

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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
 AA ENERGY CORPORATION

3. ADDRESS OF OPERATOR
 1500 FIDELITY UNION TOWER, DALLAS, TX. 75201

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface NW. SE. SECTION 17, T 14S, R 6E, S.L.M.
 At proposed prod. zone 2490' fr. E-line and 2205' fr. S-line

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 17 MILES SE. OF FAIRVIEW, UTAH

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 2205'

16. NO. OF ACRES IN LEASE 2160'

17. NO. OF ACRES ASSIGNED TO THIS WELL 160

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. More than 2 mi.

19. PROPOSED DEPTH 8050'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 9182 Grd; 9195' K.B.

22. APPROX. DATE WORK WILL START*
 Aug. 15, 1980

5. LEASE DESIGNATION AND SERIAL NO.
 U-10842

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
 SKYLINE DRIVE UNIT

8. FARM OR LEASE NAME
 FEDERAL

9. WELL NO.
 #1-17

10. FIELD AND POOL, OR WILDCAT
 WILDCAT

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 NW. SE. Sec. 17-14S-6E. S. L. M.

12. COUNTY OR PARISH
 SANPETE

13. STATE
 UTAH

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 1/2"	10 3/4"	40.50#	300 ft.	150 sks.
9 1/2"	7 5/8"	26.40#	6000 ft.	250 sks.

It is planned to drill a well at the above location to test the natural gas productive possibilities of the Ferron sandstone member of the Mancos formation and the Dakota formation. The well will be drilled with rotary tools and using mud for circulation down to a depth of approximately 6000 ft., or about 300' below the top of the Mancos formation where a string of intermediate casing (7 5/8") will be set and cemented. The hole size will be reduced to 6 3/4" and the rest of the hole will be drilled with air to permit continuous testing and to minimize damage to the potential production sands. A B.O.P. will be mounted on the surface casing and a rotating head will be mounted on top of the B.O.P. when conversion to air drilling is made. The B.O.P. rams will be tested periodically for leaks up to 2000# pressure. Fill and kill lines will be connected below the blind rams of the B.O.P. In the event of production, a 4 1/2" liner will be set and cemented (cont. on back)

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 Thomas E. Davis TITLE THOMAS E. DAVIS Vice President DATE July 17, 1980

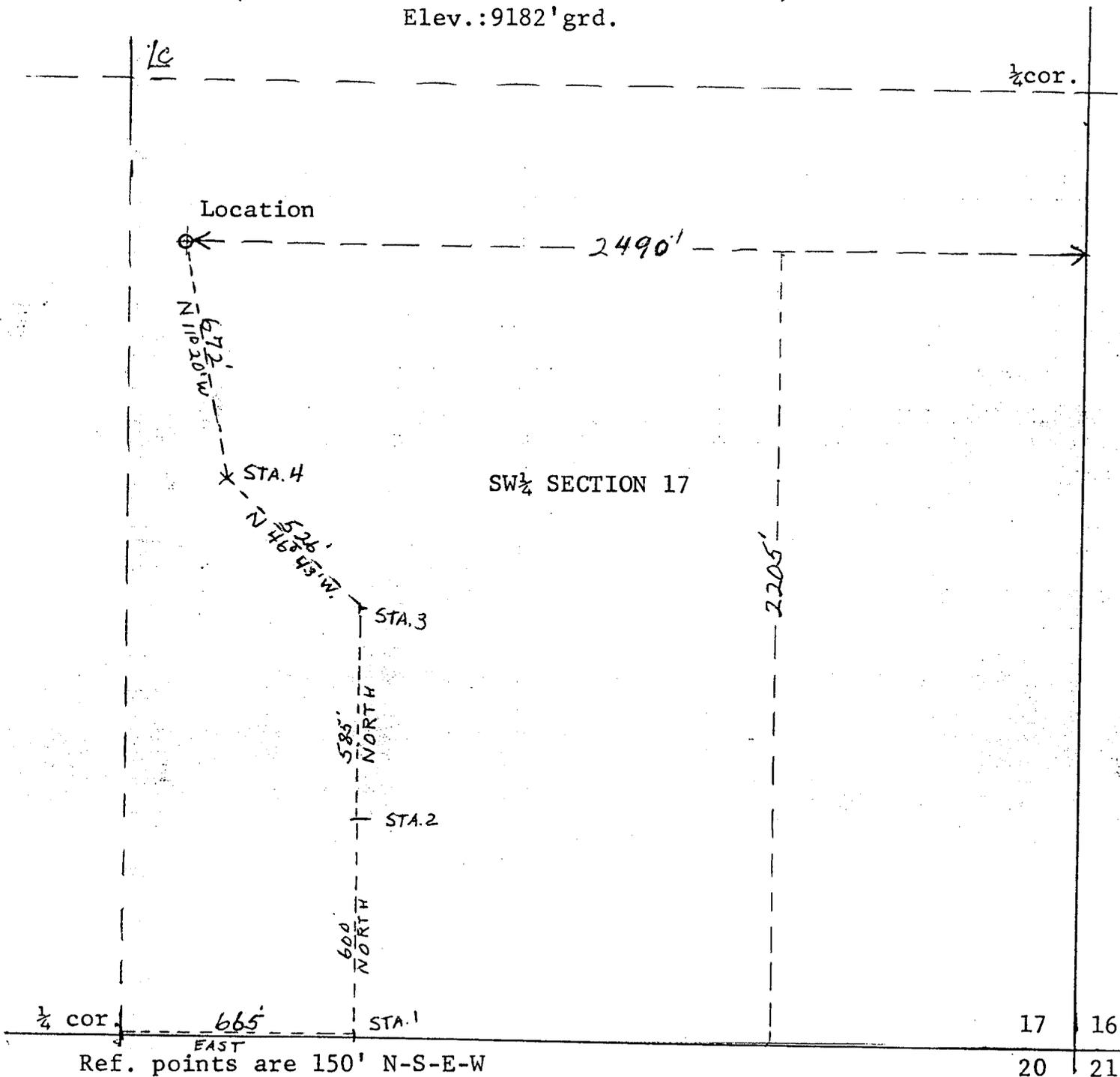
(This space for Federal or State office use)

PERMIT NO. _____

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

APPROVED BY THE DIVISION OF
 OIL, GAS, AND MINING
 DATE: 7/29/80
 BY: CB Taylor

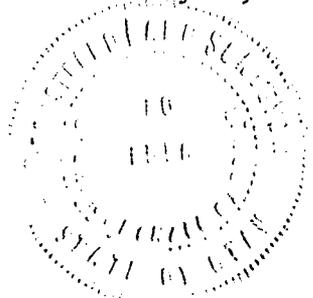
LOCATION PLAT FOR
 AAA ENERGY CORPORATION
 SKYLINE DRIVE UNIT-PHILLIPS #1-17
 SE.SW.SEC.17-14S-6E
 SEVIER COUNTY, UTAH
 (2490' from E-line and 2205' from S-line)
 Elev.: 9182' grd.



Scale: lin = 400 ft.
 Date: July 7, 1980

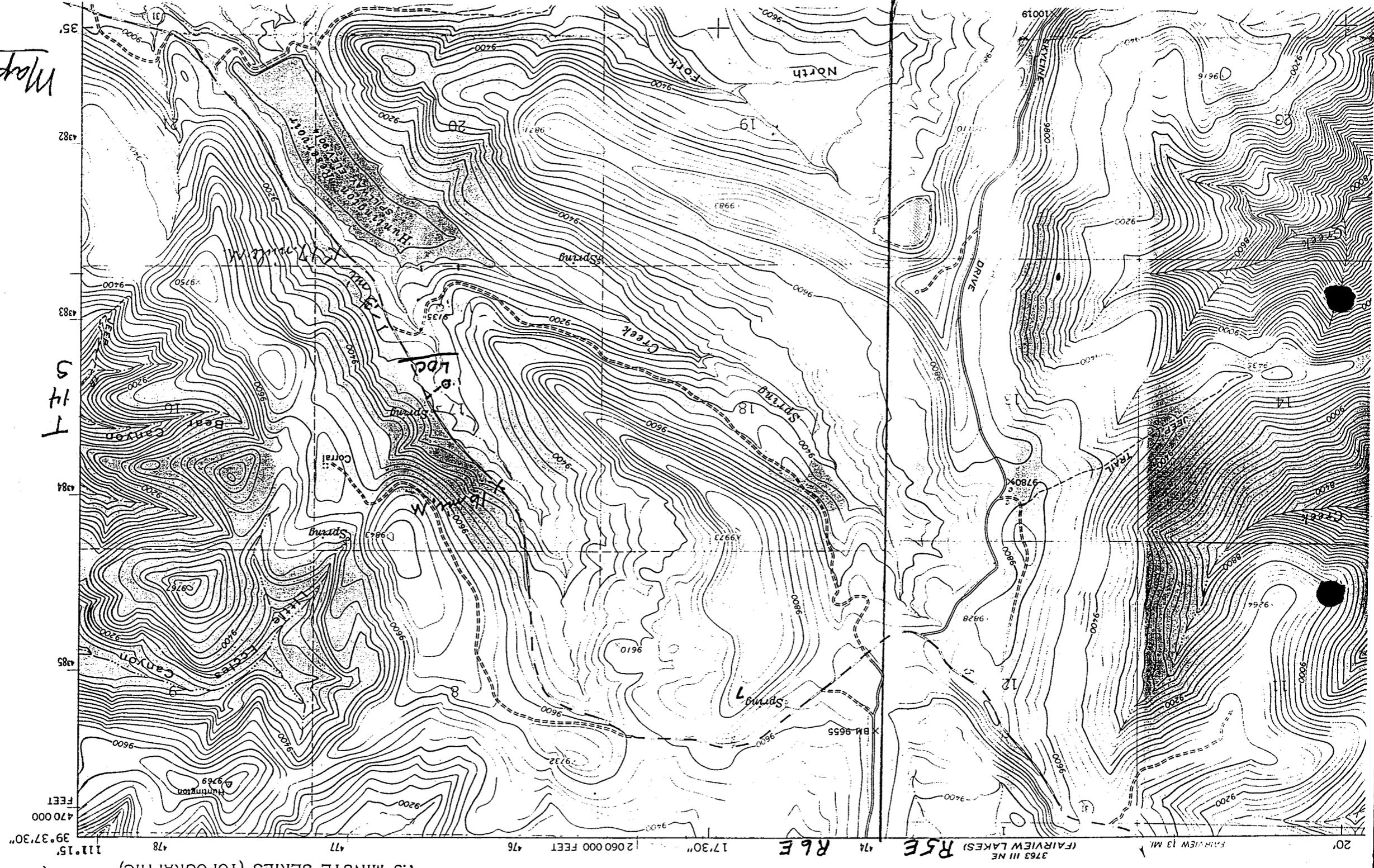
I, Sherman D. Gardner, do hereby certify that this plot was plotted from notes of a field survey made under my direct responsibility, supervision, and checking on

Sherman D. Gardner
 Registered Land Surveyor
 State of Utah #1556



Map # 1

S
H
T



PROGNOSIS FOR
AA ENERGY CORPORATION
SKYLINE DRIVE UNIT #1-17 WELL
SANPETE COUNTY, UTAH

LOCATION: NW. SE. Section 17, T 14S, R 6E, S.L.M., Sanpete County, Utah (2490' fr. E-line and 2205' fr. S-line)

ELEVATIONS: 9182' Grd; 9195' K.B.

SURFACE CASING: 300' of 10 3/4", 40.50#, K-55 casing set and cemented with 150 sks. reg. cement w/3% CaCl with returns to surface. The surface hole (14 1/2") will be drilled to about 300' K.B. and will be no more than 1° deviation. Casing will be set with a guide shoe on the bottom and 4 centralizers. A casing head, Series 600, with No. 10 flange will be installed on top of casing. The cement will be allowed to set 8 hrs. before nipping up.

EXPECTED FORMATION TOPS:

<u>Formation</u>	<u>Depth to Top</u>	<u>Thickness</u>	<u>Datum</u>
Northhorn	Surface	2500'?	9195' K.B.
Price River	2500'	1450'	6695'
Mesaverde*	3950'	1700'	5245'
Mancos	5650'	1300'	3545'
Ferron*	6950'	650'	2245'
Tununk	7600'	400'	1595'
Dakota*	8000'	—	1195'
TOTAL DEPTH	8050'		

*Formations with potential gas-bearing sands.

1. A blowout preventer with hydraulically operated blind and pipe rams or a hydril will be mounted on the surface casing head and securely sealed. As soon as the cement plug is drilled out of the surface casing, the casing and control equipment will be tested to 2000# for possible leaks.
2. It is planned to drill a 9 1/2" hole below the surface casing, using water and mud for circulation. The 9 1/2" hole will be drilled to a depth of about 6000' and an intermediate string of casing will be set at this depth. The casing will be 7 5/8", 26.40#, K-55, R-3, L T & C casing, and will be set and

cemented with 250 sks of reg. cement w/2% CaCl. The casing will have a float shoe (self-filling) and 5 stabilizers will be used. The cement will be allowed to set for 12 hours before drilling ahead.

3. The well will be logged electrically before the intermediate casing is set. A Dual-Induction-SFL log will be run from the total depth to the surface before the intermediate casing is run and from total depth to the bottom of the casing when the hole is finished. A gamma-density-CNL log will be run from total depth to the bottom of the intermediate casing.. All shows and evidence of hydrocarbons will be drill-stem-tested while drilling with mud. The mud values and condition will be specified by the company representative during the drilling operations.
4. While drilling with mud, a bottom hole reamer and stabilizer (one collar up) will be used on the drill string to prevent drifting and excess deviation. Deviation is to be kept below 6° and should not vary between any two surveys more than 2°. Surveys are to be taken at 400-ft. intervals.
5. Samples of the cuttings will begin at 2500 ft. and will be taken at 10-ft. intervals from this point to total depth.
6. After the intermediate casing is set, the hole will be blown dry with air and further drilling below the intermediate casing will be done using air for circulation. A 6 3/4" hole (button bit) will be drilled below the 7 5/8" casing. A rotating head will be installed on the top of the B.O.P. or hydril; and a blewie line (7"), at least 100 ft. long, will be attached to the rotating head. A flare is to be maintained at the end of the blewie line at all times. This will allow continuous testing of the well from 6000 feet to total depth and will minimize damage to possible hydrocarbon reservoirs by drilling fluids. Samples of the cuttings will be obtained from a special trap installed in the blewie line.
7. The well will be drilled to a depth which is about 50' below the top of the Dakota formation, unless good production is obtained above this depth or unless water is encountered. If appreciable production is obtained, the drilling will be discontinued at that

point rather than risk communicating with lots of water by drilling deeper.

8. When total depth is reached, and if a large flow of gas has been obtained, it may be desirable to mud-up so that logs can be run and the proper safety measures can be maintained. If so, a high viscosity mud (not less than 100 cps) with super-gel and low water loss must be used to circulate the hole below the casing.
9. If production is obtained, $4\frac{1}{2}$ " 10.50#, K-55, R-3 casing will be set with the top at least 100 feet above the bottom of the $7\frac{5}{8}$ " casing. This liner will be cemented and tied to the $7\frac{5}{8}$ " with a casing hanger.
10. The production zone can then be perforated, $2\frac{3}{8}$ " tubing run, and completed conventionally. It may be necessary to break down the formation with diesel or a weak acid treatment which would be swabbed out immediately after treatment.

N T L - 6 P L A N R E P O R T

For

Well Name: SKYLINE DRIVE UNIT #1-17 WELL

Location: NW. SE. SECTION 17, T 14S, R 6E, S.L.M., SANPETE CO., UTAH

1. Existing Roads: (See attached Maps)

A. Well Location: (See Plat #1)

Reference Stakes: 150 ' N-S-E-W

Perimeter Stakes: Reference stakes mark the perimeter of well pad.

B. Route and Distance to Well Site From Reference Point: (See att. maps)

Well site is 17 miles SE. of Fairview, Utah along Hwy. 31, between mile posts 16 and 17.

C. Access Roads (Identify secondary roads to be used): (See att. maps)

The location is 600 ft. from the surfaced Hwy. #31 and a new access road will have to be constructed over this 600-ft. distance.

D. Roads Within 3 mile Radius: (See att. maps) All roads within a 3-mi. radius of the well site other than Hwy #31 and the Skyline

Drive road are narrow trails or logging roads which are unimproved, ungraded, and usually rough.

Surface type and conditions: The secondary roads are often rough, muddy in wet weather and composed of clay, sand, rock, and some gravel, or natural soil and rock of the adjacent area.

E. Roads Within 1 mile Radius: (See att. maps) See 1-D Above.

Except for Hwy. 31, the roads are rough and unimproved as above.

F. Plans for Road Improvement & Maintenance: None of the present

roads other than Hwy 31 will be used. The new access road will be graded, crowned, ditched, and gravelled. Nothing will be done to

F. improve present roads.

2. Planned Access Roads: (See att. maps) There will be about 600 feet of new road to construct from the Hwy to the well site.

(1) Width: 22 feet

(2) Maximum Grades: 4%

(3) Turnouts: None

(4) Drainage Design: Ditched on both sides, crowned in the middle.

(5) Location and Size of Culverts, Cuts, and Fills: A 36" culvert and 30 ft. long will be placed under the road and in the stream bed. No major cuts or fills will be required.

(6) Surfacing Material: The base of the road will be natural fill; but it will be covered by a 12" thick layer of gravel.

(7) Gates, Cattleguards, or Fence Cuts: None required.

(8) All new roads have been flagged as required.

3. Location of Existing Wells: (See Map No. 1) No wells within a 2 mile radius.

(1) Water Wells: None

(2) Abandoned Wells: None

(3) Temporarily Abandoned Wells: None

(4) Disposal Wells: None

(5) Drilling Wells: None

(6) Producing Wells: None

(7) Shut-in Wells: None

(8) Injection Wells: None

(9) Monitoring or Observation Wells: None

4. Location of Existing and/or Proposed Facilities:

A. Within 1-mile radius of location show the following existing facilities owned or controlled by lessee/operator:

(1): Tank Batteries: (Size) None

(2) Production Facilities: None

(3) Oil gathering lines: None

(4) Gas gathering lines: None

(5) Injection lines: None

(6) Disposal lines: None

(7) Are lines buried? ---

B. If new facilities are contemplated, in the event of production, show: (These facilities depend on the outcome of the proposed well and are really unknown at this time.) Show a general proposed plan. (See Plat No. 2)

(1) Are any facilities planned off well pad? None at this time. If gas production is obtained, pipelines off the pad will be required, but these will be requested later when the plans and conditions are fully known.

(2) Give dimensions of facilities: See Plat #2

(3) Construction methods and materials: The access road and well site will be prepared by a dozer and motor grader. Natural material (in place) of soil, rock, and gravel will be used. A 12" layer of gravel will be placed on the pad and access road to support the equipment and traffic in wet weather. A culvert will be placed under the road in the stream bed. Heater-treater or dehydrator will be placed on a concrete or gravel base. Flow lines between the units will be buried. Fluids pit will be dug deep and square and will be fenced. No oil tanks, pump jack, or other oil equipment should be need-

(4) Protective measures for livestock and wildlife: All pits with ed, fluid will be fenced with barbed wire (4 strands). Fluids and pits will be covered when the well is finished. Pump jacks or rotating machinery will have guards to prevent danger by the moving parts.

C. Plan for rehabilitation of disturbed areas no longer needed after drilling operations are completed: Well site will be cleaned, levelled, and graded for production equipment; pits folded-in or

C. fenced with barbed wire before rig is removed. While production en-
sues, previous areas of the well pad not needed for production opera-
tions will be restored as in Item 10 below. Cleaning the site and
pit work will be done within 30 days after the well is completed, if
weather and conditions permit.

5. Location & Type of Water Supply: (See att. maps)

A. Type of Water Supply: A creek bounds the location on the east and
south sides. This creek is reported to flow continuously thru-out the
year; so it is planned to use the water in this creek for drilling
operations. Permission is being requested from the Huntington Water
Users Assoc.

B. Method of Transporting Water: Water will be pumped from the above
creek to the rig.

C. Is Water Well Planned? No

If so, describe location, depth and formation: _____

6. Source of Construction Materials:

A. See attached map and describe: Natural soil and rocks in place will
be used for the base, the well pad, and the road, then gravel from
a gravel pit at Fairview will be used for the 12" thick cover of
pad and road.

B. Identify if Federal, Indian, or Fee Land: _____

C. Describe Material: (Where from and how used) Gravel from Fairview
pit as noted in "A" above.

D. See item 1-C and 2 above.

7. Waste Disposal:

(1) Cuttings: Will be deposited into the reserve pit.

(2) Drilling Fluids: Into mud tanks; excess put into reserve pit.

(3) Producing Fluids (oil or water) Oil in tanks; water in reserve pit.

(4) Human Waste: A chemical toilet will be used and supplied with chemicals.

(5) Garbage & Other Waste: Wire cages or metal cages will be used and hauled to the Fairview City Dump for dumping.

(6) Clean-up: (See item 10 below) All unused material and all equipment will be removed from the site and taken to supply yards or to the next drill site, as soon as the well is completed. Clean-up will be done as in Item 10.

8. Airstrips and/or Camp Sites (Describe): None needed

9. Well Site Layout: (See Plat No. 3)

(1) Describe cuts or fills: The location is on a gently sloping hillside which slopes to the southeast and to the north. A cut of about 15' on the upper side (NW) will be pushed to the low side (See attached sketch).

(2) Describe pits, living facilities, soil stockpiles: About 2' deep of surface soil on the well pad area will be removed first and stockpiled at the west and east ends of the site. The reserve pit will be on the south side in a natural depression and the excavated material will be piled around the sides. The pit will be 6' deep, semi-circular, and about 100' in diameter. The reserve pit will be fenced on 3 sides with 4 strands (pg.7)

(3) Rig Orientation, Pipe rack, Access Road Entrance, etc.: (See Plat #3) Rig will be oriented E-W with pipe racks on west end and access road on the northeast side.

(4) Are Pits Lined? Pits will be unlined.

10. Plans For Restoration:

A. If Well is completed: Site will be cleaned, debris removed, pits folded in or fenced with barbed wire if full of fluid, and site levelled for production equipment. The gravel not needed will be pushed into the pit and covered. All unused portions will be contoured and seeded with acceptable seed mix by shallow drilling.

B. If Well is abandoned:

(1) Clean-up, levelling, folding pits-in, contouring: Will be done as soon as possible. Clean-up will be accomplished at the time the rig is removed. The reserve pit, if it contains fluid will be

- B. (1) fenced on the 4th side and the fluid allowed to evaporate prior to folding-in. The gravel on the location will be pushed into the reserve pit first and covered when the pit is folded-in.
- (2) Seeding location and access road: Seeding of location and access road will be accomplished by contouring original levels and configuration by grading, smoothed and seeded with acceptable seed mix by shallow drilling.
- (3) Will pits be fenced or covered? See B-1 above.
- (4) Is there any oil in reserve pit? Oil will be removed.
If so, describe disposal: Any produced oil will be in tanks and hauled away by trucks.
- (5) When will restoration work be done? As soon as possible. Normally within 60 days after equipment is moved off, if weather and availability of clean-up equipment permit. It should not take longer than 5 days to accomplish the work.

11. Description of Land Surface:

- (1) Topography & Surface Vegetation: The location is on a gentle slope, beside a running stream and in a clearing which is free of trees. Grass and sage brush are present on the surface. The hard surfaced Hwy 31 is 600 ft. from the site.
- (2) Other Surface Activities & Ownership: The site is U.S. Forest Service lands and near the Huntington Reservoir operated by the Huntington-Water Users Assoc. There are no coal mines, oil or gas wells, or dry holes nearby. Cattle grazing may be done during parts of the year.
- (3) Describe other dwellings, archaeological, historical, or cultural sites: An old abandoned sheep corral, constructed of logs, is on the site. This is fallen down and the logs broken and rotted. No other buildings, power lines, or cultivation are nearby. There are no known historical, or archaeological sites in the area. An archaeological investigation and report will be made and submitted separately.

12. Operators Representative: (Address & Phone number)

Jack Phillips, Dallas, Texas (214) 845-2144

13. Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the drill site and access route; that I am familiar with the conditions which presently exist; that statements made in this plan are, to the best of my knowledge, true and correct; and that work associated with the operations proposed herein will be performed by AA ENERGY CORPORATION and its contractors in conformity with this plan and terms and conditions under which it is approved.

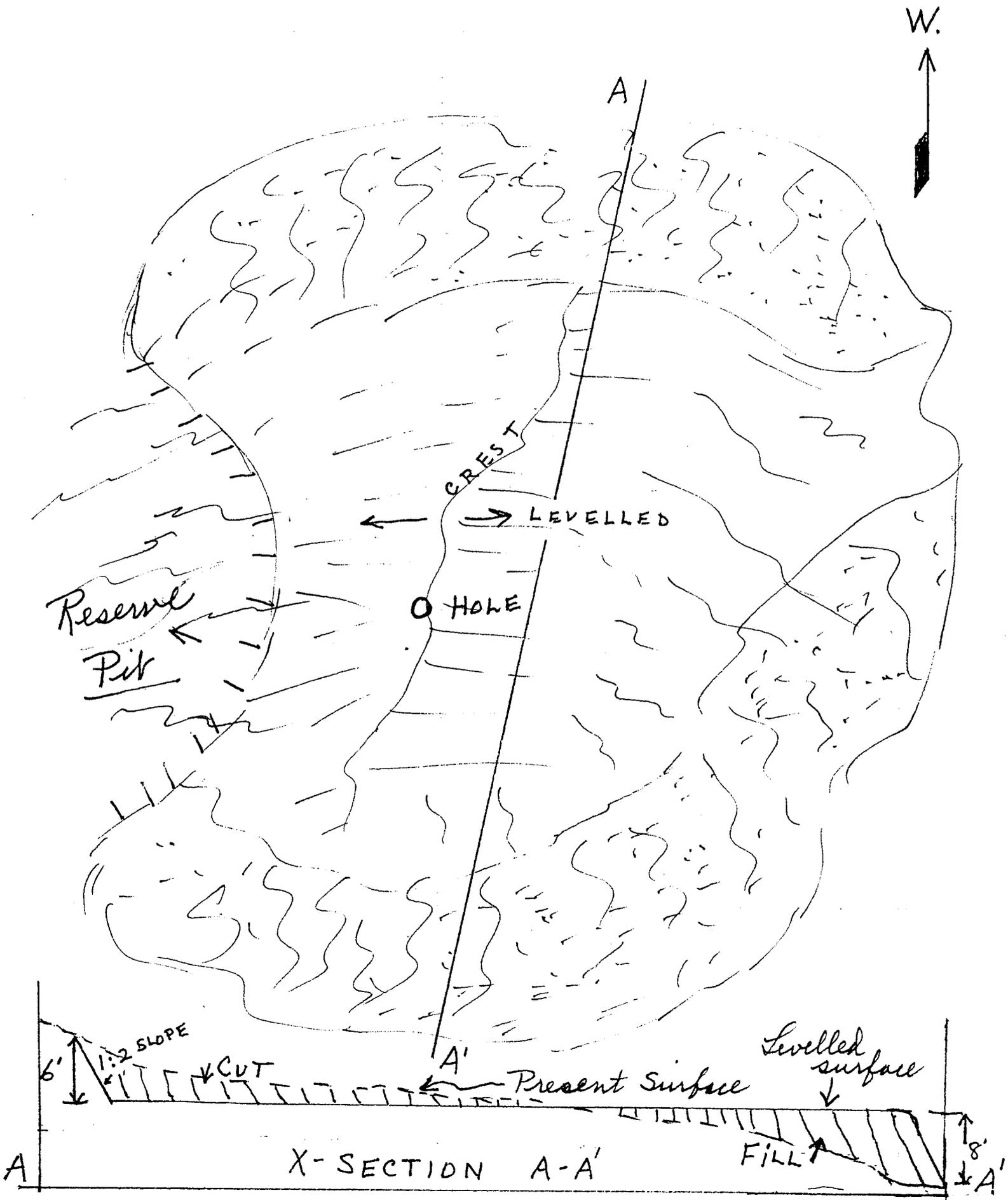
Date: July 18, 1980

Name: W. Don Gingley

Title: Consultant

#9. (2): of barbed wire prior to commencement of drilling operations. Two or three house trailers will be provided for supervisory personnel.

CHEMATIC SKETCH OF CUT AND FILL
SKYLINE DRIVE UNIT #1-17



WELL CONTROL EQUIPMENT
FOR
AA ENERGY CORPORATION
SKYLINE DRIVE UNIT #1-17
NW. SE. SEC. 17-14S-6E.
SANPETE COUNTY, UTAH

1. Surface Casing:

- A. Hole size for surface casing is 14½".
- B. Setting depth for surface casing is approx. 300 ft.
- C. Casing specs. are: 10 3/4" O.D., K-55, 40.50#, LTC, R-3.
- D. Anticipated pressure at setting depth is approx. 400#.
- E. Casing will be run using six centralizers and a guide shoe, and will be cemented with 150 sks. of cement with returns to the surface.
- F. Top of casing will be about 18" below ground level.

2. Casing Head:

- A. Flange size: #10;
- B. API Pressure Rating: 3000#; W.P.; Series 600; Cameron, OCT, or equivalent; new or used; equipped with two 2" ports with high pressure nipples and 3000# W.P. ball valves.

3. Intermediate Casing:

- A. Probably none.

4. Blowout Preventer:

- A. Double rams, hydraulic, one set of blind rams and one set of pipe rams for 4" drill pipe; 10" flange, 3000# W.P.; Series 600; equipped with mechanical wheels and rod for back-up; set on top of casing head flange and securely bolted down. Initially rams will be pressure tested for not less than 2000# for leaks and will be checked and closed once a day while drilling operations are underway.
- B. Fill and kill lines: (2" tubing or heavy duty line pipe) with manifold are to be connected to the 2" valves on the casing head.

5. Auxilliary Equipment:

- A. A float valve is to be used in the bottom drill collar at all times. The standpipe valve will be kept in good working condition, and a safety valve that can be stabbed into the top of the drill pipe or drill collars will be kept on the derrick floor in a handy position at all times.

6. Anticipated Pressures:

- A. The shut-in pressures of the potential pay zones found in the Mesaverde, Ferron, and Dakota formations at the corresponding depths are as follows:

Mesaverde	----- 3900'	----- 1500#
Ferron	----- 6900'	----- 3000#
Dakota	----- 8000'	----- 3500#

* These pressures are based on DST's taken on other wells in the general area.

7. Drilling Fluids:

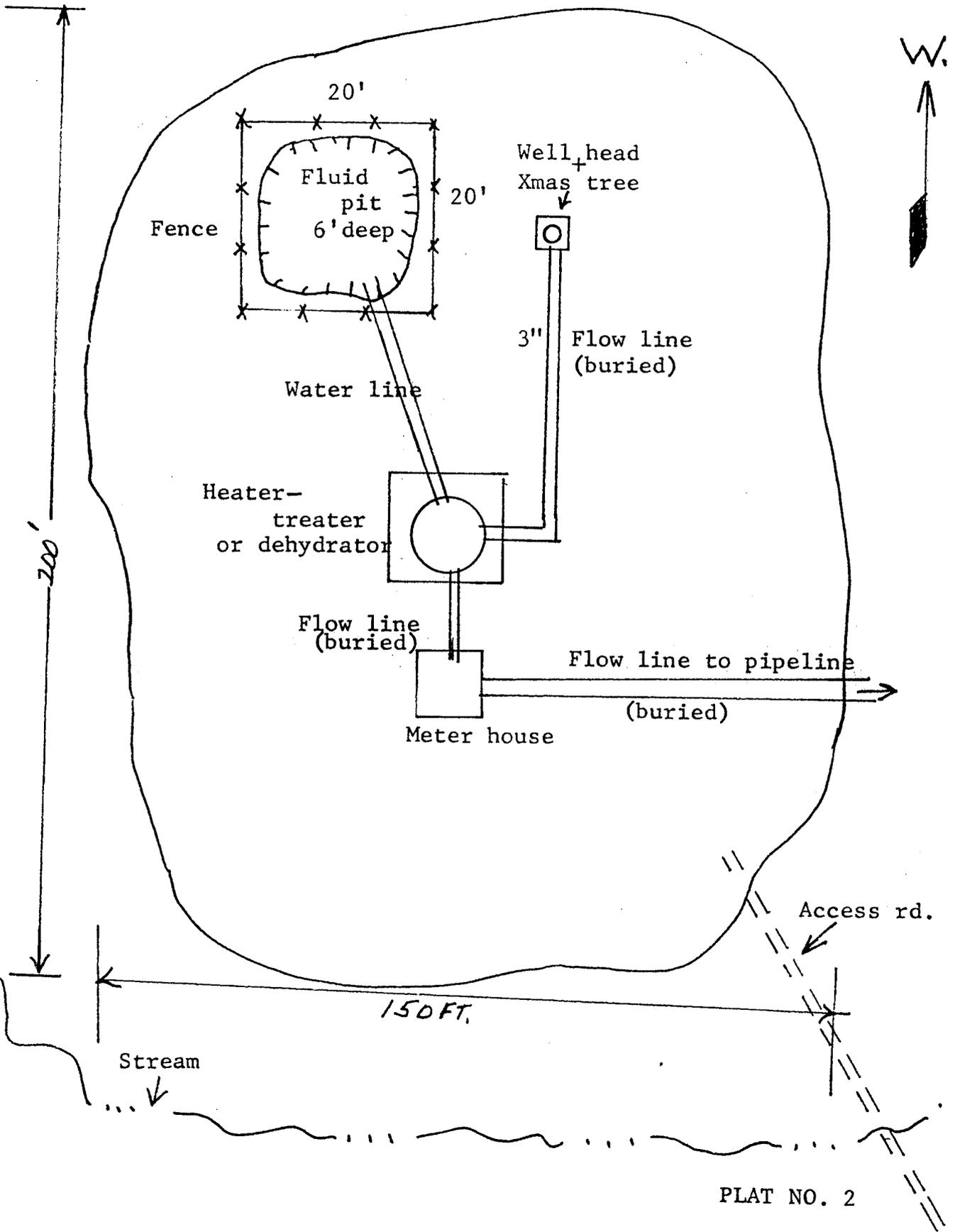
- A. Normal fresh water mud with gel and chemicals will be used for circulation down to about 6000 ft. and then the mud system will be changed over to air or air mist. The mud weight will be kept at about 9-10 lbs/gal; and the viscosity will be kept around 35, and the water loss kept below 20 cc., if possible.
- B. After the intermediate casing has been set at approximately 6000', the casing will be blown dry and the continued drilling will use air and/or air mist for circulation to minimize the damage to the potential pay zone.
- C. There has been no indication of sour gas in nearby wells.

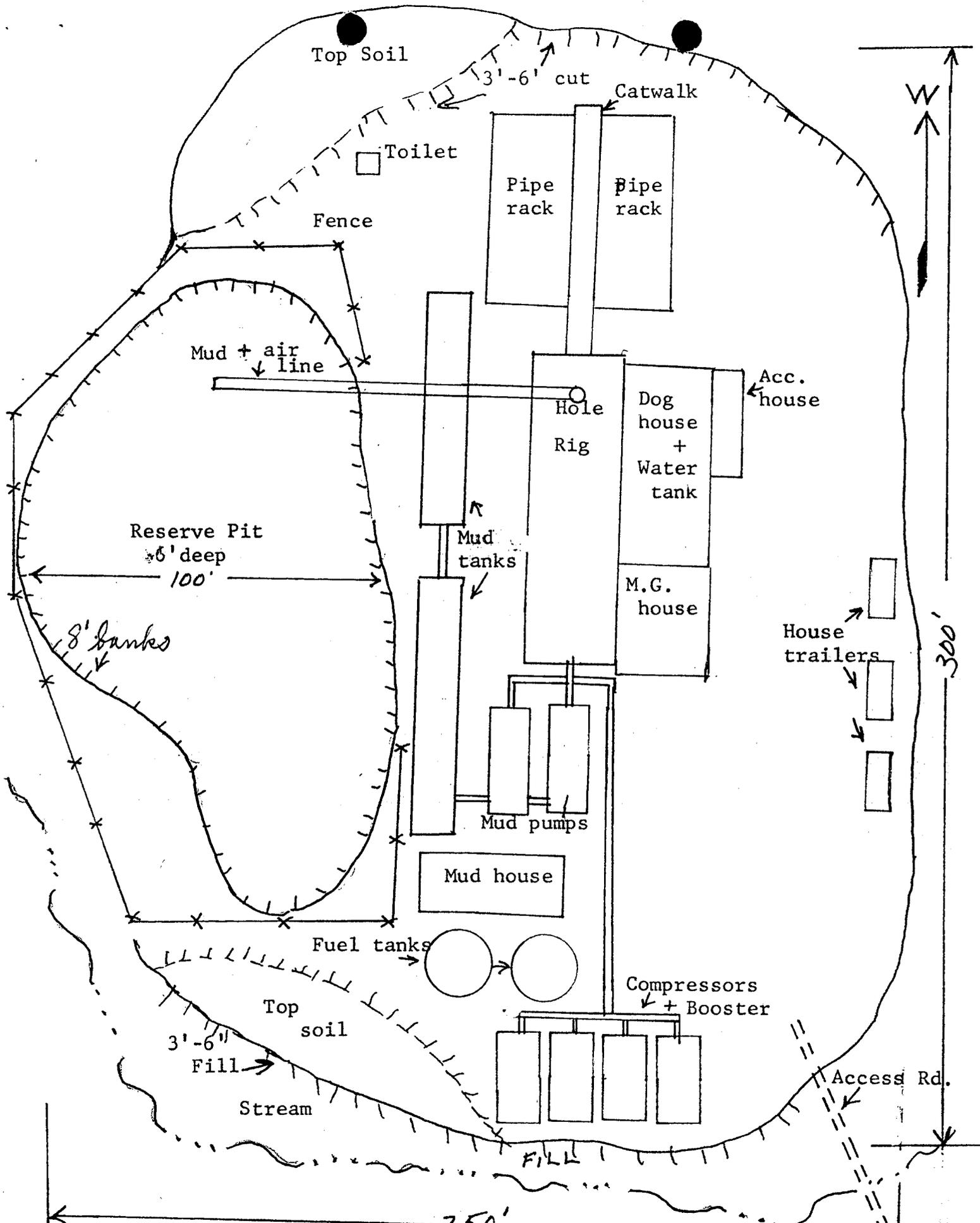
8. Production Casing:

- A. Hole size for the production casing will be 6 3/4".
- B. Approx. setting depth will be about 8000'.
- C. Casing specs. are: 2500' of 4 1/2" O.D., 11.60#, N-80, R-3 casing with guide shoe and float collar and about 6 centralizers, with 250 sks of regular, type "G" cement with 2% CaCl.
- D. The anticipated pressure at setting depth should not be greater than 3600#.

W. Don Quigley
President

PLAN FOR PRODUCTION EQUIPMENT
SKYLINE DRIVE UNIT
#1-17 WELL





PLAN FOR EQUIPMENT LAYOUT
 SKYLINE UNIT #1-17

Scale: lin. = 35 ft.
 Plat No. 3

United States Department of the Interior
 Geological Survey
 2000 Administration Bldg.
 1745 West 1700 South
 Salt Lake City, Utah 84104

NEPA CATEGORICAL EXCLUSION REVIEW

PROJECT IDENTIFICATION

Operator AA Energy Corporation
 Project Type Gas Well
 Project Location NW/4, SE/4, Section 17, T.14S, R.6E, SLM
 Well No. 1-17 Lease No. U-10842
 Date Project Submitted July 23, 1980

FIELD INSPECTION Date August 13, 1980

Field Inspection Participants George Diwachak - USGS
Bill Bolley, Ira Hatch, Walt Nowak, Steve Robinson - USFS
Else Yakupzack, Brent Barney - USFS
Jeff Nunnally - Jack L. Phillips (Drilling Consultant)
Steve Hughes, Don Quigley - AA Energy
John Wickman - Sinbad Construction
 Typing In & Out: October 23, 1980

I have reviewed the proposal in accordance with the categorical exclusion review guidelines. This proposal would not involve any significant effects and, therefore, does not represent an exception to the categorical exclusions.

October 23, 1980
 Date Prepared

George J. Diwachak
 Environmental Scientist

I concur

10/23/80
 Date

E. W. Luy
 District Supervisor

CATEGORICAL EXCLUSION REVIEW INFORMATION SOURCE

Criteria	Federal/State Agency			Local and private correspondence (date)	Previous NEPA	Other studies and reports	Staff expertise	Onsite inspection (date)	Other
	Correspondence (date)	Phone check (date)	Meeting (date)						
516 DM 2.3.A									
1. Public health and safety							6	6-8-13-80	
2. Unique characteristics					1		6	6	8
3. Environmentally controversial					1		6		
4. Uncertain and unknown risks					1	2	6	6	
5. Establishes precedents							6		1
6. Cumulatively significant							6	6	
7. National Register historic places		10/22/30							Memo to File 10/23/80
8. Endangered/threatened species					1				
9. Violate Federal, State, local, tribal law							6	6	

CATEGORICAL EXCLUSION REVIEW COMMON REFERENCE LEGEND

1. Surface Management Agency Input - Including Environmental Assessment for proposed action.
2. Reviews Reports, or information received from Geological Survey (Conservation Division, Geological Division, Water Resource Division, Topographic Division)
3. Lease Stipulations/Terms
4. Application Permit to Drill
5. Operator Correspondence
6. Field Observation
7. Private Rehabilitation Agreement
8. Recommended Stipulations.

Recommended Stipulations:

1. All stipulations presented in pages 7-10 of the U.S. Forest Service Environmental Assessment for the proposed action shall be adhered to.
2. Adequate resistivity, density, Gamma-Ray or other appropriate electric logs covering all formations containing potentially valuable minerals (coal in Blackhawk Member of Mesaverde Formation) shall be provided to USGS.
3. All minable coal zones shall be isolated with cement from a point 100 feet below the formation to 100 feet above the formation. Except for salines or water bearing horizons with the potential for mixing aquifers, a depth of 4000 feet has been deemed the lowest limit for cementing.
4. All fresh water horizons will be reported to USGS and be isolated in the same manner as coal.



Access Crossing
of Spring Creek



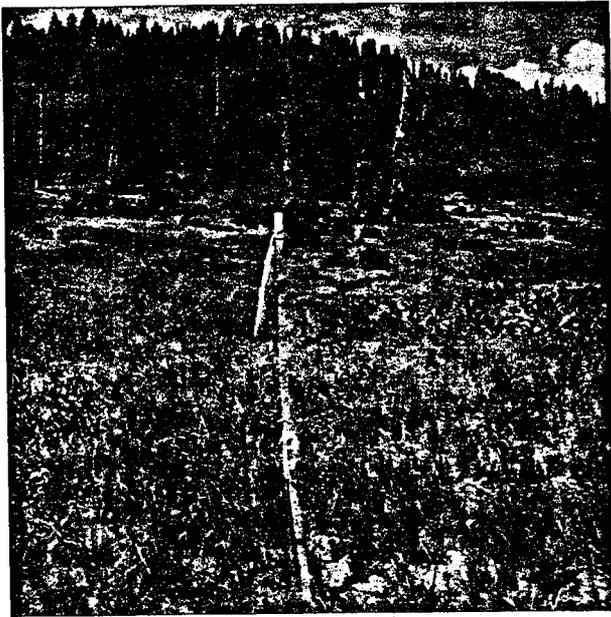
AA Energy 1-15 SE



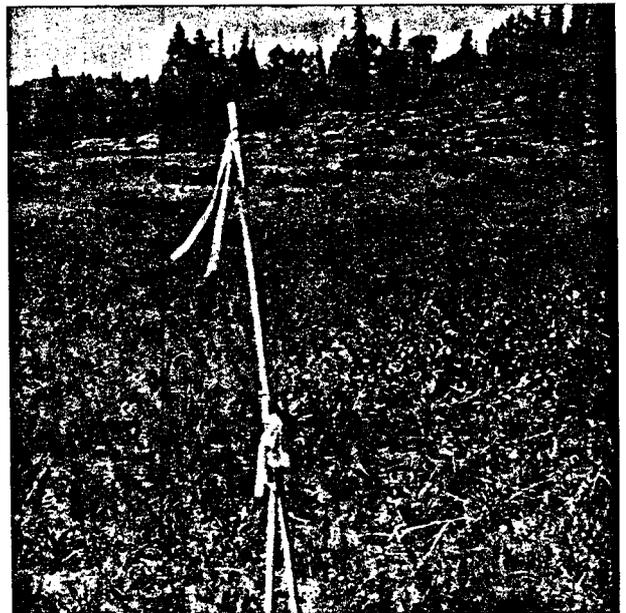
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AA Energy 1-17 ↑
E



AA Energy 1-17 ↑
W



AA Energy 1-17 ↑
S

USO 3110-2
1/70

Serial No.:

U- 10842

The undersigned agrees to the inclusion of the following special Forest Service stipulations in addition to those shown on Form 3103-2:

- (1) The lessee will not undertake any drilling, construction of roads or pipelines, or any other activity which involves removal of vegetation until a plan of construction and development has been approved by the Forest Service representative. Such approval may be conditioned on reasonable requirements to prevent erosion, water pollution, or damage to surface resources and to provide for restoration of the surface.
- (2) A strip of land 100 feet on each side of the centerline of the Spring Creek Road where it passes through the S $\frac{1}{2}$ Sec. 17 and N $\frac{1}{2}$ Sec. 20, T. 14 S., R. 6 E., SLM, is a roadside zone containing important aesthetic values for public benefit. No occupancy of the surface of this strip is authorized by this lease.
- (3) The E $\frac{1}{2}$ Sec. 20, T. 14 S., R. 6 E., SLM, is a proposed recreation area which will be developed by the Forest Service for public use. No occupancy of the surface is authorized by this lease. The lessee, however, is authorized to employ directional drilling to exploit the oil and gas resources provided that such drilling will not disturb the surface of the area or otherwise interfere with the use being made of it.

(4) SEE REVERSE SIDE.

GRAHAM-MICHAELIS DRILLING COMPANY,
a partnership

By *W. A. Michaelis, Jr.*
Lessee W. A. Michaelis, Jr.
Managing Partner

All matters relating to the stipulations in this case should be directed to the authorized representative of the Secretary of Agriculture indicated below:

- () Forest Supervisor, Ashley National Forest, 437 East Main, Vernal, Utah 84078.
- () Forest Supervisor, Dixie National Forest, 500 South Main Street, Cedar City, Utah 84720.
- () Forest Supervisor, Fishlake National Forest, 170 North Main, Richfield, Utah 84701.
- () Forest Supervisor, Uinta National Forest, 88 West 100 North, P. O. Box 1428, Provo, Utah 84601.
- (x) Forest Supervisor, Manti-LaSal National Forest, 350 East Main, Price, Utah 84501.
- () Forest Supervisor, Wasatch National Forest, 4438 Federal Building, 125 South State Street, Salt Lake City, Utah 84111.

(4) The SE $\frac{1}{4}$ Sec. 17 and E $\frac{1}{2}$ Sec. 20, T. 14 S., R. 6 E., SLM, are important from a public recreation standpoint. No occupancy of the surface within 300 feet of the shoreline of Huntington Reservoir is authorized by this lease without the approval of the authorized Forest Service representative. The lessee, however, is authorized to employ directional drilling to exploit the oil and gas resources under this 300-foot strip providing such drilling and related activities will not disturb or occupy the surface.

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I. INTRODUCTION

AA Energy Corporation of Dallas, Texas, has applied for a permit to drill a wildcat gas well in the Huntington Reservoir area. The site is located in T. 14 S., R. 6 E., Section 17, NW $\frac{1}{4}$ SE $\frac{1}{4}$ and is further described in the company's application, in Table 1, and in maps, (see Application for Permit to Drill, Table 1 and maps in Appendix). The Ferron-Price Land Management Plan, (available for review at Price District Office) indicates this area is suitable for further consideration for oil and gas development.

The area is accessed by Utah Highway 31, (Forest Highway 7), and thence by a short new access route to be constructed and utilized for this project. Approximately two acres of land will be disturbed this project.

A. Need For A Decision

Receipt of AA Energy Corporation's Application for Permit to Drill (APD), has initiated the need for a Forest Service management decision to determine whether or not the project should be approved. This decision and the decision-making processes involved will be documented in this Environmental Assessment.

B. Alternative Formulation Criteria

Alternatives will be formulated according to the following general criteria. Any viable alternative must conform to each of these criteria.

1. Any alternatives must be consistent with the decisions in the Ferron-Price Land Management Plan for Unit B-4, Short Canyons.
2. Any alternatives must be legal and consistent with applicable Federal laws and regulations.
3. Any alternatives must be environmentally sound.

C. Major Issues, Concerns and Opportunities

The interdisciplinary team, (see Section VIII), met and discussed the physical, biological and socio-economic environments. The major issues or concerns identified are as follows:

1. Wildlife

Possible damage to the aquatic habitat and riparian vegetation as well as encroachment upon the water needs of wildlife could occur if excessive amounts of water were taken from North Spring Creek.

2. Range

- a. The proposed fence around the pit is inadequate.

- b. Revegetation needs to be done when the chance for success is greatest, and must accomplish revegetation comparable to or better than surrounding areas.

3. Hydrology

- a. Erosion may occur before revegetation can take hold. Temporary emergency erosion control measures may be needed before permanent vegetation cover is established.
- b. The company proposes to bury wastes in the mud pit, however, pollutants from these wastes, (oil, chemicals, sewage, trash), may reach the creek if the wastes are not removed from the Forest.

4. Visual Resources

- a. If the site is not entirely fenced during reclamation, sheep may use the leveled pad as a bedding area and it will not revegetate within the constraints of visual quality objectives.
- b. A roadfill may cause a visual impairment if it remains after project completion.
- c. If the project exceeds twelve months, the retention visual quality objectives will not be met.

5. Soils

If topsoil is not properly stockpiled, replaced, and treated when the site is completed, the site and access route may not be returned to their original productivity.

6. Engineering

- a. There is not a proposal for access.
- b. There is not enough pre-engineering in the company's application to determine the amount needed or source of borrow material.

Opportunities

Reseeding with a desirable seed mixture and use of fertilizers could yield better vegetative conditions after reclamation than now exists.

D. Necessary Federal Permits, Licenses and Other Entitlements

1. U.S. Geological Survey Permit to Drill.
2. Utah State Highway Approach Permit.
3. Water Use Permit from Huntington-Cleveland Irrigation Company.

Negative Declaration

The ID team did not identify any paleontologic values; prime range; farm or timberlands; threatened or endangered plants or animals; floodplains; alluvial valley floors; or RARE II further study areas within the project area. An archeological survey must be completed and archeological clearance obtained before surface disturbance can occur. Threatened and endangered plant and animal reports are available in the Price Ranger District Office, 10 North Carbon Avenue, Price, Utah.

II. AFFECTED ENVIRONMENT

The proposed well site is within Unit B-4, Short Canyons, of the Ferron-Price Land Management Plan, which allows for oil and gas and other mineral development. A general description of the area is included in that document. The following describes that portion of the environment that relates to the major issues or concerns that have been identified.

A. Wildlife

The proposed drill site lies within the boundaries of Deer Herd Unit 34 and Elk Herd Unit 12. The stream running nearby is the home of amphibians as well as an important source of water to all wildlife species in the area. The water in this stream is of good quality. The stands of conifers in the area adjacent to the proposed drill site act as cover for wildlife species both resident and migratory. All vegetation in the area, especially near the stream, is strategic in controlling erosion and stabilizing soils.

B. Range

The drill site and access route are generally in a semi-arid environment which receives between 30 and 35 inches annual precipitation. The terrain is gently sloping around. Part of an old sheep corral still exists on the site. Vegetation species on the site include: Stipa lettermannii, Bromus carinatus, Hackelia florabunda, Helenium hoopesii, Rudbeckia occidentalis, Modia glomerata, Phacelia hastata, Veratrum Californicum, Artemisia ludoviciana, Chrysothamnus viscidiflorus and Sambucus racemosa.

C. Hydrology

The location is within the drainage of North Spring Canyon, which is tributary through Huntington Reservoir to Left Fork of Huntington Creek to Huntington Creek to the San Rafael, Green and Colorado Rivers. Huntington Reservoir has a useable storage of about 2,600 acre feet; it is drained for irrigation water most years. North Spring Canyon flows directly into Huntington Reservoir and drains an area of about 1,000 acres. At the proposed well site, the mean annual precipitation is 31 inches. The summer precipitation is 8 inches (Utah State Hydrologic Atlas). The depth of the snowpack of the Huntington-Horseshoe snow course within the drainage (elevation 9,800 feet) ranges from 6 to 127 inches on April 1 and averages 66 inches. The mean annual runoff is reported to be 14 inches (Utah Hydrologic Atlas).

D. Visual Resources

The visual quality objective is "Retention." Landform in the area is considered to be distinctive. Above the site, as Skyline Drive is approached, landform views become dominant. Below the site, landform is characterized by steep slopes. Vegetation is also considered distinctive; forming ground cover and tree patterns. The interspersions of light green aspen in dark green spruce adds interest and visual relief in tree variety.

In the fall season, quaking aspen stands become temporarily dominant. Late summer snow drifts above the site enhance the scenic resource. Water in Huntington and Cleveland Reservoirs adds variety and is a dominant physiographic feature.

The proposed drill site is highly visible due to its close proximity to the Fairview-Huntington Highway (U-31). It is foreground-viewed by recreationists and others traveling through Huntington Canyon.

Recreational activities in the area include fishing, camping, picnicking, snowmobiling, cross-country skiing, pleasure driving, and big game hunting. The duration of use spans most of the year.

E. Soils

The drill site is proposed in a well drained meadow at 9200 feet in elevation. The soils have a dark colored sandy loam to loam textured surface layer (topsoil) of eighteen to twenty-four inches thick over a lighter colored, more sandy subsoil. The subsoil textures range from sandy loam to loamy sand. Rock fragment content is generally less than five percent in the surface soil, but increases substantially below twenty-four inches grading to a stony (sandstone) valley fill parent material assumed to be glacial deposits. The soils have a relatively low erodibility rating and should respond well to revegetation attempts.

Preliminary investigation indicates a rapid permeability of the soil which would relate to potential seepage from the waste pits.

The nutrient status of the topsoil appears adequate for successful revegetation but decreases in nutrients by grazing activities seems to have reduced the total forage production compared to the sites original capabilities. Soil samples have been taken for analysis of available nutrients.

F. Engineering

The proposed drill site is located on gently sloping terrain, (0-15% side slopes), adjacent to Forest Highway 7. The construction would be in common material with an undetermined depth of topsoil. The site will require little if any clearing because it is located on a dry meadow having sparse vegetation. Access from Forest Highway 7 to the site would require an access road, with one stream crossing of North Spring Creek.

III. EVALUATION CRITERIA

The following evaluation criteria have been developed and will help determine the preferred alternative selection:

1. Visual impacts should be minimized.
2. Soil loss and disturbance should be minimized.

IV. ALTERNATIVES CONSIDERED

A. Alternatives Considered but not Evaluated

Alternative 1 - No Action. This alternative does not meet alternative formulation criteria #1, and is therefore not viable.

B. Alternatives Considered and Evaluated

AA Energy Corporation's proposed pad site is an acceptable location. The following alternatives are for two different access routes to the pad site.

Alternative 1 - Access to the proposed pad site on Road A (see maps), with management requirements, constraints and mitigation measures. Road A is along a circuitous route (520 feet), with 55 and 110 foot radius curves.

Alternative 2 - Access to the proposed pad site on Road B (see maps), with management requirements, constraints and mitigation measures. Road B is a direct route, approximately 250 feet in length.

C. Management Requirements, Constraints and Mitigation Measures

1. Detailed plans for the drill site and access road must be submitted to the Forest Service before surface disturbance can occur. The following information and data are required:

a. A site plan presenting the information listed below.

- 1) Pad elevation and area.
- 2) The construction limits as indicated by the edges of cuts and fills.
- 3) The location, size and flow of interception ditch above cuts to redirect overland flow around the site.
- 4) The depth of surfacing on the pad to support the equipment operation.
- 5) The engineering quantities of excavation, embankment and borrow necessary to construct the pad. The surface area in acres effected by the pad.
- 6) The reserve pit design indicating cuts, slopes and any embankments.

b. Road plans for the access road must be prepared indicating the following:

1) Typical cross-section to the following design criteria:

- a) Finished roadway 20 feet top width.
- b) Fill and cut slopes 2:1.
- c) Roadway drainage by outsloping.
- d) Embankments compacted to 95% AASHTO T 99.

- 2) Plan and profile with curve data, grades, curve widening, turning radius onto highway and culvert location.
 - 3) Typical culvert installation for stream crossing.
 - 4) Depth of surfacing to support hauling vehicles.
 - 5) Location for stockpiling topsoil conserved from construction.
- c. Specifications for Construction.
- (Use of Forest Service Standard Specification for Construction of Roads and Bridges Recommended)
- 1) Include survey tolerances.
 - 2) Include construction tolerance.
 - 3) Include certification of material used in construction.
- d. All design should be by or under the direct supervision of a Registered Professional Engineer.
- e. A Pavement Design should be submitted for approval with the following information include:
- 1) Traffic data.
 - 2) Geotechnical and Engineering data for in place soils and proposed aggregate materials.
 - 3) Recommended pavement structure and depth.
- f. The operator is responsible to ensure that all construction is in accordance to plan and specification.
2. A berm 18 inches high and 3 feet wide must be built around the entire drill pad. The pad should have internal drainage into the mud pit, and external drainage away from it.
 3. Prior to drilling the site and during construction of the access route, topsoil to a minimum of two feet depth will be stripped and stockpiled. This topsoil will be stockpiled on the north and west sides of the drill pad.
 4. All contaminated soil will be stripped and placed in the mud pit prior to respreading topsoil.
 5. The mud pit must be large enough to contain all anticipated drill fluid and cutting. If fluid depth threatens to overflow the top of the pit it will be pumped down to a safe level.
 6. The mud pit must be pumped dry if natural evaporation does not occur prior to site reclamation.
 7. To protect the water resource, the mud pit must be lined with a removable non-permeable material. A seamless butyl rubber liner, properly bedded on a blanket of sand or other fine-earth material free of protruding obstructions is acceptable. A bentonite lining is not adequate.

8. The culvert to be installed in Spring Canyon Creek must be removed when the project is completed. No permanent dikes can be constructed. The fill material must be removed from the drainage channel back onto the drill site or borrow area to restore the original contour.
9. Upon completion of drilling and after the mud pit is dry, gravel must be removed from the drill site and access route, and the drill site and access route must immediately be returned to contour, covered with topsoil and reseeded with the following mixture:

Smooth Brome	40%
Intermediate Wheatgrass	20%
Meadow Foxtail	20%
Orchardgrass	10%
Lodak Alfalfa	10%

Rate - 30 pounds per acre.
10. Reseeding should occur when best possible chance for establishment exists, and be completed no later than November 1, 1981. The soil must be firm, dry and not frozen.
11. Seeds must be either drilled or walked in with a cat.
12. Fertilizer and mulch should be applied to the site as directed by the Forest Officer in charge during rehabilitation to aid revegetation and minimize soil erosion.
13. The drill site must be entirely fenced during reclamation with a sheep-proof wire net fence, thirty-nine inches high. Posts must be of either green or brown color. This fence will be maintained by the lessee until revegetation is complete and the site is released.
14. If dust becomes a problem, watering of the access route and drill pad will be required.
15. Adequate water will be bypassed in North Spring Creek to satisfy wildlife and other resource values.
16. AA Energy Corporation must obtain a Utah State Highway Approach Permit and demonstrate to the Forest Service that it has done so before access route construction can occur.
17. All aquifers encountered during drilling will be documented as to depth and flow quantity estimates.
18. If the well is dry, the drill hole will be closed as per U.S.G.S qualifications.
19. A portable chemical toilet is required at the site.

20. All trash, wastes, salts, chemicals, noxious spoils and substances, flammable wastes and other dangerous or harmful materials must be removed from the Forest and disposed of properly. This includes any materials in the mud pit.
21. Spills of any kind outside the drill pad area must be cleaned up immediately.
22. In case of accidental spills that can reach and pollute the water, an emergency plan must be established to notify the Forest Service and the Huntington-Cleveland Irrigation Company immediately.
23. To meet visual resources management objectives, use of the prepared site, whether it is drilled or not and unless it is a producer, cannot exceed one year.
24. Fire suppression equipment will be kept at the drill rig, including a fire extinguisher, shovel and axe.
25. All equipment will have working mufflers and Forest Service approved spark arrestors.
26. During construction and drilling operations if any artifacts or remains of cultural or paleontological value are uncovered, operations in the vicinity of discovery must cease immediately and the District Ranger must be notified.
27. An archeological clearance survey must be conducted and the survey report must be approved before surface disturbance can occur.
28. The District Ranger must be contacted at least forty-eight hours before actual work begins.
29. Vegetation outside staked construction limits will not be removed or altered in any way.
30. Water quality should not be altered. No liquid or solid waste should be dumped in or near the stream. Precautions should be made to minimize introduction into the stream.
31. If the well goes into production, a completed plan will be approved and required for any facilities. Vegetative screening must then be established and the facility must be painted a color compatible with the surrounding landscape.

V. EFFECTS OF IMPLEMENTATION

The following sections outline the effects of construction of the drill site and either of the proposed access roads.

- A. Range-Wildlife As the result of mitigation measures required for this alternative, there will be no effect of implementation on range or wildlife resources.
- B. Hydrology Construction of Road A will contribute about 1.3 tons of sediment per year into Spring Canyon Creek. Road B will contribute approximately 4.6 tons of sediment per year into Spring Canyon Creek.
- C. Visual Resources The proposed project as located on the ground does not meet the "Retention" visual quality objective. However, the location of the drill site anywhere else on the lease would have a greater impact on the visual quality of the area. The negative effects of the project, as proposed, can be minimized through careful planning and site reclamation.
- D. Soils Soils would be disturbed on 1.7 acres of the drill pad site plus along the access road, (250 feet along alternate route B or 520 feet along alternate route A). Alternate road route B would cause the least amount of soil disturbance since it is the shortest of the two routes.

Soil disturbance would result in some soil loss by erosion and the land being taken out of vegetative production until the site is reclaimed. The plan, as written, could result in a reduction in productive potential of the site due to inadequate reclamation procedures.
- E. Engineering Truck and other vehicular traffic will be pulling off and onto the highway from the drill site. The approach could result in an unsafe condition if not properly located, designed and constructed.

VI. EVALUATION OF ALTERNATIVES

The following matrix displays the evaluation of the alternative road locations against the criteria. The pad site is not evaluated since it is the only viable alternative.

<u>Evaluation Criteria</u>	<u>Alternative Attractiveness</u>	
	<u>Road A</u>	<u>Road B</u>
1. Least visual impact	H	L
2. Lease soil loss	L	H

L - low rating, does not meet evaluation criteria.

H - high rating, meets or exceeds evaluation criteria.

VII. IDENTIFICATION OF FOREST SERVICE PREFERRED ALTERNATIVES

Both alternatives for an access route have one high and one low rating according to the evaluation in Section VI. However, Road B is the preferred alternative because it creates the least soil loss. The visual impact of this alternative can be lessened by the establishment of appropriate vegetative screening. In addition, the cost to construct Road B is less.

VIII. CONSULTATION WITH OTHERS

A. ID Team

Elise Yakupzack	Geologist, ID team leader, Price District	USFS
Carol Morrison	Wildlife Biologist, Price District	USFS
Steve Spencer	Range Conservationist, Price District	USFS
Dennis Kelly	Hydrologist, Supervisor's Office	USFS
Brent Barney	Civil Engineer, Supervisor's Office	USFS
Dan Larsen	Soil Scientist, Supervisor's Office	USFS
Jim Jensen	Landscape Architect, Supervisor's Office	USFS

B. Others

Ira W. Hatch	Price District Ranger, Price District	USFS
Dwain McGarry	Geologist, Price District	USFS
Robert H. Oldfield	Geologist, Price District	USFS
Steve Robison	Geologist, Supervisor's Office	USFS
Walt Nowak	District Geologist, Price Ranger District	USFS
Bill Boley	Forest Engineer, Supervisor's Office	USFS
Jeff Nunnally	Exploration Manager, AA Energy Corporation	
Steve Hughes	AA Energy Corporation	
John Wickman	Construction Contractor, AA Energy Corporation	
Don Quigley	Consultant, AA Energy Corporation	
George Diwachak	Oil and Gas Division, USGS	

DECISION NOTICE
AND

IX. FINDING OF NO SIGNIFICANT IMPACT

AA Energy Corporation
Proposed Gas Well #1-17, U-10842
Sanpete County, Utah

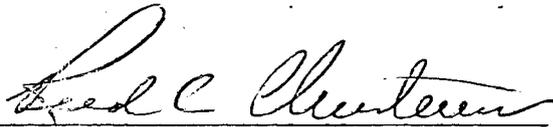
AA Energy Corporation has proposed a wildcat gas well to explore for gas on the Manti-LaSal National Forest near Huntington Reservoir. The wellsite is accessible from Utah Highway 31 and a short new access route.

A Forest Service I.D. Team has evaluated the proposed well project and an Environmental Assessment has been prepared. Copies of the Environmental Assessment and other pertinent documents are on file and available for review at the Price Ranger District Office, 10 North Carbon Avenue, Price, Utah.

Pursuant to the National Environmental Policy Act of 1969, a determination has been made, through the Environmental Assessment process, that the proposed project will not create any significant impacts to the human environment. An Environmental Statement will, therefore, not be required. This determination was based on consideration of a number of factors discussed in greater detail in the Environmental Assessment. The primary considerations are as follows:

1. The proposed drilling project can be implemented within the management guidelines and directives specified in the Ferron-Price Land Management Plan.
2. Application of the management requirements discussed in the Forest Service Preferred Alternative can eliminate any significant residual environmental impacts.
3. The project will have minor impact on the vegetation and wildlife resources.
4. There will be no effect on T and E plants or animals.
5. The project is not in prime farm, range or timber land.
6. The project is not wetlands, a floodplain or a wilderness area.
7. There will be no irreversible commitment of resources.

The responsible official is Reed C. Christensen, Forest Supervisor, Manti-Lasal National Forest, 350 East Main Street, Price, Utah 84501.



Forest Supervisor

10/19/80

Date

X. APPENDIX

- A. AA Energy Corporation Application For Permit to Drill
- B. Table 1 - Description of Affected Environment
- C. Maps
- D. Bibliography

BIBLIOGRAPHY

1. Land Management Plan, Ferron-Price Planning Unit, Manti-LaSal National Forest, May 1979, U.S. Department of Agriculture, Forest Service, Intermountain Region.
2. Spieker, Edmun, The Wasatch Plateau Coal Field Utah, Superintendent of Documents, Washington, D.C., 1931.
3. Doelling, H.H., Central Utah Coal Fields: Sevier-Sanpete, Wasatch Plateau, Book Cliffs and Emery, Utah Geological and Mineralogical Survey, 1972.
4. Forest Service Manual, 2800.

U. S. GEOLOGICAL SURVEY - CONSERVATION DIVISION
FROM: : DISTRICT GEOLOGIST, SALT LAKE CITY, UTAH

TO : DISTRICT ENGINEER, O&G, SALT LAKE CITY, UTAH

SUBJECT: APD MINERAL EVALUATION REPORT

LEASE NO. U-10842

OPERATOR: AA Energy Corporation WELL NO. 1-17

LOCATION: NW 1/4 NW 1/4 SE 1/4 sec. 17, T. 14 S, R. 6 E, S. 1 M

Sampson County, Utah

Tops appear reasonable:

1. Stratigraphy:
- | | |
|------------|-----------|
| Northhorn | - Surface |
| Puce River | - 2500' |
| Mesaverde | - 3950' |
| Mancoos | - 5650' |
| Ferron | - 6950' |
| Tumuck | - 7600' |
| Dakota | - 8000' |

2. Fresh Water:

- possible from surface to base of the Starpoint S.S. (Mesaverde)

3. Leasable Minerals:

Prospectively valuable for coal in the Blackhawk fm.

4. Additional Logs Needed:

Logging suite sufficient; logs should be run through out the Blackhawk Fm. to identify coal beds.

5. Potential Geologic Hazards:

none anticipated,

6. References and Remarks:

4 miles west of Clear Creek #65

Signature: Joseph Boardman Date: 8-8-80

** FILE NOTATIONS **

DATE: July 29, 1980

OPERATOR: AA Energy Corp.

WELL NO: # FEDERAL 1-17

Location: Sec. 17 T. 14S R. 6E County: Sanpete

File Prepared:

Entered on N.I.D:

Card Indexed:

Completion Sheet:

API Number 43-039-30011

CHECKED BY:

Petroleum Engineer: _____

Director: OK Rule C-3(c) Topographic Exception

Administrative Aide: _____

APPROVAL LETTER:

Bond Required:

Survey Plat Required:

Order No. _____

O.K. Rule C-3

Rule C-3(c), Topographic Exception - company owns or controls acreage within a 660' radius of proposed site

Lease Designation Ded.

Plotted on Map

Approval Letter Written

Hot Line

P.I.

W. DON QUIGLEY

OIL AND MINERALS CONSULTANT
SUITE 440, 57 W. SO. TEMPLE - SALT LAKE CITY, UTAH 84101

August 1, 1980

Mr. Jack Feight
Dept. of Natural Resources
Oil & Gas Division
1588 West North Temple
Salt Lake City, Utah 84116

Dear Mr. Feight:

Enclosed is a corrected copy of the Location Plat for AA Energy Corp.'s #1-17 well application, assigned API #43-039-30011, located in Sevier County, Utah. Please submit this one for the incorrect one in the application.

Thank you.

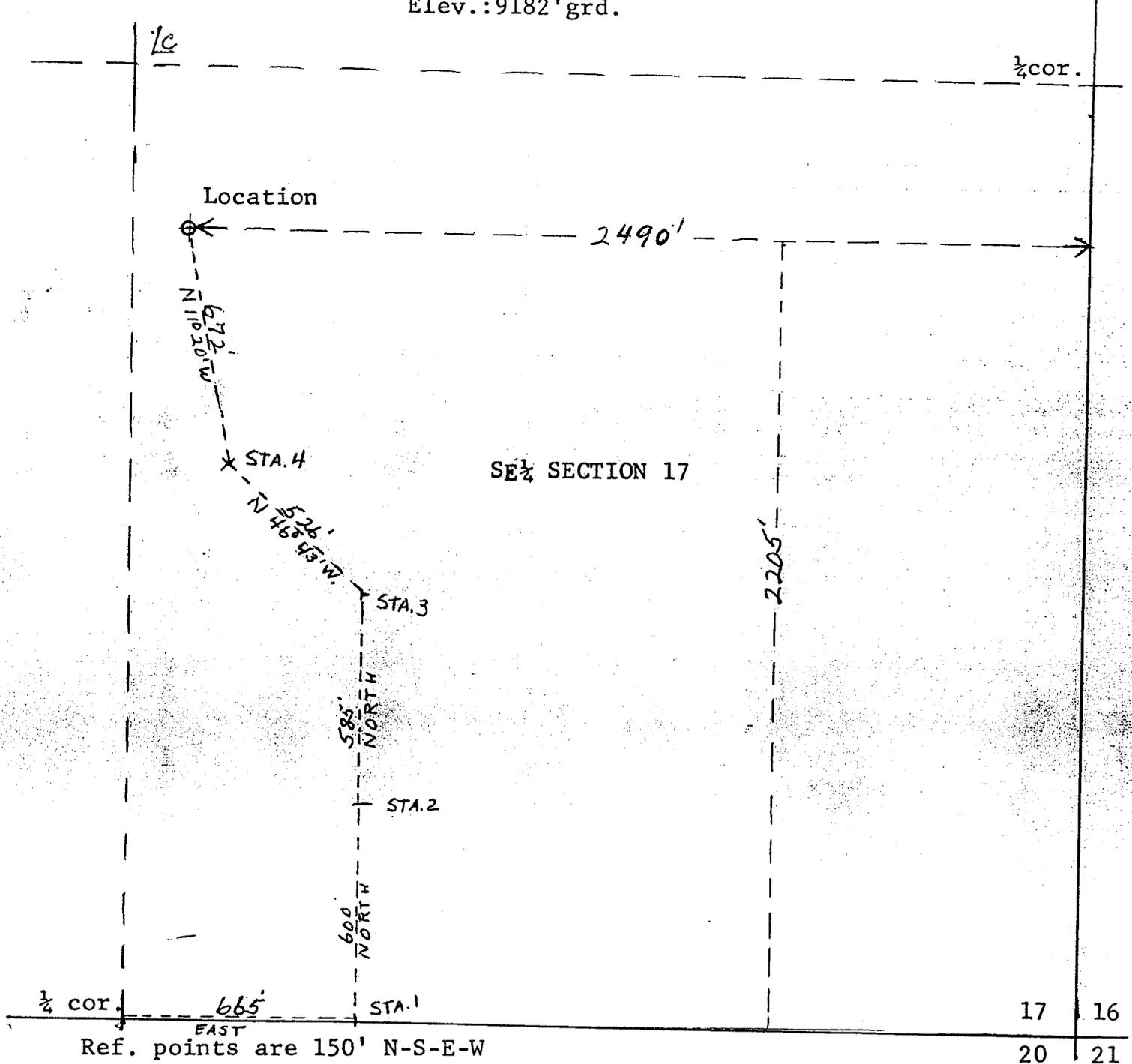
Sincerely yours,

Sherril L. Bateman
Sherril L. Bateman
for W. Don Quigley

Enclosure



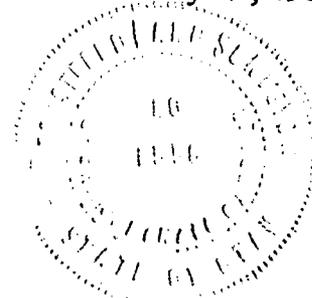
LOCATION PLAT FOR
 AA ENERGY CORPORATION
 SKYLINE DRIVE UNIT-PHILLIPS #1-17
 NW. SE. SEC. 17-14S-6E
 SEVIER COUNTY, UTAH
 (2490' from E-line and 2205' from S-line)
 Elev.: 9182' grd.



I, Sherman D. Gardner, do hereby certify that this plot was plotted from notes of a field survey made under my direct responsibility, supervision, and checking on

Sherman D. Gardner
 Registered Land Surveyor
 State of Utah #1556

Scale: lin = 400 ft.
 Date: July 7, 1980



August 4, 1980

AA Energy Corporation
1500 Fidelity Union Tower
Dallas, Texas 75201

RE: Well No. Federal #1-17
Sec. 17, T. 14S, R. 6E.,
Sanpete County, Utah

Insofar as this office is concerned, approval to drill the above referred to gas well on said unorthodox location is hereby granted in accordance with Rule C-3 (c), General Rules and Regulations and Rules of Practice and Procedure.

Should you determine that it will be necessary to plug and abandon this well, you are hereby requested to immediately notify the following:

MICHAEL T. MINDER - Petroleum Engineer
Home: 876-3001
Office: 533-5771

Enclosed please find Form OGC-8-X, which is to be completed whether or not water sands (aquifers) are encountered during drilling. Your cooperation in completing this form will be appreciated.

Further, it is requested that this Division be notified within 24 hours after drilling operations commence, and that the drilling contractor and rig number be identified.

The API number assigned to this well is Federal #1-17: 43-039-30011.

Sincerely,

DIVISION OF OIL, GAS AND MINING

Michael T. Minder
Petroleum Engineer

bh

cc: USGS

March 30, 1981

AA Energy Corporation
1500 Fidelity Union Tower
Dallas, Texas 75201

Re; Well No. Federal #1-17
Sec. 17, T. 14S. R. 6E.
Sanpete County, Utah

Gentlemen:

In reference to above mentioned well, considerable time has gone by since approval was obtained from this office.

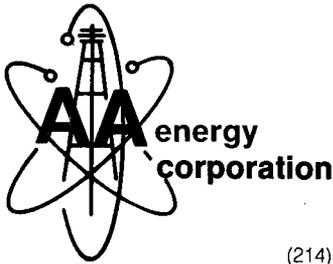
This office has not received any notification of spudding. If you do not intend to drill this well, please notify this Division. If spudding or any other activity has taken place, please send necessary forms. (If we do not hear from your company within fifteen (15) days, we will assume you do not intend to drill this well and action will be taken to terminate the application.) If you plan on drilling this location at a later date, please notify as such.

Your prompt attention to the above will be greatly appreciated.

Very truly yours,

DIVISION OF OIL, GAS, AND MINING

SANDY BATES
CLERK-TYPIST



(214) 748-3505

1500 FIDELITY UNION TOWER

DALLAS, TEXAS 75201

THOMAS E. DAVIS
VICE PRESIDENT
EXPLORATION MANAGER

April 7, 1981

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1588 West North Temple
Salt Lake City, Utah 84116

Attn: Ms. Sandy Bates

Re: Federal #1-17
Section 17, T14S-R6E
Sanpete County, Utah

Dear Ms. Bates:

In reference to your inquiry concerning the above captioned well, please be advised that AA Energy Corporation or its assignee does intend to spud this well on or about July 1, 1981.

Considerable time has been spent in getting necessary approval from the U.S. Forest Service, Bureau of Land Management and the USGS. Several on-site meetings have been held at location, which is at an elevation of approximately 9200' and necessary conditions for location, etc., have been met. As soon as the Forest Service has notified us the snow has melted and conditions are dry for moving in a rig, we will secure the drilling permit from the USGS and start operations.

RECEIVED

APR 10 1981

DIVISION OF
OIL, GAS & MINING

State of Utah

Page 2

If you have any questions concerning this location or operations, please contact me.

Very truly yours,

A handwritten signature in cursive script that reads "Thomas E. Davis".

THOMAS E. DAVIS

/cw

cc: J.D. Nunnally
Jack Phillips



JACK L. PHILLIPS
OIL AND GAS EXPLORATION CO.

May 19, 1981

RECEIVED

MAY 21 1981

DIVISION OF
OIL, GAS & MINING

JEFF D. NUNNALLY
MANAGER OF EXPLORATION
214 / 369-8114
831 CAMPBELL CENTRE II
8150 N. CENTRAL EXPRESSWAY
DALLAS, TEXAS 75206

HOME OFFICE
214 / 845-2144
DRAWER 392
GLADEWATER, TEXAS 75647

Mr. Cleon B. Feight
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1588 West North Temple
Salt Lake City, Utah 84116

Re: Well No. Federal 1-17
Section 17, T-14S, R-6E
Sanpete County, Utah

Dear Mr. Feight:

Enclosed is Form 9-331 in triplicate indicating a change in Operator on Lease U-10842, Skyline Drive Unit, Federal #1-17, Sanpete County, Utah.

We expect to initiate drilling operations on this well in June, 1981.

Yours very truly,

JACK L. PHILLIPS

Jeff D. Nunnally
Exploration Manager

Wnclosures (3)

cc: Mr. Jack L. Phillips
P. O. Drawer 392
Gladewater, Texas 75647

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

U-10842

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 OTHER

2. NAME OF OPERATOR

Jack L. Phillips

3. ADDRESS OF OPERATOR

436 N. Main Street, P.O. Drawer 392, Gladewater, Texas 75647

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

2490 feet from East line, 2205 feet from South line,
Section 17, Township 14 South, Range 6 East

7. UNIT AGREEMENT NAME

Skyline Drive Unit

8. FARM OR LEASE NAME

Federal

9. WELL NO.

#1-17

10. FIELD AND POOL, OR WILDCAT

Wildcat

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

Sec. 17, T-14S, R-6E

14. PERMIT NO.

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

9182 feet, Ground

12. COUNTY OR PARISH

Sanpete

13. STATE

Utah

16.

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

PULL OR ALTER CASING

FRACTURE TREAT

MULTIPLE COMPLETE

SHOOT OR ACIDIZE

ABANDON*

REPAIR WELL

CHANGE PLANS

(Other) Change Operator

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

REPAIRING WELL

FRACTURE TREATMENT

ALTERING CASING

SHOOTING OR ACIDIZING

ABANDONMENT*

(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.)*

Change of Operator from:

AA Energy Corporation
1500 Fidelity Union Tower
Dallas, Texas 75201

To:

Jack L. Phillips
436 North Main Street
P. O. Drawer 392
Gladewater, Texas 75647

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

SIGNED

Jeff D. Nunnally
Jeff D. Nunnally

TITLE

Exploration Manager

DATE

May 19, 1981

(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

SUBMIT IN TRIPLICATE*
(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.)

<p>1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER</p> <p>2. NAME OF OPERATOR Jack L. Phillips</p> <p>3. ADDRESS OF OPERATOR 436 N. Main P. O. Drawer 392, Gladewater, TX 75647</p> <p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 2490' FEL, 2205' FSL Sec 17 T14S, R6E</p>		<p>5. LEASE DESIGNATION AND SERIAL NO. U-10842</p> <p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME</p> <p>7. UNIT AGREEMENT NAME Skyline Drive Unit</p> <p>8. FARM OR LEASE NAME Federal</p> <p>9. WELL NO. 1-17</p> <p>10. FIELD AND POOL, OR WILDCAT Wildcat</p> <p>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 17, T14S, R6E</p> <p>12. COUNTY OR PARISH Sanpete 18. STATE Utah</p>
<p>14. PERMIT NO.</p>	<p>15. ELEVATIONS (Show whether DF, RT, GR, etc.) 9182' Ground</p>	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input checked="" 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) _____	

(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.)*

Change proposed casing & cementing program specified in Application for Permit to Drill to the following:

- 6/14/81 Drill a 24" hole to 40', set 40' of 20" pipe & cement to surface.
- Drill 550' of 17 1/2" hole, set 520' of 13 3/8" 48# pipe & cement to surface.
- Drill 5000' to 6000' of 12 1/4" hole; set 9 5/8" 36# & 48# pipe into Mancos Shale & cement as necessary to protect hydrocarbon zones & coal zones.

Above has been approved by the U.S.G.S.

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

SIGNED *Jack L. Phillips* TITLE Owner/Operator DATE 6/14/81

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

P

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

NAME OF COMPANY: Jack L. Phillips

WELL NAME: Fed. #1-17

SECTION NW SE 17 TOWNSHIP 14S RANGE 6E COUNTY Sanpete

DRILLING CONTRACTOR CRC Colorado Well Service

RIG # 111

SPUDED: DATE 6-14-81

TIME 8:00 a.m.

How dryhole

DRILLING WILL COMMENCE _____

REPORTED BY Steve Mizer

TELEPHONE # 214-845-2144

DATE 6-17-81

SIGNED D.B.

JACK PHILLIPS

Duller

SUBMIT IN DUPLICATE (Other Instructions on reverse side)

Form approved. Budget Bureau No. 42-R1425.

UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

PROCESSED JUN 17 1981

APPLICATION FOR PERMIT TO DRILL DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL [X] DEEPEN [] PLUG BACK []

b. TYPE OF WELL OIL WELL [] GAS WELL [X] OTHER [] DIVISION OF SINGLE ZONE [] MULTIPLE ZONE []

2. NAME OF OPERATOR AA ENERGY CORPORATION

3. ADDRESS OF OPERATOR 1500 FIDELITY UNION TOWER, DALLAS, TX. 75201

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) At surface NW. SE. SECTION 17, T 14S, R 6E, S.L.M. At proposed prod. zone 2490' fr. E-line and 2205' fr. S-line

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 17 MILES SE. OF FAIRVIEW, UTAH

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 2205'

16. NO. OF ACRES IN LEASE 2160'

17. NO. OF ACRES ASSIGNED TO THIS WELL 160

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. More than 2 mi. 8050'

19. PROPOSED DEPTH 8050'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 9182 Grd; 9195' K.B.

22. APPROX. DATE WORK WILL START* Aug. 15, 1980

PROPOSED CASING AND CEMENTING PROGRAM

Table with 5 columns: SIZE OF HOLE, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Rows show 14 1/2" and 9 1/2" hole sizes with corresponding casing sizes and cement quantities.

It is planned to drill a well at the above location to test the natural gas productive possibilities of the Ferron sandstone member of the Mancos formation and the Dakota formation. The well will be drilled with rotary tools and using mud for circulation down to a depth of approximately 6000 ft., or about 300' below the top of the Mancos formation where a string of intermediate casing (7 5/8") will be set and cemented. The hole size will be reduced to 6 3/4" and the rest of the hole will be drilled with air to permit continuous testing and to minimize damage to the potential production sands. A B.O.P. will be mounted on the surface casing and a rotating head will be mounted on top of the B.O.P. when conversion to air drilling is made. The B.O.P. rams will be tested periodically for leaks up to 2000# pressure. Fill and kill lines will be connected below the blind rams of the B.O.P. In the event of production, a 4 1/2" liner will be set and cemented (cont. on back) IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] THOMAS E. DAVIS Vice President DATE July 17, 1980

PERMIT NO. APPROVAL DATE APPROVED BY [Signature] FOR E. W. GUYNN DISTRICT ENGINEER DATE JUN 12 1981

CONDITIONS OF APPROVAL ATTACHED

TO OPERATOR'S COPY

*See Instructions On Reverse Side

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

NOTICE OF APPROVAL State Oil & Gas Production Facilities and Flowline NOT Approved

FROM: DISTRICT GEOLOGIST, SALT LAKE CITY, UTAH

TO: DISTRICT ENGINEER, O&G, SALT LAKE CITY, UTAH

SUBJECT: APD MINERAL EVALUATION REPORT

LEASE NO.

U-10842

OPERATOR:

AA Energy Corporation

WELL NO.

#1-17

LOCATION: NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 17, T. 14 S, R. 6 E, S.L.M.

Sampson County, Utah

tops appear reasonable:

1. Stratigraphy:

Northhorn - Surface

Price River - 2500'

Mesaverde - 3950'

Manross - 5650'

Ferron - 6950'

Tumuck - 7600'

2. Fresh Water:

Dakota - 8000'

possible from surface to base of the Starpoint S.S.
(Mesaverde)

3. Leasable Minerals:

Prospectively valuable for coal in the Blackhawk fm.

4. Additional Logs Needed:

logging suite sufficient; logs should be run through out the Blackhawk fm. to identify coal beds.

5. Potential Geologic Hazards:

none anticipated,

6. References and Remarks:

4 miles west of Clear Creek K&S

Signature:

Joseph A. Boardman

Date:

8-8-80

George

Memorandum

To: District Oil and Gas Engineer, Mr. Edward Gynn

From: Mining, Supervisor, Mr. Jackson W. Moffitt

Subject: Application for Permit to Drill (form 9-331c) Federal oil and gas lease No. U-10842 Well No. # 1-17

1. The location appears potentially valuable for:

- strip mining*
- underground mining** *coal*
- has no known potential.

2. The proposed area is

- under a Federal lease for _____ under the jurisdiction of this office.
- not under a Federal lease under the jurisdiction of this office.
- Please request the operator to furnish resistivity, density, Gamma-Ray, or other appropriate electric logs covering all formations containing potentially valuable minerals subject to the Mineral Leasing Act of 1920.

*If location has strip mining potential:

Surface casing should be set to at least 50 feet below the lowest strip minable zone at _____ and cemented to surface. Upon abandonment, a 300-foot cement plug should be set immediately below the base of the minable zone.

**If location has underground mining potential:

The minable zones should be isolated with cement from a point 100 feet below the formation to 100 feet above the formation. Water-bearing horizons should be cemented in like manner. Except for salines or water-bearing horizons with potential for mixing aquifers, a depth of 4,000 feet has been deemed the lowest limit for cementing.

Signed *Allen L. Vance*

ENVIRONMENTAL ASSESSMENT

AA Energy Corporation Proposed Gas Well #1-17, U-10842

Sanpete County, Utah
Manti-LaSal National Forest

Responsible Agency: USDA Forest Service
Manti-LaSal National Forest
350 East Main Street
Price, Utah 84501

Responsible Official: Reed C. Christensen
Forest Supervisor
Manti-LaSal National Forest

For Further Information Contact: Ira W. Hatch
District Ranger
Price Ranger District
10 North Carbon Ave. #2
Price, Utah 84501

Prepared By:

Elise Yakupovich
Geologist

Date 9-22-80

Approval Recommended By:

Walter E. Hancock
District Geologist

Date 9/22/80

Ira W. Hatch
District Ranger

Date Sept. 19, 1980

William B. Boley
Forest Engineer

Date 10/8/80

Approved By:

Reed C. Christensen

Date 10/9/80

NOTICE OF SPUD

AF 515 71

RECEIVED 50

Caller: [Signature] JUN 17 1981

Phone: _____

DIVISION OF OIL, GAS & MINING

Well Number: 1-17

Location: NW SE 17-145-6E

County: Sandwich State: Utah

Lease Number: U-10842

Lease Expiration Date: _____

Unit Name (If Applicable): Kyleine Drive

Date & Time Spudded: 6-14-81

Dry Hole Spudder/Rotary: MIRU DHD

Details of Spud (Hole, Casing, Cement, etc.) Drip and set 20" cond. to 40' and do sec and DHD prepared to make well within 6-19-81

Rotary Rig Name & Number: _____

Approximate Date Rotary Moves In: 6-19-81

FOLLOW WITH SUNDRY NOTICE

Call Received By: JM

Date: 6-15-81

NOTICE OF SPUD

~~Old~~
AT Energy

Caller: Stockman

Phone: _____

Well Number: #1-17

Location: NWSE 17-145-6E

County: Sanpete State: Utah

Lease Number: U-10842

Lease Expiration Date: _____

Unit Name (If Applicable): Skyline Drive

Date & Time Spudded: 6-21-81 4:45 p.m.

Dry Hole Spudder/Rotary: _____

Details of Spud (Hole, Casing, Cement, etc.) _____

Rotary Rig Name & Number: Col well Service #111

Approximate Date Rotary Moves In: _____

FOLLOW WITH SUNDRY NOTICE

Call Received By: Jm

Date: 6-22-81

RECEIVED
JUN 23 1981

DIVISION OF
OIL, GAS & MINING

POST OFFICE
DRAWER 392

Jack L. Phillips
PETROLEUM GEOLOGIST-OIL OPERATOR
436 NORTH MAIN STREET
Gladewater, Texas 75647

July 1, 1981

REGISTERED
JUL 03 1981
DIVISION OF
OIL, GAS & MINING

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1588 West North Temple
Salt Lake City, Utah 84116

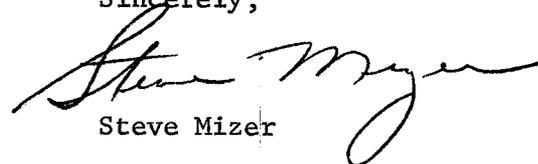
Re: Well No. Federal 1-17
Section 17, T14S, R6E
Sanpete County, Utah

Gentlemen:

Please find enclosed, herewith, the following forms:

- 1) Form OGC-1b Sundry Notices and Reports on Wells - Monthly Drilling Report (3 copies); and
- 2) Form OGC-1b Sundry Notices and Reports on Wells - Pull or Alter Casing (3 copies).

Sincerely,



Steve Mizer

SM:d1

Enc.

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

SUBMIT IN TRIPLICATE*
(Other instructions on reverse)

RECEIVED
JUL 0 81

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.)		DESIGNATION AND SERIAL NO. U-10842
1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Jack L. Phillips		7. UNIT AGREEMENT NAME Skyline Drive Unit
3. ADDRESS OF OPERATOR 434 N. Main P. O. Drawer 392, Gladewater, TX 75647		8. FARM OR LEASE NAME Federal
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface NW. SE. Section 17, T14S, R6E, S.L.M. 2490' FEL & 2205' FSL		9. WELL NO. -1-17
14. PERMIT NO.		10. FIELD AND POOL, OR WILDCAT Wildcat
15. ELEVATIONS (Show whether DF, RT, OR, etc.) 9182' Ground		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA NW. SE. Sec 17-14S-6E. S.L.M.
		12. COUNTY OR PARISH Sanpete
		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>Monthly Drilling Report</u> <input checked="" type="checkbox"/>	
(Other) <input type="checkbox"/>		(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

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

Summary of June Drilling Operations:

- 6/12/81 U.S.G.S. Permit issued
- 6/14/81 Dry bored with boring machine 24" hole to 40'
Set 40' of 20" conductor pipe and cemented to surface
Shut down to finish location work.
- 6-21/7-1 Spudded under conductor with 17 1/2" bit. Drilled to 539' with mud and ran 14 jts. 13 3/8 54.5# K55 Casing set at 539' and cemented to surface with 375 sks of cement. Bumped plug at 8:15 a.m. 6/25/81. Nippled up preventers and tested pipe & rams. Spudded under 13 3/8 6/28/81. Presently drilling at 1026' on 7/1/81.

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

SIGNED Jack L. Phillips TITLE Owner/Operator DATE 7/1/81

(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

RECEIVED
AUG 07 1981
DIVISION OF OIL, GAS & MINING

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
Jack L. Phillips

3. ADDRESS OF OPERATOR
434 N. Main, P. O. Drawer 392, Gladewater, TX 75647

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.)
At surface
NW. SE. Section 17, T14S, R6E, S.L.M.
2490' FEL & 2205' FSL

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, GR, etc.)
9182' Ground

5. LEASE DESIGNATION AND SERIAL NO.
U-10842

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
Skyline Drive Unit

8. FARM OR LEASE NAME
Federal

9. WELL NO.
1-17

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
NW. SE. Sec17 T14S
R6E S.L.M.

12. COUNTY OR PARISH
Sanpete

18. STATE
Utah

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

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

At 548' drilled a low pressure water zone. Could jet 70 bbls/hr water to surface with air. Static level of water below surface i.e. would not flow.

Summary of July Drilling Operations

During the month of July drilled 3565' to a TD of 4591. Encountered LC Zones: 1301-18 & 1444-51. Controlled LC by varying air/mud ratio. At 1841' drilled a low pressure water zone. Could jet 70 bbl/hr water to surface with air. Static level of water below surface i.e. would not flow. Dropped TOTCO in hole; fished and milled TOTCO.

7-20 obtained verbal approval to run 3920' of 9 5/8 36# K-Long intermediate string, and to cement same with 500 sacks of cement. Ran and cemented same according to verbal approval. Subsequently written approval was applied for and obtained. Tested casing, BOPs, hydril & manifold. Tagged cement & drilled plug. Washed & conditioned hole & continued drilling.

Encountered LC Zones: 4305-47, 4475-93, 4500-15 & 4620-23. Spotted heavy LCM plug on bottom, added LCM material to mud & continued to drill. Appears LC Zones have healed themselves. Currently drilling at 4591.

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

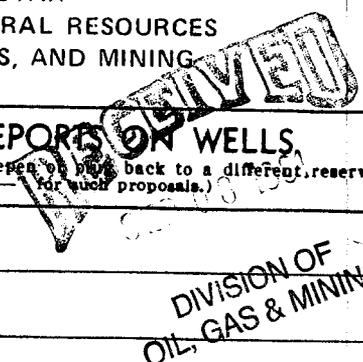
SIGNED Stephen Meyer TITLE Agent for Operator DATE 8/4/81

(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



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. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER		5. LEASE DESIGNATION AND SERIAL NO. U-10842
2. NAME OF OPERATOR Jack L. Phillips		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR 434 N. Main, P. O. Drawer 392, Gladewater, TX 75647		7. UNIT AGREEMENT NAME Skyline Drive Unit
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface NW. SE. Section 17, T14S, R6E, S.L.M. 2490' FEL & 2205' FSL		8. FARM OR LEASE NAME Federal
14. PERMIT NO.	15. ELEVATIONS (Show whether DF, RT, OR, etc.) 9182' Ground	9. WELL NO. 1-17
16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data		10. FIELD AND POOL, OR WILDCAT Wildcat
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.)*		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA NW. SE Sec. 17 T14S R6E S.L.M.
		12. COUNTY OR PARISH Sanpete
		18. STATE Utah

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

- TEST WATER SHUT-OFF
- FRACTURE TREAT
- SHOOT OR ACIDIZE
- REPAIR WELL
- (Other)

- PULL OR ALTER CASING
- MULTIPLE COMPLETE
- ABANDON*
- CHANGE PLANS

- WATER SHUT-OFF
- FRACTURE TREATMENT
- SHOOTING OR ACIDIZING
- (Other)

- REPAIRING WELL
- ALTERING CASING
- ABANDONMENT*

Monthly Drilling Report

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

SUMMARY OF AUGUST DRILLING OPERATIONS

During the month of August drilled 3028' to T.D. of 7619'. Encountered various small lost circulation zones. Lost circulation was controlled by adding lost circulation material to the mud. Encountered drilling breaks: 6942-46'; 7018-26'; 7029-35' and 7196-7220'. Attempted to run three DST with the following results:

- 1) 6942-46' - ran in hole to 6910' and could not reach bottom due to hole fillup and test was abandoned;
- 2) 7013-7118' - charts indicated tool plugged but did recover 1090' of mud; and
- 3) 6995-7125' - could not get packer to hold and test was abandoned.

Shut down two days, August 29 & 30 for rig repairs. Currently drilling @ 7619'.

Samples above 5000' were sent to American Stratographic Company. A copy of their report will be mailed to the USGS when it is available.

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

SIGNED Steve Meyer TITLE Agent DATE 9/3/81

(This space for Federal or State office use)

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

STATE OF UTAH

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

OIL & GAS CONSERVATION COMMISSION

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

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 Dry Hole

2. NAME OF OPERATOR
Jack L. Phillips

3. ADDRESS OF OPERATOR
Drawer 392, Gladewater, TX 75647

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface NW. SE. Sec. 17-T14S-R6E
At top prod. interval reported below 2490' FEL & 2205' FSL
At total depth _____

14. PERMIT NO. 43-039-30011 DATE ISSUED 8/4/80

5. LEASE DESIGNATION AND SERIAL NO.
U-10842

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
Skyline Drive Unit

8. FARM OR LEASE NAME
Federal

9. WELL NO.
1-17

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. SEC. T., R., M., OR BLOCK AND SURVEY OR AREA
NW. SE. 17-14S-6E

S.L.M.
12. COUNTY OR PARISH Sanpete 13. STATE Utah

15. DATE SPUDDED 6/21/81 16. DATE T.D. REACHED 9/8/81 17. DATE COMPL. (Ready to prod.) Plugged 9/9-10/81 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 9194 DF 19. ELEV. CASINGHEAD 9182

20. TOTAL DEPTH, MD & TVD 7950 MD 21. PLUG. BACK T.D., MD & TVD _____ 22. IF MULTIPLE COMPL. HOW MANY* _____ 23. INTERVALS DRILLED BY _____ ROTARY TOOLS X CABLE TOOLS _____

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
Dry Hole 25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN
Dual Induction & Compensated Neutron Formation Density 27. WAS WELL CORED No

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
20		40'	24	Cemented to Surface	None
13 3/8	54#	539'	17 1/2	To Surface with 375 Sks	None
9 5/8	36#	3920'	12 1/4	500 Sks	None

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)
	None			

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
	None	

31. PERFORATION RECORD (Interval, size and number)

9 5/8 W/8 shots @ 1700'
9 5/8 W/8 Shots @ 450'

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
<u>1700</u>	<u>Squeezed out 120 Sks Cement</u>
<u>450</u>	<u>Squeezed out 150 Sks Cement</u>

33.* PRODUCTION

DATE FIRST PRODUCTION _____ PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) _____ WELL STATUS (Producing or shut-in) P+A

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) _____ TEST WITNESSED BY _____

35. LIST OF ATTACHMENTS

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

SIGNED Stephen Meyer TITLE Agent DATE 9/22/81

*(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.

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, CURSION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Upper Mancos Sh	5155	6847	Shale
Ferren	6847	7380	Sands & Shale - Low Perm - Slight gas show
Lower Mancos Sh	7380	7757	Shale
Dakota	7757	T.D.	Sands & Shale - Low Perm - Slight gas show with salt water.
			DST #2 - 6920-6970' - Tool opened 17 min with 2 oz surface pressure - tool closed 1 hr - Tool opened 50 min with 12# top surface pressure - Tool shot in 2 hrs IHH = 3495, IF = 149, FF = 310, ISI = 464, IF = 185, FF = 193, FHH = 3429. Reversed out.
			DST #1 - 7950-7760 - Tool opened 16 min with 2 oz surface pressure - Tool closed 47 min - Tool opened 1 hr with 11 oz top pressure - Closed 45 min. IHH = 3589, IF = 315, FF = 339, ISI = 1859, IF = 267, FF = 503, FSI = 1851, FHH = 3564. Recovered 434 gas cut water & 341 water cut mud.

38. GEOLOGIC MARKERS

NAME	MEAS. DEPTH	TOP	TRUB VERT. DEPTH

MM *PKA*

Jack L. Phillips

PETROLEUM GEOLOGIST-OIL OPERATOR

436 NORTH MAIN STREET

Gladewater, Texas 75647

September 23, 1981

POST OFFICE
DRAWER 392

OFFICE PHONE 845-2144
RESIDENCE PHONE 845-2309

State of Utah
Department of Natural Resources
Division of Oil, Gas & Mining
1588 West North Temple
Salt Lake City, Utah 84116

RECEIVED
SEP 28 1981

DIVISION OF
OIL, GAS & MINING

Re: Jack L. Phillips
Skyline Drive Unit #1-17
Sanpete County, Utah

Gentlemen:

Please find enclosed, herewith, the following:

- 1) Form OGC-1b, Sundry Notices and Reports on Wells (3 copies);
- 2) Form OGCC-3, Well Completion and Recompletion Report and Log (2 copies), and
- 3) Form OGC-8-X, Report of Water Encountered While Drilling (3 copies).

Sincerely,

Stephen Mizer
Stephen Mizer

SM:d1

Enc.

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

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. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER Wildcat (Dry Hole)		5. LEASE DESIGNATION AND SERIAL NO. U-10842																				
2. NAME OF OPERATOR Jack L. Phillips		6. IF INDIAN, ALLOTTEE OR TRIBE NAME																				
3. ADDRESS OF OPERATOR Drawer 392, Gladewater, TX 75647		7. UNIT AGREEMENT NAME Skyline Drive Unit																				
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface NW. SE. Sec. 17-T14S-R6E 2490' FEL & 2205' FSL		8. FARM OR LEASE NAME Federal																				
14. PERMIT NO.	15. ELEVATIONS (Show whether DF, RT, GR, etc.) 9182 GR	9. WELL NO. 1-17																				
16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data		10. FIELD AND POOL, OR WILDCAT Wildcat																				
<table border="0"> <tr> <td colspan="2">NOTICE OF INTENTION TO:</td> <td colspan="2">SUBSEQUENT REPORT OF:</td> </tr> <tr> <td>TEST WATER SHUT-OFF <input type="checkbox"/></td> <td>PULL OR ALTER CASING <input type="checkbox"/></td> <td>WATER SHUT-OFF <input type="checkbox"/></td> <td>REPAIRING WELL <input type="checkbox"/></td> </tr> <tr> <td>FRACTURE TREAT <input type="checkbox"/></td> <td>MULTIPLE COMPLETE <input type="checkbox"/></td> <td>FRACTURE TREATMENT <input type="checkbox"/></td> <td>ALTERING CASING <input type="checkbox"/></td> </tr> <tr> <td>SHOOT OR ACIDIZE <input type="checkbox"/></td> <td>ABANDON* <input type="checkbox"/></td> <td>SHOOTING OR ACIDIZING <input type="checkbox"/></td> <td>ABANDONMENT* <input checked="" type="checkbox"/></td> </tr> <tr> <td>REPAIR WELL <input type="checkbox"/></td> <td>CHANGE PLANS <input type="checkbox"/></td> <td>(Other) _____</td> <td></td> </tr> </table>		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 checked="" type="checkbox"/>	REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) _____		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA NW, SE, 17-14S-16E S.L.M.
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 checked="" type="checkbox"/>																			
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) _____																				
		12. COUNTY OR PARISH Sanpete																				
		13. STATE Utah																				

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.)*

STATEMENT 1

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

SIGNED *Stephen Meyer* TITLE Agent DATE 9/22/81

(This space for Federal or State of use)

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

JACK L. PHILLIPS
SKYLINE DRIVE UNIT 1-17
ATTACHMENT TO FORM OGC-1b

STATEMENT I

PROPOSED OR COMPLETED OPERATIONS

The above well was completed as a dry hole 9/8/81. Verbal approval was obtained 9/8/81 from the USGS to plug the well as follows:

- a) Fill the hole with mud, and
- b) Set the following plugs:

<u>PLUG NO.</u>	<u>DEPTH</u>	<u>CEMENT (SACKS)</u>
1	7700-7500	80
2	6800-6600	80
3	5200-5000	80
4	4050-3850	80
5	Perforated with 8 shots at 1700' and placed drill pipe at 1750'. Squeezed out 120 sacks and left 80 sacks in the pipe.	
6	Perforated with 8 shots at 450' and placed drill pipe at 500'. Squeezed out 150 sacks and left 25 sacks in pipe.	
7	Placed 10 sacks at top of 9 5/8" between 13 3/8" and 9 5/8".	

The well was plugged 9/9-10/81 as specified above.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1588 West North Temple
Salt Lake City, Utah 84116

OCT 20 1981

REPORT OF WATER ENCOUNTERED DURING DRILLING DIVISION OF
OIL, GAS & MINING

Well Name & Number Skyline Drive Unit No. 1-17

Operator Jack L. Phillips Address Drawer 392, Gladewater, TX 75647

Contractor CRC Colorado Well Service Address P. O. Box 1006, Rangley, CO 81648

Location NW- 1/4 SE 1/4 Sec. 17 T. 14S R. 6E County Sanpete

Water Sands

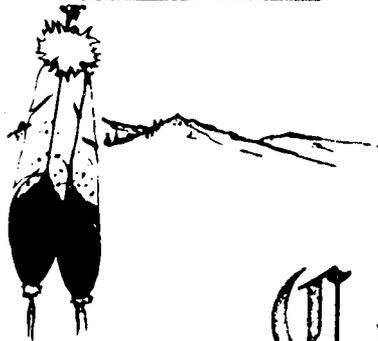
	<u>Depth</u>		<u>Volume</u>	<u>Quality</u>
	<u>From</u>	<u>To</u>	<u>Flow Rate or Head</u>	<u>Fresh or Salty</u>
1.	548'		Stands about 250' below surface	Fresh
2.	1841'		Stands about 250' below surface	Fresh
3.	NOTE: Neither zone would flow, but could jet approximately 70 bbls/hr.			
4.	Water to surface with air from each zone.			
5.				

(Continue of reverse side if necessary)

Formation Tops Ferren 6847 Dakota 7757

Remarks

- NOTE: (a) Report on this form as provided for in Rule C-20, General Rules and Regulations and Rules of Practice and Procedure.
- (b) If a water analysis has been made of the above reported zone, please forward a copy along with this form. (Analysis Attached)



UTE RESEARCH LABORATORY

P. O. Box 266

Fort Duchesne, Utah 84026

(801) 722-2254

Certificate of Analysis

Sample # 810755

Location San Pete Co. Well

Date 8-5-81

UTAH STATE HEALTH DEPARTMENT COMPLETE CHEMICAL ANALYSIS

<u>CONTAMINANT</u>	<u>VALUE(mg/l(ppm))</u>	<u>CONTAMINANT</u>	<u>VALUE(mg/l(ppm))</u>
Alkalinity (total)...	<u>335.5</u>	Lead.....	<u>0.016</u>
Ammonia (as N).....	<u>0.91</u>	Magnesium.....	<u>0.0</u>
Arsenic.....	<u>0.01</u>	Manganese.....	<u>.016</u>
Barium.....	<u>0.0</u>	Mercury.....	<u>0.0000</u>
Bicarbonate.....	<u>218.9</u>	Nickel.....	<u>.012</u>
Boron.....	<u>0.000</u>	Nitrate (Nitrogen).....	<u>0.54</u>
Cadmium.....	<u>7.</u>	Nitrite.....	<u>0.09</u>
Calcium.....	<u>0</u>	pH.....	<u>10.34</u>
Carbonate.....	<u>5.5</u>	Phosphate.....	<u>.000</u>
Chloride.....	<u>530.0</u>	Potassium.....	<u>5.46</u>
Conductivity.....	<u>.118</u>	Silica.....	<u>13.1</u>
Chromium (total).....	<u>.002</u>	Silver.....	<u>0.002</u>
Copper.....	<u>.308</u>	Sodium.....	<u>66.</u>
Fluoride.....	<u>17.47</u>	Sulfate.....	<u>82.</u>
Hardness (total).....	<u>0</u>	Selenium.....	<u>0.002</u>
Hydroxide.....	<u>0.00</u>	Total Dissolved Solids.....	<u>230</u>
Iron (total).....		Zinc.....	<u>0.007</u>
Iron in filters.....		Turbidity.....	<u>495 NTU</u>

Remarks:

Phillips

Jack L. Phillips

PETROLEUM GEOLOGIST-OIL OPERATOR

436 NORTH MAIN STREET

Gladewater, Texas 75647

POST OFFICE
DRAWER 392

OFFICE PHONE 845-2144
RESIDENCE PHONE 845-2309

September 3, 1981

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1588 West North Temple
Salt Lake City, Utah 84116

Re: Well No. Federal 1-17
Section 17, T14S, R6E
Sanpete County, Utah

RECEIVED
SEP 10 1981

DIVISION OF
OIL, GAS & MINING

Gentlemen:

Please find enclosed, herewith, the following forms:

- 1) Form OGC-1b Sundry Notices and Reports on Wells - Monthly Drilling Report (3 copies).

Sincerely,

Steve Mizer
Steve Mizer

SM:d1

Enc.

POST OFFICE
DRAWER 392

Jack L. Phillips
PETROLEUM GEOLOGIST-OIL OPERATOR
436 NORTH MAIN STREET
Gladewater, Texas 75647

October 1, 1981

OFFICE PHONE 845-2144
RESIDENCE PHONE 845-2309

RECEIVED

DIVISION OF
OIL, GAS & MINING

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1588 West North Temple
Salt Lake City, Utah 84116

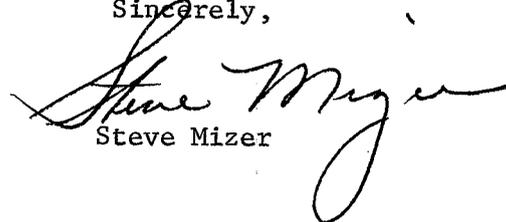
Re: Well No. Federal 1-17
Section 17, T14S, R6E
Sanpete County, Utah

Gentlemen:

Please find enclosed, herewith, the following forms:

- 1) Form OGC-1b Sundry Notices and Reports on Wells - Monthly Drilling Report (3 copies).

Sincerely,


Steve Mizer

SM:d1

Enc.

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input checked="" type="checkbox"/> <u>Wildcat (Dry Hole)</u>		5. LEASE DESIGNATION AND SERIAL NO. U-10842
2. NAME OF OPERATOR Drawer 392		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR Gladewater, TX 75647		7. UNIT AGREEMENT NAME Skyline Drive Unit
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface NW. SE. Section 17, T14S, R6E S.L.M. 2490' FEL & 2205' FSL		8. FARM OR LEASE NAME Federal
14. PERMIT NO.		9. WELL NO. 1-17
15. ELEVATIONS (Show whether DF, H, or SA) 9182 Ground		10. FIELD AND POOL, OR WILDCAT Wildcat
DIVISION OF OIL, GAS & MINING		11. SEC., T., R., M., OR B.L.K. AND SURVEY OR AREA NW. SE. Sec. 17-T14S R6E S.L.M.
12. COUNTY OR PARISH Sanpete		13. STATE Utah

RECEIVED

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>Monthly Drilling Report</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.)*

SUMMARY OF SEPTEMBER DRILLING OPERATIONS

During the month of September drilled 331' to T.D. of 7950'. Circulated and conditioned hole in preparation to log and run drill stem test. Well resulted in a dry hole. Received verbal approval 9/8/81 to plug and abandon well from USGS. The well was plugged and abandoned in accordance with the verbal approval 9/9-10/81. Rigged down and moved off location.

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

SIGNED Stephen Meyer TITLE Agent DATE 10/1/81

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:



STATE OF UTAH
NATURAL RESOURCES & ENERGY
Oil, Gas & Mining

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

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Cleon B. Feight, Division Director

January 18, 1982

Jack L. Phillips
Drawer 392
Gladewater, Texas 75647

Re: Well No. Federal #1-17
Sec. 17, T. 14S, R. 6E
Sanpete County, Utah

Gentlemen:

According to our records, a "Well Completion Report" filed with this office September 22, 1981, from above referred to well, indicates the following electric logs were run: Dual Induction & Compensated Nuetron Formation Density. As of todays date, this office has not received these logs.

Rule C-5, General Rules and Regulations and Rules of Practice and Procedure, requires that a well log shall be filed with the Commission together with a copy of the elctric and radioactivity logs.

Your prompt attention to the above will be greatly appreciated.

Sincerely,

DIVISION OF OIL, GAS AND MINING

A handwritten signature in cursive script that reads "Cari Furse".

Cari Furse
Clerk Typist

Jack L. Phillips

PETROLEUM GEOLOGIST-OIL OPERATOR

436 NORTH MAIN STREET

Gladewater, Texas 75647

POST OFFICE
DRAWER 392

OFFICE PHONE 845-2144
RESIDENCE PHONE 845-2309

January 20, 1982

State of Utah
Natural Resources & Energy
Oil, Gas & Mining
4241 State Office Bldg.
Salt Lake City, Utah 84114

Attn: Cari Furse
Clerk Typist

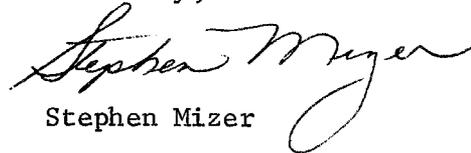
Re: Well No. Federal #1-17
Sec. 17, T14S, R6E
Sanpete County, Utah

Dear Ms. Furse:

Please find enclosed, herewith, one copy each of the following logs which were run on the above well:

- 1) Dual Induction; and
- 2) Compensated Neutron.

Sincerely,



Stephen Mizer

SM:d1

Enc.