

UTAH OIL AND GAS CONSERVATION COMMISSION

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

Application resubmitted 12-12-85

DATE FILED 10-17-84

LAND: FEE & PATENTED _____ STATE LEASE NO. _____ PUBLIC LEASE NO. U-28223 INDIAN _____

DRILLING APPROVED: 10-29-84 - OIL (Exception Location)

SPUDDED IN: _____
 COMPLETED: _____ PUT TO PRODUCING: _____

INITIAL PRODUCTION: _____

GRAVITY A.P.I. _____

GOR: _____

PRODUCING ZONES: _____

TOTAL DEPTH: _____

WELL ELEVATION: 5210' GR

DATE ABANDONED: LA 12-12-85

FIELD: UNDESIGNATED 3/86

UNIT: _____

COUNTY: UINTAH

WELL NO. WALKER HOLLOW FEDERAL #2-6

API #43-047-31566

LOCATION 340' FNL FT. FROM (N) (S) LINE. 1827 FWL

FT. FROM (E) (W) LINE. NE NW (LOT3) 1/4 - 1/4 SEC. 6

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
7S	24E	6	NATIONAL OIL COMPANY				

3

UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

TYPE OF WORK DRILL [X] DEEPEN [] PLUG BACK []

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

NAME OF OPERATOR National Oil Company

ADDRESS OF OPERATOR 1350 17th Street, Suite 200, Denver, CO 80202

LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 340' FNL & 1827' FWL (Center of Lot 3)

At proposed prod. zone Same

DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 9 miles South & 4 miles East of Jensen, Utah

DISTANCE FROM PROPOSED LOCATION* TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 340'

DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1100'

ELEVATIONS (Show whether DF, RT, GR, etc.) GR 5210'

5. LEASE DENIGATION AND SERIAL NO.

U-28223

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Walker Hollow Federal

9. WELL NO.

2-6

10. FIELD AND POOL, OR WILDCAT

Walker Hollow Undesignated

11. SEC., T., B., M., OR BLD. AND SURVEY OR AREA

Sec. 6-T7S-R24E

12. COUNTY OR PARISH 13. STATE

Uintah Utah

16. NO. OF ACRES IN LEASE 476

17. NO. OF ACRES ASSIGNED TO THIS WELL 80

19. PROPOSED DEPTH 5700' *Washed*

20. ROTARY OR CABLE TOOLS Rotary

22. APPROX. DATE WORK WILL START*

November 15, 1984

PROPOSED CASING AND CEMENTING PROGRAM

Table with 5 columns: SIZE OF HOLE, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Rows include 12-1/4" hole with 8-5/8" casing and 7-7/8" hole with 5-1/2" casing.

Operator proposes to drill a 5700' Green River test for oil and gas potential in the Wasatch and Green River formation. Electric logs will be run and a 5-1/2" casing string set to T.D. if the well is determined to be commercial. If the well is not commercial, it will be plugged and abandoned and the surface rehabilitated according to the plan outlined in this Application and in compliance with all Federal and State regulations. Attached are the required Exhibits:

- Surveyor's Plat
Ten Point Program
Multipoint Surface Use and Operation Plan
Cultural Resource Reference Letter
Access Road Map to location
Radius Map of surrounding wells
Elevation Plat
Archaeological Plat

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING DATE: 10/29/84 BY: [Signature]

RECEIVED OCT 17 1984 DIVISION OF OIL, GAS & MINING

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 control program, if any.

SIGNED [Signature] TITLE Operations Manager DATE 10/12/84

(This space for Federal or State office use)

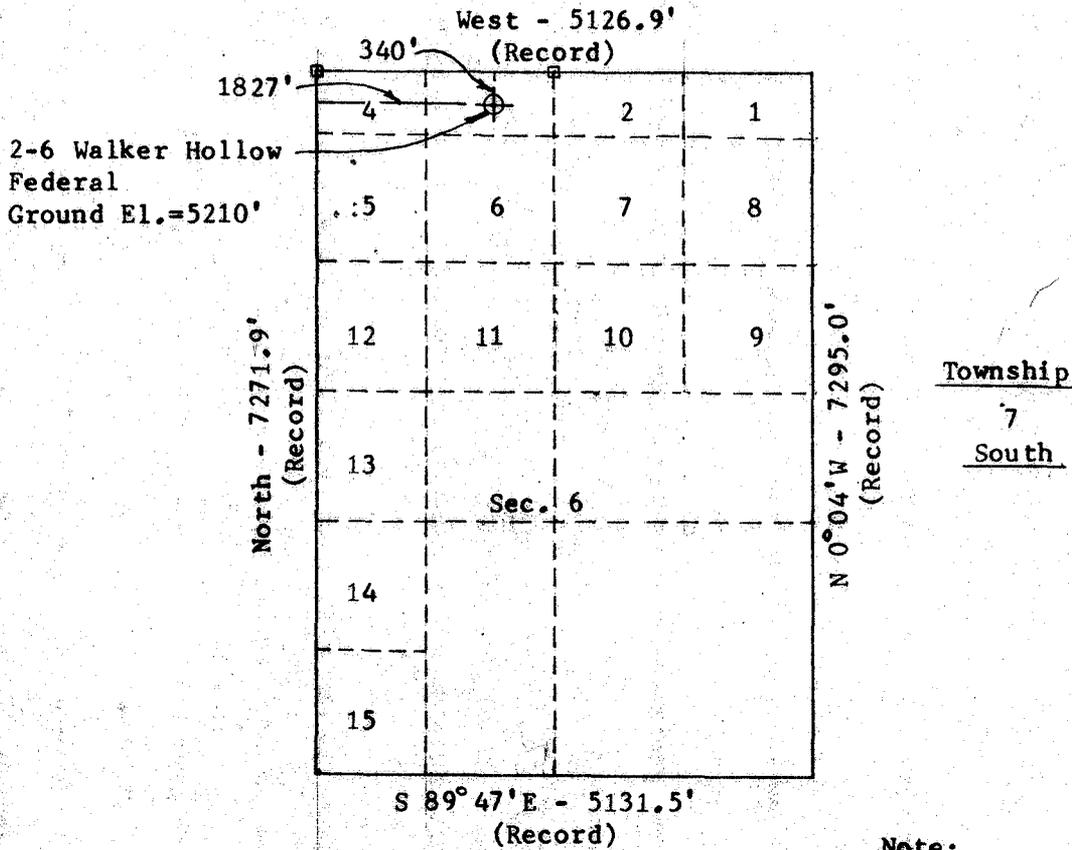
PERMIT NO. APPROVAL DATE

APPROVED BY TITLE DATE

CONDITIONS OF APPROVAL, IF ANY:



Range 24 East



Note:

⊕ Indicates Pipe Corners Found

Scale... 1" = 2000'

Powers Elevation of Denver, Colorado
 has in accordance with a request from Don Condie
 for National Oil
 determined the location of 2-6 Walker Hollow Federal
 to be 340 FNL 1827 FWL C-Lot 3 Section 6 Township 7 South
 Range 24 East of the Salt Lake Meridian
 Uintah County, Utah

I hereby certify that this plat is an
 accurate representation of a correct
 survey showing the location of
 2-6 Walker Hollow Federal.

Date: Sept. 17, 1984

T. Nelson
 Licensed Land Surveyor No. 2711
 State of Utah



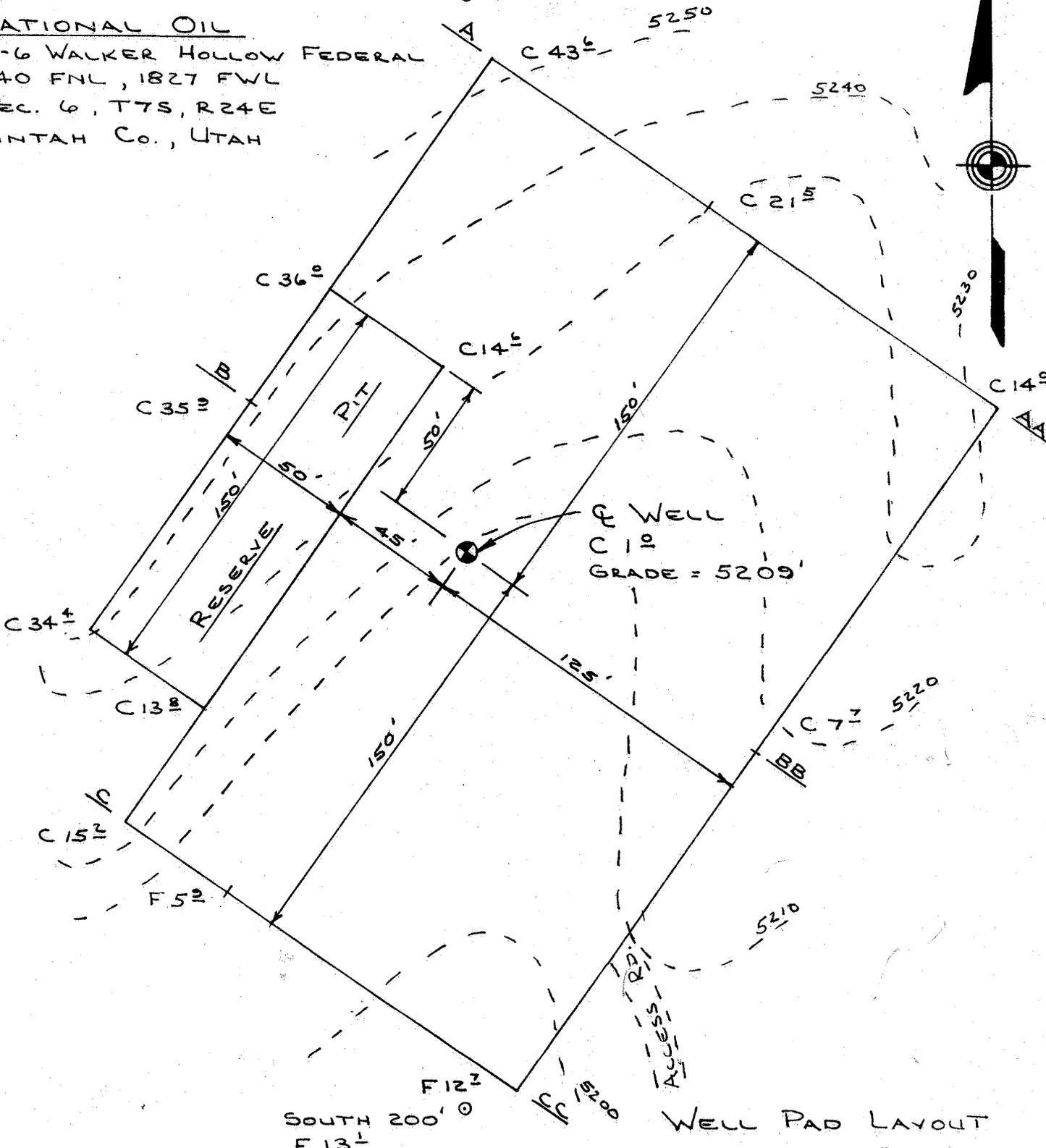
POWERS ELEVATION

MAP "A"

NATIONAL OIL

2-6 WALKER HOLLOW FEDERAL
340 FNL, 1827 FWL
SEC. 6, T7S, R24E
UINTAH Co., UTAH

NORTH 200'
C 54⁷

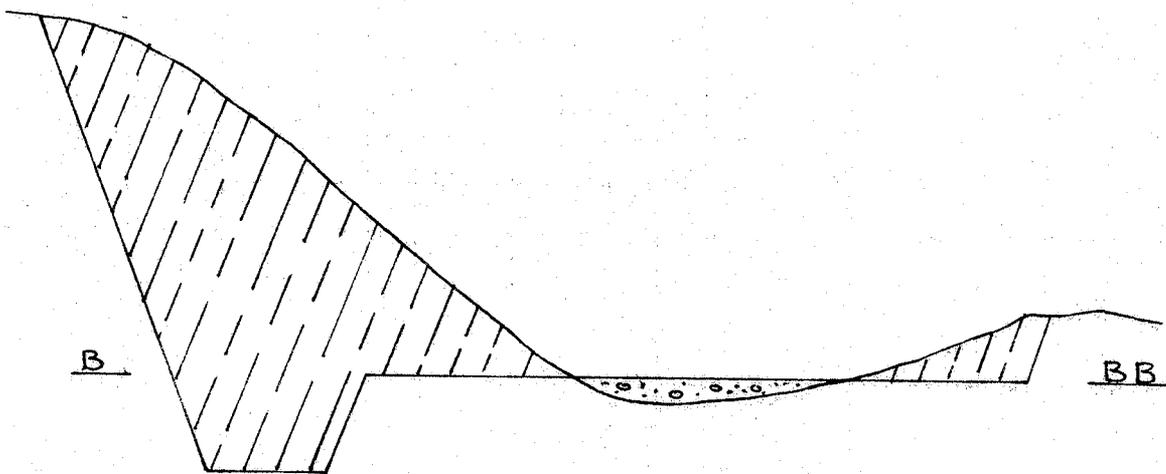
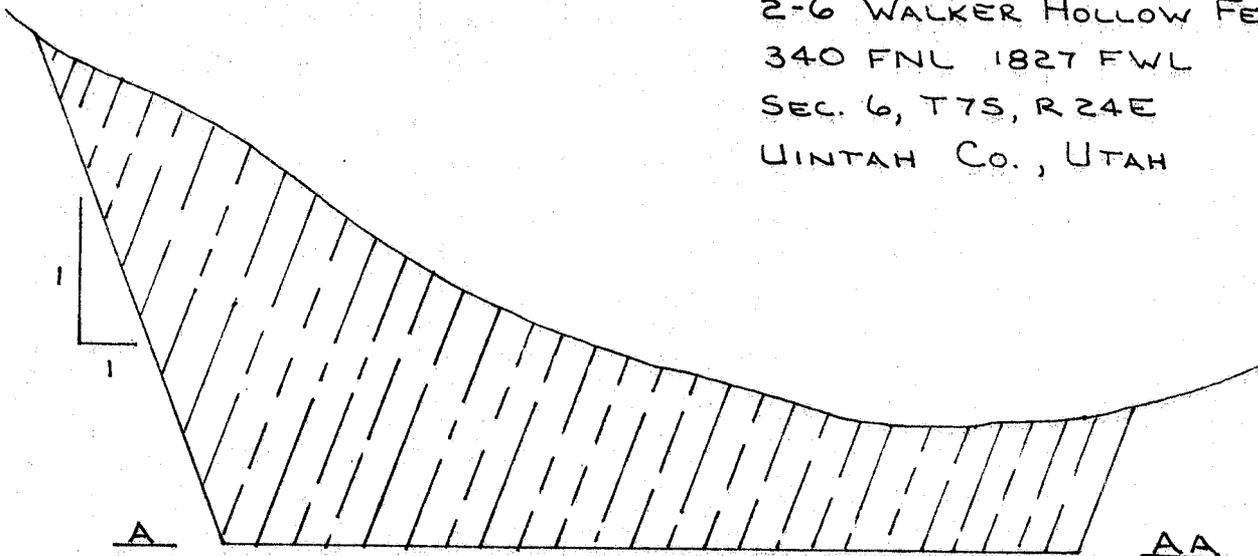


SOUTH 200'
F 12⁷
F 13¹

WELL PAD LAYOUT
SCALE: 1"=50'

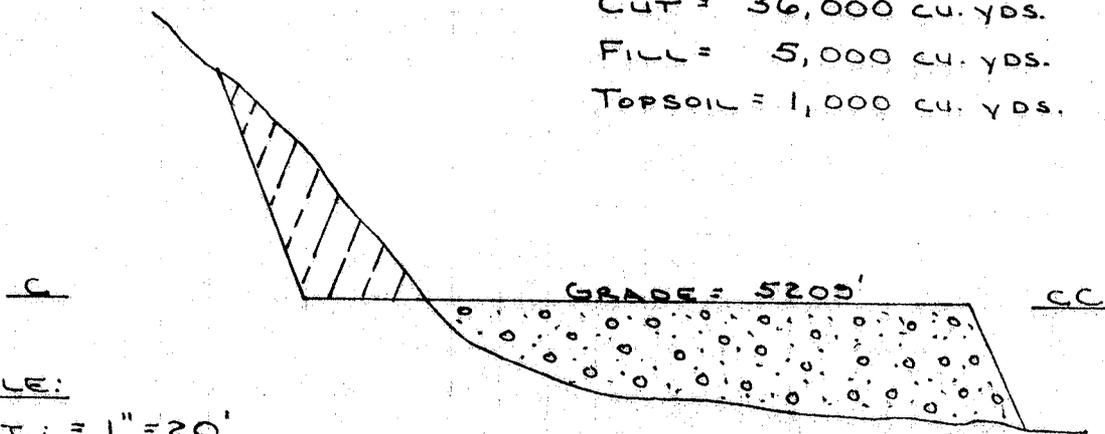
Prepared by: KENNETH LITUS
Powers Elevation 9-17-84

NATIONAL OIL
 2-6 WALKER HOLLOW FEDERAL
 340 FNL 1827 FWL
 SEC. 6, T7S, R24E
 UTAH CO., UTAH



QUANTITIES:

CUT = 36,000 cu. yds.
 FILL = 5,000 cu. yds.
 TOPSOIL = 1,000 cu. yds.



SCALE:

VERT. : = 1" = 20'
 HORZ. : = 1" = 50'

CUT 
 FILL 

PREPARED BY: KENNETH LITUS
 POWERS ELEVATION 9-17-84

TEN POINT PROGRAM

1) GEOLOGIC SURFACE FORMATION

The surface formation is Uinta.

2 & 3) GEOLOGIC MARKERS AND PRODUCTIVE INTERVALS

<u>FORMATION</u>	<u>ESTIMATED TOP</u>	<u>POSSIBLE PRODUCTION</u>
Uinta	Surface	
Green River	2940	
Green River Sandstone	5160	H
Second Green River Sandstone	5230	H
Wastch Formation	5650	H
TD	5700	

W = Water H = Hydrocarbon (oil or gas) C = Coal S = Steam

4) CASING PROGRAM

<u>Hole Size</u>	<u>Casing size</u>	<u>Grade</u>	<u>Weight</u>	<u>Thrd & Cond</u>	<u>Depth</u>
12-1/4"	8-5/8"	K-55	24.0#	8RD-S-New	300'
7-7/8"	5-1/2"	K-55	15.5#	8RD-S-New	TD

5) CONTROL EQUIPMENT SPECIFICATIONS

As checked below, the following equipment will be utilized for detection and control during the drilling operation.

BLOW OUT PREVENTORS

Size: 10" Pressure Rating: 3000 psi
Pipe Rams: Yes Blind Rams: Yes Pipe Rams: No
Annular Preventor: Yes
Rotating Head: No
Kill Line Size: 2" x 3000 psi Valves: 2" x 3000 psi

MANIFOLD

Size: 2" Valves: 2" Pressure: 3000 psi
Positive Choke: No Adjustable Choke: Yes
Hydraulic Choke: No Power Operated Valve: No
BOP Equipment will be installed and tested with surface casing.
Will test surface casing to 500 psi prior to drilling out.

6) DRILLING FLUIDS

Spud mud and fresh water for surface pipe hole. Under surface pipe, a low solids non-dispersed system will be used to total depth.

<u>Interval</u>	<u>Type Fluid</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>	<u>Remarks</u>
0-200	Spud mud	8.3-9.0	35 - 40	NC	Fresh wtr w/gel
200-TD	LSND	8.4-8.9	34 - 38	10 +	A low solids non-dispersed fresh water system will be used through this section.

Possible Sub Normal Pressured Zones: None

Possible Abnormal Pressured Zones: Some waterflow potential in trona zones.

7) AUXILIARY EQUIPMENT

Upper Kelly Cock: Yes
Lower Kelly Cock: No
Floor Valve DP: Yes
Floor Valve DC: Yes
Float in DC: Yes
Inside BOP (Dart Valve): No

ADDITIONAL DETECTION EQUIPMENT & SERVICE

Mud Logging Unit: No
Pit Volume Totalizer: No
Flow Line Sensor: No
Flow Line Temperature: No
Sour Gas Detector: No
Pump Stroke Counter: No
Degasser: No
Mud Gas Separator: No
Drilling Data Unit: No
Other: No

8) EVALUATION

A) Testing

Any significant hydrocarbon shows will be tested as drilled.

8) (Continued)

B) LOGGING

<u>Depth</u>	<u>Electric Wireline Logs</u>	<u>Interval</u>
TD	CNL/FDC, DIL, GR	TD to base of surface casing or above pay as warranted.

C) CORING

<u>Formation</u>	<u>Type Core</u>	<u>Analysis</u>
None		

9) DRILLING HAZARDS

None expected

10) STARTING DATE: November 15, 1983 DURATION 15 DAYS

DRILLING PROGRAM PREPARED BY DONALD C. CONDIE.

Donald C. Condie
Donald C. Condie

DATE: 10/12/84

NATIONAL OIL COMPANY
MULTIPOINT SURFACE USE AND OPERATIONS PLAN
WALKER HOLLOW FEDERAL 2-6
SECTION 6 - 7S - 24E
UINTAH COUNTY, UTAH

1) EXISTING ROADS

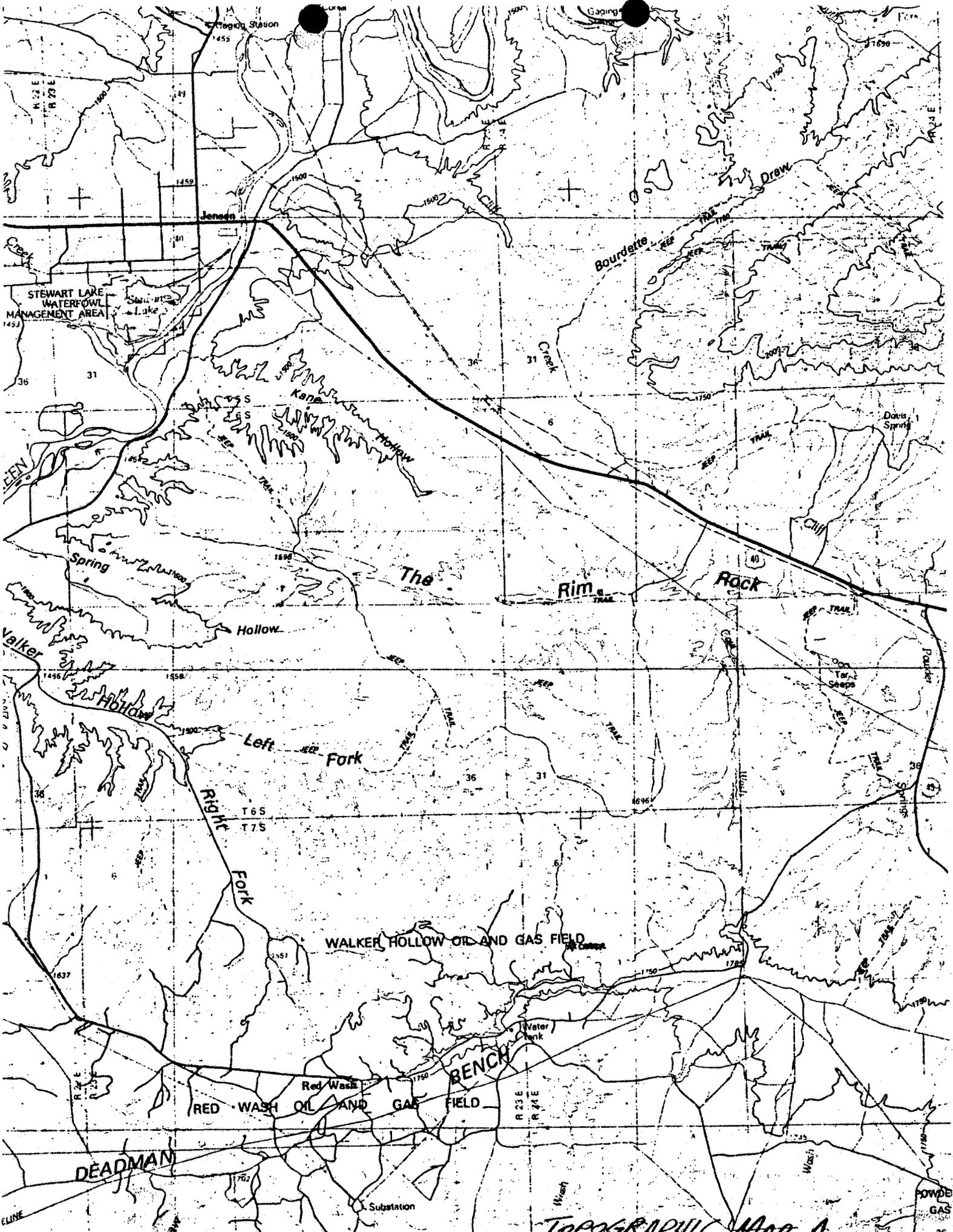
See attached topographic Map A. From Jenson, Utah, take South blacktop road to Walker Hollow and Redwash Oil and Gas Fields. Continue South approximately 8 miles to a road in Section 7, 7S, 24E. Turn North past the gas well and continue on lease road to well site in northwestern corner of Section 6. See Attachment B.

The well site is located north of the existing lease road. The existing roads service the Walker Hollow oil field and will not require any upgrading to allow access for the operation. A 600' access road will be needed to service the drill pad and a subsequent completed well.

2) PLANNED ACCESS ROADS

Approximately 600' of new access will be required, extending from Walker Hollow lease to the southeastern edge of the location. This will be the only access required off of lease road. See Exhibit "C-1" for location, color-coded in blue, with detail shown on Exhibit "C-4".

- 1) Width of road will be 18'.
- 2) No anticipated grades in excess of 3%.
- 3) There will be no turnouts.
- 4) Drainage design will utilize slight waterdips in the road combined with a slight furrow directing runoff to the drainage area located north and west. Care will be taken to insure that erosion does not occur from this furrow to the drainage.
- 5) One culvert will be required on this access.
- 6) Surfacing material will be native material along access route.
- 7) No gates, fence cuts or cattle guards will be required.



Gaging Station
1455

Gaging Station
1690

Jensen

STEWART LAKE
WATERFOWL
MANAGEMENT AREA

Spring

The

Rim

Rack

Left Fork

RIGHT FORK

WALKER HOLLOW OIL AND GAS FIELD

RED WASH OIL AND GAS FIELD

BENCH

DEADMAN

Substation

TOPOGRAPHIC MAP A

POWDER
GAS

R24E

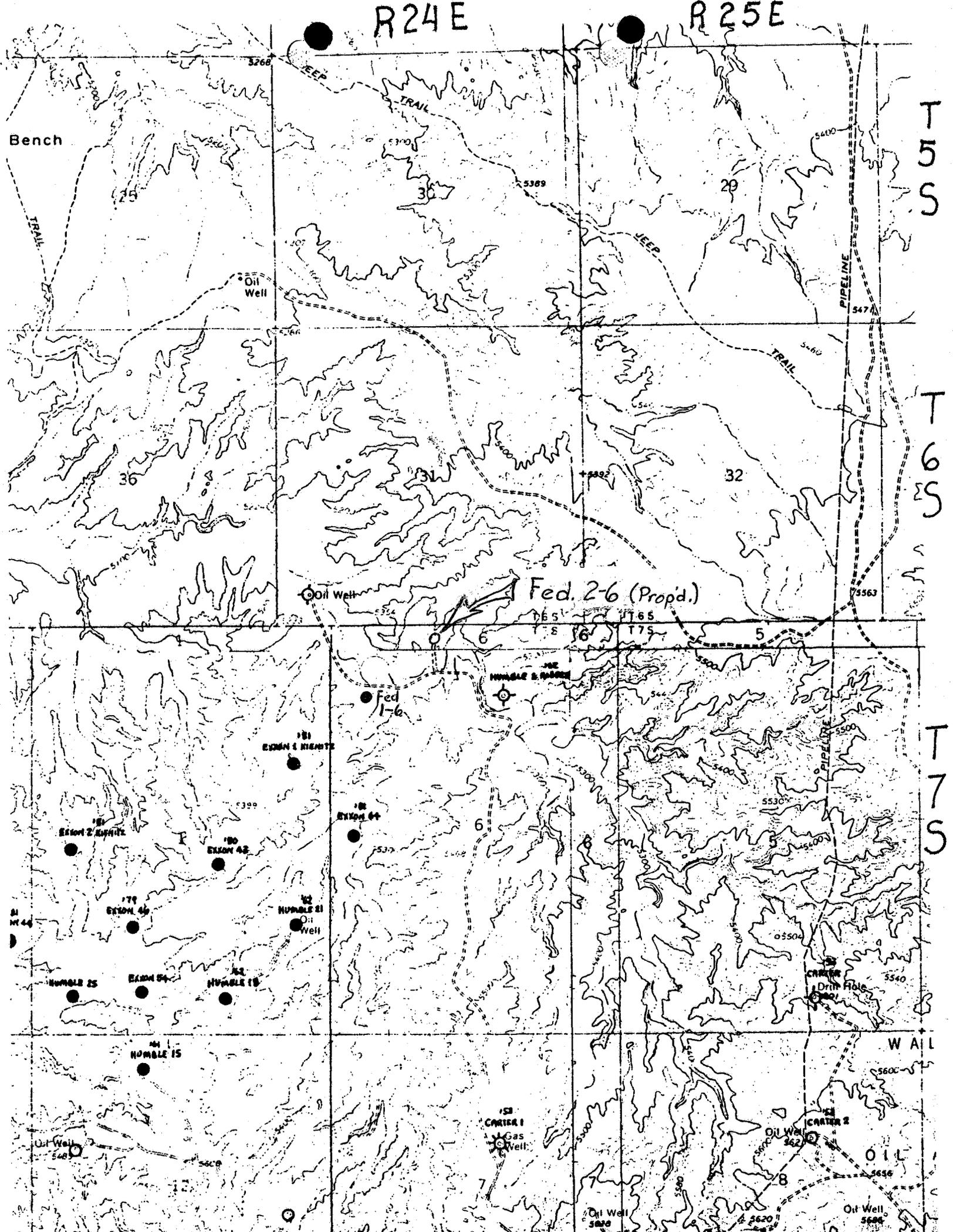
R25E

T5S

T6S

T7S

Bench



3) LOCATION OF EXISTING WELLS

1. Water wells - None known.

2. Abandoned wells -

Dry hole Humble #1 Roberts located center lot 7, Section 6-7S-24E. Dry hole SWSW Section 31-6S-24E.

3. Temporarily abandoned wells - None known

4. Disposal wells - None known

5. Drilling wells - None known

6. Producing wells -

Exxon #64 approximate center Lot 13, Section 6-7S-24W
Walker Hollow Federal 1-6, 1232' FNL & 580' FWL Section 6-7S-24E.

There are eight producing wells in Section 1, 7S, 23E.
They are:

Exxon #1 Kienitz	NE Quarter	Section 1
Exxon Kienitz #2	NWSW	Section 1
Exxon #43	NWSE	Section 1
Humble #21	NESE	Section 1
Humble #18	SWSE	Section 1
Exxon #54	SESW	Section 1
Exxon #46	NESW	Section 1
Humble #24	SWSW	Section 1

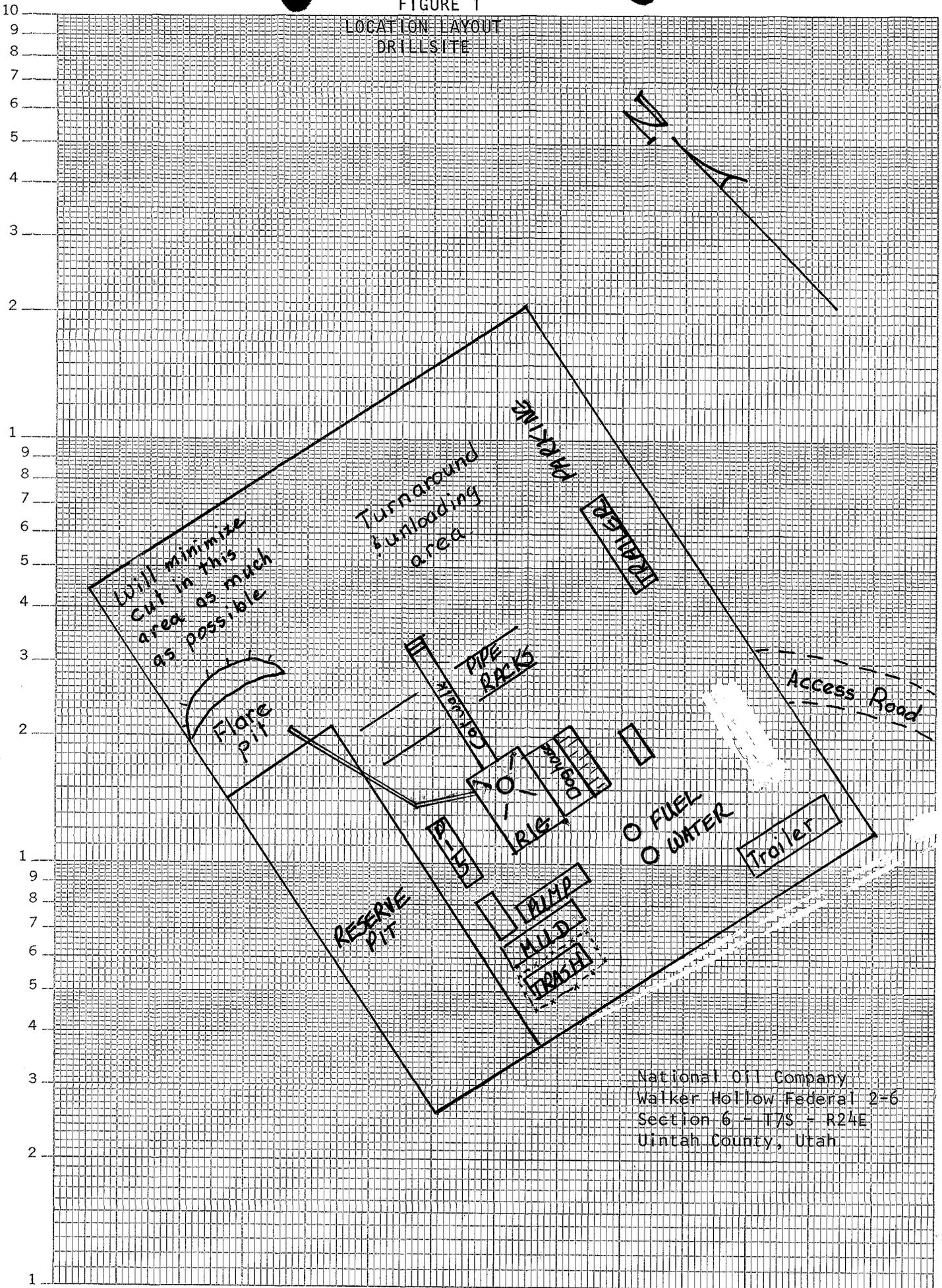
7. Shut-in wells - None known

8. Injection wells - None known

9. Monitoring or observation wells - None known

Onsite Inspection Field Comments:

FIGURE 1
LOCATION LAYOUT
DRILLSITE



Will minimize cut in this area as much as possible

Flare pit

Turnaround & unloading area

PIPE RACKS

TRAILER

RESERVE PIT

MUD

TRASH

Access Road

O FUEL
O WATER

TRAILER

National Oil Company
Walker Hollow Federal 2-6
Section 6 - T7S - R24E
Uintah County, Utah

46 5810

SEMI-LOGARITHMIC 3 CYCLES x 140 DIVISIONS
KEUFFEL & ESSER CO. MADE IN U.S.A.

4) LOCATION OF TANK BATTERIES, PRODUCTION FACILITIES AND PRODUCTION GATHERING AND SERVICE LINES

At the present time National Oil Company has a production battery and production facilities on the Walker Hollow Federal 1-6 which is located 1332' FNL & 580' FWL, Section 6 - 7S - 24E, Uintah County, Utah. See Figure 2.

In the event production is established on the Walker Hollow Federal 2-6, the production will be transported to the Walker Hollow Federal 1-6 battery for processing and storage.

This area will be built, if possible, with the native materials and if these materials are not available, then the necessary arrangements will be made to get them from private sources.

Fence around reserve pits and pump unit.

The rehabilitation of the disturbed area that is not required for the production of this well, will meet the requirements of Item 7 and Item 10 and these requirements and standards will be adhered to.

If separate production facilities are necessary, these facilities will be designed according to the production that is found. A sundry notice will be filed prior to installation of the equipment.

Onsite Inspection Field Comments.

5) LOCATION AND TYPE OF WATER SUPPLY

Water will be contracted by a water hauler and trucked to the location for drilling activities. The water hauler contracted for this work will be required to provide permits and right-of-ways necessary for water.

Onsite Inspection Field Comments.

6) SOURCE OF CONSTRUCTION MATERIALS

All construction materials for this location site and access road shall be borrowed materials accumulated during construction of the location site and access road. No additional road gravels or pit lining material from other sources are anticipated at this time, but if they are required, the appropriate actions will be taken to acquire them from private sources.

7) METHODS FOR HANDLING WASTE DISPOSAL

A reserve pit will be constructed.

The reserve pit will be approximately 8' deep and at least one half of this depth shall be below the surface of the existing ground.

One half of the reserve pit will be used to store non-flammable and non-toxic materials such as cuttings, salts, drilling fluids and chemicals. A test tank will be used to contain produced fluids.

If deemed necessary by the agencies concerned to prevent contamination to surrounding areas, the reserve pits will be lined with a gel.

The pits will have wire and overhead flagging installed at such time as deemed necessary to protect the water fowl, wildlife and domestic animals. It is not anticipated that this will be required during the drilling phase of the operation.

On the onset of drilling, this reserve pit will be fenced on three sides and at the time the drilling activities are completed it will be fenced on the fourth side and allowed to dry completely prior to the time that backfilling and reclamation activities are attempted.

When the reserve pit dries and the reclamation activities commence, the pits will be covered with a minimum of four feet of soil and all requirements in Item 10 will be followed.

A portable burn cage will be completely enclosed on all sides with a small mesh wire to prevent any flammable materials from escaping and creating a fire hazard.

All flammable materials will be burned and the residue hauled away for proper disposal upon completion of this well.

A portable chemical toilet will be supplied for human waste.

8) ANCILLARY FACILITIES

No ancillary facilities will be necessary during the drilling of this well.

9) WELL SITE LAYOUT

The BLM shall be notified before any construction begins on the proposed location site. The completed well pad will measure less than one acre in area. The pits will be unlined unless it is determined by the representatives of the agencies involved that the materials are too porous and would cause contamination to the surrounding area. Then the pits will be lined with a gel and any other type material necessary to make it safe and tight.

A plan diagram of the rig layout, pits and other equipment is included. See Figure 2.

When drilling activities commence, all work shall proceed in a neat and orderly sequence.

10) PLANS FOR RESTORATION OF THE SURFACE

When all drilling and production activities have been completed, the location site and access road will be reshaped to the original contour and stockpiled soil spread over the disturbed area.

Fences around pits are to be removed upon completion of drilling activities and all waste being contained in the trash pit shall be buried with a minimum of 5' of cover.

As mentioned in Item 7, the reserve pit will be completely fenced and wired and overhead wire and flagging installed, if there is oil in the pits, and then allowed to completely dry before covering.

Restoration activities shall begin as soon as possible after the reserve pit has dried up, and will be completed without undue delay.

When restoration activities have been completed, the location site and access ramp shall be reseeded with a seed mixture recommended by the BLM when the moisture content of the soil is adequate for germination. The lessee further covenants and agrees that all of said cleanup and restoration activities shall be done and performed in a diligent and workmanlike manner in strict conformity with the above mentioned Items 7 and 10.

11) OTHER INFORMATION

The location is located in Walker Hollow with drainage system to the Green River. The surface ownership of all involved lands is the BLM.

No cultural or archaeological deposits are evident.
(Please refer to the attached Archaeological reference letter)

There are no occupied dwellings within three miles.

Drilling is planned to start on or about November 15, 1984. It is estimated 15 days will accommodate moving in, rigging up, drilling and moving out.

12) LESSEE'S OR OPERATOR'S REPRESENTATIVE

Donald C. Condie
1350 17th Street, Suite 200
Denver, Colorado 80202
(303) 893-8979 - Work
(303) 697-6076 - Home

W. G. Bennett
1350 17th Street, Suite 200
Denver, Colorado 80202
(303) 893-8979 - Work
(303) 674-0619 - Home

13) CERTIFICATION

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



Donald C. Condie,
Operations Manager

OPERATOR National Oil Co. DATE 10-26-84

WELL NAME Walker Hollow Fid. 2-6

SEC NE NW 6 (Lot 3) T 7S R 24E COUNTY Uental

43-047-31566
API NUMBER

Fid
TYPE OF LEASE

POSTING CHECK OFF:

<input type="checkbox"/>	INDEX	<input type="checkbox"/>	HL	<input type="checkbox"/>
<input type="checkbox"/>	NID	<input type="checkbox"/>	PI	<input type="checkbox"/>
<input type="checkbox"/>	MAP	<input type="checkbox"/>		<input type="checkbox"/>

PROCESSING COMMENTS:

No other oil wells within 1000'

Need water permit

Exception loc.

APPROVAL LETTER:

SPACING: A-3 _____ UNIT c-3-a _____ CAUSE NO. & DATE

c-3-b c-3-c

SPECIAL LANGUAGE: STIPULATIONS

1- Water

2 Exception location

RECONCILE WELL NAME AND LOCATION ON APD AGAINST SAME DATA ON PLAT MAP.

AUTHENTICATE LEASE AND OPERATOR INFORMATION

VERIFY ADEQUATE AND PROPER BONDING

AUTHENTICATE IF SITE IS IN A NAMED FIELD, ETC.

APPLY SPACING CONSIDERATION

ORDER _____

UNIT _____

c-3-b

c-3-c

CHECK DISTANCE TO NEAREST WELL.

CHECK OUTSTANDING OR OVERDUE REPORTS FOR OPERATOR'S OTHER WELLS.

IF POTASH DESIGNATED AREA, SPECIAL LANGUAGE ON APPROVAL LETTER

IF IN OIL SHALE DESIGNATED AREA, SPECIAL APPROVAL LANGUAGE.



POWERS ELEVATION

Dec

OIL WELL ELEVATIONS - LOCATIONS
ENVIRONMENTAL-ARCHAEOLOGICAL SERVICES
600 SOUTH CHERRY STREET, SUITE 1201
DENVER, COLORADO 80222-1767
PHONE NO. 303/321-2217

September 25, 1984

Mr. Don Condie
National Oil Company
1350 17th Street, Suite 300
Denver, Colorado 80202

Dear Mr. Condie:

Pursuant to your request for a Class III cultural resources inventory for the National Oil Company, 1-31 Walker Hollow Federal and 2-6 Walker Hollow Federal, Powers Elevation initiated a pre-field files search of records at the Bureau of Land Management, Vernal District Office. The results of the files search indicate that your locations are within an area of low probability for cultural resources as defined by Larralde and Nickens in 1980. Consequently, Vernal District Archaeologist Blaine Phillips has informed us that a Class III survey of these areas will not be required.

Additionally, three of the Class II survey tracts for the predictive model used to generate the high, medium and low probability areas are located in the NW $\frac{1}{4}$, SW $\frac{1}{4}$ and NE $\frac{1}{4}$ of Section 31 where the proposed 1-31 Walker Hollow Federal is located. One site was recorded in these areas.

Further, a ten acre area inspected by Brian O'Neil of Powers Elevation in the NW $\frac{1}{4}$ of Section 6 where the proposed 2-6 Walker Hollow Federal is located, produced no cultural resources.

Given these results, no further work appears to be necessary. We recommend that these projects be allowed to proceed as planned.

Sincerely,

Marcia J. Tate

Marcia J. Tate
Manager
Archaeology Department

cc: Mr. Blaine Phillips, BLM, Vernal District
Mr. Brian P. O'Neil, Powers Elevation



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dianne R. Nielson, Ph.D., Division Director

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

October 29, 1984

National Oil Company
1350 17th Street, Suite 200
Denver, Colorado 80202

Gentlemen:

Re: Well No. Walker Hollow Federal #2-6 - NE NW Sec. 6 (Lot 3), T. 7S, R. 24E
340' FNL, 1827' FWL - Uintah County, Utah

Approval to drill the above referenced oil well is hereby granted in accordance with Rule C-3(c), General Rules and Regulations and Rules of Practice and Procedure, subject to the following stipulations:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water.
2. Submittal to the Division of information justifying the necessity for an exception location and verification of ownership within a radius of 500 feet of the proposed location.

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

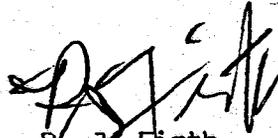
1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 533-5771, (Home) 298-7695 or R. J. Firth, Associate Director, (Home) 571-6068.
4. Compliance with the requirements and regulations of Rule C-27, Associated Gas Flaring, General Rules and Regulations, Oil and Gas Conservation.

Page 2
National Oil Company
Well No. Walker Hollow Federal #2-6
October 29, 1984

5. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-047-31566.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

as
Enclosures
cc: Branch of Fluid Minerals

**UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY**

SUBMIT IN TRIPlicate
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 42-R1423.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

TYPE OF WORK
 DRILL DEEPEN PLUG BACK

TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

NAME OF OPERATOR
 National Oil Company

ADDRESS OF OPERATOR
 1350 17th Street, Suite 200, Denver, CO 80202

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 9 miles South & 4 miles East of Jensen, Utah

DISTANCE FROM PROPOSED*
 LOCATION TO NEAREST
 PROPERTY OR LEASE LINE, FT. 340'

DISTANCE FROM PROPOSED LOCATION*
 TO NEAREST WELL, DRILLING, COMPLETED,
 AND APPLIED FOR, ON THIS LEASE, FT. 1100'

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 U-28223

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 Walker Hollow Federal

9. WELL NO.
 2-6

10. FIELD AND POOL OR WILDCAT
 Walker Hollow

11. SEC., T., R., M., OR BLE.
 AND SURVEY OR AREA
 Sec. 6-T7S-R24E

12. COUNTY OR PARISH 13. STATE
 Uintah Utah

16. NO. OF ACRES IN LEASE
 476

17. NO. OF ACRES ASSIGNED
 TO THIS WELL 80

19. PROPOSED DEPTH
 5700'

20. ROTARY OR CABLE TOOLS
 Rotary

22. APPROX. DATE WORK WILL START*
 November 15, 1984

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24.0#	300'	circulate to surface
7-7/8"	5-1/2"	15.5#	5700'	sufficient to protect all producing zones with a two stage cement job.

Operator proposes to drill a 5700' Green River test for oil and gas potential in the Wasatch and Green River formation. Electric logs will be run and a 5-1/2" casing string set to T.D. if the well is determined to be commercial. If the well is not commercial it will be plugged and abandoned and the surface rehabilitated according to the plan outlined in this Application and in compliance with all Federal and State regulations.

- Attached are the required Exhibits:
- Surveyor's Plat
 - Ten Point Program
 - Multipoint Surface Use and Operation Plan
 - Cultural Resource Reference Letter
 - Access Road Map to location
 - Radius Map of surrounding wells
 - Elevation Plat
 - Archaeological Plat

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 NOV 21 1984
 DIVISION OF
 OIL, GAS & MINING

LEAVE 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 control program, if any.

SIGNED Donald C. Cordie TITLE Operations Manager DATE 10/12/84

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY [Signature] TITLE DIST MANAGER DATE 10/12/84

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

State O & M

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Company National Oil Company Well No. 2-6
Location Sec. 6 T 7S R23E Lease No. U-28223
Onsite Inspection Date 10-30-84

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

A. DRILLING PROGRAM

1. All fresh water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

Geological reports indicate that fresh water may be encountered down to +500'. If encountered while drilling, such zones will be protected by either deeper surface casing or cement isolation on the production string.

2. Pressure Control Equipment

Prior to drilling out the surface casing shoe, the ram-type preventers shall be tested to 2,000 psi, and the annular preventer shall be tested to 1,500 psi.

BOP and choke manifold systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location during pressure testing.

3. Casing Program and Auxiliary Equipment

The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.

4. Mud Program and Circulating Medium

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).

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

The spud date will be reported orally to the AO within 48 hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the following regular work day. The oral report will be followed up with a Sundry Notice.

In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed, in duplicate, to the Vernal BLM District Office, 170 South 500 East, Vernal, Utah 84078.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than 5 days following the date on which the well is placed on production.

Pursuant to NTL-2B, with the approval of a District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.7-4 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

A first production conference will be scheduled within 15 days after receipt of the first production notice.

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian lands.

Daily drilling and completion reports shall be submitted to this office on a weekly basis.

B. THIRTEEN POINT SURFACE USE PLAN

7. Planned Access Roads

- a. Width: About 18' as indicated in the APD.
- b. Maximum grades will probably not exceed six percent.
- c. Turnouts: None required.
- d. Drainage: At least one culvert, about 48" in diameter, will be needed to cross the main drainage of Walker Hollow. About 500 feet of new access road will be needed. The new access will begin just a few feet west of the existing cattleguard on the main road and proceed directly to the location's southeast corner entering at about the same place as indicated in the original layout diagram.

All travel will be confined to existing access road rights-of-way.

8. Location of Tank Batteries and Production Facilities

All permanent (on site for six months or longer) structures constructed or installed (including oil well pumpjacks) will be painted a flat, non-reflective, earthen color to match the standard environmental colors, as determined by the Rocky Mountain 5 State Interagency Committee. All facilities will be painted within 6 months of installation. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

It is anticipated that production from this well will be transported by a surface flowline to the National Oil Tank Battery at the No. 1-6 well about 2,000 feet southwest of the location. We recommend that this flowline be buried where it crosses the Walker Hollow main drainage. Actual plans for this flowline will be submitted later. Facilities for production will be designed according to the producible resources that are found.

Possible commingling on lease would be involved if the two wells shared a common tank battery.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

If significant gas is encountered, gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and anchored securely downstream of the meter. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations

and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

9. Source of Construction Material

The use materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

10. Methods of Handling Waste Disposal

The reserve pit will not be lined.

Burning will not be allowed. All trash must be contained by use of a trash cage and then hauled away for proper disposal upon completion of this well.

Produced waste water will be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, along with required water analysis, will be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance, and will be grounds for issuing a shut-in order.

11. Well Site Layout

The reserve pit will be located on the northwest side of the pad.

The stockpiled topsoil will be stored near the south corner and on the southeast side of the pad. About 4-6" of topsoil will be stockpiled there.

Access to the well pad will be from the southeast side of the pad. The road would proceed directly from there to meet the existing road just to the west of an existing cattleguard and would be about 500 feet in length.

Reserve pits will be fenced with a wire mesh fence and topped with at least one strand of barbed wire.

At the onsite held October 30, 1984, it was agreed to keep the same pad alignment but move the entire pad and wellsite 150 feet south and 20 feet east (490 FNL and 1,847 FWL) to reduce construction costs. The east corner of the location would be rounded off some to reduce impacts to an existing ridge and the length of the northeast half of the pad was shortened by 20 feet to reduce construction costs.

12. Plans for Restoration of Surface

Immediately upon completion of drilling, the location and surrounding area will be cleared of all debris, materials, trash and junk not required for production. The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry and all cans, barrels, pipe, etc. will be removed.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

Seed will be broadcast or drilled at a time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

The following seed mixture will be used:

Indian ricegrass	3 lbs./acre
Smooth brome	3 lbs./acre
Yellow sweetclover	1 lb./acre
Fourwing saltbush	3 lbs./acre

13. Other Information

There will be no deviation from the proposed drilling and/or work-over program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.2.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3164.

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

A 1980 statistical survey of the area completed for the nearby Red Wash Unit defined this area as within an area of low probability for significant cultural resources. Therefore, an additional cultural resource clearance will not be required before any construction begins. If any cultural resources are found during construction, all work will stop and the AO will be notified.

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



1350 SEVENTEENTH STREET

SUITE 200 MARKET CENTER

DENVER, COLORADO 80202

(303) 893-8979

RECEIVED
November 29, 1984
DEC 04 1984

DIVISION OF
OIL, GAS & MINING

State of Utah
Natural Resources
Oil, Gas and Mining
4241 State Office Building
Salt Lake City, Utah 84114

Attention: Ron Firth

Re: Walker Hollow Federal #2-6 Well
NENW Section 6 (Lot 3), T7S-R24E
490' FNL and 1847 FWL
Uintah County, Utah

Gentlemen:

Reference is made to your letter dated October 29, 1984, whereby approval was granted to drill the above-referenced well subject to certain stipulations. Per our telephone conversation, the following information is provided in order to satisfy stipulation No. 2 in the above-mentioned letter.

Leases within 500' of Walker Hollow Federal #2-6:

1. Federal Lease U-28223
Lots 1 through 8, Section 6-T7S-R24E and E/2SW/4, SE/4 Section 28-T6S-R23E,
all in Uintah County, Utah
2. Federal Lease U-51268-A
SE/4 Section 31-T6S-R24E, Uintah County, Utah
3. Federal Lease U-30462
E/2SW/4 Section 31-T6S-R24E, Uintah County, Utah

Ownership of the above three leases:

<u>Owner</u>	<u>% WI</u>
National Oil Company	40%
CDM Oil & Gas	20%
Calais Resources, Inc.	20%
Stauffer Chemical Company	20%

State of Utah
November 29, 1984
Page Two

Enclosed is a lease plat with a 500-foot radius drawn around the well. Per your agreement, National intends to space the well on a 40-acre unit consisting of Lots 3 and 4 in Section 6-T7S-R24E.

Please advise if additional information is needed or further action is required with regard to the above-mentioned 40-acre spacing. Thank you for your help.

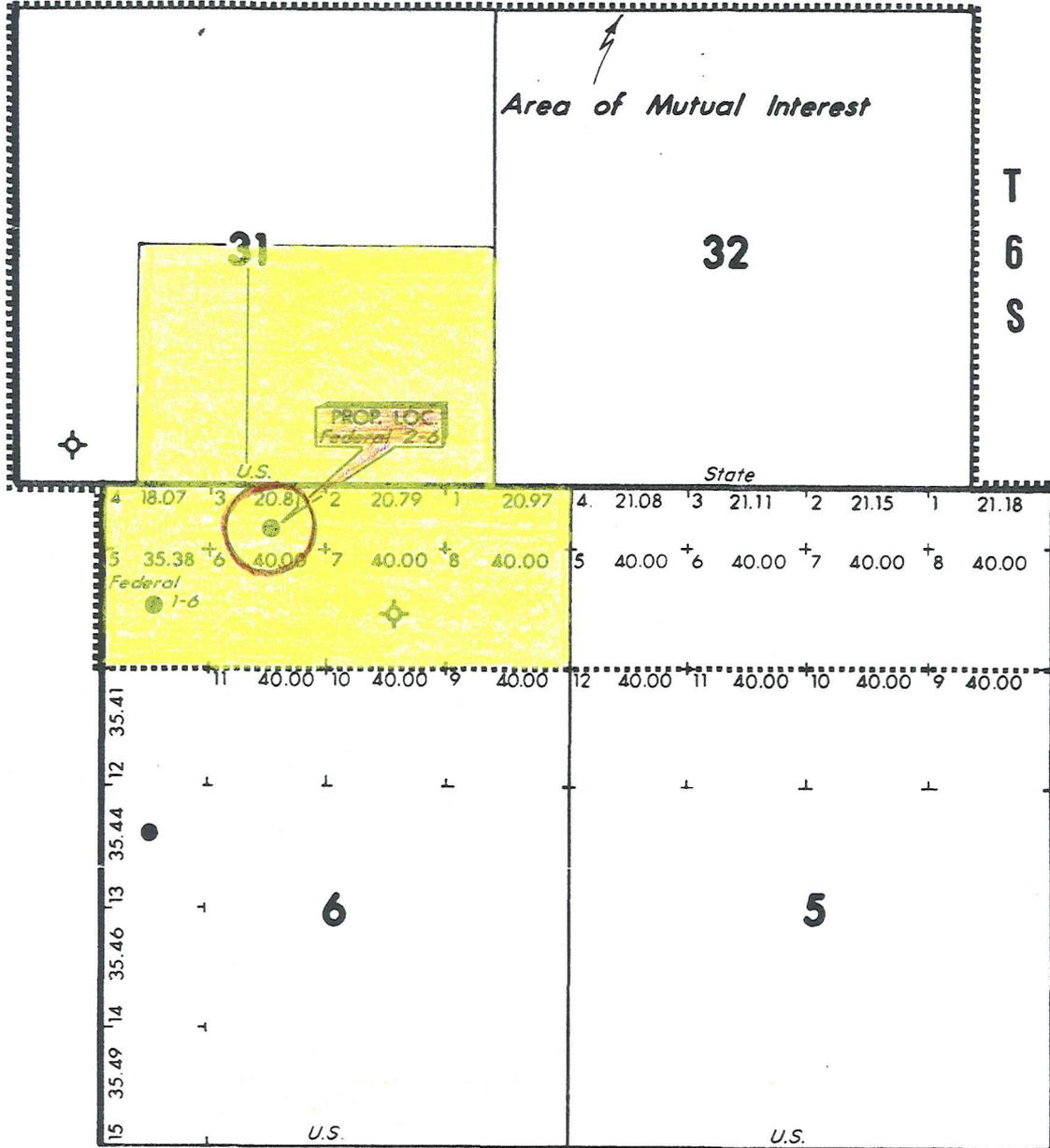
Yours very truly,



Jeffrey R. Shaffer
Land Manager

JRS/lr
Enclosure

R 24 E



Lease Ownership Map

Scale: 1" = 2000'

WALKER HOLLOW PROSPECT

Uintah County, Utah

**Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, Utah 84078**

3162.35
U-820
U-28223

December 12, 1985

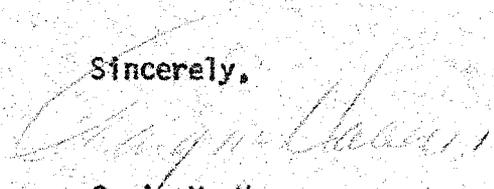
National Oil Company
1350 Seventeenth Street
Suite 200 Market Center
Denver, CO 80202

RE: Rescind Application for Permit to Drill
Well No. 2-6
Section 6, T7S, R24E
Uintah County, Utah
Lease No. U-28223

The Application for Permit to Drill the referenced well was approved on November 7, 1984. Since that date, no known activity has transpired at the approved location. Under current District policy, Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is rescinding the approval of the referenced application without prejudice. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,



Craig M. Hansen
ADM for Minerals

mh

bcc: State Div. O G & M
well file
U-922/943



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

December 19, 1985

National Oil Company
1350 Seventeenth Street
Suite 200, Market Center
Denver, Colorado 80202

Gentlemen:

Re: Well No. Walker Hollow Federal 2-6 - Sec. 6, T. 7S., R. 24E.,
Uintah County, Utah - API #43-047-31566

In concert with action taken by the Bureau of Land Management, December 12, 1985, approval to drill the above referenced well is hereby rescinded.

A new "Application for Permit to Drill" must be filed with this office, for approval, prior to future drilling of the subject location.

Sincerely,

A handwritten signature in cursive script that reads "John R. Baza".

John R. Baza
Petroleum Engineer

pk
cc: Dianne R. Nielson
Ronald J. Firth
File

0170S/28