

UTAH OIL AND GAS CONSERVATION COMMISSION

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

DATE FILED **6-30-89**

LAND: FEE & PATENTED **FEE** STATE LEASE NO. PUBLIC LEASE NO. INDIAN

DRILLING APPROVED: **7-18-89 (CAUSE NO. 156-3)**

SPUDED IN:

COMPLETED: PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: **LA'd 10/23/90 APD EXPIRED**

FIELD: **MEXICAN HAT**

UNIT:

COUNTY: **SAN JUAN**

WELL NO. **CROSSING NO. 2 #1** API NO. **43-037-31468**

LOCATION **1460' FSL** FT. FROM (N) (S) LINE. **1185' FEL** FT. FROM (E) (W) LINE. **NESE** 1/4 - 1/4 SEC. **7**

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
42S	19E	7	J & L OIL COMPANY				

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

(Other instructions on reverse side)

5. Lease Designation and Serial No.

Fee

6. If Indian, Allottee or Tribe Name

None

7. Unit Agreement Name

None

8. Farm or Lease Name

Crossing No. 2

9. Well No.

Well # 1

10. Field and Pool, or Wildcat

Mexican Hat (410)

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

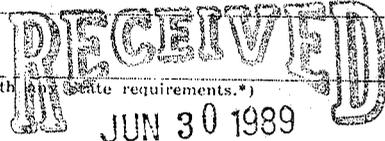
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Sec 6 T42S R19E SLM

12. County or Parrish 13. State

San Juan

Utah



DIVISION OF
OIL, GAS & MINING

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

J & L Oil Company

3. Address of Operator

P.O. Box 59 Bluff, UT 84512

4. Location of Well (Report location clearly and in accordance with state requirements.)

At surface

1460' F/SL 1185' F/EL

At proposed prod. zone

Same

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

1/4 mile SE

16. No. of acres in lease

60

17. No. of acres assigned to this well

Unlimited

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

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

55'

19. Proposed depth

200' Goodridge Sandstone

20. Rotary or cable tools

Rotary

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

4090' (est) 4140' GR

22. Approx. date work will start*

15 July 1989

23.

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
7"	5 1/2"	21 pd	150'	17 sacks neat

Drill hole with spud mud to set 7" surface casing. Drill 5 1/2" hole with mud to est depth - Goodridge - 200 ft more or less.

A Notification to Drill will be sent to each working interest in the drilling unit. An operating agreement is attached.

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. Phone: 683-2215 672-2201

Signed: *Quold Baum*

Title: Operator

Date: 24 June 1989

(This space for Federal or State office use)

Permit No. 43-037-31468

Approval Date

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

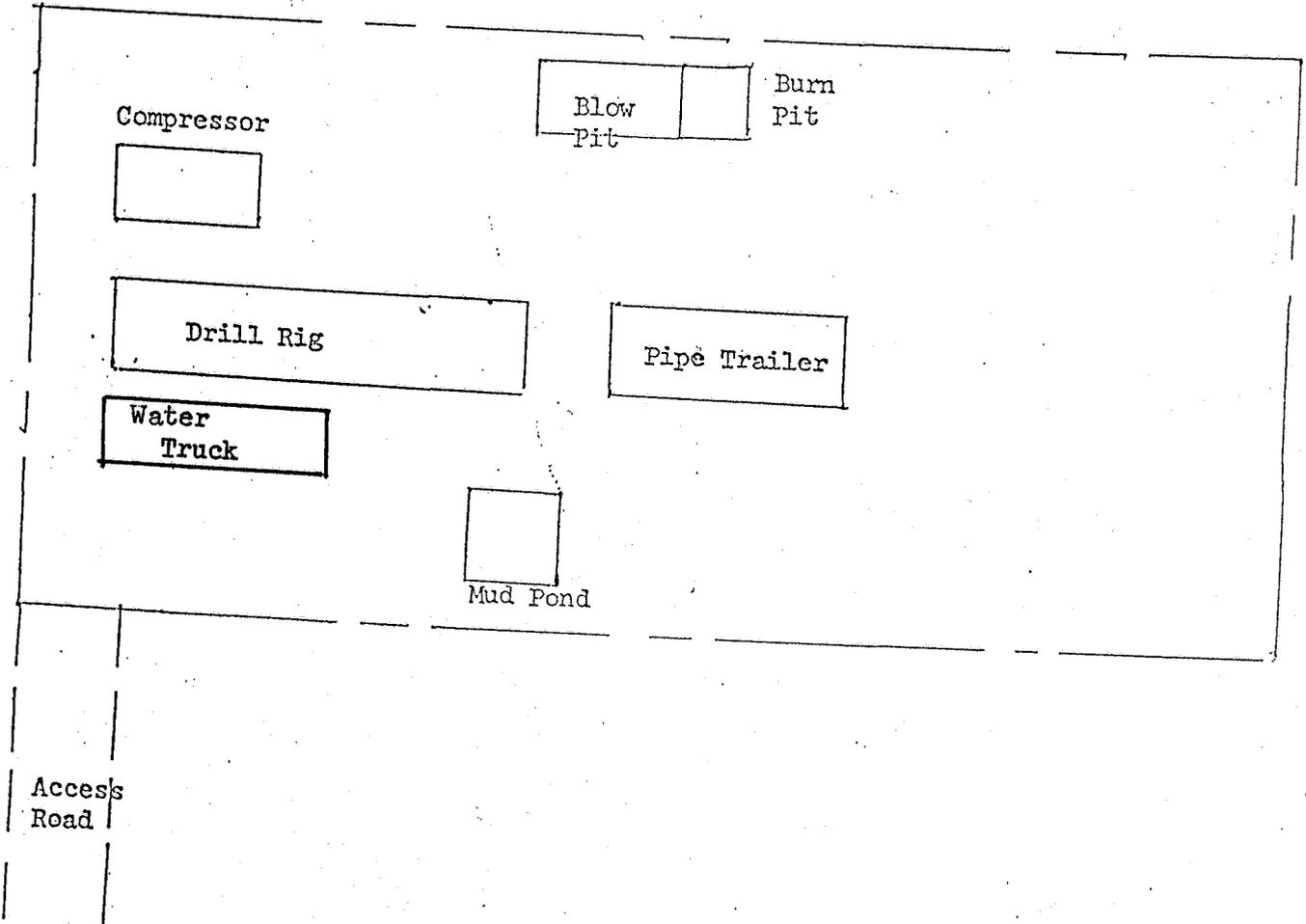
Approved by
Conditions of approval, if any:

Title

DATE: 7-18-89
BY: *John R. [Signature]*
WELL SPACING: Case No. 156-3

*See Instructions On Reverse Side

1. There no important geologic markers in the immediate vicinity. **(see predrilling assessment)**
2. Estimated depths at which the top and bottom of anticipated water, oil, gas, etc. is unknown as there has not been any other wells drilled in this location. All precautions *will* be taken to protect any resource of this type which is encountered. **✓*
3. This known as a low pressure area. Adequate blowout prevention equipment will be used.
4. The type and characteristics of the proposed circulating medium or mediums to be employed in drilling, the quantities and types of mud and weighting material to be maintained is unknown until the drilling commences. **✓*
5. A sample will be taken every 5 feet.
6. It is anticipated that there will be no bottomhole, or abnormal pressures or temperatures or other hazards encountered.
7. Approved source of water: Approval for use per Ms. Dorothy Bolton, Utah Div. of Water Rights and San Juan Spec. Service Dist. #1.
Fresh water for surface hole, drilling and cement will be hauled from the town of Mexican Hat.
8. Cultural Resource clearance is not required as this is fee land.
9. Planned Access Roads - Roads already in existance. Any new construction will be limited to a total disturbed width of 16 feet.
10. Surface area of proposed location is rocky with very little vegetation - some Shadscale. Little dirt work is necessary to restore the area to it's original condition.
11. Source of construction Materials - None Required.
12. Handling of Waste Materials:
Liquid waste to be retained in earthen pit.
Burnable waste, if any, to be placed in earthen pit and burned at appropriate times.
Non-burnable waste to be placed near burn pit and hauled off on completion.
13. Well layout - See Exhibit II



August 12, 1985

Utah State Natural Resources
355 W. North Temple
3 Triad Center - Suite 350
Salt Lake City, UT 84180-1203

Subject: J & L Oil Company

Gentlemen:

J & L Oil Company, Mexican Hat, Utah, has requested and received authorization from the undersigned to use culinary water from the township of Mexican Hat, Utah, for the purpose of drilling oil wells.

Very truly yours,

SAN JUAN SPECIAL SERVICE DIST. #1

Luther P. Risenhoover

Luther Risenhoover, President

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

DESIGNATION OF OPERATOR

The undersigned producer, operator, transporter, refiner, gasoline of initial purchaser who is conducting oil and/or gas operations in the State of Utah, does, pursuant to the Rules and Regulations and Rules of Practice and Procedure of the Division of Oil, Gas and Mining of the State of Utah, hereby appoint J & L Oil Company, whose address is P.O. Box 307, Mexican Hat, UT 84531, (~~his/her~~ its) designated operator to accept and to be served with notices from said Board, or from other persons authorized under the Oil and Gas Conservation Act of the State of Utah.

The undersigned further agrees to immediately report in writing, all changes of address of the operator, and any termination of the operator's authority, and in the latter case, the designation of a new operator shall be immediately made. This designation of operator, however, shall remain in full force and effect until and unless a new designation of operator is filed in accordance with said statute and said regulations.

Effective date of designation August 12, 1985

Company San Juan Minerals, Exp. Co. Address RT 1 Box 52, Blythe Calif 92225
By Jack Williams Title Pres.
(signature)

DRILLING LOCATION ASSESSMENT

State of Utah
Division of Oil, Gas and Mining

OPERATOR: J&L Oil Co. WELL NAME: Crossing #2-1
SECTION: 7 TWP: 42S RNG: 19E LOC: 1460 FSL 1185 FEL
QTR/QTR SW/SE COUNTY: San Juan FIELD: Mexican Hat
SURFACE OWNER: First Security Bank-Allyson Estate
SPACING: 50' F SECTION LINE; 50' F QTR/QTR LINE
INSPECTOR: Brad Hill DATE AND TIME: 7/12/88 2:00 PM

PARTICIPANTS: Luther Risenhoover (J&L Oil Co.); Glenn Goodwin

REGIONAL SETTING/TOPOGRAPHY: Located on a bench overlooking the San Juan River and directly adjacent to the town of Mexican Hat.

LAND USE:

CURRENT SURFACE USE: Junkyard

PROPOSED SURFACE DISTURBANCE: Location is on a retired equipment burial ground. The only disturbance will be an 8'X 8'X 6' reserve pit.

AFFECTED FLOODPLAINS AND/OR WETLANDS: Location is 1/4 mile north of the San Juan River.

FLORA/FAUNA: Shadescala, Desert Trumpet, Mormon Tea, scattered grasses / Birds, insects, lizards

ENVIRONMENTAL PARAMETERS

GEOLOGY

SOIL TYPE AND CHARACTERISTICS: clayey silt with surface gravel

SURFACE FORMATION & CHARACTERISTICS: Quaternary terrace gravel overlying Halgaito Shale; red shales interbedded with siltstones and fine grained sandstones.

EROSION/SEDIMENTATION/STABILITY: No active erosion or sedimentation/stable

SUBSURFACE GEOLOGY

OBJECTIVES/DEPTHS: Goodridge Sandstone-200'
ABNORMAL PRESSURES-HIGH AND LOW: None

CULTURAL RESOURCES/ARCHAEOLOGY: This site is covered with recent artifacts such as old car parts, trucks, trailers, bottles, cans, and assorted oilfield equipment. This is private land and no cultural survey is required.

WATER RESOURCES: The well will be located 1/4 mile north of the San Juan River. No other water resources or drainages are nearby.

CONSTRUCTION MATERIALS: None

SITE RECLAMATION: If well is completed as a dry hole the site will be regraded and reseeded as close to the original state as possible.

RESERVE PIT

CHARACTERISTICS: An 8'X 8'X 6' reserve pit will be dug in the existing roadbed.

LINING: No lining should be required. The soils in this area are fairly permeable but considering the small amount of fluid used in drilling these holes and the fact that they are drilled with air and fresh water it is not felt that a pit liner is needed.

MUD PROGRAM: Well to be drilled with air until water is encountered then will be switched to fresh water.

DRILLING WATER SUPPLY: Drilling water will be hauled from the town of Mexican Hat.

STIPULATIONS FOR APD APPROVAL

None

ATTACHMENTS

Photographs to be placed on file.

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
IN AND FOR THE STATE OF UTAH

IN THE MATTER OF THE APPLICATION)
OF SAN JUAN MINERALS EXPLORATION)
COMPANY FOR AN EXCEPTION TO THE)
WILD CAT WELL SPACING PATTERN)
ESTABLISHED BY RULE C-3, OF THE)
GENERAL RULES AND REGULATIONS,)
AND AMENDING PRIOR ORDERS OF THE)
BOARD IN CAUSE NO. 156-1 TO GRANT)
UNRESTRICTED SPACING IN CERTAIN)
PORTIONS OF THE MEXICAN HAT AREA,)
SAN JUAN COUNTY, STATE OF UTAH)

ORDER

CAUSE NO. 156-3 ✓

Pursuant to Notice of Hearing dated February 22, 1980, as amended, of the Board of Oil, Gas and Mining, Department of Natural Resources of the State of Utah, this Cause came on for hearing before Cleon B. Feight, acting as hearing examiner for the full Board, commencing at the hour of 9:00 a.m. on April 15, 1980, in the offices of the Division of Oil, Gas and Mining, 1588 West North Temple, Salt Lake City, Utah.

Appearing for the applicant was Anthony L. Rampton of the law firm of Fabian & Clendenin, Salt Lake City, Utah, and Robert Lauth, Certified Registered Geologist. Appearing on behalf of the Division of Oil, Gas and Mining were Denise Dragoo, Special Assistant, Utah Attorney General's Office, and Mike Minder, Petroleum Engineer.

NOW, THEREFORE, having considered the testimony presented to the hearing examiner and the exhibits received at said hearing, and being fully advised in the premises, and all persons appearing before the hearing examiner being in favor of the application, the Board now makes and enters the following:

FINDINGS OF FACT

1. Due and regular notice of the time, place and purpose of the hearing was given to all interested parties in the form and manner and within the time required by law and the rules and regulations of the Board.

2. The Board has jurisdiction over the matter covered by said Notice and over all parties interested therein and has jurisdiction to make and promulgate the Order hereinafter set forth.

3. The principal producing sand or zone in this area is the Goodridge Sand producing from shallow sand and low pressure.

4. That there has been no systematic development through the Mexican Hat Area.

5. By Order entered in Cause No. 156-1 dated September 25, 1974, the Board established five-acre spacing for drilling wells and not less than two hundred feet from any property or lease line or from the boundary of any legal subdivision comprising a governmental quarter-quarter section or equivalent lot or lots of comparable size and location and not less than 330 feet from any producible oil well, unless otherwise specifically permitted by order of the Board after notice and hearing.

6. That the oil wells producing on tracts in Sections 31 and 32, Township 41 South, and Sections 4, 5, 6, 7 and 8, Township 42 South, Range 19 East, Salt Lake Meridian, San Juan County, State of Utah, are all producing from the Goodridge producing sand.

7. That the Goodridge formation is confined to certain pockets of permeability and ^{porosity} ~~perosity~~ requiring the drilling of holes in an irregular pattern in order to discover and drain all of the recoverable oil and associated hydrocarbons from said formation.

8. That in order to facilitate the location and commercial production of oil in this area, it is necessary to allow for an amendment to the Order in Cause No. 156-1 so as to permit the drilling of wells on unrestricted spacing in the aforestated sections.

O R D E R

IT IS THEREFORE ORDERED:

A. That an exception is hereby granted to the provisions of Rule C-3, General Rules and Regulations, Division of Oil, Gas

and Mining, so as to permit the drilling of wells on unrestricted spacing to best accommodate the prevention of waste and protection of correlative rights in the development of the field and to maximize ultimate future recovery of oil and associated hydrocarbons insofar as and only insofar as the Goodridge Formation in Sections 31 and 32, Township 41 South, and Sections 4, 5, 6, 7 and 8, Township 42 South, Range 19 East, Salt Lake Meridian, San Juan County, State of Utah, and the Order of this Board in Cause No. 156-1 is hereby amended accordingly.

B. It is further Ordered that no well in said Sections shall be drilled less than 50 feet from any property or lease line or from the boundary of any legal subdivision comprising a governmental quarter-quarters section or equivalent lot or lots of comparable size unless otherwise specifically permitted by order of the Board after notice and hearing.

C. That this Order is a temporary order and the Board, on its own motion or the motion of any interested party, may file an application requesting a hearing to present new evidence covering the matter set forth herein.

D. That the Board retains continuing jurisdiction of all matters covered by this Order and particularly retains continuing jurisdiction to make further orders as appropriate and authorized by statute and applicable regulations.

ENTERED AND EFFECTIVE this 15th day of April, 1980.

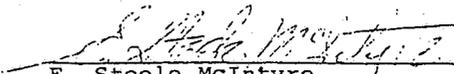
BOARD OF OIL, GAS AND MINING OF
THE STATE OF UTAH

Charles R. Henderson

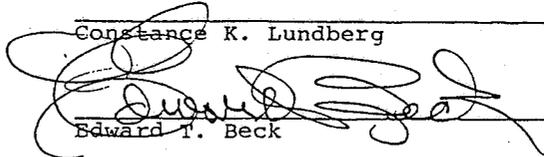
John L. Bell

Thadeus W. Box

C. Ray Juvelin


E. Steele McIntyre

Constance K. Lundberg


Edward T. Beck

OPERATOR G. E. F. Oil Company (N6330) DATE 7-3-89

WELL NAME Crossing No. 2 #1

SEC NESE 7 T 42S R 19E COUNTY San Juan

43-037-31468
API NUMBER

Free
TYPE OF LEASE

CHECK OFF: sec. 7, 4140' @ per operator

Statewide - San Juan Minerals

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

Nearest well ok under cause No. 156-3
Water Permit ok! (Culinary Water - Mexican Hat)
7-3-89 Brad Hill - Presite / Received 7-14-89.

APPROVAL LETTER:

SPACING: R615-2-3 N/A R615-3-2
UNIT

156-3 4-15-80 R615-3-3
CAUSE NO. & DATE

STIPULATIONS:



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangertter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

July 18, 1989

J & L Oil Company
P. O. Box 59
Bluff, Utah 84512

Gentlemen:

Re: Crossing No. 2 #1 - NE SE Sec. 7, T. 42S, R. 19E - San Juan County, Utah
1460' FSL, 1185' FEL

Approval to drill the referenced well is hereby granted in accordance with the Order of Cause No. 156-3 dated April 15, 1980, subject to the following stipulation:

1. J & L Oil Company, as designated operator, is the bonded principal in reference to this Application for Permit to Drill. Should this designation change or a transfer of ownership occur, liability will remain with the designated operator until the Division is notified by letter of a new bonded principal.

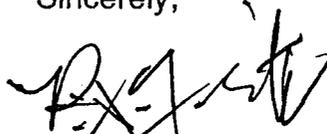
In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form 7.
4. Prompt notification if it is necessary to plug and abandon the well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or Jim Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Rule R615-3-20, Gas Flaring or Venting, Oil and Gas Conservation General Rules.

6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of 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 43-037-31468.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

for
Enclosures
cc: Bureau of Land Management
D. R. Nielson
J. L. Thompson
WE14/1-2



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter

Governor

Dee C. Harsen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

October 23, 1990

J & L Oil Company
P.O. Box 59
Bluff, Utah 84512

Gentlemen:

Re: Crossing No. 2 #1, Sec. 7, T. 42S, R. 19E, San Juan County, Utah
API No. 43-037-31468

Due to excessive time delay in commencing drilling operations, approval to drill the subject well is hereby rescinded, effective immediately.

Please note that a new Application for Permit to Drill must be filed with this office for approval prior to the commencement of any future work on 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,

Don Staley
Administrative Supervisor
Oil and Gas

DME/lde

cc: R.J. Firth

Well file

WOI219

-APD calls for 5 1/2", 21 #1 pet 150'