface.*

13. CONTINUED ON NEXT PAGE: -JRB

Name & Signature: Rusty Klein Title: Operations Technician Date: Nov. 2, 2000

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING

COPY SENT TO OPERATOR  
Date: 11-17-00  
Initials: LHO

**RECEIVED**

NOV 08 2000

(4184)

DATE: 11/17/2000  
BY: [Signature] (See Instructions on Reverse Side)

DIVISION OF OIL, GAS AND MINING

*Note written changes to procedure.*

YATES PETROLEUM CORPORATION  
Hammerhead Unit #1  
Section 16-T38S-R26E  
San Juan County, Utah

SUNDRY NOTICE CONTINUED:

8. Install regulation abandonment marker. Clean and restore location as required.

CLASS G CEMENT: 5.0 gal water/sack, 15.8 ppg slurry weight, 1.15 cubic feet/sack yield

CONTACT TOM FADDIES WITH THE STATE OF UTAH (801-538-5150) 48 HOURS PRIOR TO COMMENCING PLUGGING OPERATIONS

  
Rusty Klein  
Operations Technician  
November 2, 2000

Also contact Dan Jarvis, DOGM, ph. 538-5330.

- IRB

**RECEIVED**

NOV 08 2000

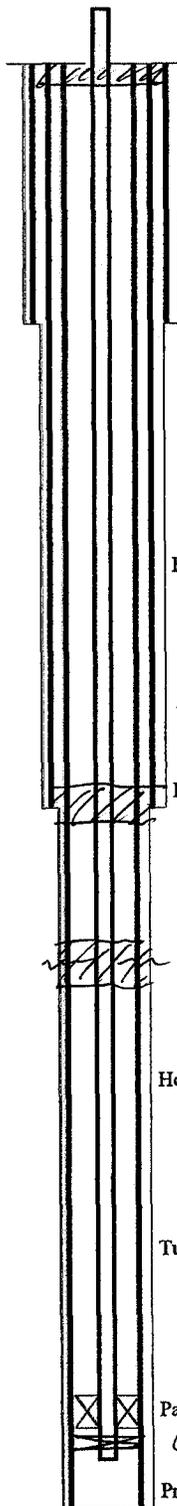
DIVISION OF  
OIL, GAS AND MINING

API Well No: 43-037-31370-00-00 Permit No:  
 Company Name: YATES PETROLEUM CORP  
 Location: Sec: 16 T: 38S R: 26E Spot: NWNE  
 Coordinates: X: 4150788 Y: 671053  
 Field Name: SQUAW POINT  
 County Name: SAN JUAN

Well Name/No: HAMMERHEAD UNIT #1

String Information

String	Bottom (ft sub)	Diameter (Inches)	Weight (lb/ft)	Length (ft)
HOL1	83	17.5		
SURF	83	13.375	54.5	83
HOL2	2093	12.25		
I1	2093	8.625	24	2093
HOL3	6199	7.875		
PROD	6199	5.5	17	6199
PROD	6199	5.5	15.5	6199
T1	5767	2.875		
PKR	5767			



Hole: 17.5 in. @ 83 ft.  
 Surface: 13.375 in. @ 83 ft.

Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
I1	2093	0	UK	1075
PROD	6199		UK	300
SURF	83	0	UK	150

Hole: 12.25 in. @ 2093 ft.

Perforation Information

5834' - 5845'

Intermediate: 8.625 in. @ 2093 ft.

③ plug @ 2090' - 2150'

Hole: 7.875 in. @ 6199 ft.

Formation Information

Formation	Depth
ENRD	976
NAVA	1257
CHIN	1965
HNKRT	5173
PRDX	5669
ISMY	5822
DSCR	6078
AKAH	6182

Formation Depth

Tubing: 2.875 in. @ 5767 ft. ✓

Packer: @ 5767 ft.

① CIBP @ 5800' w/ 50' cut. on top.  
 Production: 5.5 in. @ 6199 ft.

TD: 6199 TVD:

Division of Oil, Gas and Mining  
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

Well File Yates Petroleum  Suspense  Other  
Hammerhead unit #1 (Return Date) \_\_\_\_\_  
(Loc.) Sec 16 Twp 38S Rng 26E (To-Initials) \_\_\_\_\_  
(API No.) 43037-31370 \_\_\_\_\_

1. Date of Phone Call: 10/4/2001 Time: 11:15

2. DOGM Employee (name) Dustin Doucet ( Initiated Call)  
Talked to: Joe Herrera replaced 12/10/01 call  
Name Nathan Crawford ( Initiated Call) - Phone No. (505) 327-4961  
of (Company/Organization) Key Energy

3. Topic of Conversation: Plugging of well

4. Highlights of Conversation: Key energy was awarded a Turnkey project from Yates to P&A the above referenced well. They are currently in the middle of a 27 well P&A contract w/ New Mexico. They are planning on moving onto the Hammerhead Unit #1 as soon as they are finished with that contract. They expect to be on the well on November 12<sup>th</sup>, 2001. They were concerned about another compliance letter being issued and wanted to let us know their intent and to have patience. 11/11/01 Delayed in New Mexico, probably be on well between Christmas & New Year, will call before they leave N.M.

Division of Oil, Gas and Mining  
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

Well File Hammerhead Unit # 1

Suspense

Other

(Loc.) Sec 16 Twp 38S Rng 26E

(Return Date) \_\_\_\_\_

(API No.) 4303731370

(To-Initials) \_\_\_\_\_

1. Date of Phone Call: 4/15/02 Time: \_\_\_\_\_

2. DOGM Employee (name) DUSTY DOUCET ( Initiated Call)

Talked to:

Name Derek Stalling ( Initiated Call) - Phone No. (505) 748-4178  
of (Company/Organization) (Notes) Key Energy

3. Topic of Conversation: Change of plans to Plugging Procedure

4. Highlights of Conversation: Freeport of pipe higher than expected. Not economical to pull. Gave verbal to amend plugging procedure as follows: ① eliminate plug @ approx. 5000' (pressure tested casing to 500psi after setting CBP @ 5800' - no leaks) [CBP @ 5800' was topped w/ 100' of cement.] ② Perf squeeze holes @ 2150' ③ Set CR @ 2100' ④ pump ~50 sx below retainer (50 sx in Annulus, ~ 6 sx below retainer inside casing) ⑤ dump ~25 sx cement on top of CR. ⑥ continue with surface plug etc. ⑦ will submit Cementing report as validation for amount of cement set in hole

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>			5. LEASE DESIGNATION AND SERIAL NUMBER: ML 25375
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			7. UNIT or CA AGREEMENT NAME: Hammerhead Unit
2. NAME OF OPERATOR: Yates Petroleum Corporation			8. WELL NAME and NUMBER: Hammerhead Unit #1
3. ADDRESS OF OPERATOR: 105 S. 4th Street, City Artesia STATE NM ZIP 88210		PHONE NUMBER: 505-748-1471	9. API NUMBER: 43-037-31370
4. LOCATION OF WELL FOOTAGES AT SURFACE: 200' FNL & 1950' FEL			10. FIELD AND POOL, OR WILDCAT: Wildcat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 16-T38S-R26E			COUNTY: San Juan
			STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____  <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Plug and abandon as follows: *P&A Date: 1-17-02 per Tina Huerta*

MOL, RU. Blow well. Kill well. ND wellhead and NU BOP and test. Unseat packer and POOH. Set CIBP at 5800'.

Plug #1 (5800'-5700') spot 12 sx on top of CIBP. Pressure test casing to 500 psi. Ok. Circulate hole with 9# mud.

Pull stretch on 5-1/2" casing. Casing free at 2428' by stretch calculation. Dustin Doucet with Utah DOGM approved revised procedure to set in/out plug across surface casing shoe rather than cement and pull casing.

Plug #2 (2150'-1900') perforate at 2150'. Set retainer at 2100'. Mix and pump 80 sx (55 sx outside and 25 sx inside).

Plug #3 (50'-surface) perforate at 50'. Mix and pump 24 sx. Good returns. WOC. Dig cellar, cut off wellhead and install dry hole marker. Final Report.

NAME (PLEASE PRINT) <u>Tina Huerta</u>	TITLE <u>Engineering Technician</u>
SIGNATURE <u><i>Tina Huerta</i></u>	DATE <u>March 6, 2002</u>

(This space for State use only)

RECEIVED

MAR 11 2002

DIVISION OF  
OIL, GAS AND MINING