

UTAH OIL AND GAS CONSERVATION COMMISSION

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

DATE FILED 4-5-85
 LAND: FEE & PATENTED X STATE LEASE NO. _____ PUBLIC LEASE NO. _____ INDIAN _____

DRILLING APPROVED: 4-9-85 - GAS (Exception Location)

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

INITIAL PRODUCTION: _____
 GRAVITY A.P.I. _____
 GOR. _____

PRODUCING ZONES: _____
 TOTAL DEPTH: _____

WELL ELEVATION: 5686' 60"
 DATE ABANDONED: Application Rescinded 8-17-86

FIELD: WILDCAT
 UNIT: _____

COUNTY: UINTAH
 WELL NO: DRAGON WATSON #1-22-11-25 API #43-047-31610

LOCATION: 1507' FSL FT. FROM (N) (S) LINE. 1467' FEL FT. FROM (E) (W) LINE. NW SE 1/4 - 1/4 SEC. 22

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
				<u>11S</u>	<u>25E</u>	<u>22</u>	<u>MITCHELL ENERGY CORP.</u>

April 2, 1985

RECEIVED

APR 05 1985

DIVISION OF OIL
GAS & MINING

State of Utah Natural Resources
Division of Oil, Gas, and Mining
3555 West North Temple 3
Triad Center-Suite #350
Salt Lake City, Utah 84180-1203

Attention: Arlene Sollis

Re Application for Permit to Drill
Mitchell Energy Corporation
Dragon Watson #1-22-11-25
NWSE Section 22-T11S-R25E
Uintah County, Utah



Dear Ms. Sollis:

Please find the attached application package. The package contains the Permit Form, a 10 Point Plan of Operations, a location layout and a location map with access route.

The wellsite is located 147' from a quarter-quarter section line in the NWSE quarter of Section 22 (see attached plat). Mitchell Energy requests that the location be approved for two reasons. The wellsite is limited by the topography of the region. The well will be drilled in Park Canyon and the available sites are limited by the canyon walls. In addition the ownership of the lease is common throughout section 22. A 660' radius from the proposed wellsite will not contact any different ownership interests.

Mitchell Energy is covered by a blanket drilling bond #61S35600-36-84 for the State of Utah. If there are any additional questions or requirements please contact Mark McNamee at (303) 861-2226.

Sincerely,

MITCHELL ENERGY CORPORATION

A handwritten signature in black ink, appearing to read 'H.R. Pate', written over the typed name.

H.R. Pate
District Production Manager

HRP/MM/jlw

Attachments

cc: J.A. Wanamaker

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

(Other instructions on reverse side)

10

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. Lease Designation and Serial No. Fee

6. If Indian, Allottee or Tribe Name N/A

7. Unit Agreement Name N/A

8. Farm or Lease Name Dragon Watson

9. Well No. 1-22-11-25

10. Field and Pool, or Wildcat Wildcat

11. Sec., T., R., M., or Blk. and Survey or Area Sec. 22-T11S-R25E

12. County or Parrish Uintah, Utah 13. State Utah

14. Distance in miles and direction from nearest town or post office* 19 miles southeast from Bonanza, Utah

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. line, if any) 1467'

16. No. of acres in lease 1467'

17. No. of acres assigned to this well 320

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

19. Proposed depth 9165' Morrison

20. Rotary or cable tools Rotary

21. Elevations (Show whether DF, RT, GR, etc.) 5686' GR

22. Approx. date work will start* May 1, 1985

RECEIVED

APR 05 1985

DIVISION OF OIL GAS & MINING

23. 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#	+800'	550 sx
7-7/8"	4-1/2"	11.6#	+9165'	2 Stage Total 800 sx

Mitchell Energy Corporation proposes to drill a well to a depth sufficient to test the Morrison for gas. If the well is productive, 4-1/2" casing will be set @ 9165'. If non-productive the well will be plugged and abandoned in a manner consistent with Utah Division of Oil and Gas regulations. The well plans are attached in a Ten Point Program. Also attached is a Survey Plat, Location layout, and well location map. Our water will be hauled by either Dalbo Inc. or Target Trucking Inc. whose water permit numbers are 49-1351 and 49-1330 respectively. If there are any questions please contact Mitchell Energy Corporation at (303) 861-2226.

APPROVED BY THE STATE OF UTAH DIVISION OF OIL GAS AND MINING
DATE: 4/9/85
John R. Bays
WELL SPACING C-3 (4)

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 H.K. Pate Title District Production Mgr. Date 4-2-85

(This space for Federal or State office use)

Permit No. Approval Date

Approved by Title Date

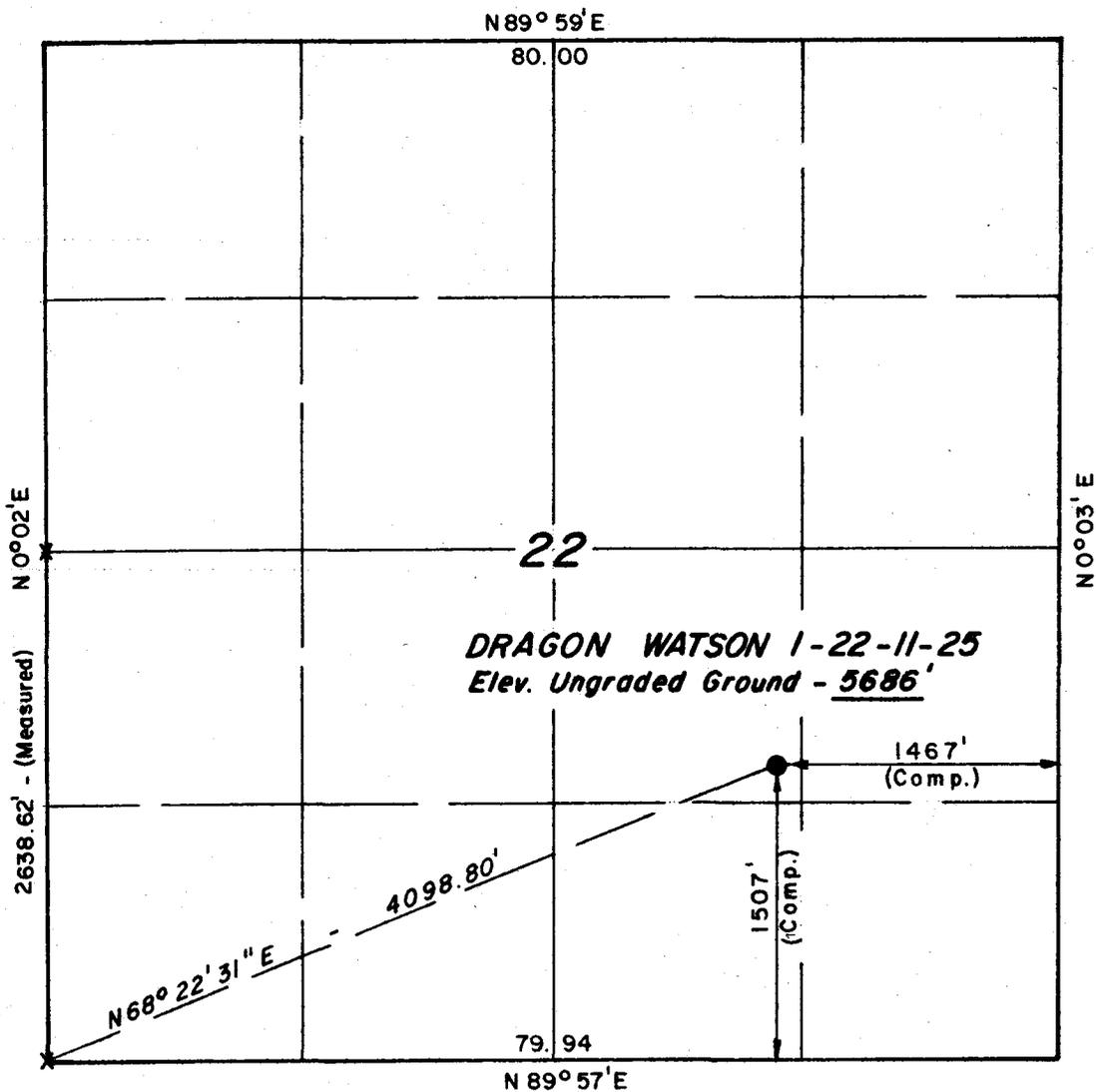
Conditions of approval, if any:

T11S, R25E, S.L.B.&M.

PROJECT

MITCHELL ENERGY CORP.

Well location, *DRAGON WATSON*
 1-22-11-25, located as shown in
 the NW1/4 SE1/4 Section 22,
 T11S, R25E, S.L.B. & M.
 Uintah County, Utah.



X = Section Corners Located



CERTIFICATE

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

[Signature]

REGISTERED LAND SURVEYOR
 REGISTRATION NO 2454
 STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
 P.O. BOX Q - 85 SOUTH - 200 EAST
 VERNAL, UTAH - 84078

SCALE	1" = 1000'	DATE	3/25/85
PARTY	DB DK RP	REFERENCES	GLO Plat
WEATHER	Fair	FILE	MITCHELL

TEN-POINT PROGRAM

Attached to Form 9-331C
 Mitchell Energy Corporation
 Dragon Watson #1-22-11-25
 NWSE Sec. 22-T11S-R25E
 Uinta County, Colorado

1. GEOLOGIC NAME OF SURFACE FORMATION:

The surface formation is the Wasatch.

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

Wasatch	Surface	Niobrara	7555'
Castlegate	4825'	Frontier	8525'
Mancos	5050'	Dakota	8780'
Mancos B	5570'	Morrison	9035'
Proposed Total Depth		9165'	

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:

Castlegate	4825'	Possible water
Mancos B	5570'	Water-Gas
Dakota	8780'	Gas
Morrison	9035'	Water-Gas

No other formations are expected to give up oil, gas, or water in measurable quantities. If any shallow fresh water zones and/or coal zones are encountered, a D.V. tool will be inserted at 3150'± and cement will be circulated up across the zones of interest.

4. CASING PROGRAM:

Hole size	Interval	Section Length	Size (OD)	Weight, Grade And Joint	Condition
12-1/4"	0-800'	600'	8-5/8"	24# K-55 ST&C	New
7-7/8"	800-9165'	6915'	4-1/2"	11.6# K-55 LT&C	New

CEMENT PROGRAM:

Surface - Circulate to surface
 Production - Approximately 300 sacks plus additives for producing interval. Shallow zone will be covered if necessary.

5. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

The blowout preventer (BOP) equipment will be a double type hydraulic with 10"-900 series blind rams and 4-1/2" drill pipe rams. The BOP will be nipped up on the surface casing. The BOP's and accessory equipment will be hydraulically tested to 3000 PSI for thirty minutes prior to drilling out and after any use under pressure.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked each time the pipe is pulled out of the hole. These checks will be noted on the daily drilling reports. At least one kill line (2") will be installed below the BOP rams.

Accessories to the BOP equipment will include a kelly cock, floor safety valve, drill string BOP and choke manifold with pressure rating equivalent to the BOP stack.

6. TYPES AND CHARACTERISTICS OF THE PROPOSED CIRCULATING FLUIDS:

The well will be drilled to total depth with a fresh water gel drilling mud. The properties of this fresh water gel system are:

<u>TYPE</u>	<u>MUD WEIGHT #/GAL.</u>	<u>VISCOSITY</u>	<u>WATER LOSS</u>
Low solids, non-dispersed	8.7-9.3	30-48	8-30 cc

Sufficient mud materials to maintain mud requirements and meet minimum lost circulation and blowout problems will be maintained at the wellsite.

7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:

- A. A kelly cock will be kept in the string.
- B. Bit floats will be used if lost circulation conditions do not exist.
- C. Visual monitoring of the drilling fluid system will be done. No special equipment will be needed to monitor the mud system.
- D. A full opening drill pipe stabbing valve with proper drill pipe fittings will be on the floor.

8. LOGGING, TESTING, AND CORING PROGRAM:

- A. Tests will be run on the basis of shows and on the recommendation of the geologist.
- B. The logging program will consist of Dual Induction-Lateralog from below surface casing to total depth, Gamma-Ray Compensated Neutron Formation density from 2000' to total depth.
- C. A possible core might be taken from the Dakota Formation. The decision to core will be based on information gathered while drilling.
- D. Stimulation procedures will be determined after evaluation of logs and well testing. If a treatment is indicated after perforating, the zone will be brokendown and a sand and gelled water frac will be performed on the prospective formation. The stimulation procedure will consist of approximately 2,000 gallons of 7.5% hydrochloric acid followed by a frac treatment of 60,000 gallons of gelled water with 125,000 pounds of 20/40 sand.

9. ABNORMAL CONDITIONS-PRESSURES-TEMPERATURES-POTENTIAL-HAZARDS:

No abnormal pressures or temperatures are anticipated. Estimated temperature at 9050' is 185°F. Estimated bottom hole pressure (BHP) is 2800 psig.

No hydrogen sulfide or other hazardous fluids or gases have been encountered, reported or known to exist at these depths in this area.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

Road and location work will begin as soon as approval has been received from the Board of Oil, Gas and Mining. The anticipated spud date is May 15, 1985. Once commenced, the drilling operation should be finished within 30 days. If the well is productive, an additional 30 days will be required for completion.

MITCHELL ENERGY CORP

DRAGON WATSON H-22-11-25

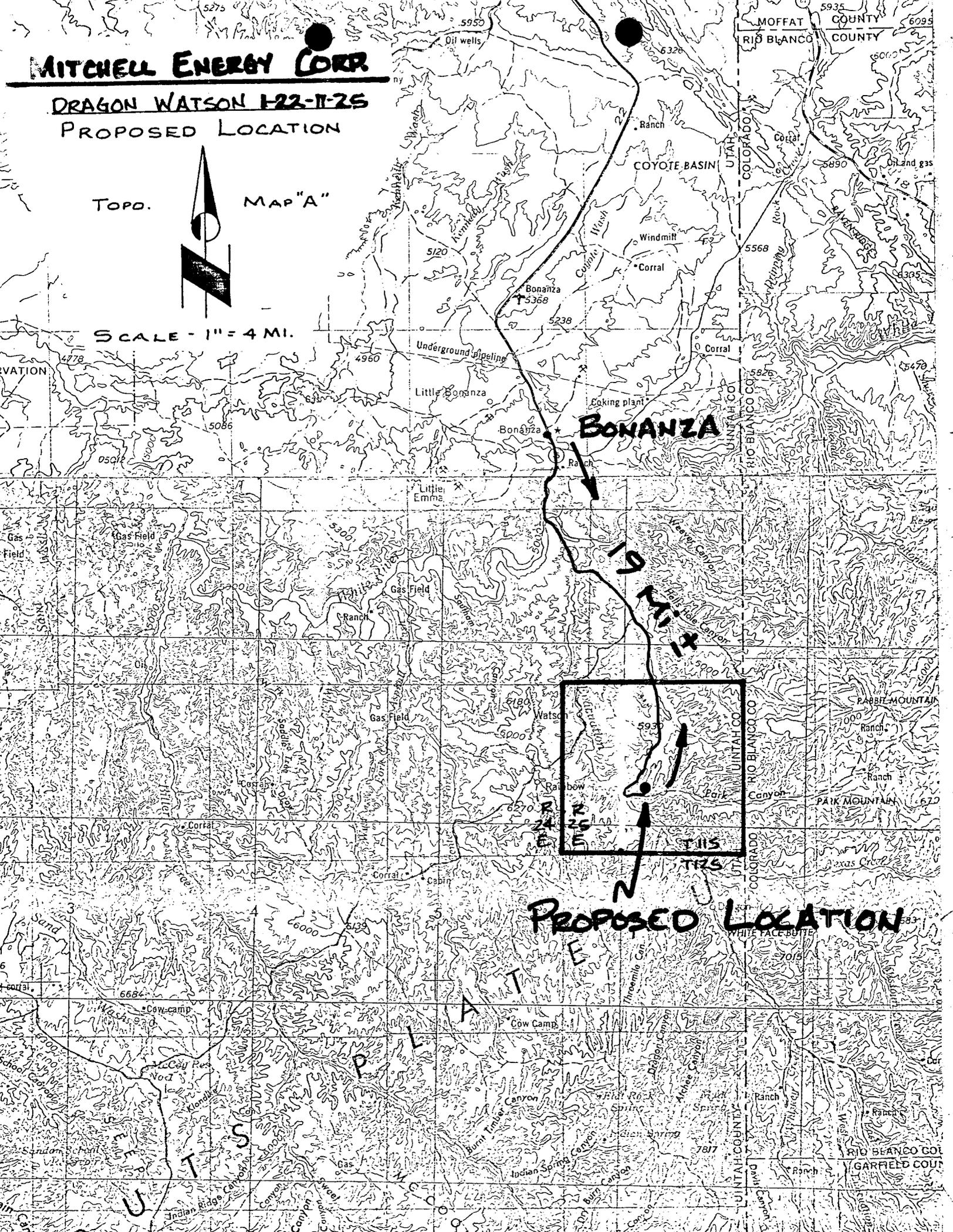
PROPOSED LOCATION

TOPO.

MAP "A"



SCALE - 1" = 4 MI.



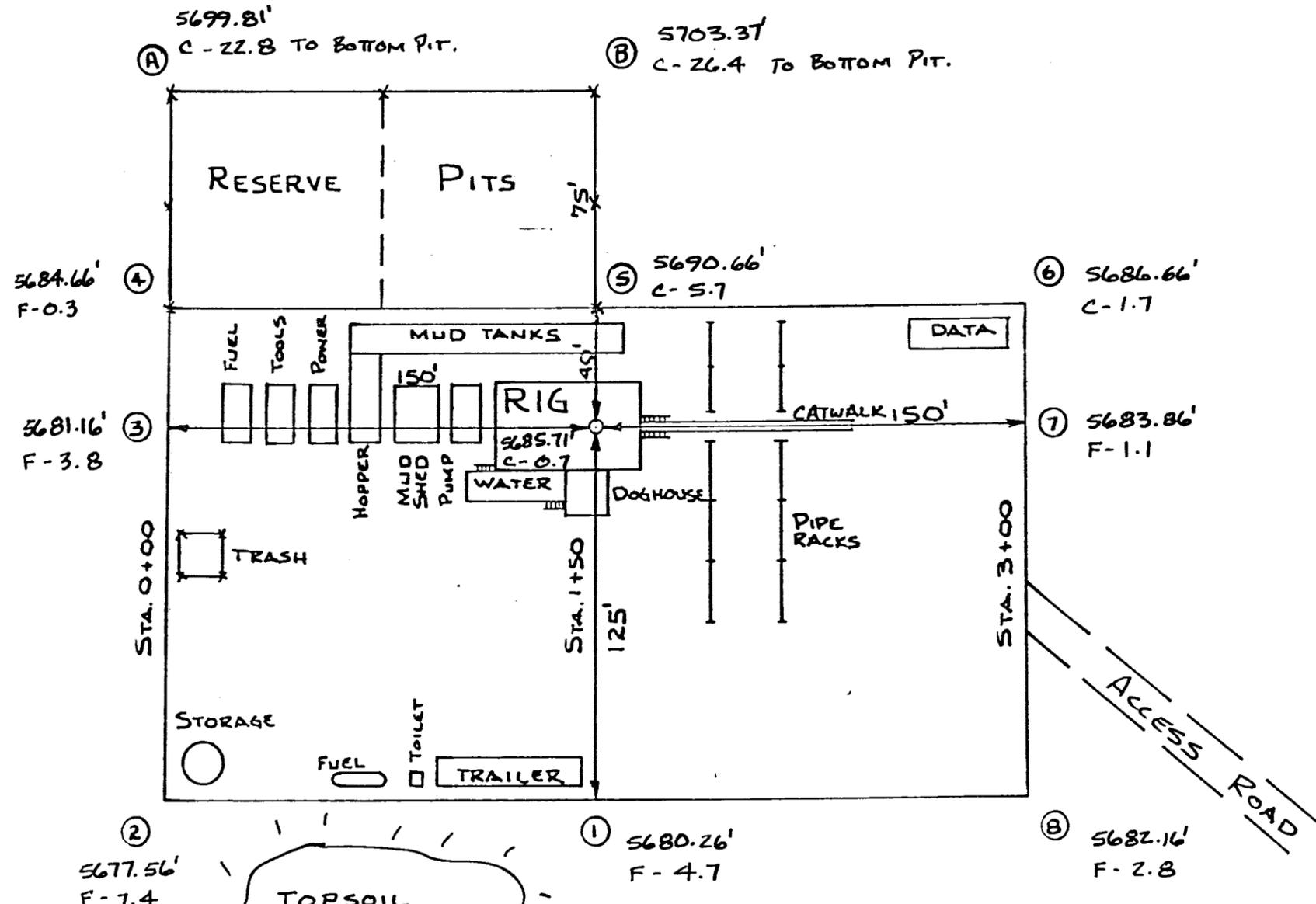
PROPOSED LOCATION

P
L
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E

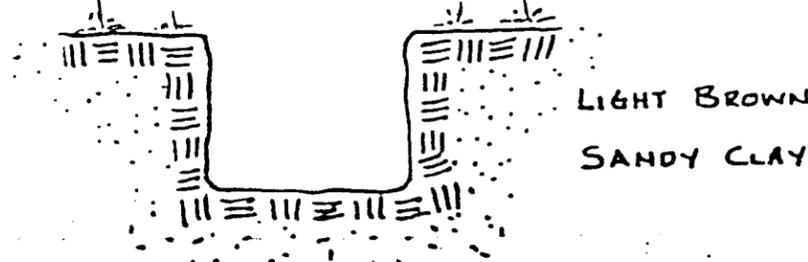
U
T
S

RIO BLANCO CO
GARFIELD CO

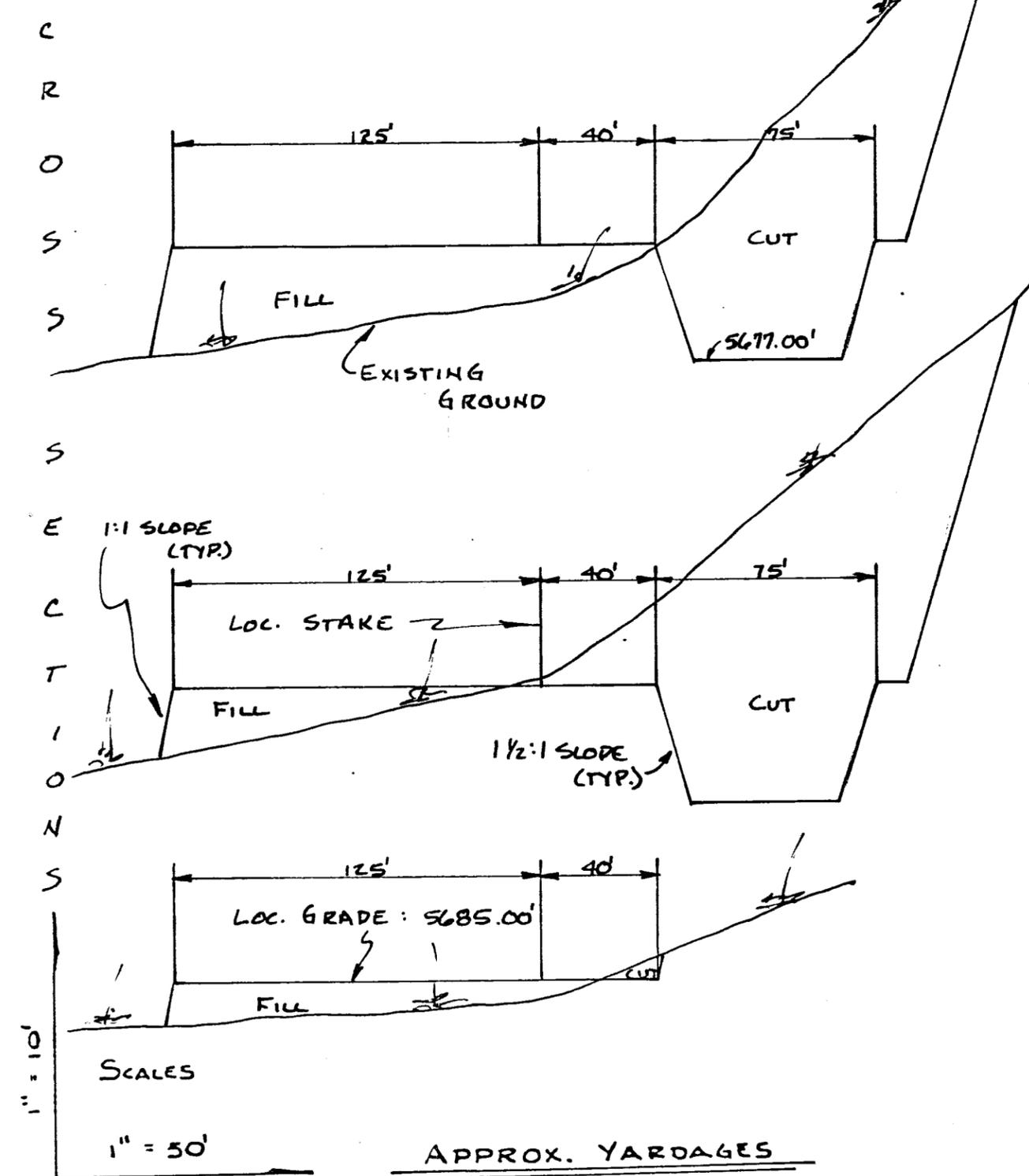
SCALE: 1" = 50'
DATE: 3/25/85



SOILS LITHOLOGY
- NO SCALE -



LIGHT BROWN SANDY CLAY



SCALES

1" = 50'

APPROX. YARDAGES

CUBIC YARDS CUT = 11,300

CUBIC YARDS FILL = 5,000

**PROPOSED LOCATION
DRAGON WATSON 1-22-11-25**

**Proposed Access
Road - 550' ±**

**MANZA, UT.
0.1 Mi.**

**RANGELY, COLO. 2
29.0 Mi. ±**

HWY. 45

**R 25 E
R 104 W**

**T1S
T12S**

MITCHELL ENERGY CORP.

DRAGON WATSON 1-22-11-25

PROPOSED LOCATION

Topo.

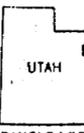
MAP "B"



SCALE - 1" = 2000'

ROAD CLASSIFICATION

Light-duty road, all weather, Unimproved road, fair or dry
Improved surface weather.



QUADRANGLE LOCATION

OPERATOR Mitchell Energy Corp DATE 4-8-85
WELL NAME Dragon Watson #1-22-11-25
SEC NWSE 22 T 11S R 25E COUNTY Wintab

43-047-31610
API NUMBER

Fee
TYPE OF LEASE

CHECK OFF:

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> PLAT | <input checked="" type="checkbox"/> BOND | <input checked="" type="checkbox"/> NEAREST WELL |
| <input checked="" type="checkbox"/> LEASE | <input checked="" type="checkbox"/> FIELD | <input checked="" type="checkbox"/> POTASH OR OIL SHALE |

PROCESSING COMMENTS:

No other well within 4960'
Water & - (Target Trucking 49-1330 expired 7/18/85)
Exception location has been requested.

APPROVAL LETTER:

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

STIPULATIONS:

1. BOP - 5000 psi - 8 5/8" csg.



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

April 9, 1985

Mitchell Energy Corporation
1670 Broadway, Suite 3200
Denver, Colorado 80202

Gentlemen:

Re: Well No. Dragon Watson #1-22-11-25 - NW SE Sec. 22, T. 11S, R. 25E
1507' FSL, 1467' FEL - Uintah County, Utah

Approval to drill the above referenced gas 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. Blowout prevention equipment with a minimum of 5000 psi working pressure should be used after drilling out of 8 5/8" casing.

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) 538-5340, (Home) 298-7695 or R. J. Firth, Associate Director, (Home) 571-6068.

Page 2

Mitchell Energy Corporation

Well No. Dragon Watson #1-22-11-25

April 9, 1985

4. 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 43-047-31610.

Sincerely,



R. J. Firth

Associate Director, Oil & Gas

as

Enclosures

cc: Branch of Fluid Minerals



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

072101

July 17, 1986

Mitchell Energy Corporation
1670 Broadway, Suite 3200
Denver, Colorado 80202

Gentlemen:

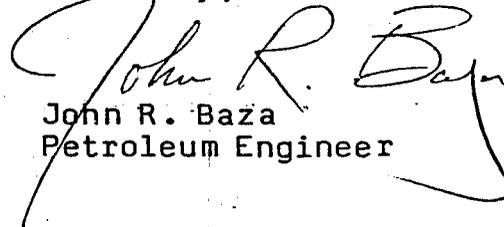
RE: Well No. Dragon Watson #1-22-11-35, Sec.22, T.11S, R.25E,
Uintah County, Utah, API NO. 43-047-31610

Due to excessive time delay in commencing drilling operations, approval to drill the subject well is hereby rescinded, effective one calendar month from the date of this notice.

If it is your intent to proceed with operations on the well, you must submit a request for extension of the approval to drill within the one month grace period. After the grace period, a new Application for Permit to Drill must be filed with this office for approval, prior to future drilling of the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,


John R. Baza
Petroleum Engineer

sb
cc: D. R. Nielson
R. J. Firth
Well file
02781-88

072905

July 22, 1986

RECEIVED
JUL 28 1986

**DIVISION OF
OIL, GAS & MINING**

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

Attention: John R. Baza

Re: Dragon Watson #1-22-11-35
Sec. 22, T11S-R25E
Uintah County, Utah
API No. 43-047-31610



Dear Mr. Baza:

Mitchell Energy Corporation has currently suspended its plans to drill the subject well. We will allow the grace period to expire and the permit to be rescinded. At the time when the gas market becomes more viable in that immediate area we will re-permit the well.

Sincerely,

MITCHELL ENERGY CORPORATION

James C. Anderson

James C. Anderson
District Production Manager

JCA/jlw