

UTAH OIL AND GAS CONSERVATION COMMISSION

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

870104 *La'd*:

DATE FILED 10-25-85

LAND: FEE & PATENTED _____ STATE LEASE NO. ML-42193 PUBLIC LEASE NO. _____ INDIAN _____

DRILLING APPROVED: 11-8-85 - GAS (Cause No. 210-3)

SPUDDED IN: _____

COMPLETED: _____ PUT TO PRODUCING: _____

INITIAL PRODUCTION: _____

GRAVITY A.P.I. _____

GOR: _____

PRODUCING ZONES: _____

TOTAL DEPTH: _____

WELL ELEVATION: _____

DATE ABANDONED: 1-4-87 *LA*

FIELD: ROCK HOUSE

UNIT: _____

COUNTY: UINTAH

WELL NO. ROCK STATE #1 API #43-047-31688

LOCATION 2086' FSL FT. FROM (N) (S) LINE. 2422' FWL FT. FROM (E) (W) LINE. NE SW 1/4 - 1/4 SEC. 2

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
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11S 23E 2 TXQ PRODUCTION CORP.

TXO

TXO PRODUCTION CORP.

1800 LINCOLN CENTER BUILDING
DENVER, COLORADO 80264

TELEPHONE (303) 861-4246

October 23, 1985

RECEIVED

OCT 25 1985

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

Re: Rock State #1
Section 2-T11S-R23E
Uintah County, Utah

Gentlemen:

Enclosed please find an Application for Permit to Drill, submitted in triplicate for the above referenced well. An archeological survey has been conducted and will be sent under separate cover.

If you have any questions please contact me at this office.

Very truly yours,

TXO PRODUCTION CORP.



R.K. (Ivan) Urnovitz
Environmental Scientist

RKU/gbp

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

(Other instructions on reverse side)

5. Lease Designation and Serial No.
State ML-42193

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name

8. Farm or Lease Name
Rock State

9. Well No.
#1

10. Field and Pool, or Wildcat

11. Sec., T., R., M., or Blk. and Survey or Area
Rock House
Sec. 2-T11S-R23E SLB&M

12. County or Parrish 13. State
Uintah Utah

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

DRILL

DEEPEN

PLUG BACK

b. Type of Well

Oil Well

Gas Well

Other

Single Zone

Multiple Zone

2. Name of Operator

TXO Production Corp.

Attn: R.K. (Ivan) Urnovitz
(303) 861-4246

3. Address of Operator

1660 Lincoln St., Suite 1800, Denver, CO 80264

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface
2086' FSL, 2422' FWL, Section 2 (NW/SE)
At proposed prod. zone NE SW

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

Approximately 20 miles Southwest of Bonanza, Utah

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

2086'

16. No. of acres in lease

631±

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.

19. Proposed depth

5200'

20. Rotary or cable tools

Rotary

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

5530' G.R.

22. Approx. date work will start*

October 31, 1985
Nov. 21, 1985

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"	24.0#	300'	Approx. 200 sacks-See A
7 7/8"	4 1/2"	10.5#	5200'	

A. Cement will be circulated to surface.

B. All casing will be new K-55.

C. Refer to attached Drilling Plan for Program Details.

RECEIVED

OCT 25 1985

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

DIVISION OF OIL
GAS & MINING

DATE: 11/8/85
BY: John R. Bay
WELL SPACING: 210-3

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: R.E. Dashner
R.E. Dashner Title: Drilling & Prod. Mgr. Date: Oct. 17, 1985

(This space for Federal or State office use)

Permit No. 43-047-31688 Approval Date

Approved by: Conditions of approval, if any: Title: Date:

DRILLING PLAN

DATE: October 16, 1985

WELL NAME: Rock State #1

SURFACE LOCATION: 2086' FSL, 2422' FWL, Section 2-T11S-R23E, SLB&M,
Uintah County, Utah

TXO Production Corp., as Operator, is covered by Statewide Bond No. 199-32-14,
filed with the Utah Division of State Lands.

I. DRILLING PROGRAM

1. SURFACE FORMATION: Uinta
2. ESTIMATED FORMATION TOPS:

Green River	436'
Wasatch	3162'
Mesa Verde	5175'
Total Depth	5200'
3. ESTIMATED DEPTH AT WHICH OIL, GAS, WATER OR OTHER MINERAL BEARING ZONES ARE EXPECTED TO BE ENCOUNTERED:

Expected Gas Zones: Green River, Wasatch and Mesa Verde
Expected Oil Zone: Green River

Water may be encountered in all formations.
4. PRESSURE CONTROL EQUIPMENT:
 - A. After surface casing is set, a double ram-type blowout preventer with blind rams and pipe rams, and a minimum working pressure of 2000 psi, which exceeds the anticipated bottomhole pressure of 1100 psi, will be installed. See Exhibit 1.
 - B. A choke control, fill and kill lines with minimum working pressure of 2000 psi will be installed.
 - C. A rotating pack-off head will be installed above the blowout preventer to control flow while drilling with air.
 - D. The equipment in A and B will be pressure-tested to 2000 psi for a minimum of 15 minutes before drilling surface pipe cement. The blowout preventer will be tested for operations daily and during trips.

5. CASING PROGRAM AS PER FORM 3160-3.

6. MUD PROGRAM:

0-3000' Native mud: 8.8 to 9.0 ppg; viscosity 28-32 seconds
3000' to TD LSND mud: 9.0 to 9.2 ppg; viscosity 35-45 seconds; WL less than 10 cc's.

7. CORING, LOGGING, TESTING PROGRAM:

A. No coring is anticipated.

B. Logging program will consist of: DIL-SP from TD to surface pipe, and FDC-CNL-GR from TD to 2000' above TD.

C. A DST will be run on any shows of interest.

8. ABNORMAL CONDITIONS:

A. No abnormal pressures or temperatures are expected.

B. No hazardous gases such as H₂S are expected.

C. While drilling with gas or air, return fluids will be directed through the blow line to the reserve pit. All open fires or ignition sources will be prohibited on location while gas or air drilling. A pilot flame will be maintained at the end of the blow line (located 125' from the wellhead) to insure burning of return gases that are combustible.

9. AUXILIARY EQUIPMENT

A. A kelly cock will be used.

B. A float valve will be run in the drill string above the bit.

C. A sub with full opening valve will be kept on the derrick floor to stab into DP when kelly is not in use.

10. ANTICIPATED STARTING DATES:

Start location construction	November 20, 1985
Spud date	November 27, 1985
Complete drilling	December 7, 1985
Completed, ready for pipeline	December 15, 1985

11. COMPLETION:

In the event logging or other information indicates the well is capable of

commercial production, production casing will be set as indicated on the Application for Permit to Drill. The drilling rig will then be released and removed from the location. A smaller completion rig will be moved on the location to perform completion procedures.

Productive zones will be perforated, tested and treated as necessary. Gas will be flared during testing. Produced water will be contained in the unlined drilling reserve pit. The extent of treatment of a zone (acidizing and/or fracing) can only be determined after the zone has been tested. A completion program will be furnished after drilling and logging, if requested.

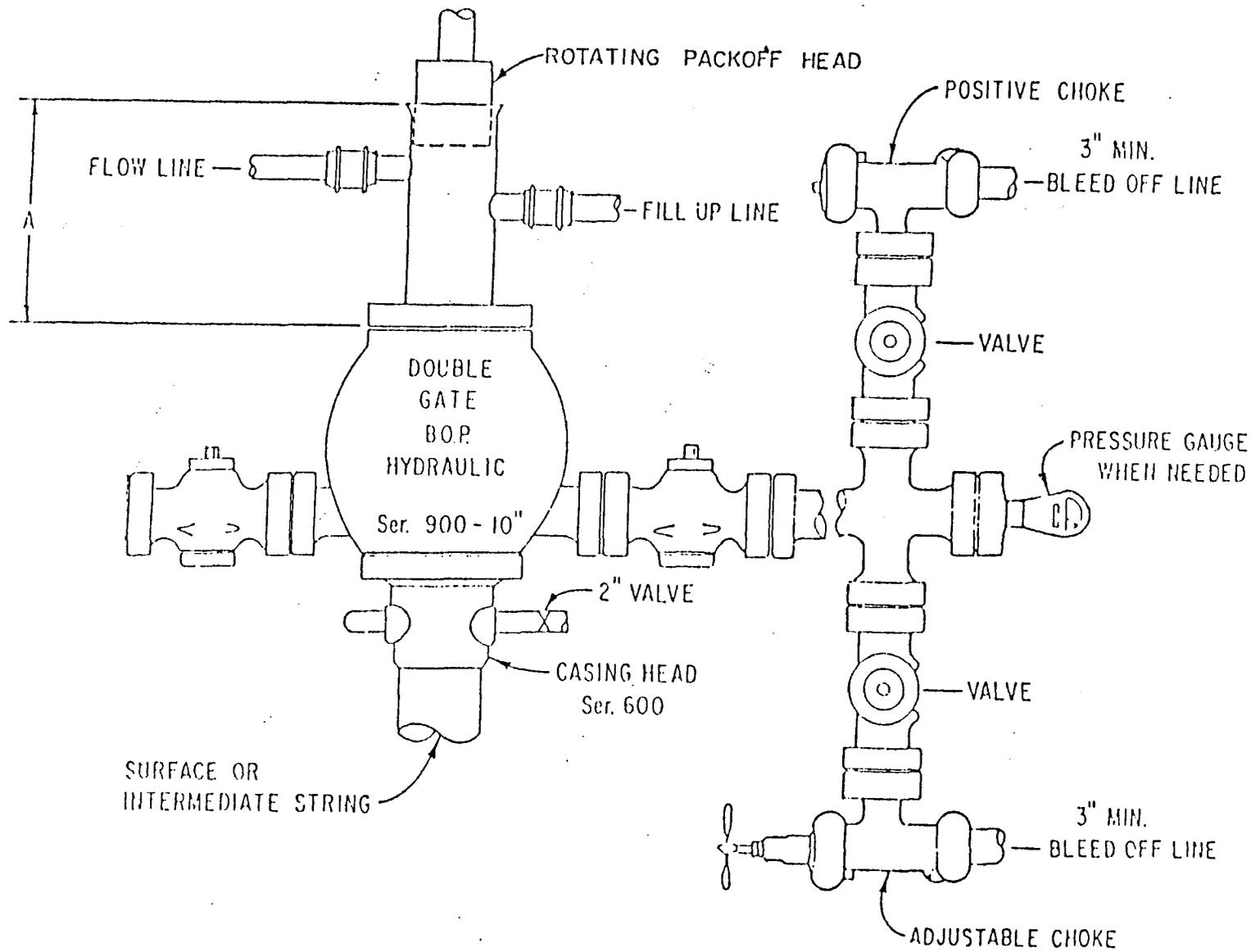


EXHIBIT I
 BLOWOUT PREVENTER DIAGRAM

OPERATOR TXO Production Corp DATE 10-29-85

WELL NAME Rock State #1

SEC NE SW ~~115E 2~~ T 115 R 23E COUNTY Unita

43.047-31688
API NUMBER

State
TYPE OF LEASE

CHECK OFF:

- PLAT
- BOND
- NEAREST WELL
- LEASE
- FIELD
- POTASH OR OIL SHALE

PROCESSING COMMENTS:

Bond Order 210-3 (approved 10/24/85)

Need water permit

State History

APPROVAL LETTER:

SPACING: A-3 _____ UNIT c-3-a 210-3 CAUSE NO. & DATE

c-3-b c-3-c

STIPULATIONS:

- 1- Water
- 2- State History
- 3- Pit lined - bentonite - 2 lbs/ sq. ft.
- 4- Culverts shall be installed and natural drainages shall be diverted to prevent any influent ^{to} or effluent from the drilling location.
- 5- The well location and access road shall be constructed to cause minimal disturbance to natural drainages in vicinity of well.

RECEIVED

10-24-85
3:30 PM

OCT 30 1985

ONSITE PREDRILL INSPECTION FORM

DIVISION OF OIL
& GAS & MINING

COMPANY TXO Production Corp. WELL NO. Rock State #1

NE/SW

LOCATION: SECTION 2 TOWNSHIP 11 S RANGE 23 E COUNTY Uintah

LEASE NO. _____ ONSITE INSPECTION DATE 10-24-85

(A) PERSONS IN ATTENDANCE Ivan Urnovitz (TXO) Ed Deputy (DOG M)

(B) SURFACE FORMATION AND CHARACTERISTICS Thin to med. bedded sandy siltstone, Abundant outcrops, thin, very sandy soils.

(C) BRIEF DESCRIPTION OF VEGETATION Juniper, cedars, sagebrush, native grass, sparse to med. cover.

(D) ARCHAEOLOGICAL CLEARANCE: YES OR NO Yes (Nickens & Assoc.)

(E) DESCRIPTION OF TOPOGRAPHY (drainages, slope, roads, etc.) Ledge and steep slopes, numerous steep sided drainages, little soil cover, no existing road within approx. 1/2 mile of location.

(F) CONDITIONS FOR APPROVAL:

PIT LINING (YES OR NO) Yes

TYPE OF LINING IF NEEDED Bentonite-2 lb/sq ft

ADDITIONAL REQUIREMENTS TXO will be using mud recirculation tanks, bentonite lining in small pit for solids from tanks, 24" culvert in narrow drainage NW of location, berm or drainage ditch around upslope side of location, do not completely block drainage on east side of location, keep access road out of bottom of drainage as much as possible.

SIGNATURE: Ed Deputy

TITLE Inspector



TXO PRODUCTION CORP.

1800 LINCOLN CENTER BUILDING
DENVER, COLORADO 80264

TELEPHONE (303) 861-4246

November 4, 1985

RECEIVED

NOV 06 1985

DIVISION OF OIL
GAS & MINING

Mr. John Baza
State of Utah
Division of Oil, Gas and Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180

Re: Administrative Spacing
Exception Request for
Cracker Fed. #2 and #3
Uintah County, Utah

Dear Mr. Baza:

As we discussed the other day, TXO Production Corp. (TXO) requests an exception to the spacing requirements as allowed for in Docket 85-056: Cause 210-3, passed by the Board on October 24, 1985. Topographic restraints prevent TXO from drilling the referenced wells the specified 1000' minimum distance from the lease or unit line. Our requested locations are as follows:

- A. Cracker Federal #2
528' FSL, 1293' FEL, Section 8-T11S-R23E SLB&M
The spacing unit for this well will be a lay-down comprised of 320 acres (S/2, Sec. 8). the closest distance to the lease or unit line is 528'.
- B. Cracker Federal #3
1233' FSL, 2122' FEL, Section 5-T11S-R23E, SLB&M
The spacing unit for this well will be a stand-up comprised of 320 acres (E/2, Sec. 5). The closest distance to the lease or unit line is 536'.

A topographic map derived from USGS sources with the proposed locations and access roads shown is enclosed for your review. As you can see, the rugged terrain severely restricts our choice of feasible drilling locations.

TXO has proposed a third well in this area, the Rock State #1. The staked location is 2086' FSL, 2422' FWL, Section 2-T11S-R23E, SLB&M. We anticipate the designated spacing unit will be a lay-down comprising approximately 320 acres (S/2, Sec. 2). A spacing exception is not necessary for this well.

Mr. John Baza
November 4, 1985
Page Two

Please call me at this office if you have any questions regarding this matter.

Very truly yours,

TXO PRODUCTION CORP.

A handwritten signature in cursive script, appearing to read "R.K. Urnovitz".

R.K. (Ivan) Urnovitz
Environmental Scientist

CKC/gbp



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

November 8, 1985

TXO Production Corporation
1800 Lincoln Center Building
Denver, Colorado 80264

Attn: R. K. (Ivan) Urnovitz

Gentlemen:

Re: Well No. Rock State 1 - NE SW Sec. 2, T. 11S, R. 23E
2086' FSL, 2422' FWL - Uintah County, Utah

Approval to drill the above-referenced gas well is hereby granted in accordance with the Order of Cause No. 210-3 dated October 24, 1985 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 as required by Chapter 3, Title 73, Utah Code Annotated.
2. Prior to any ground-disturbing activity on state lands or lands owned or controlled by the state or its subdivisions, a cultural resource clearance report must be filed with and approved by the Division of State History, phone (801) 533-4563. A list of acceptable archaeological contractors is available from the Division of State History.
3. Pit shall be lined with bentonite - 2 lbs./sq. ft.
4. Culverts shall be installed and natural drainages shall be diverted to prevent any influent to or effluent from the drilling location.
5. The well location and access road shall be constructed to cause minimal disturbance to natural drainages in vicinity of well.

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.

Page 2
TXO Production Corporation
Well No. Rock State #1
November 8, 1985

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.
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 43-047-31688.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

as
Enclosures
cc: State Lands
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

120801

December 4, 1986

TXO Production Corporation
1800 Lincoln Center Building
Denver, Colorado 80264

Gentlemen:

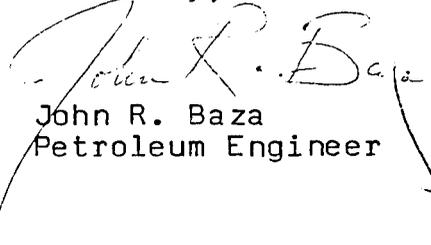
RE: Well No. Rock State #1, Sec. 2, T.11S, R.23E,
Uintah County, Utah API NO. 43-047-31688

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: State Lands
D. R. Nielson
R. J. Firth
 Well file

0327T-26