

UTAH OIL AND GAS CONSERVATION COMMISSION

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

* Location Abandoned - Well never drilled - Feb 5, 1982

DATE FILED 8-1-80

LAND: FEE & PATENTED

STATE LEASE NO.

PUBLIC LEASE NO. U-17079

INDIAN

DRILLING APPROVED:

8-14-80

SPUDED IN:

COMPLETED:

PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED:

LA Feb 5, 1982

FIELD:

WILDCAT 3/86

UNIT:

COUNTY:

SEVIER

WELL NO.

FEDERAL #1-22

API NO. 43-041-30022

LOCATION

600'

FT. FROM (N) (S) LINE.

xx

1800'

FT. FROM (E) (W) LINE.

xx

SE SW

1/4 - 1/4 SEC. 22

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
21S	4E	22	MEGADON ENERGY CORP.				

FILE NOTATIONS

Entered in NID File ✓
Entered On S R Sheet
Location Map Pinned
Card Indexed ✓
IWR for State or Fee Land

Checked by Chief
Copy NID to Field Office
Approval Letter
Disapproval Letter

COMPLETION DATA:

Date Well Completed
OW WW TA
GW OS PA

Location Inspected
Bond released
State of Fee Land

LOGS FILED

Driller's Log
Electric Logs (No.)
E I E-I GR GR-N Micro
Let Mi-L Sonic Others

2-1082
Jep

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.
U-17079

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
FEDERAL

9. WELL NO.
#1-22

10. FIELD AND POOL, OR WILDCAT
WILDCAT

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
SE. SW. SEC. 22-21S-4E. S.L.M.

12. COUNTY OR PARISH
SEVIER

13. STATE
UTAH

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
MEGADON ENERGY CORPORATION

3. ADDRESS OF OPERATOR
SUITE 440, 57 W. SO. TEMPLE, SALT LAKE CITY, UTAH

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface SE. SW. SECTION 22, T 21S, R 4E, S.L.M.
At proposed prod. zone 1800' fr. W-line and 600' fr. S-line

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approx. 22 miles east of Salina, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
600'

16. NO. OF ACRES IN LEASE
1920

17. NO. OF ACRES ASSIGNED TO THIS WELL
320 Acres

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
None within 2 miles

19. PROPOSED DEPTH
16,000'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
Grd: 8275' K.B.: 8295'

22. APPROX. DATE WORK WILL START*
Sept. 1, 1980

23. 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'	150 sks circ. To Surface
9 1/2"	7 5/8"	26.40#-39#	8000'-10,500'	300 sks -1200 sks

It is planned to drill a well at the above location to test the hydrocarbon production possibilities of the Ferron, Sinbad, Kaibab, Toroweap, and Mississippian (Humberg-Deseret-Madison) formations. The well will be drilled with rotary tools using mud and air for circulation. After about 300' of 10 3/4" casing are set, the hole below the surface casing may be drilled with air as deep as possible, but not below 6500', before converting to mud. An intermediate string of casing (7 5/8") may be set thru the Ferron member. 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 drilling with air. 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 (or a full string of 4 1/2" casing, if an intermediate string has not been run) will be set and cemented.

A prognosis for the well is attached.

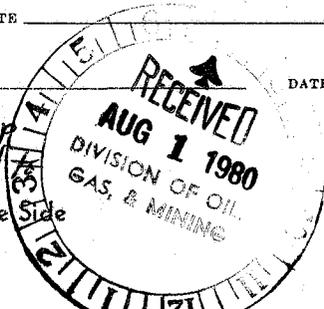
24. SIGNED H. Don Quigley TITLE PRESIDENT DATE July 21, 1980

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

APPROVED BY THE DIVISION OF OIL, GAS, AND MINING
DATE 8-7-80
BY M. J. Minder
Conditioned on BOP Equipment increased to 5000# WP
*See Instructions On Reverse Side



5000# WP

LOCATION PLAT FOR
MEGADON ENERGY CORPORATION
BLOCK MOUNTAIN UNIT

#1-22 WELL

SE.SW.SEC.22-21S-4E

SEVIER COUNTY, UTAH

(1800' fr. W-line & 600' fr. S-line)

Elev.: 8275' grd.

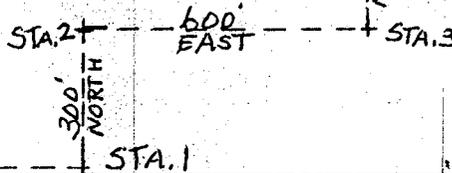
1/4 cor.

1/4 cor.

SW 1/4 SECTION 22

⊕ Location

Survey Line



21

22

1200'

STA. 1

1/4 cor.

28

27

EAST

Ref. Pts: 150' N-S-E-W

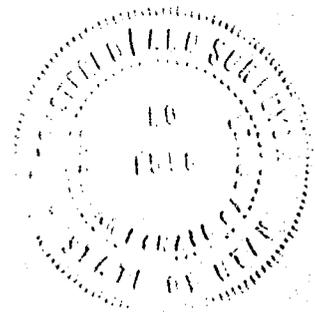
Scale: 1" = 400'

Date: July 16, 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 July 4, 1980.

Sherman D. Gardner

Registered Land Surveyor
State of Utah #1556



PROGNOSIS FOR
MEGADON ENERGY CORPORATION
BLOCK MT. UNIT #1-22 WELL
SEVIER COUNTY, UTAH

LOCATION: SE. SW. Sec. 22, T 21S, R 4E, S.L.M., Sevier County,
Utah (1800' fr. W-line and 600' fr. S-line)

ELEVATIONS: 8275' Grd; 8295' 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	50'	8295' K.B.
Price River	50'	500'	8245'
Mesaverde	550'	3650'	7545'
Mancos	4200'	2000'	4095'
Ferron	6200'*	650'	2095'
Tununk	6850'	700'	1445'
Dakota	7550'*	250'	745'
Cedar Mt.	7800'	250'	495'
Morrison	8050'	500'	245'
Summerville	8550'	900'	-255'
Curtis	9450'	200'	-1155'
Entrada	9650'	500'	-1355'
Carmel	10,150'	1500'	-1855'
Navajo	11,650'*	600'	-3355'
Kayenta	12,250'	250'	-3955'
Wingate	12,500'	350'	-4205'
Chinle	12,850'	200'	-4555'
Shinarump	13,050'	170'	-4755'
Moenkopi	13,220'	600'	-4925'
Sinbad	13,820'*	300'	-5525'
Kaibab	14,120'*	250'	-5825'

Toroweap	14,370'	300'	-6075'
Cedar Mesa	14,670'*	150'	-6375'
Elephant Canyon	14,820'	550'	-6525'
Humbug (Miss.)	15,370'*	300'	-7075'
Deseret	15,670'*	100'	-7375'
Madison	15,770'*	—	-7475'
TOTAL DEPTH	16,000'		

*Formations with potential hydrocarbon reservoirs

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 9½" hole below the surface casing, using air for circulation. The 9½" hole will be drilled to a depth of about 8000-10,500' and an intermediate string of casing may be set at this depth if the hole is causing problems. The casing will be 7 5/8", 26.40#-39.00#, N-80, set and cemented with 300 to 1000 sks of cement with centralizers, DV tools, etc.
3. After installing a rotating head on the B.O.P's on the surface casing, the hole (9½") will be drilled with air and air-mist as deep as possible below the surface casing. It is assumed that conversion to mud will have to be made somewhere in the Mesaverde formation. The hole will be kept as straight as possible and a bottom hole reamer and a stabilizer (one collar up) may have to be used in the drill string to prevent drifting and excess deviation. Deviation is to be kept below 6° and should not vary between two surveys more than 2°. Surveys are to be taken at 400' intervals except thru the massive sands (Entrada, Navajo, and Wingate) where hydrostatic sticking may occur.
4. 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.

5. Samples of the cuttings will begin at 2500 ft. and will be taken at 20' intervals while drilling with air or air-mist, and at 10' intervals while drilling with mud.
6. If and when the intermediate casing is set, (and ^{it} is hoped that this casing will not have to be set until the salt section of the Carmel formation has been penetrated to improve the stability of the hole) the rest of the hole can be drilled with heavier mud. A 6½" hole (button bits) will be drilled below the intermediate casing. The mud with fresh water gel will be kept at a wt. of 8.5 to 10#/gal. and will have a viscosity of about 35 c.p.s. and a water loss below 20 cc. if possible. This should control all pressures down to the Sinbad section. Below that, the mud may have to be increased somewhat. As noted above, DST's will be taken on all good hydrocarbon shows if the condition of the hole permits.
7. The well will be drilled to a depth which is well below the potential porosity zones in the Mississippian formations which is expected to be about 15,500'. In the event good production is obtained at lesser depths (Ferron, Dakota, Navajo, Sinbad, or Kaibab formations) the hole may be discontinued at that point.
8. If production is obtained, 4½", 11.60# or 13.50#, N-80 casing will be set with the top at least 100' above the bottom of the 7 5/8" casing. This liner will be cemented and tied to the 7 5/8" casing with a casing hanger.
9. The production zone can then be perforated, 2 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.

H. Don Gingley

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

For

Well Name: BLOCK MOUNTAIN UNIT #1-22 WELLLocation: SE. SW. SEC. 22-21S-4E, S.L.M., SEVIER COUNTY, UTAH1. Existing Roads: (See attached Maps)

A. Well Location: (See Plat #1)

Reference Stakes: 150' N-S-E-WPerimeter 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 22 miles East of Salina, Utah. From Salina go East on I-70 for approx. 20 mi., then NE. on the black top Convulsion Canyon rd. for about 6 mi. to Acord Lakes, then North over gravel (pg. 7)

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

The location is adjacent to the trail up Skumpah Creek; Hwy I-70 from Salina and the black top road up Convulsion Canyon to Acord Lakes, and then a gravel and dirt road past Lizonbee Springs will be used to gain access to the well site.

D. Roads Within 3 mile Radius: (See att. maps) All roads within a 3-mile radius of the well site are narrow, unimproved, ungraded, and usually rough and often have steep grades.

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.

Same as above.

F. Plans for Road Improvement & Maintenance: The road from Acord Lakes past Lizonbee Springs to the well site will have to be improved. It will be graded, crowned, and ditched on both sides, widened to 22'

F. (maximum disturbed width) and gravelled in the low places where needed to allow passage during wet weather, and altered somewhat over the ridge north of Lizonbee Springs to provide for lesser grades and stay out of the trees.

2. Planned Access Roads: (See att. maps) No new access road will be required. The present road will be improved.

(1) Width: 22' (Maximum disturbed width)

(2) Maximum Grades: 6%

(3) Turnouts: None

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

(5) Location and Size of Culverts, Cuts, and Fills: No new culverts will be required, but there will be some cuts along the banks on the side of the road over the high ridge to widen the road and a switchback to reduce the grade.

(6) Surfacing Material: The base of the road will be natural fill; but some gravel in the low spots may be used.

(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:

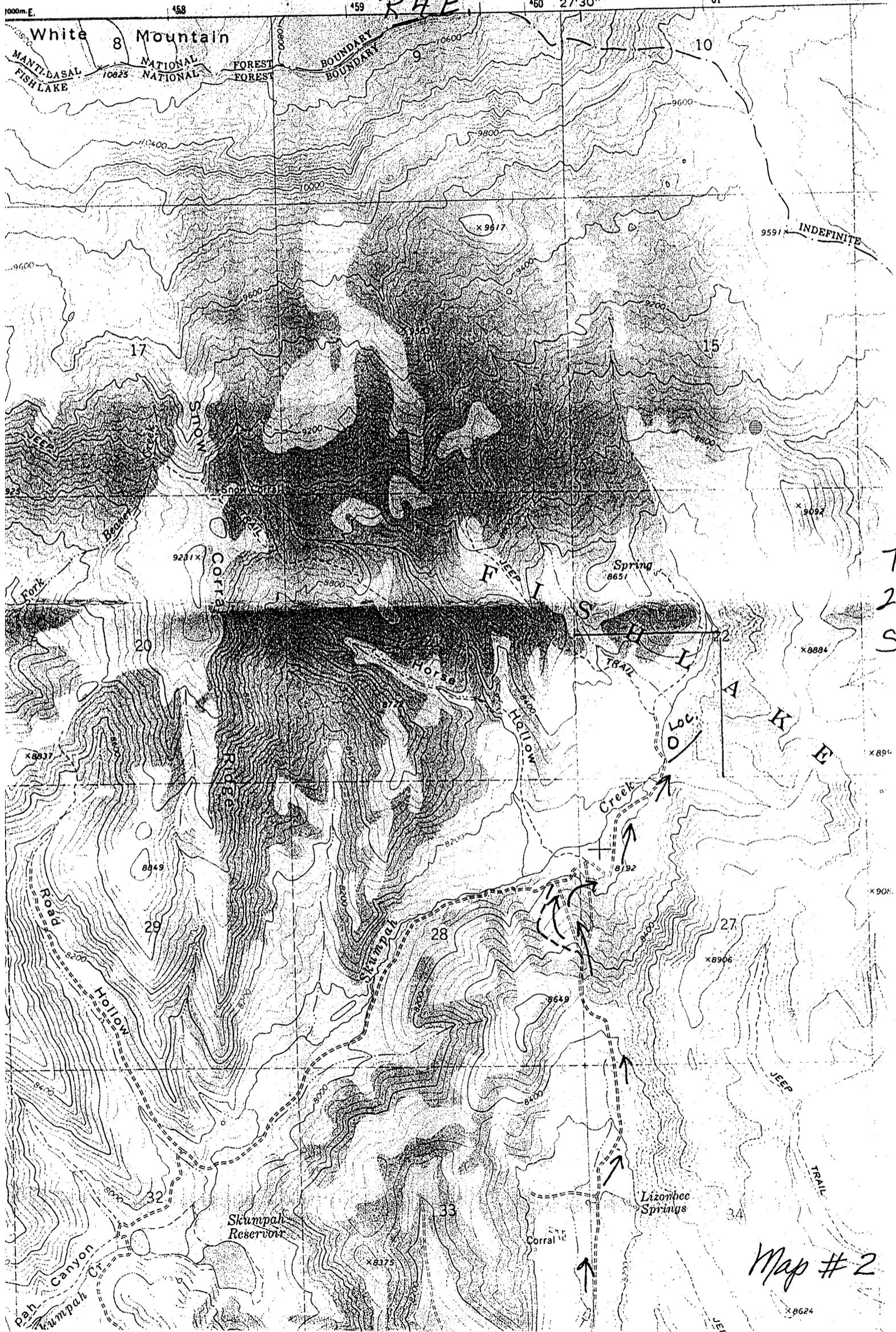
A. Within 1-mile radius of location show the following existing facilities owned or controlled by lessee/operator:

(1): Tank Batteries: (Size) None

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GEOLOGICAL SURVEY



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(HELIOT)



(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. Tank batteries will be placed on gravel pads and surrounded by a 3' high dike which is 15' from sides of tanks. Heater-treaters and pump jacks will be placed on concrete blocks or raised dirt and gravel pads. All pipelines on the pad will be buried. Unused portions of the pad will be graded and seeded. Any fluid pit will be diked and neatly contoured.

(4) Protective measures for livestock and wildlife: All pits with 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 cleared, 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 oper-
ations 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 (Skumpah Creek) bounds the location on
the west side. 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 proper authorities.

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 of the well pad and road. Some gravel may have
to be used in low places in the road.

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

C. Describe Material: (Where from and how used) Some gravel from the
nearest source which is unknown at present.

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 Salina 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 sloping hillside which slopes to the west at approx. 6°, ~~south~~. A cut of about 20' on the upper side (east) 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 north and south ends of the site. The reserve pit will be on the west 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 N-S with pipe racks on north end and access road on the south end.

(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. 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

B. (1) rig is moved. The reserve pit, if it contains fluid, will be fenced on the 4th side and the fluid allowed to evaporate prior to folding-in. The site will be then sloped and contoured as (pg. 7)
(2) Seeding location and access road: Seeding of location will be accomplished by contouring to 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 slope, beside a running stream and in a clearing which is free of trees. Heavy sage brush and serviceberry bushes are present on the surface. A mountain road or trail used by cattlemen, campers, and hunters bounds the location on the south.

(2) Other Surface Activities & Ownership: The site is on U.S. Forest Service lands and near Skumpah Creek and Reservoir. Cattlemen graze cattle in the area. There are no coal mines, oil or gas wells, or dry holes nearby. Camping and hunting are common during the proper seasons.

(3) Describe other dwellings, archaeological, historical, or cultural sites: Some line camps (trailers) used by the cattlemen are in the area. An old log corral is located west of the site. 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)

Don Quigley, Suite 440, 57 W. So. Temple, Salt Lake City, Utah 84101
801-359-3575

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 MEGADON ENERGY CORPORATION and its contractors in conformity with this plan and terms and conditions under which it is approved.

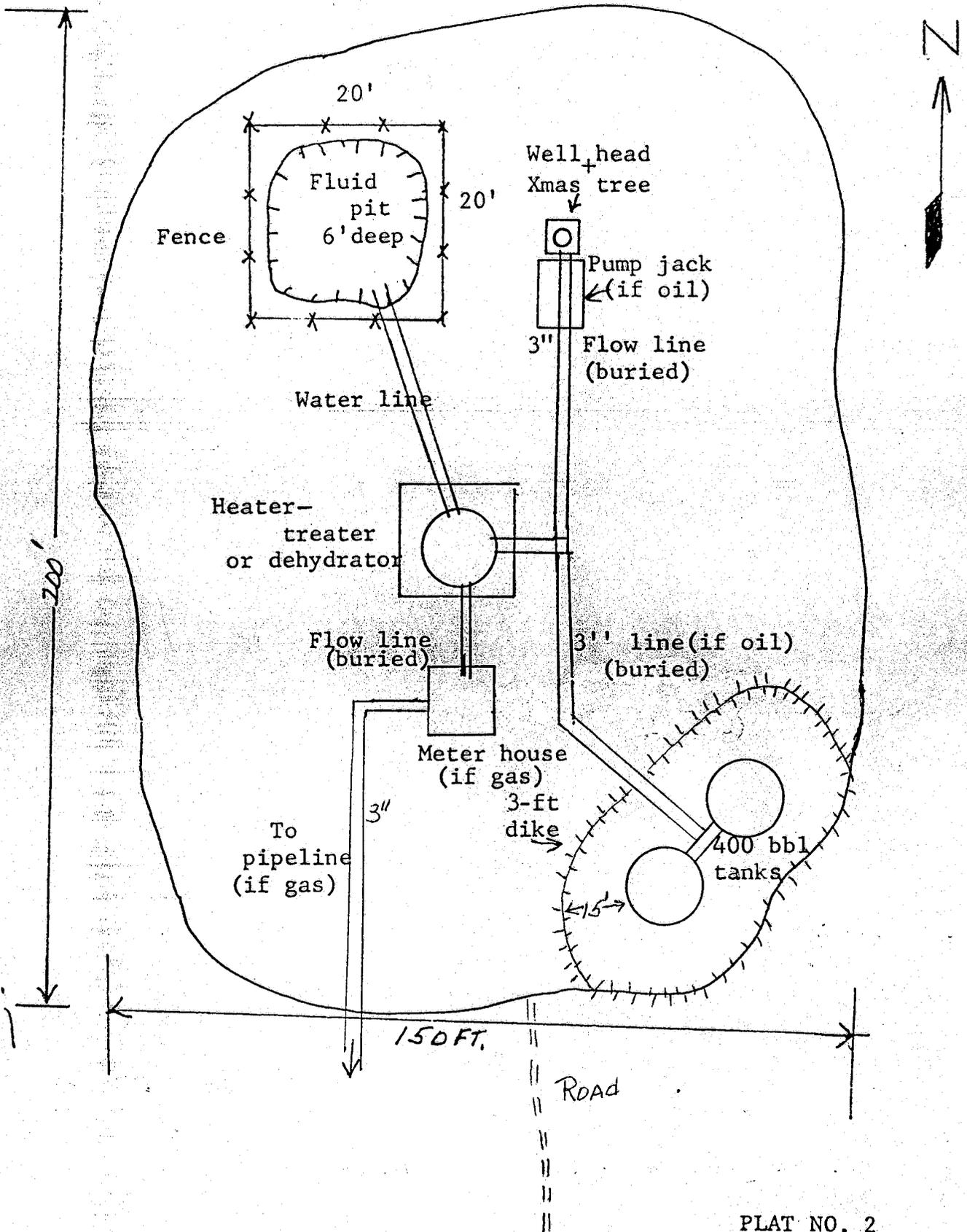
Date: July 25, 1980

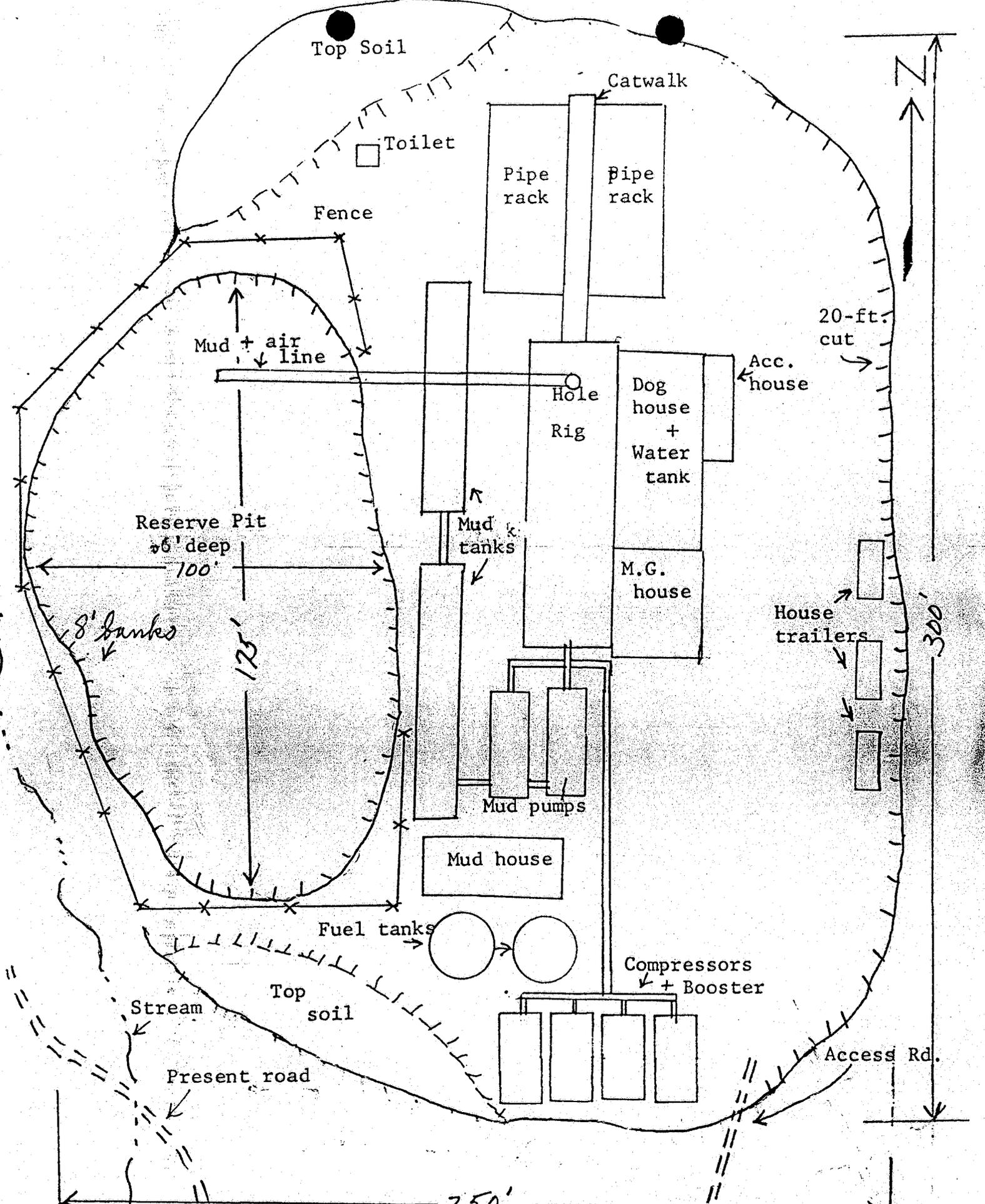
Name: *H. Don Gungley*

Title: PRESIDENT

1. (B): and dirt roads for about 4 miles to location.
9. (2): of barbed wire prior to commencement of drilling operations. Two or three house trailers will be provided for supervisory personnel.
10. B (1): before and the reserve pit covered.

PLAN FOR PRODUCTION EQUIPMENT
BLOCK MOUNTAIN UNIT
1-22 WELL





PLAN FOR EQUIPMENT LAYOUT
BLOCK MOUNTAIN UNIT #1-22

Scale: lin. = 35 ft.

Plat No. 3

WELL CONTROL EQUIPMENT
FOR
MEGADON ENERGY CORPORATION
#1-22 WELL
SE. SW. SEC. 22-21S-4E.
SEVIER COUNTY, UTAH

1. SURFACE CASING:

- A. Hole size for surface casing is 14½".
- B. Setting depth for surface casing is approx. 300'.
- 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. A string of intermediate casing will probably be set. It is hoped that this will not have to be set until about 10,500' to get below the salt section in the Carmel.
- B. Casing 7 5/8", 26.40#-39.00#, N-80 will be used on the bottom to withstand pressures of 7000# or more.
- C. The hole size for this casing will be 9½" and the casing will be cemented with 300-1000 sks of cement w/centralizers, DV tools, etc.

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 Ferron, Kaibab, and Mississippian formations at the corresponding depths are as follows:

Ferron	-----	6200'	-----	3000#
Sinbad	-----	13800'	-----	6000#
Kaibab	-----	14120'	-----	4500#
Mississippian	-----	15000'	-----	5000#

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

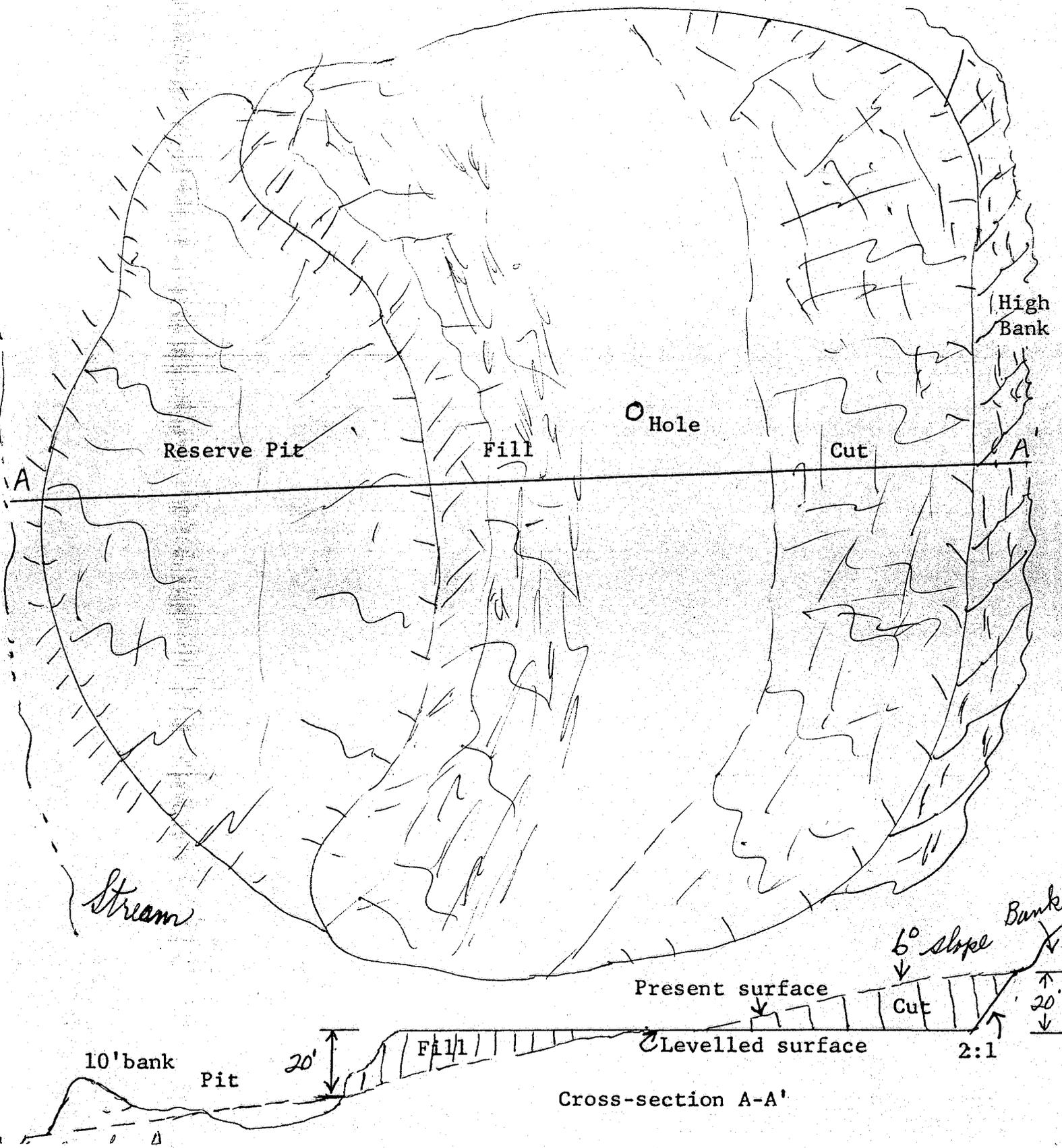
7. DRILLING FLUIDS:

- A. Normal fresh water mud with gel and chemicals will be used for circulation after about 6500' and then the air system will be changed over to fresh water mud. 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. This weight and associated hydrostatic pressure should usually keep the well under control.
- B. Abnormal pressures are known in the Sinbad zone and the mud weight may have to be increased after the Sinbad is drilled.
- C. There has been no indication of sour gas in the nearby wells.

8. PRODUCTION CASING:

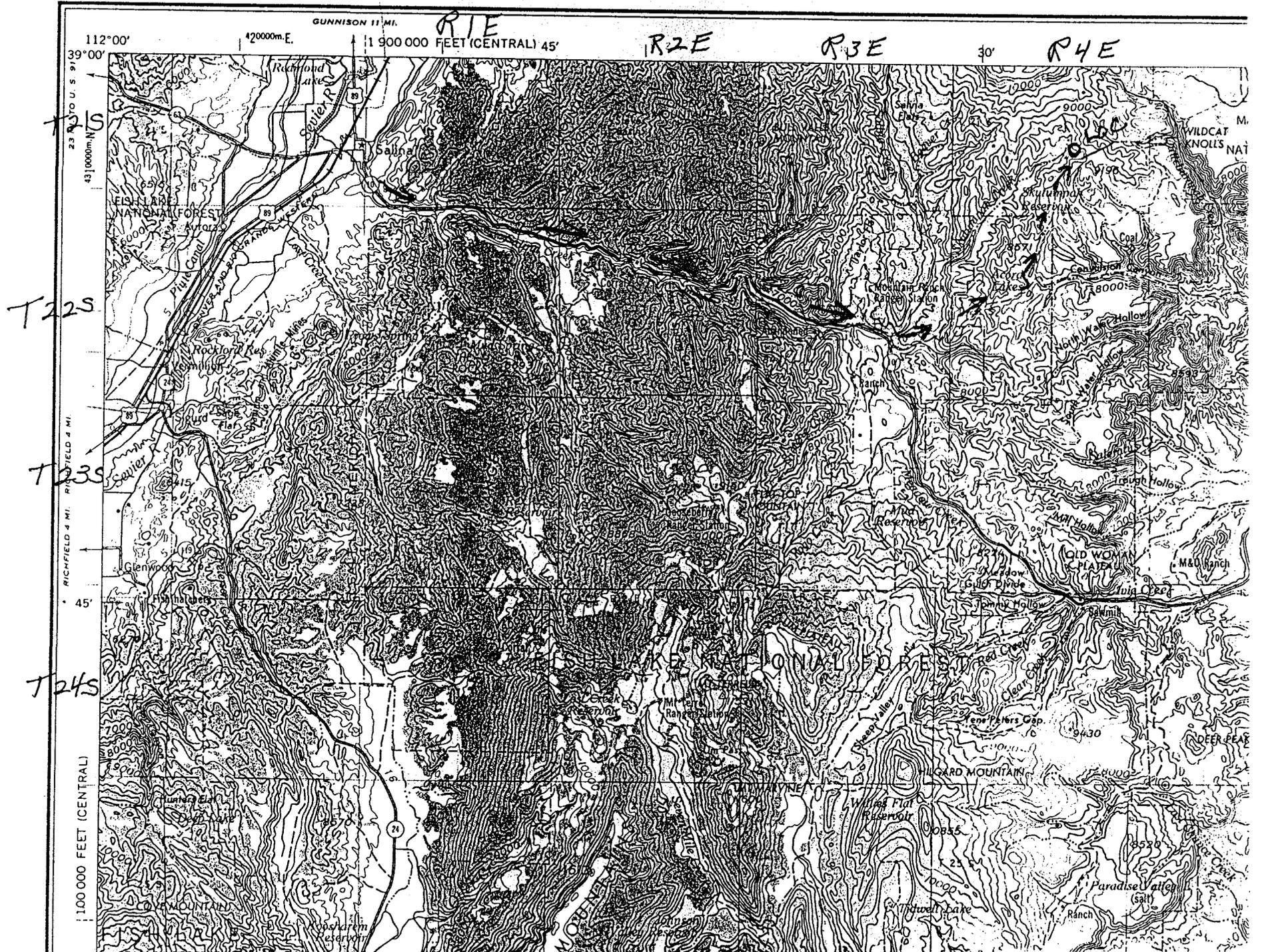
- A. Hole size for the production casing will be 6½".
- B. Approx. setting depth will be about 15,000.
- C. Casing specs. are: 3000' of 4½" O.D., 13.50#, N-80, R-3 casing, and 4000' of 4½" O.D., 11.60#, N-80 casing with guide shoe and float collar and about 12 centralizers, D.V. tools, and cement baskets at the proper places, cemented with 500 sks of regular, type "G" cement with 10% salt, and Pozmix light cement at top.
- D. The anticipated pressure at setting depth should not be greater than 5000#.

SCHEMATIC SKETCH OF
CUT AND FILL
BLOCK MOUNTAIN UNIT
#1-22 WELL



WESTERN UNITED STATES 1:250,000

Map # 1



** FILE NOTATIONS **

DATE: Aug 5, 1980
OPERATOR: Mejalon Energy Corp.
WELL NO: Fed #1-22
Location: Sec. 22 T. 21S R. 4E County: Sevier

File Prepared: Entered on N.I.D:
Card Indexed: Completion Sheet:

API Number 43-041-30022

CHECKED BY:

Petroleum Engineer: M. J. Minder 8-7-80
Providing BOP equipment is increased 5000# & letter
requesting an unorthodox location is submitted

Director: _____

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 Plotted on Map

Hot Line P.I. Approval Letter Written

August 14, 1980

Megadon Energy Corporation
57 West South Temple
Suite 440
Salt Lake City, Utah 84104

RE: Well No. Federal #1-22
Sec. 22, T. 21S, R. 4E.,
Sevier County, Utah

Insofar as this office is concerned, approval to drill the above referred to oil 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. However, providing BOP equipment is increased 5000#.

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 #1-22: 43-041-30022.

Sincerely,

DIVISION OF OIL, GAS AND MINING

Michael T. Minder
Petroleum Engineer

/bh

cc: USGS

June 3, 1981

Magadon Energy Corporation
Suite #440, 57 West So. Temple
Salt Lake City, Utah 84101

Re: Well NO. Lion Mesa Unit #5-28
Sec. 28, T.27S. R.21E.
San Juan County, Utah

Re: Well No. Federal #1-22
Sec. 22, T.21S. R.4E.
Sevier County, Utah

Gentlemen:

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

This office has not recieved any notification of spudding. If you do not intend to drill these wells, please notify this Division. If spudding or any other activity has taken place, please send necessary forms. If you plan plan on drilling these locations 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

Suite 440 / 57 West South Temple
Salt Lake City, Utah 84101
Bus. Tel: (801) 359-3575
Res. Tel: (801) 295-1870



President: W. Don Quigley
Vice President: Margaret Quigley
Secretary: Sherrill L. Bateman

August 13, 1981

RECEIVED

AUG 17 1981

Mr. Ed Guynn
U. S. Geological Survey
2000 Administrative Bldg.
1745 West 1700 South
Salt Lake City, Utah 84104

DIVISION OF
OIL, GAS & MINING

Re: APD Federal #1-22 Well
Section 22-21S-4E.
Sevier County, Utah
Lease #U-17079

Dear Ed:

Reference is made to your letters of January 21, and July 22, 1981 regarding the above application. Your Jan. 21, 1981 letter indicated that certain revisions had to be made in the well site and reserve pit beside the Skutumpah Creek. An alternative was locating the well on the west side of the Creek from the drainage. This location was originally considered but would require exceptions to the State Oil & Gas spacing rule; plus, it could place the well too close to a north-south trending fault west of the suggested site. The alternate site would be more satisfactory from the stand point of cost of construction and would eliminate the drainage problem.

Your January 21 letter also indicates that the Forest Service requires additional information regarding the Right-Of-Way permit including survey plats, cut and fill volumes, and etc. The ROW was cleared with the local Forest Ranger and was approved verbally as submitted in the application. I was personally in contact with the Forest Ranger and he assured me it would be o.k. as submitted. I fail to see how or why they keep changing their minds and do not live up to their word and promises as stated. As you well know, some of their requirements are quite ridiculous and provide only areas of disagreement between reasonable and unreasonable practices.

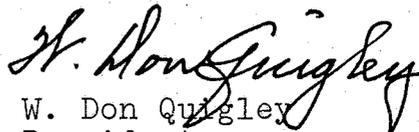
Therefore, before proceeding with this extraordinary additional work, we have been trying to complete the financial arrangements and have had considerable delays in this respect. Until these financial arrangements are completed, we cannot commit to additional work on the prospect. We have accomplished all the geophysical work and compiled all the necessary geophysical and geological evaluation of the unit and feel that it still has considerable merit. We, therefore, plan to pursue the matter and complete these financial arrangements as soon as possible.

APD FEDERAL #1-22 WELL
AUGUST 13, 1981

PAGE 2

We would, therefore, appreciate your continuing cooperation in this matter and extension of the suspension. In the event you feel that this is not possible, I would appreciate your informing me as such. We could possibly arrange to build the location and set conductor pipe this season but I suspect clearing the location and work with the Forest Department will entail considerable time and delay.

Sincerely yours,

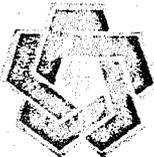

W. Don Quigley
President

WDQ:sb

cc: Mr. Jack Feight
Oil & Gas Commission

Mr. Al Buranek
Salt Lake City, Utah

U. S. Forest Service
Richfield Ranger District
Fishlake National Forest
55 South 100 East
Richfield, Utah 84107



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

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

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

February 3, 1982

Megadon Energy Corporation
57 West South Temple, Ste #440
Salt Lake City, Utah 84101

Re: Well No. Federal #1-22
Sec. 22, T. 21S, R. 4E
Sevier County, Utah
SECOND NOTICE

Gentlemen:

In reference to the 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 to drill 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

Cari Furse
Clerk Typist

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

5. LEASE DESIGNATION AND SERIAL NO. U-17909
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME BLOCK MOUNTAIN
8. FARM OR LEASE NAME FEDERAL
9. WELL NO. #1-22
10. FIELD AND POOL, OR WILDCAT WILDCAT
11. SEC., T., R., M., OR BLK. AND SURVEY OR ABBA SE. SW. SEC. 22-21S-4M SLM.
12. COUNTY OR PARISH SEVIER
13. STATE UTAH

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
MEGADON ENERGY CORPORATION

3. ADDRESS OF OPERATOR
#240, 57 WEST SOUTH TEMPLE, SALT LAKE CITY, UTAH

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.)
At surface SE. SW. SECTION 22, T 21S, R 4E, SLM.
1800' FR. W-LINE AND 600' FR. S-LINE

14. PERMIT NO.

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

L.A.

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) CANCELLATION <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.)

THIS UNIT (BLOCK MOUNTAIN) HAS BEEN CANCELLED BY THE U.S. GEOLOGICAL SURVEY AND SO THE ABOVE DESIGNATED WELL WILL NOT BE DRILLED. PLEASE CANCEL THE DRILLING PERMIT APPLICATION.

RECEIVED
FEB 10 1982
DIVISION OF
OIL, GAS & MINING

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

SIGNED W. Hon Gugler TITLE PRESIDENT DATE 2-5-82

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: