

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

3. ADDRESS OF OPERATOR
 1800 Lincoln Center Bldg., Denver, CO 80264

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
 2112' FEL, 1233' FSL, Sec. 5-T11S-R23E (SW/SE)
 At proposed prod. zone
 Same

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. unit line, if any) 528'

16. NO. OF ACRES IN LEASE 353

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 5600' *M. J. [Signature]*

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5917' GR

22. APPROX. DATE WORK WILL START*
 November 30, 1985

5. LEASE DESIGNATION AND SERIAL NO.
 U-54193

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 Cracker Federal

9. WELL NO.
 #3

10. FIELD AND POOL, OR WILDCAT
 ✓ Rock House

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 5-T11S-R23E

12. COUNTY OR PARISH 13. STATE
 Uintah Utah

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'	200 sacks (Approx) (see A.)
7 7/8"	4 1/2"	10.5#	5600'	500 sacks

- A. Cement will be circulated to the surface
- B. All casing will be new K-55

RECEIVED

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

OCT 23 1985

DATE: 7/18/85
 BY: [Signature]
 WELL SPACING: Case No. 210-3

DIVISION OF OIL
 GAS & MINING

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. Dasher TITLE Drilling & Prod. Mgr. DATE Oct. 14, 1985
 R.E. Dasher

(This space for Federal or State office use)
 PERMIT NO. 43-047-31689

APPROVAL DATE _____

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

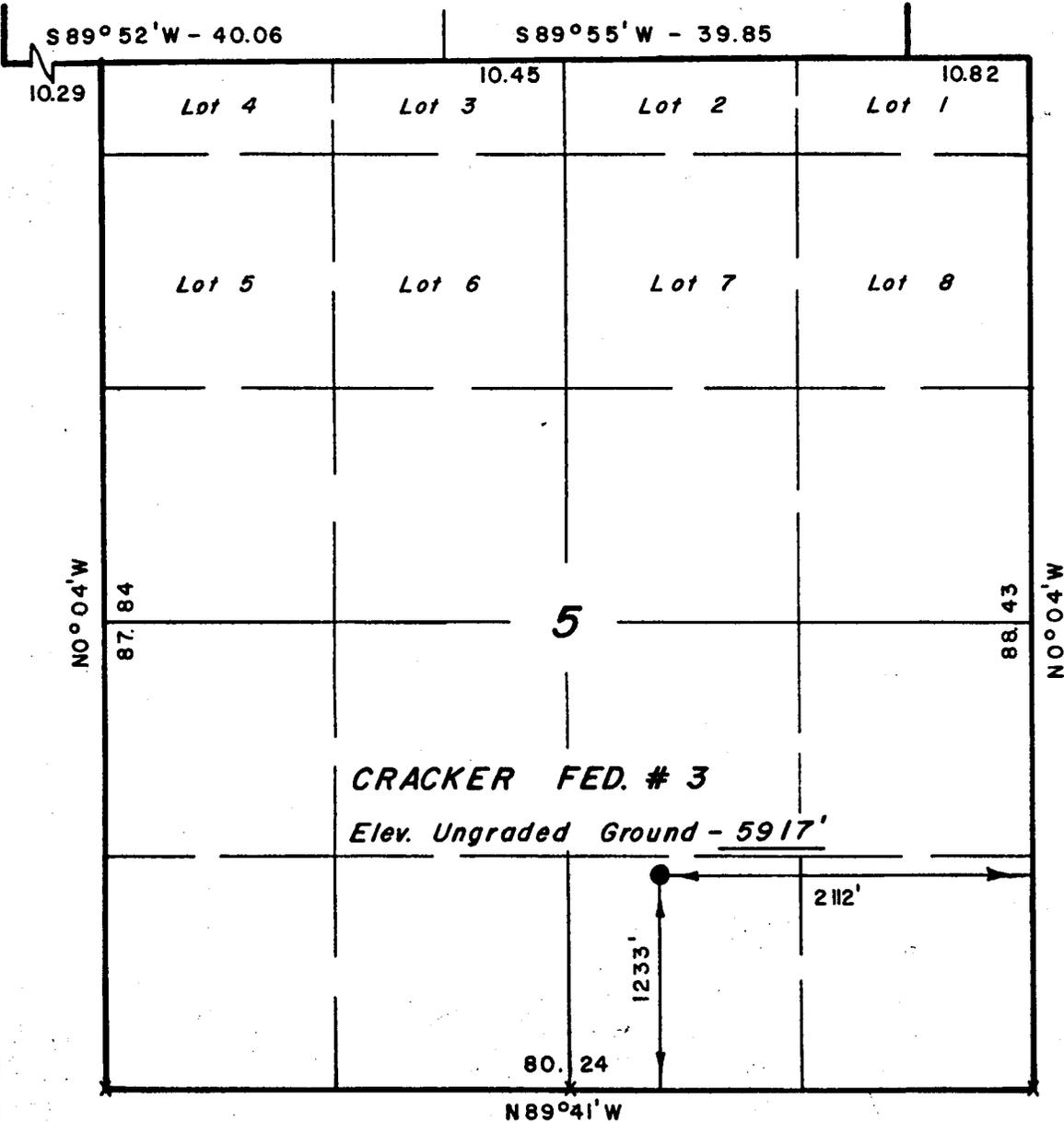
*See Instructions On Reverse Side

T 11 S, R 23 E, S.L.B. & M.

PROJECT

TXO PRODUCTION CORP.

Well location, *CRACKER FED. #3*,
located as shown in the SW1/4 SE1/4
Section 5, T 11 S, R 23 E, S.L.B. & M.
Uintah County, Utah.



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.

Nelson J. ...

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 10/7/85
PARTY D.K. G.M. S.B.	REFERENCES GLO Plat
WEATHER Fair	FILE TXO PROD.

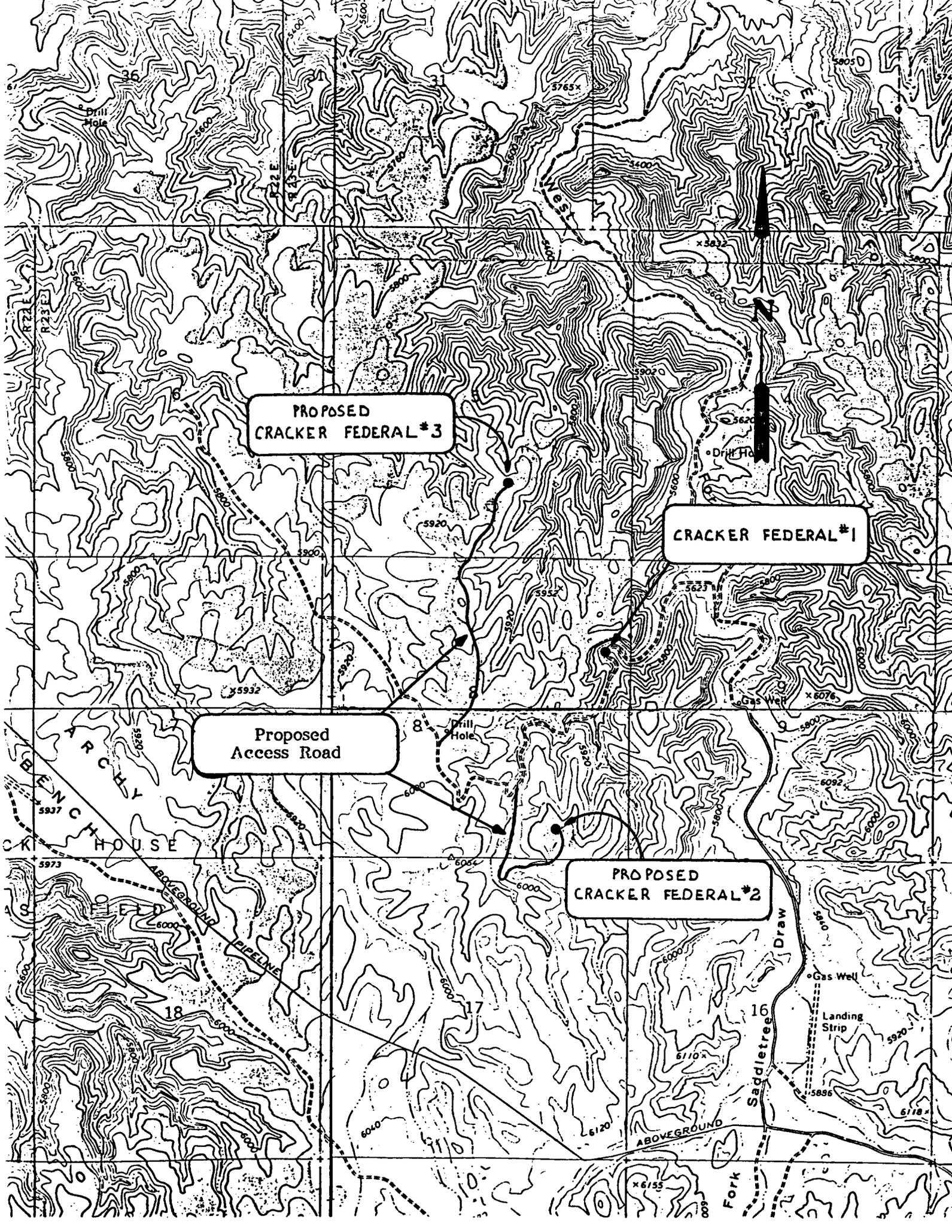
X = Section Corners Located

PROPOSED
CRACKER FEDERAL #3

CRACKER FEDERAL #1

Proposed
Access Road

PROPOSED
CRACKER FEDERAL #2



DRILLING PLAN

DATE: October 14, 1985

WELL NAME: Cracker Federal #3

SURFACE LOCATION: 12 33 ' FSL, 2112' FEL, Section 5-T11S-R23E, SLB&M, Uintah County, Utah

FEDERAL OIL & GAS LEASE NO.: U-54193

TXO Production Corp., as Operator, is covered by Nationwide Bond No. 679 F 434 A.

I. DRILLING PROGRAM

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

Green River	776'
Wasatch	3702'
Mesa Verde	5515'
Total Depth	5600'
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 Zones: Green River (non-economic)

Water may be encountered in the Green River, Wasatch and Mesa Verde Formations.
4. PRESSURE CONTROL EQUIPMENT:
 - A. After surface casing is set, a double ram-type blowout preventer with blind rams and pipe rams, with minimum working pressure of 2000 psi (greater than 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:

0-3500'	Native mud: 8.8 to 9.0 ppg; 28-32 viscosity API
3500' to TD	LSND mud: 9.0 to 9.2 ppg; 35-45 viscosity API; WL less than 10 cc.

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 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 30, 1985
Spud date	December 4, 1985
Complete drilling	December 14, 1985
Completed, ready for pipeline	December 23, 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 Form 3160-3. 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.

II. SURFACE USE PROGRAM

1. EXISTING ROADS

- A. From Bonanza, Utah, proceed south 9.7 miles on Highway 45 (follow signs to Baxter Pass) to Highway 207 (to Watson). Turn right on 207 and proceed 8.8 miles past Watson and Evacuation Creek to a fork. Take the right fork (pass Kings well). Stay on main road for 7.9 miles. Take the right fork and proceed north for 0.5 mile to a fork. Take the left fork and proceed west 1.6 miles to a fork. Take the right fork and proceed north 1.0 mile to a fork. Take the right fork and continue north 2.6 miles to a fork. Take the left fork and proceed west 1.5 miles to a fork. Take the right fork and proceed north 1.7 miles past the Shamrock Rockhouse Unit #4 well and keep following the well maintained road for about another 1.1 miles to the TXO Cracker Federal #1 well. Continue about 0.3 mile and stay right. Go another 0.5 mile, stay right and head up the hill. Follow the road 0.5 mile to an abandoned location.
- B. Access route to location color coded in red and labeled. Refer to Exhibit 2.
- C. For development well, all existing roads within one mile color coded in yellow. Refer to Exhibit 3.
- D. Plans for improvement and maintenance of existing roads: The existing road from the abandoned well location requires maintenance and upgrading. Other existing roads will not require significant work. During wet periods some additional maintenance may be necessary to allow passage by drilling rigs and well servicing vehicles. Dry periods may necessitate watering the road to control dust or improve stability.

2. PLANNED ACCESS ROAD

The existing road beyond the abandoned well location requires maintenance to restore its original 18-20 ft. wide running surface. Approximately 4750 feet of new road will be constructed to the well pad with grades ranging up to 3 percent. The use of culverts, gates, or cattleguards will not be necessary.

3. LOCATION OF EXISTING WELLS

Exhibit 5 is a one-mile radius locating and identifying the following:

- A. Water Wells-None
- B. Injection Wells-None
- C. Abandoned Wells-Shamrock Gov't #1, Sec. 8-T11S-R23E
Shamrock Rockhouse #7, Sec. 4-T11S-R23E
- D. Disposal Wells-None
- E. Producing Wells-Shamrock Rockhouse Unit #4, Sec. 9-T11S-R23E
- F. Drilling Wells-None
- G. Shut-in Wells - TXO Cracker Fed. #1, Sec. 8-T11S-R23E
- H. Injection Wells-None

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. On-well-pad production facilities, if well is successfully completed for production.
1. Proposed facilities and attendant lines in relation to the well pad. Refer to Exhibit 6.
 2. Dimensions of facilities: Refer to Exhibit 6.
 3. The production facilities will include a production pit, a production unit, a meter run, and dehydrator. The meter and dehydrator are normally owned, installed, and maintained by the gas purchaser. The anticipated location of these facilities is shown on Exhibit 6. The pit will be located in cut, contain all water production, and built in accordance with NTL-2B IV.4. specifications for disposal of less than five barrels of produced water per day. In the event the volume of produced water exceeds 5 BWPD, TXO will investigate alternate disposal methods and obtain approval as required by NTL-2B.
 4. Protective devices and measures to protect livestock and wildlife: The water production pit will be fenced with barbed wire to protect livestock and wildlife.
- B. Off-well-pad production facilities

No off-well-pad facilities, other than a gas pipeline, are anticipated.

5. LOCATION AND TYPE OF WATER SUPPLY

- A. Location and type of water supply: TXO Production is considering the following water sources:
1. Bitter Creek; from a point located in the SE/4 SE/4 Section 26-T11S-R22E.
 2. White River; from a point either located in the SW/4 NE/4 Section 2-T10S-R24E or NW/4 NW/4 Section 11-T10S-R22E.
 3. Evacuation Creek; from a point located in the NW/4 NE/4 Section 7-T11S-R25E.

The actual source used will depend on time of year and water availability. Temporary water use permits from the State of Utah have been or will be obtained for all these sources.

- B. Method of transporting water: The water will be hauled in trucks by a certified water hauler. The exact route will depend on the source chosen, however, all travel will be on existing roads.

C. If water well is to be drilled, so state: No water well is contemplated.

6. SOURCES OF CONSTRUCTION MATERIALS

A. Show information either on map or by written description: It is anticipated that cuts on location will furnish sufficient quantities of materials to construct a level location. Topsoil will be stockpiled on the north and northeast ends of the pad for later use during rehabilitation of the disturbed areas. Excess excavated material will also be stockpiled adjacent to the pit for use during rehabilitation. Please refer to Exhibit 7.

B. Identify if from Federal or Indian Land: The affected land is Federal and under the jurisdiction of the Bureau of Land Management.

7. METHODS OF HANDLING WASTE DISPOSAL

A. Cuttings will be contained and disposed of in the reserve pit.

B. Drilling fluids will be contained and disposed of in the reserve pit. While drilling with air or gas, a dust arresting system will be installed on the blow line.

C. Produced fracing fluids will be directed to the reserve pit for evaporation.

D. Sewage: A portable chemical toilet will be on location during operations.

E. Garbage and other trash will be placed in a trash bin and removed to a sanitary landfill upon completion.

F. Protective Devices: The flare pit (if necessary) will be fenced and flagged to protect animals. The drilling reserve pit will be fenced on three sides during drilling, and on the fourth side prior to the rig moving off location. If any oil is in the reserve pit, it will be removed or overhead flagging will be installed.

G. Statement regarding proper cleanup when rig moves out: When the rig moves out, all trash and refuse will be removed from the location and hauled to a sanitary landfill. All pits will be filled after drying and the area restored as under Item 10 of this plan.

8. ANCILLARY FACILITIES

Identify all proposed camps and airstrips on a map as to their location, area required and construction methods: An existing landing strip in the E/2 Section 16-T11S-R23W may be used to ferry in crews, weather permitting. No new surface disturbance is necessary. Refer to Exhibit 3.

9. WELL SITE LAYOUT ATTACHMENT AND PROPOSED RIG LAYOUT

- A. Cross section of drill pad with cuts and fills: Refer to Exhibit 7.
- B. Location of mud tank, reserve pit, trash bin, pipe racks and other facilities: Refer to Exhibit 7.
- C. Statement regarding pit lining: The reserve pit will be unlined. However, if the sub-surface structure should prove too porous or highly fractured, a 2 to 4 inch layer of bentonite or a commercial plastic liner will be placed in the pit to prevent excessive seepage and possible groundwater contamination.

10. PLANS FOR RESTORATION OF SURFACE

- A. Backfilling, leveling, contouring, and waste disposal: Upon completion of the well, the site will be cleared of all debris and the mouse and rat holes filled. The reserve pit will be allowed to dry by evaporation and then will be backfilled. Cuttings, drilling muds, and similar spent chemicals directed to the reserve pit pursuant to Item 7 above will be buried as the pit is backfilled. Disturbed areas of the pad not needed for production facilities will be graded to an appearance consistent with the natural contours. These areas will then be covered with topsoil, disced and seeded with a seed mixture recommended by the BLM. If the well is not commercially productive, the entire pad will be reclaimed as described above.
- B. In the event the well is not commercially productive, that portion of the access road requested by BLM to be rehabilitated will be recontoured, cover with topsoil, disced and seeded with the BLM-recommended seed mixture. Shrubby plants removed during road construction will be scattered randomly along the road to provide a natural appearance, control erosion and enhance seed production.
- C. Timetable for commencement and completion of rehabilitation operations: Rehabilitation will commence when drilling operations are completed, approximately December 23, 1985 and will be completed within approximately one year. It is anticipated that seeding of the recontoured pad would be performed in the Fall following pit backfill and recontouring operations.

11. SURFACE OWNERSHIP

The access road and the well pad are located on lands administered by the BLM. Part of the road is off-lease and a right-of-way will be obtained from the Vernal BLM Office. A small portion of the access road is on state lands and a right-of-way has been obtained from the State of Utah. Refer to Exhibit 4.

12. OTHER INFORMATION

General description of:

- A. Topography, soil characteristics, geologic features, flora, fauna: Though

the well site is located on gently sloping ground the area can best be characterized as rugged. The plateaus and benches are punctuated with numerous drainages and are separated by valleys lying in steep washes and draws. Soils are generally thin except on the broader valley floors and rock is exposed in numerous areas. The soils in the area consist of silty clay loams. Vegetation is mainly comprised of big sagebrush, juniper, and native grasses. Animals inhabiting the area include deer, small common mammals, and birds.

- B. Other surface-use activities include: oil and gas production and livestock grazing.
- C. Proximity of water, occupied dwellings, archeological, historical or cultural sites: There are no live streams in the immediate area. An ephemeral wash runs through the canyon below the proposed location. An archeological survey will be conducted for the new access road and well pad with the results forwarded to the Vernal BLM office.

13. LESSEE'S OR OPERATOR'S REPRESENTATIVES AND CERTIFICATION

- A. Name, address and phone number of the lessee's or operator's field representative who is responsible for assuring compliance with the approved surface use and operations plan.

R.E. Dashner
District Drilling & Production Manager
TXO Production Corp.
1660 Lincoln Street
1800 Lincoln Center Building
Denver, Colorado 80264
(303) 861-4246 - Business
(303) 690-5658 - Residence

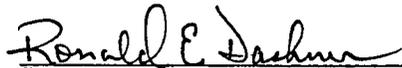
Comments regarding the content of this plan or arrangements for an on-site inspection should be directed to:

Ivan Urnovitz
Environmental Scientist
TXO Production Corp.
1660 Lincoln Street
1800 Lincoln Center Building
Denver, Colorado 80264
(303) 861-4246 - Business
(303) 665-2365 - Residence

- B. 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 currently 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 TXO Production Corp. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

DATE: October 14, 1985

NAME AND TITLE:



Ronald E. Dashner
District Drilling and Production Manager

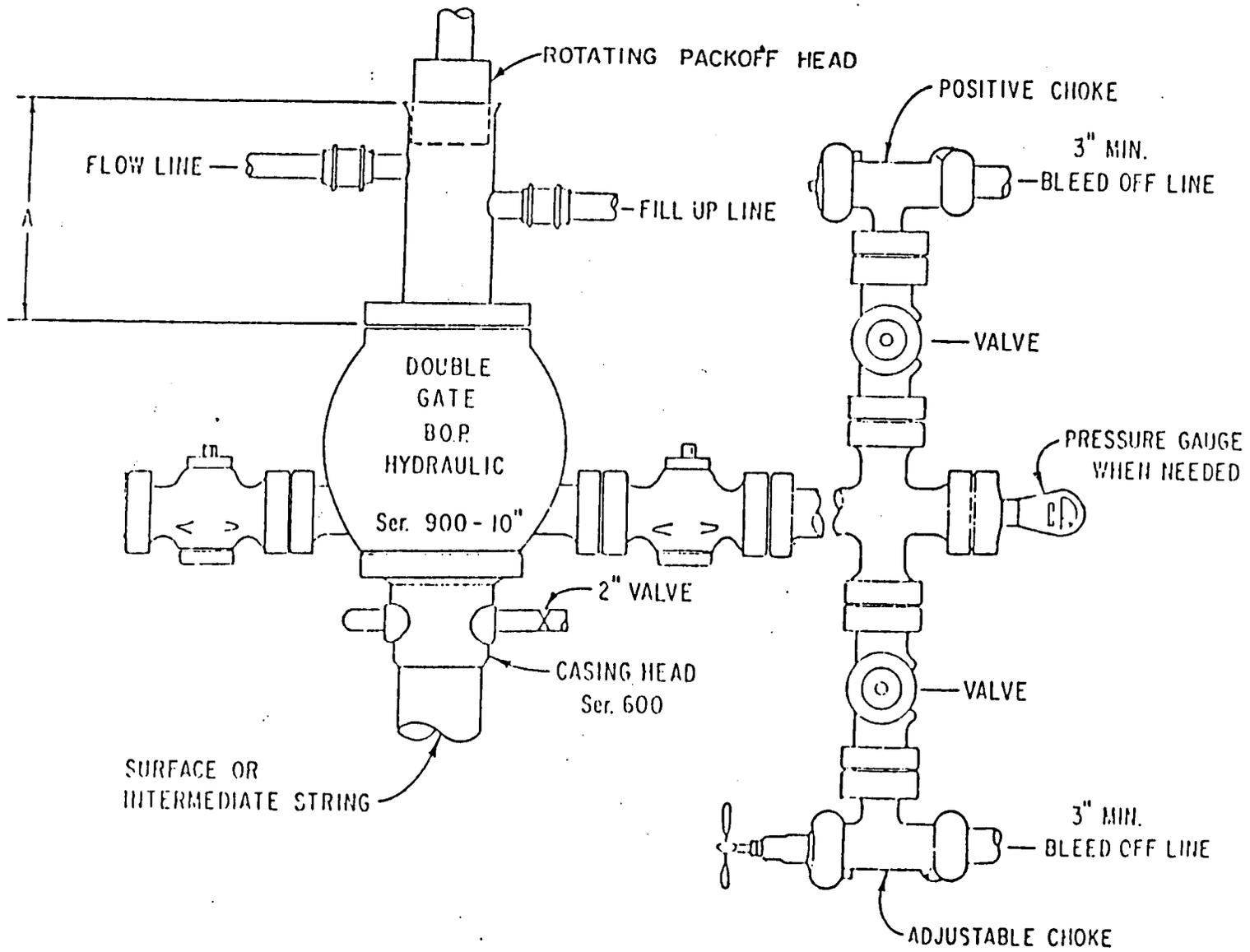
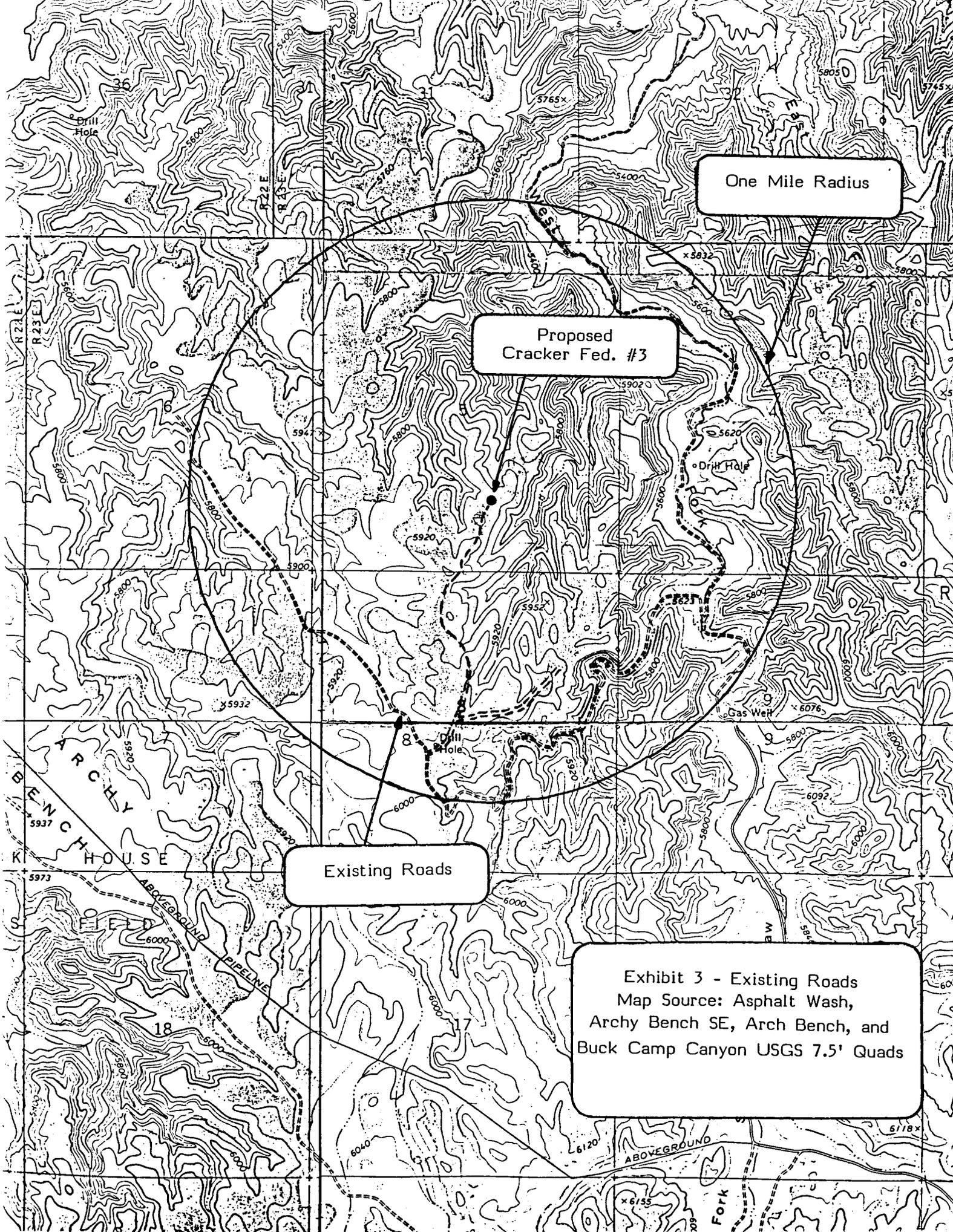


EXHIBIT I
 BLOWOUT PREVENTER DIAGRAM



One Mile Radius

Proposed
Cracker Fed. #3

Existing Roads

Exhibit 3 - Existing Roads
Map Source: Asphalt Wash,
Archy Bench SE, Arch Bench, and
Buck Camp Canyon USGS 7.5' Quads

R23E

26
7031

25

30

29

28

27

BELCO
618 Unit
6825

35

SHARPLES
1 Tex - State
5883

31

32

33

34

1

6

5

3

2

SHAMROCK
7 Rockhouse
6125

GENERAL
1 Unit
8038

ROCK HOUSE UNIT

TXO
1-Crocker Fed

SHAMROCK
1 Govt
6400

SHAMROCK
4 Unit
8304

10

SHAMROCK
1 Unit
7384

11 SHAMROCK
3 Unit
5940

One Mile Radius

SHAMROCK
1 Govt
5346

13

18

17

SHAMROCK
6 Unit
5958

16

SHAMROCK
9 Unit
6641

T
11
S

SHAMROCK
2 Unit
6467

24

19

20

SHAMROCK
11 Unit
5276

21

SHAMROCK
10 Unit
6243

22

23

SHAMROCK
8 Unit
5880

25

30

29

28

27

26

HONOLULU
1 Bitter Crs
7388

36

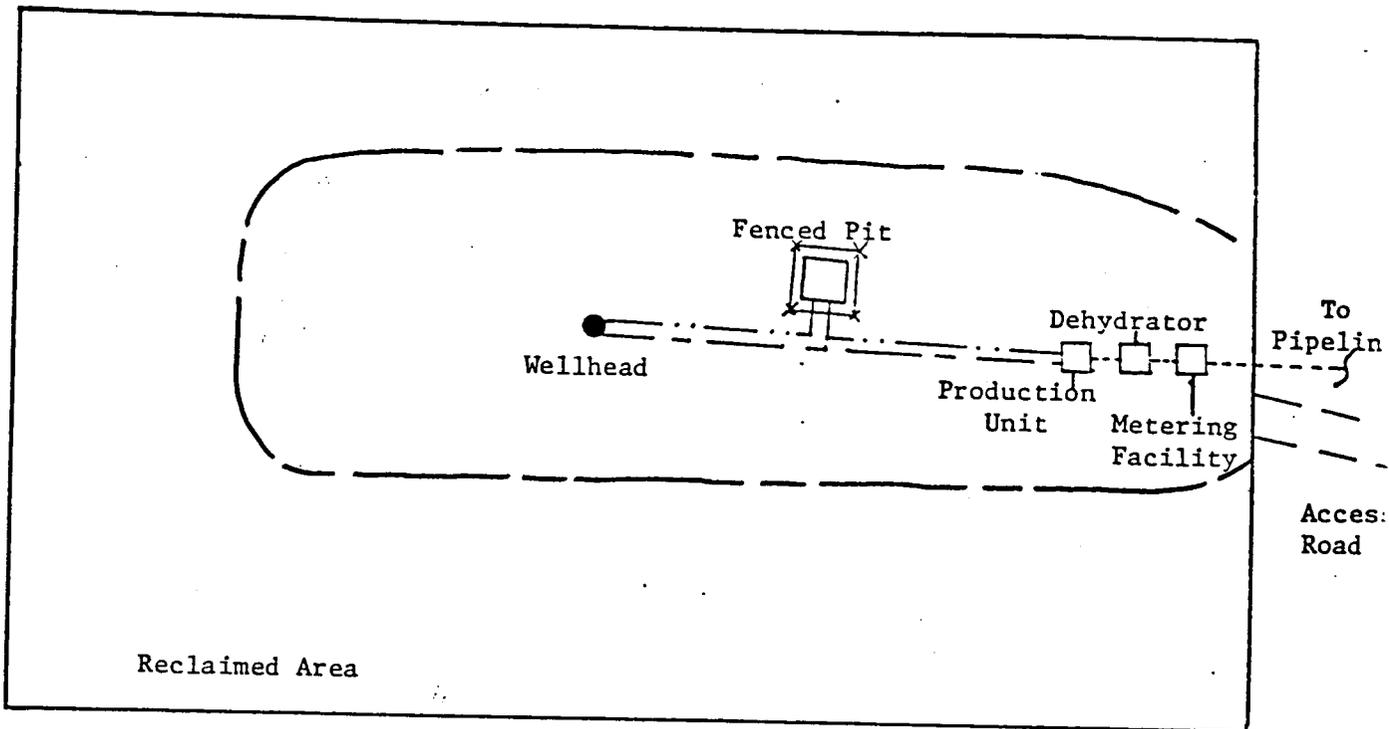
31

32

33

TXO PRODUCTION CORP.
EXHIBIT 5
Cracker Federal 3

Section 8, T11S-R23E



Scale: 1"=50'

- 1) Pits will be 10' x 10' x 6' deep and will be surrounded by fence.
- 2) Sacrificial magnesium anodes will be used, if necessary, to control corrosion.
- 3) All pipelines will be coated and wrapped, then buried.
- 4) A surface mounted high/low safety shutdown system will be installed.
- 5) The separator will be an ASME coded vessel.

TXO PRODUCTION CORP.

Cracker Fed. # 3

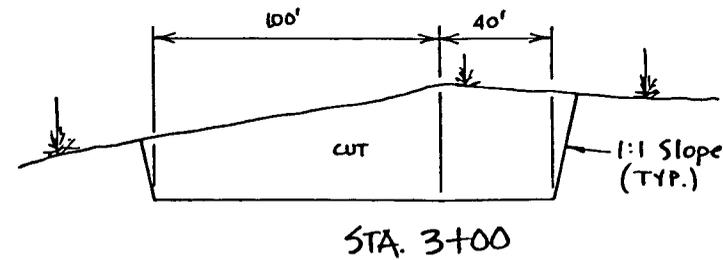
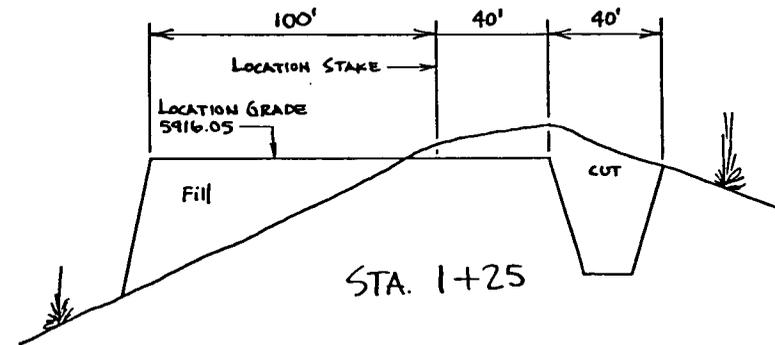
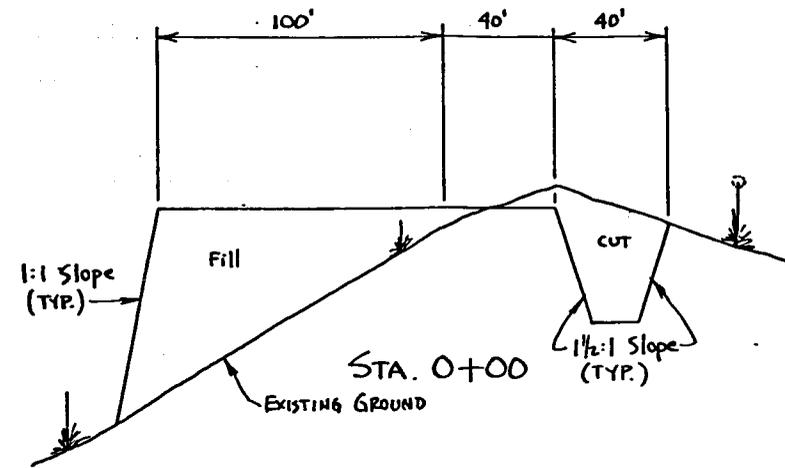
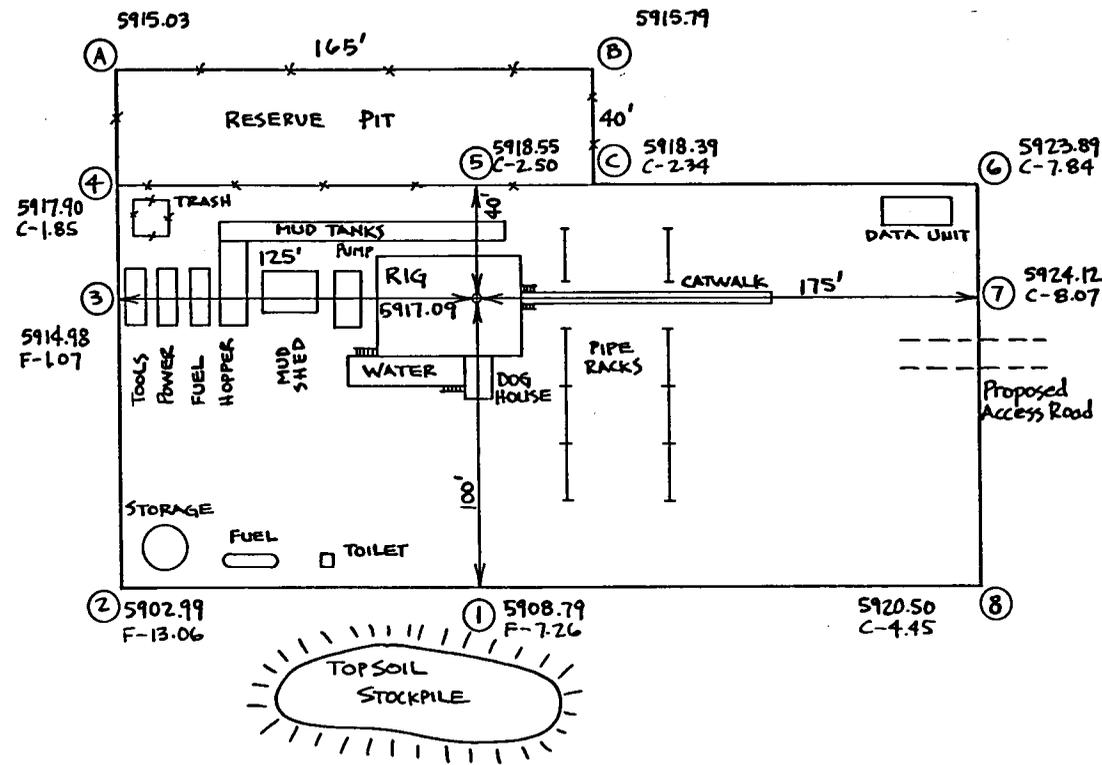
PRODUCTION FACILITIES

EXHIBIT 6

TXO PRODUCTION CORPORATION

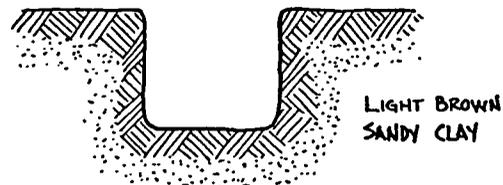
CRACKER FEDERAL #3


 SCALE: 1"=50'
 DATE: 10/17/85



SOILS LITHOLOGY

No SCALE



1"=10'
 SCALES
 1"=50'

APPROXIMATE YARDAGES
 CU. YDS. CUT - 5382.16 UNBALANCE AFTER 20%
 CU. YDS. FILL - 3818.46 COMPACTION - 800.01 CU. YDS. CUT

FILING FOR WATER IN THE STATE OF UTAH

031029

APPLICATION TO APPROPRIATE WATER

Rec. by _____
 Fee rec. _____
 Platted _____
 Microfilmed _____
 Roll no. _____

For the purpose of acquiring the right to use a portion of the unappropriated water of the state of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of the laws of Utah.

WATER USER'S CLAIM NO. 49 - 1378

APPLICATION NO. T61336

PRIORITY OF RIGHT: October 17, 1985

FILING DATE: October 17, 1985

OWNER INFORMATION

Name: TXO Production Corp.
 Address: 1800 Lincoln Ctr. Bldg., Denver, CO 80264

QUANTITY OF WATER 12.0 acre feet (Ac. Ft.)

SOURCE: Evacuation Creek & Bitter Creek
 which is tributary to White River
 which is tributary to Green River

DRAINAGE: SE Uinta Basin

POINT(S) OF DIVERSION:

COUNTY: Uintah

- (1) N. 1200 feet, W. 50 feet, from the SE Corner of Section 26,
 Township 11 S, Range 22 E, SLB&M
 Source: Bitter Creek
 Description of Diverting Works: Pumped into Tank Trucks
- (2) S. 1100 feet, W. 1300 feet, from the NE Corner of Section 7,
 Township 11 S, Range 25 E, SLB&M
 Source: Evacuation Creek
 Description of Diverting Works: Pumped into tank trucks

#3 43-047-31689 PBW

#2 43-047-31690 SBW

#A#1 43-047-31603 SBW

COMMON DESCRIPTION:

NATURE AND PERIOD OF USE

Other Use: From January 1 to December 31.

PURPOSE AND EXTENT OF USE

Other Use: Drilling of Gas Wells Cracker Fed. #2, Cracker Fed. #3, Wells Fed. "A" #1

PLACE OF USE

The water is used in all or parts of each of the following legal subdivisions.

TOWN RANGE SEC	North East Quarter				North West Quarter				South West Quarter				South East Quarter			
	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4
11 S 23 E 53	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
11 S 23 E 82	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
11 S 23 E 12	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

All locations in Salt Lake Base and Meridian

EXPLANATORY

1. Evacuation Creek: Diverted on County Access Road.
2. Bitter Creek: Diverted on B. L. M. road.

COMPANY: TXO UT ACCOUNT # 01580 SUSPENSE DATE: _____

TELEPHONE CONTACT DOCUMENTATION

CONTACT NAME: Micde Evans

CONTACT TELEPHONE NO.: 1-303-861-4246

SUBJECT: Need Production from Cracker Fed #3
Jan 86 through May 86 4304731689
Entity # 10581
115 238 5

(Use attachments if necessary)

RESULTS: SIWOPLC

(Use attachments if necessary)

CONTACTED BY: 860107

DATE: UC

111817

OPERATOR TXO Production Corp DATE 10-25-85

WELL NAME Cracked Fed #3

SEC SWSE 5 T 11S R 23E COUNTY Wirtal

43-047-31689
API NUMBER

Fed
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

Board Order 210-3 > Stand-up 320 spacing
Need water permit

APPROVAL LETTER:

SPACING: A-3 _____ UNIT

c-3-a 210-3
CAUSE NO. & DATE

c-3-b

c-3-c

STIPULATIONS:

1-Water
2-"The designation of the orientation (north-south or east-west) of the 320 acre drilling unit shall be made by the operator upon completion of the well. Such designation shall be made by submission of a written notice to the Division."



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.



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. Cracker Federal 3 - SW SE Sec. 5, T. 11S, R. 23E
1233' FSL, 2112' FEL - 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.

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

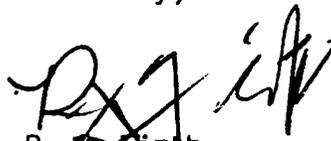
1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.

Page 2
TXO Production Corporation
Well No. Cracker Federal 3
November 8, 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 43-047-31689.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

as
Enclosures
cc: Branch of Fluid Minerals

RECEIVED
NOV 27 1985

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Company TXO Production Corporation Well No. Cracker No. 3
Location Sec. 5 T11S R23E Lease No. U-54193
Onsite Inspection Date 10-18-85

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.

2. Pressure Control Equipment

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.

Bloolie line will extend to a bloolie pit, separate from the reserve pit. The bloolie pit shall be on the down-wind side of the wellhead.

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 birds nest aquifer (+800-900 feet) and the Douglas Creek aquifer (+2,300-3,000 feet) may be encountered and may contain fresh water. If so, isolation or coverage via the cementing program for the 4½" casing will be required.

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

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

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. Notifications of Operations

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.

7. Other Information

All loading lines will be placed inside the berm surrounding the 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.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. 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.

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

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.

"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 3162.3-2.

Revised October 1, 1985

**CONDITIONS OF APPROVAL
SURFACE USE PROGRAM**

Date APD Received October 18, 1985

Operator TXO Production Corporation Well Name and No. Cracker No. 3

Lease No. U-54193 District ID No. UT-080-6M-12

Location: SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 5 T. 11 S. R. 23 E.

CONDITIONS OF APPROVAL FOR THE
SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL

1. Access Roads to be Constructed or Reconstructed:

All access roads shall be limited to 30 feet in width with an 18 foot running surface maximum.

Access roads and surface disturbing activities will conform to standards outlined in the USGS publication (1978) Surface Operating Standards for Oil and Gas Development.

All travel will be confined to existing access road right-of-ways. The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Travelling off the 30 foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing, nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

The proposed access road shall utilize the upgraded 2-track trail from the TXO Cracker No. 1 well approximately 1.3 miles as agreed upon during the onsite inspection. Remainder of planned access road will follow flagged route for 4,800 feet.

Right-of-Way Application needed. If a ROW is necessary for this access road, a copy of the ROW grant shall be with the dirt contractor during the construction, and thereafter kept on location with the complete copy of the approved APD. A right-of-way application has been received for this project.

2. Location of Existing and/or Proposed Facilities if the Well Enters Production:

If a tank battery is constructed on this lease, the battery or the well pad will be surrounded by a dike of sufficient capacity to contain $1\frac{1}{2}$ times the storage capacity of the battery. The integrity of the dike must be maintained.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental

colors, as determined by the Rocky Mountain Five 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.

3. Methods for Handling Waste Disposal:

Burning will not be allowed. All trash must be contained in a trash cage and hauled away to an approved disposal site at the completion of the drilling activities.

Pits are not to be located in natural drainages where a flood hazard exists or surface runoff will destroy or damage the pit walls, unless otherwise herein provided.

On BLM administered lands:

The reserve pit shall be lined with bentonite or with a suitable plastic liner to prevent seepage into a steep hillside.

*If the pit is lined, it shall be constructed so as not to leak, break, or allow discharge.

The bottom of the reserve pit shall not be in fill material

For the following reasons the reserve pit will be lined:

To conserve water.

*If a plastic nylon reinforced liner is used it shall be torn and perforated before backfilling of the reserve pit.

To protect the environment.

If the reserve pit is lined the operator will provide the BLM a chemical analysis of the fluids in that pit no later than 90 days after the well completion to determine the method for final reclamation of the reserve pit. If the elemental concentrations shown by the chemical analysis exceeds the requirements prescribed by Part II, Standards of Quality for Waters of the State, Waste-water Disposal Regulations, State of Utah Division of Health, the contents and liner will be removed and disposed of at an authorized disposal site.

Produced waste water will be confined to a lined pit, or if deemed necessary a storage tank, for a period not to exceed 90 days after first 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.

4. Well Site Layout:

- a. Tank Batteries - Placement of these will be decided when the well is completed for production.
- b. Reserve pit - As indicated in the layout diagram.
- c. Topsoil stockpile - As indicated in the layout diagram.
- d. Blooie pit - Near pit corner No. B.
- e. Access road - As indicated in the APD. The last 4,800 feet have been appropriately flagged and other existing road will be suitably upgraded.

All pits will be fenced with a wire mesh fence and topped with at least one strand of barbed wire. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Any hydrocarbons on the pit will be removed from the pit as soon as possible after drilling operations are completed. Pits will be fenced and maintained until clean-up.

The fence will be constructed as prescribed in the USGS Publication (1978) Surface Operating Standards for Oil and Gas Development. Alternatives to the prescribed standards shall be submitted to the Surface Management Agency for approval.

5. Plans for Reclamation of the Surface:

The following are provisions to be addressed in the restoration plan:

Immediately upon well completion, the location and surrounding area will be cleared of all debris, materials, trash and junk not required for production.

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. The reserve pit and that portion of the location and access road not needed for production facilities/operations will be reclaimed. The reserve pit will be reclaimed within one year from the date of well completion.

All disturbed areas will be recontoured to the approximate natural contours.

The stockpiled topsoil will be evenly distributed over the disturbed areas.

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 and the seed mixture will be proportionately larger (double the lbs. per acre).

An appropriate seed mixture will be determined by the BLM, either as part of the conditions of approval of the APD or at the time restoration activities are scheduled to begin.

All seeding will be done from September 1 until the ground freezes.

At such time as the well is plugged and abandoned, the operator will submit a surface reclamation plan to the Surface Management Agency for prescribed seed mixtures and reseeding requirements.

If the seeding is unsuccessful, the lessee/operator may be required to make subsequent seedings.

*The BLM recommends the following procedure for reclamation:

Compacted areas of the well pad should be plowed or ripped to a depth of 12" before reseeding. Seeding should be done with a disc-type drill to ten inches apart. The seed should be planted between one-half inch deep and three-quarter inch deep. A drag, packer or roller may be used to insure uniform coverage of the seed, and adequate compaction. Drilling of the seed should be done on the contour where possible. Where slopes are too steep for contour drilling, a "cyclone" hand-seeder or similar broadcast seeder should be used, using twice the recommended seed per acre. Seed should then be covered to a depth described above by whatever means is practical.

6. Other Information:

A cultural resource clearance will be required before any construction begins on Federal or Indian lands. However, historic and cultural resource work shall be undertaken only with the consent of a private surface owner. If the private surface owner refuses entry for that purpose, the lessee or operator shall use its best efforts to conduct its approved operations in a manner that avoids adverse effects or any properties which are listed, or may be eligible for listing, in the NRHP.

If, during operations, any archaeological or historical sites or any object of antiquity (subject to the Antiquities Act of June 8, 1906) are discovered, all operations which would affect such sites are to be suspended and the discovery reported promptly to the Surface Management Agency.

On BLM administered land, it is required that a proposed use of pesticide, herbicide or other possible hazardous chemicals shall be cleared for use prior to application.

All roads constructed by operators on the Uintah and Ouray Indian Reservation will have appropriate signs. Signs will be neat and of sound construction. They will state: (a) that the land is owned by the Ute Indian Tribe, (b) the name of the operator, (c) that firearms are prohibited to all non-Ute Tribal members, (d) that permits must be obtained from the BIA before cutting firewood or other timber products and (e) only authorized personnel permitted.

All well site locations on the Uintah and Ouray Indian Reservation will have an appropriate sign indicating the name of the operator, the lease serial number, the well name and number, the survey description of the well (either footages or the quarter-quarter section, the section, township, and range).

Additional Surface Stipulations for BLM, BIA, FS, DWR or Private Surface Lands:

The operator or his contractor shall contact the BLM Office at (801) 789-1362 between 24 and 48 hours prior to construction activities. Contact the Book Cliffs Resource Area.

7. Lessee's or Operators Representative and Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notices to Lessees. 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.

The dirt contractor will be provided with an approved copy of the Surface Use Plan from the APD.

This drilling 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.

In the event after-hour approvals are necessary, please contact one of the following individuals:

Craig M. Hansen (801) 247-2318
Assistant District Manager
for Minerals

Gerald E. Kenczka (801) 781-1190
Petroleum Engineer

R. Allen McKee (801) 781-1368
Petroleum Engineer

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

API #43-047-31689

NAME OF COMPANY: TXO PRODUCTION CORPORATION

WELL NAME: Cracker Federal 3

SECTION SW SE 5 TOWNSHIP 11S RANGE 23E COUNTY Uintah

DRILLING CONTRACTOR Olsen

RIG # 5

SPUDDED: DATE 12-13-85

TIME 2:00 PM

HOW Dry Hole

DRILLING WILL COMMENCE 12-28-85

REPORTED BY Matt Holdeman

TELEPHONE # 303-861-4246

DATE 12-16-85 SIGNED Bill Moore

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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 Form 9-331-C for such proposals.)

1. oil well gas well other

2. NAME OF OPERATOR
TXO Production Corp.

3. ADDRESS OF OPERATOR
1800 Lincoln Center Bldg, Denver, CO 80264

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 1233' FSL & 2112' FEL
AT TOP PROD. INTERVAL:
AT TOTAL DEPTH:

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

5. LEASE
U-54193

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Cracker Federal

9. WELL NO.
#3

10. FIELD OR WILDCAT NAME
Horseshoe Bend

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec 5-T11S-R23E

12. COUNTY OR PARISH
Uintah

13. STATE
Utah

14. API NO.
43-047-31689

15. ELEVATIONS (SHOW DF, KDB, AND WD)
KB 5930'

REQUEST FOR APPROVAL TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF	<input type="checkbox"/>		<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>		<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>		<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>		<input type="checkbox"/>
PULL OR ALTER CASING	<input type="checkbox"/>		<input type="checkbox"/>
MULTIPLE COMPLETE	<input type="checkbox"/>		<input type="checkbox"/>
CHANGE ZONES	<input type="checkbox"/>		<input type="checkbox"/>
ABANDON*	<input type="checkbox"/>		<input type="checkbox"/>
(other) Spud			X

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

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.)*

TXO Production Corp. spudded the Cracker Federal #3 at 2:00 PM on 12/13/85. The spud was made by Ram Air Drilling. Ram drilled a 12-1/4" hole to 315' and set 315' of 8-5/8", 24#, K-55, ST&C casing. The rotary contractor is Olsen Drilling Rig #5 who moved in on 12/31/85. The spud was reported verbally to Bill with the State of Utah at 9:37 AM on 12/16/85 and to Mary with the BLM in Vernal at 9:35 AM on 12/16/85.

RECEIVED

JAN 03 1986

DIVISION OF OIL
GAS & MINING

Subsurface Safety Valve: Manu. and Type _____ Ft.

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

SIGNED Matthew C. Holdeman TITLE Petroleum Engineer DATE 12/31/85

(This space for Federal or State office use)

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

TXO

TXO PRODUCTION CORP.

1800 LINCOLN CENTER BUILDING
DENVER, COLORADO 80264

TELEPHONE (303) 861-4246

January 1, 1986

STATE OF UTAH
Division of Oil, Gas, & Mining
3 Triad Center
Suite 350
Salt Lake City, Utah 84180-1203

Re: Cracker Federal #3
Sec. 5-T11S-R23E
Uintah County, Utah

Gentlemen:

Please be advised that TXO Production Corp. would appreciate having the above referenced well considered a tight hole effectively immediately.

Enclosed please find Form #9-331 (Sundry Notices and Reports on Wells), in triplicate notifying you of the spudding of the above referenced well.

If you require anything further, please contact me at the above number.

Sincerely,

TXO PRODUCTION CORP.



Matthew C. Holdeman
Petroleum Engineer

MCH/jy
Enclosures/as stated



TXO

TXO PRODUCTION CORP.

1800 LINCOLN CENTER BUILDING
DENVER, COLORADO 80264

TELEPHONE (303) 861-4248

July 15, 1986

RECEIVED
JUL 21 1986

DIVISION OF
OIL, GAS & MINING

STATE OF UTAH
Division of Oil, Gas, & Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: Cracker Federal #3
Section 5-T11S-R23E
Uintah County, Utah

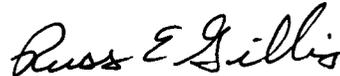
Gentlemen:

Enclosed please find Form #9-330 (Well Completion or Recompletion Report and Log) reporting the completion of the above-referenced well. A check of our records verified that this form had not been submitted.

Please notify me at the above number if you have any further questions.

Sincerely,

TXO PRODUCTION CORP.



Russ E. Gillis
Petroleum Engineer

REG/jy

Enclosures/as stated

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R355.5.

072802

WELL COMPLETION OR RECOMPLETION REPORT

RECEIVED
JUL 21 1986

5. LEASE DESIGNATION AND SERIAL NO.

U-54193

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Cracker Federal

9. WELL NO.

#3

10. FIELD AND POOL, OR WILDCAT

Horseshoe Bend

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

Sec. 5-T11S-R23E

12. COUNTY OR PARISH

Uintah

13. STATE

Utah

1a. TYPE OF WELL:

OIL WELL GAS WELL DRY

b. TYPE OF COMPLETION:

NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR.

2. NAME OF OPERATOR

TXO Production Corp.

DIVISION OF

OIL, GAS & MINING

3. ADDRESS OF OPERATOR

1800 Lincoln Center Bldg., Denver, CO 80264

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface
1233' FSL & 211' FEL

At top prod. interval reported below

At total depth

14. PERMIT NO.

43-047-31689

DATE ISSUED

11/8/85

12. COUNTY OR PARISH

Uintah

13. STATE

Utah

15. DATE SPUDDED

12/13/85

16. DATE T.D. REACHED

01/11/86

17. DATE COMPL. (Ready to prod.)

01/21/86

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*

5930' KB

19. ELEV. CASINGHEAD

5925'

20. TOTAL DEPTH, MD & TVD

5675'

21. PLUG, BACK T.D., MD & TVD

4989'

22. IF MULTIPLE COMPL., HOW MANY*

N/A

23. INTERVALS DRILLED BY

10-5675

ROTARY TOOLS

CABLE TOOLS

None

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

3738-4910' Wasatch

25. WAS DIRECTIONAL SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

GR-SP-DIL; GR-CAL-FDC-CNL

27. WAS WELL CORED

No

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24#	315'	12-1/4"	155 sx C1 "G"	-
4-1/2"	10.5#	5030'	7-7/8"	400 sx C1 "H"	-

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
None					None		

31. PERFORATION RECORD (Interval, size and number)

4892-4896' .31" dia 9
4898-4904' .31" dia 13

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
4892-4904	900 gals 15% HCl
4892-4904	36,000 gal 70Q CO2 foam w/ 58,000# 20/40 sd.

33. PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)					
01/21/86	Flowing	SI, WOPL					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
01/21/86	4 hrs	28/64"	→	0	441	2	-
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
560#	560#	→	0	2648	12	-	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

SI, WOPL

TEST WITNESSED BY

Wes Sutton

35. LIST OF ATTACHMENTS

Well History

860731 CP

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

SIGNED

Russ E. Gillis

TITLE

Petroleum Engineer

DATE

7/15/86

*(See Instructions and Spaces for Additional Data on Reverse Side)

15

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 19: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments. **Items 22 and 24:** If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TOP TRUE VERT. DEPTH
No Tests				Wasatch Mesa Verde	3738' 5604'	3738' 5604'

37. SUMMARY OF POROUS ZONES:
SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

38. GEOLOGIC MARKERS

RECEIVED
JUL 21 1986

WELL NAME: Cracker Federal #3
AREA:
LOCATION: Sec. 5-T11S-R23E
COUNTY: Uintah
STATE: Utah
FOOTAGE:

PTD: 5600'
ELEVATIONS:
CONTRACTOR:
AFE NUMBER: 860428
LSE NUMBER: 76341
TXO WI: 100%

DIVISION OF
OIL, GAS & MINING

- 12/14/85 315' (315'), cleaning out RH. Prepare to run surf csg. Uintah. Spudded 12-1/4" hole @ 2 PM 12/13/85. TD 12-1/4" hole @ 9 PM 12/13/85. DW: 8500. CW: 8500. DD 1.
- 12/15/85 315' (0'), WO RT. Uintah. Ran 7 jts, 8-5/8", 24#, K-55, ST&C csg (315'). Cmt'd csg w/ 155 sxs of Cl "G" w/ 2% CaCl₂ & 1/4#/sx cello-seal. Displ w/ 18 bbls 2% KCl. PD @ 5:45 PM. WORT. Drop from report until RU RT. DW: 5212. CW: 13,712. DD 2.
- 12/31/85 315' (0'), PU DC's. Uintah. Finish MI & RU Olsen Rig #5. NU & test blind rams for 15 min. Held OK. Test ch manifold to 2000# for 15 min. Held OK. PU DC's. DW: 2450. CW: 16,162. DD 3.
- 01/01/86 1460' (1145'), drlg. Green River. 8.4, 27, 9. 1° @ 338'. 1° @ 825'. 1-1/2° @ 1320'. Finish PU DC's. Test pipe rams & BOP to 2000# for 10 min. Held OK. Drld to 1296'. Lost circ @ 1296'. Approx 200 bbls lost. Regain circ. Drlg ahead. DW: 19,023. CW: 35,185. DD 4.
- 01/02/86 1828' (368'), mixing mud pill. Green River. 8.4, 60, 25, 10. Drld from 1460-1812'. Lost circ again. Have lost approx 1500 bbls. Drld to 1828'. Mix mud for another pill. DW: 12,300. CW: 47,485. DD 5.
- 01/03/86 1859' (31'), WO cementers. Green River. 8.4, 36, 25, 9.5. Finish mixing pill #7 (hulls, paper, & sawdust). Pump pill #7. No returns. Drl 31' to 1859'. No returns. Mix & pump pill #8 (same as #7). No returns. TOOH. Drop sxs, paper, etc dn hole. TIH. Drl on junk in hole. No returns. Mix & pump pill #9 (hulls, sawdust & cedar fibre). Fill hole to approx 60'. Lost circ again. Mix & pump pill #10 (same as #9). Had partial returns (trickle) for 15 min then lost all returns. TOOH. Set back DC's. PU DP to make up string. TIH to 1200'. WO cementers. Pumped a total of 800 bbls of LCM pills. DW: 10,850. CW: 58,335. DD 6.
- 01/04/86 1859' (0'), TOOH, LD bit for plug #3. Green River. WO cmt trucks Set plug #1 from 1855-1555'. TOOH. WOC. Tried to fill annulus, would not hold. TIH & tag cmt @ 1620'. POOH to 1396'. Set plug #2 from 1396-1196'. POOH. WOC. Fill annulus. Very slow leakage. TIH & tag up @ 1373'. TOOH. LD bit. Prepare to set plug #3. DW: 6750. CW: 67,085. DD 7.
- 01/05/86 2176' (317'), drlg. Green River. 8.6, 27. 2° @ 1958'. Finish TOOH. LD bit. TIH. Set plug #3 (200'). TOOH. WOC. Fill hole, stood full. TIH. TOC @ 1153'. Brk circ. TOOH & LD DP. TIH w/ bit. WOC. Drld cmt on footage @ 9:30 PM 1/4/86. DW: 16,000. CW: 81,085. DD 8.
- 01/06/86 3113' (937'), drlg. Green River. 8.8, 36, 18, 11.5. 2° @ 2405'. 2° @ 2880'. Drld to 2500'. Started losing fluid. Lost approx 300 bbls. Drld to 2880'. Started mud up. Drld to 3113'. DW: 17,050. CW: 98,135. DD 9.
- 01/07/86 3900' (787'), drlg. Wasatch. 8.8, 35, 10.2, 11. 1° @ 3375'. No hole problems. No fluid loss. Fm top Wasatch @ 3850'. Drlg brks: 3235-3290', 8-4-6 1/2 MPF, 5-44-13 units; 3401-3406', 8-2 1/2-6 MPF, 13-76-34 units; 3410-3421', 6-2 1/2-6 1/2 MPF, 34-220-15 units; 3625-3639', 9-5-7 MPF, 15-250-15 units; 3650-3715', 9-7-10 MPF, 15-95-225 units; 3715-3745', 10-6 1/2-9 MPF, 95-225-19 units. DW: 13,010. CW: 111,145. DD 10.
- 01/08/86 4306' (406'), drlg. Wasatch. 8.9, 35, 10, 10.5. 1/2° @ 3858'. 1/2° @ 4200'. Drld to 4243'. TOOH for bit #2. TIH. Wash & ream 60' to btm. Resumed drlg. Drlg brks: 4088-4105', 8-5 1/2-7 MPF, 15-29-15 units, 4118-4130', 7-5-10 MPF, 15-44-15 units, 4175-4180', 15-7-9 1/2 MPF, 15-65-15 units, 4184-4195', 9 1/2-5 1/2-9 MPF, 15-95-15 units, 350 UTG, 9 UBG. DW: 11,620. CW: 122,765. DD 11.

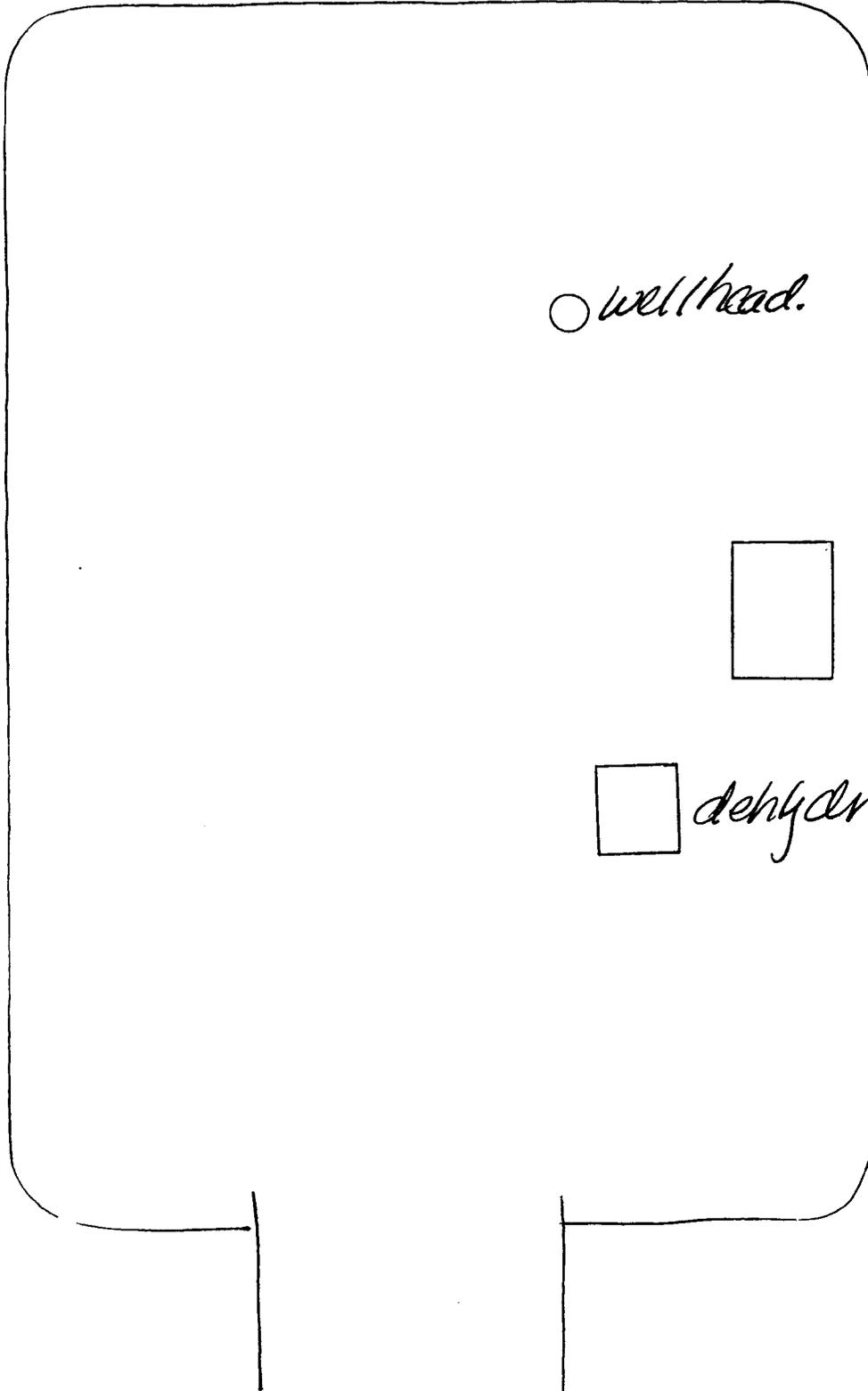
WELL NAME:	Cracker Federal #3	PTD:	5600'
AREA:		ELEVATIONS:	
LOCATION:	Sec. 5-T11S-R23E	CONTRACTOR:	
COUNTY:	Uintah	AFE NUMBER:	860428
STATE:	Utah	LSE NUMBER:	76341
FOOTAGE:		TXO WI:	100%

- 01/09/86 4790' (484'), drlg. Wasatch. 9, 35, 10, 11. Drlg brk @ 4568-4575', 11-8-11 MPF, 9-75-9 units gas. DW: 10,150. CW: 132,196. DD 12.
- 01/10/86 5185' (395'), drlg. Wasatch. 8.9, 37, 9, 11. Drlg brk 4899-4910', 11-5 $\frac{1}{2}$ -13 MPF, 9-315-21 units. 9 UBG. 1-1/4° @ 4754', 1° @ 5110'. DW: 8250. CW: 141,165. DD 13.
- 01/11/86 5535' (350'), drlg. Wasatch. 8.9, 39, 9.6, 11. Drlg brks: 5304-5311', 6-4-7 MPF, 9-80-9 units; 5486-5497', 7-2 $\frac{1}{2}$ -5 $\frac{1}{2}$ MPF, 7-120-7 units. 7 UBG. DW: 10,100. CW: 151,265. DD 14.
- 01/12/86 5675' (140'), logging. Mesa Verde. 9, 60, 9.4, 11. 1-1/2° @ 5675'. Drlg to 5675'. Circ & cond. ST 8 stds. TIH to btm. No fill. Circ & cond. TOOH for logs. RU Gearhart & log. Strap depth 5678'. Fm top Mesa Verde @ 5550'. DW: 5400. CW: 156,665. DD 15.
- 01/13/86 5675' (0'), RR @ 6 AM on 1/13/86. Mesa Verde. 9, 60, 9.4, 11. Finish logging. RD Gearhart. TIH. Wash & ream 30' to btm. Circ & cond. Start TOOH. LD DP & DC. RU T&M. Ran 122 jts 4-1/2", 10.5#, K-55, ST&C csg (5030'). RD T&M. RU Western. Cmtd w/ 400 sxs of Cl "H" w/ 2% KCL, 1/2% turb inducer & 1/4#/sx celloflake. Displ w/ 3% KCl wtr. PD @ 2:46 AM. BP @ 1200#. RD Western. ND BOP. Set slips w/ 58,000#. RR @ 6 AM 1/13/86. Drop from report until completion begins. DW: 68,570. CW: 225,235. DD 16.
- 01/18/86 4930' PBT, MI & RU CU. NU BOP. Press test csg to 2500# for 10 min, held OK. Ran gauge ring to PBT. Csg swab FL to 3000'. Ran GR-CCL. Perf 4892-4896' & 4898-4904' w/ 2 JSPF, 22 0.31" dia holes, w/ 3-1/8" csg gun. RD Gearhart. SICIP 50#. Opened well to pit. Flowed for 1 hr, dry gas, 20' flare. SWIFN. DW: 16,285. CW: 241,520.
- 01/19/86 4930' PBT, SICIP 1400#. Blew well dn. Installed 28/64" ch. After 2 hrs, had 75#, FARO 411 MCFD. RU Halliburton. Acidized w/ 900 gals 15% HCL-MCA w/ additives & 1000 SCF/bbl N₂. Flushed w/ nitrified 2% KCl wtr. ATP 2250# @ 8.1 BPM. Balled off @ end of acid to 4020#. SD for 5 min. Opened well to pit, dead in 20 min. RU csg swab. Made 2 runs, well KO. Ran swab past perms. Made swab run every hr. Fluid entry less than 50' each run. ND BOP & installed tbg hanger. NU tree. Flowed well to pit. After 5 hrs, well flowing dry gas. Had 60# on 28/64" ch, FARO 340 MCFD. SWIFN. DW: 4206. CW: 245,726.
- 01/20/86 SICIP 1620#. Prepare to frac today.
- 01/21/86 4930' PBT, SICIP 1820#. RU Halco. Frac well w/ 70Q CO₂ Foam as follows: 14,000 gal pad @ 2520#, 2000 gal w/ 1 ppg 20/40 sd @ 2400#, 4000 gals w/ 2 ppg sd @ 2320#, 6000 gal w/ 3 ppg sd @ 2170#, 5000 gal w/ 4 ppg sd @ 2090#, 2000 gal w/ 5 ppg sd @ 2290# & 3138 gal flush @ 2300#. MTP 2850#, ATP 2400#. ATR 15 BPM combined. Pumped 297 BW, 58,000# 20/40 sd & 100 tons CO₂. ISDP 1680#, 5 min 1630#, 10 min 1610#, 15 min 1590#. SWI for 3 hrs. SICIP 1425#. Open well to pit on a 1/4" pos ch. Flow well 2 hrs. FCP 1200#. Ch freezing. No sd. Install a 20/64" pos ch. After 3 hrs FCP 1100# w/ no sd. Well still flowing CO₂. DW: 43,701. CW: 289,427.
- 01/22/86 4930' PBT, in AM well flowing @ 1000# on a 20/64" pos ch w/ a very lite mist (2454 MCFD). Install a 1/2" pos ch. After 3 hrs well flowing @ 440# w/ a very lite mist (2803 MCFD). SWI for 2 hrs. RR @ 11 AM on 1/21/86. SICIP 1380#. Open well on a 28/64" pos ch. Flow well for 4 hrs. FCP 560# (2648 MCFD). SWI, WOPL. IP flowing Wasatch gas well @ 2600 MCFD against 560#. Drop from report until date of first sales. DW: 6250. CW: 295,677.
- 06/19/86 DATE OF FIRST SALES: Placed well on line @ 2 PM 6/18/86. SICIP 1580#. FCP 1410#. LP 694#. Flowing @ 1052 MCFD. Gas sold to Mountain Fuel Production. Equipment & pipeline installed 3/22/86 to 4/7/86. Production equipment is P&A, INC., combination separator/dehydrator, Serial #2047. FINAL REPORT!!! DW: 36,000. CW: 331,677.

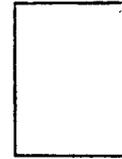
Prucker Fed
#3

Sec 5, T11S, R23E

Buddy 11/9/88



○ wellhead.



emer
gency pit



dehydrator.

42-381 50 SHEETS 5 SQUARE
42-382 100 SHEETS 5 SQUARE
42-389 200 SHEETS 5 SQUARE



NATIONAL
MAP & SURVEY



355 West North Temple, 3 Triad Center, Suite 350, Salt Lake City, Ut
84180-1203. (801-538-5340)

MONTHLY OIL AND GAS PRODUCTION REPORT

Operator name and address:

• TXO PRODUCTION CORP.
 P. O. BOX 2690
 CODY WY 82414
 ATTN: R. P. MEABON

Utah Account No. N1580
 Report Period (Month/Year) 12 / 90
 Amended Report

Well Name	Producing Zone	Days Oper	Production Volume	Gas (MSCF)	Water (BBL)
API Number Entity Location			Oil (BBL)		
BMG FEDERAL #4 U-05015-A 4301931130 06792 16S 26E 17	DKTA ✓				
BMG FEDERAL #5 U-05015 4301931131 06793 16S 26E 7	BUKHN ✓				
BMG FEDERAL #7 U-05015-A 4301931183 06794 16S 26E 17	DKTA ✓				
OIL SPRINGS UNIT 7 U-16956 4304731248 06795 12S 24E 4	WSTC ✓		Need successor to unit operator (TXO to Marathon)		
TOC TXO POGO USA 15-9 U-49535 4301930779 09155 17S 24E 15	DKTA ✓				
EVAQUATION CREEK STATE 23-2-1 ml-15566 4304715675 09605 12S 25E 2	DKTA ✓				
CROQUET FEDERAL #1 U-38404 4304731440 09635 06S 21E 35	UNTA ✓				
CROQUET FEDERAL #2 U-53862 4304731672 09636 06S 21E 35	UNTA ✓				
WELLS FEDERAL "A" #1 U-54198 4304731603 09841 11S 23E 12	MVRD ✓				
SHUFFLEBOARD FEDERAL #1 U-31255 4304731668 09842 06S 21E 27	UNTA ✓				
STIRRUP FEDERAL 28-1 U-34711 4304731571 10182 06S 21E 28	GR-WS ✓				
STIRRUP STATE #32-4 ml-22036 4304731648 10183 06S 21E 32	UNTA ✓				
CRACKER FEDERAL #3 U-54193 4304731689 10581 11S 23E 5	WSTC ✓				
TOTAL					

Comments (attach separate sheet if necessary) X Evacuation Creek - Terminated eff. 1-24-91.

I have reviewed this report and certify the information to be accurate and complete. Date _____

Authorized signature _____ Telephone _____

DOGm - FYI - From Connie Larson - TAX COMMISSION

Tax Compliance Division



Findlay, Ohio 45840
Telephone 419/422-2121

January 23, 1991

N1580

TO WHOM IT MAY CONCERN:

Effective immediately after the close of business on December 31, 1990, TXO Production Corporation, taxpayer I.D. 75-1710388, a Delaware Corporation, was merged into Marathon Oil Company, taxpayer I.D. 25-1410539.

Following the merger, all business activity previously conducted by TXO Production Corporation will be conducted by and under the name of Marathon Oil Company.

Marathon Oil Company
Tax Organization

GRL:pah
GRL100T

REC'D USTC P.B.
FEB 14 1991

Send a copy to DOGM 2-21-9

A subsidiary of USX Corporation

Copy sent to Master
File Mail

RECEIVED
JAN 24 1991



**Marathon
Oil Company**

P.O. Box 2690
Cody, Wyoming 82414
Telephone 307/587-4961

DIVISION OF
OIL, GAS & MINING

*dg
1-3
Mug DRW
-a R Furth*

January 22, 1991

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

UTAH DIVISION OF OIL, GAS & MINING
3 Triad Center, Ste. 350
Salt Lake City, UT 84180-1203
Attention: State Director

Re: The Merger of TXO Production Corp. into
Marathon Oil Company

Gentlemen:

As Marathon Oil Company advised in its October 8, 1990 letter, TXO Production Corp., a Delaware corporation ("TXO") was being merged into Marathon Oil Company, an Ohio corporation ("Marathon"), on or before January 1, 1991. As stated in the October letter, before this merger, both TXO and Marathon were subsidiaries of USX Corporation.

Effective January 1, 1991, TXO was merged into Marathon, with Marathon becoming the surviving corporation, as evidenced by the enclosed Certificate of Merger signed by the Secretary of State for the State of Ohio. Due to this statutory merger, by operation of law, Marathon, as the surviving entity, has succeeded to all of the assets, property, rights, privileges, power and authority, and has assumed all obligations and liabilities of TXO which existed on the date of the merger.

Marathon requests that your records and filings be changed to reflect this merger, including making any appropriate change in your operator or ownership records. For the purposes of any change, mailing or notification, please substitute the following address and phone number for TXO:

Marathon Oil Company
Attention: Mr. R. P. Meabon
1501 Stampede Avenue
P. O. Box 2690
Cody, WY 82414
(307) 587-4961

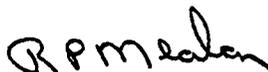
Utah Division of Oil, Gas & Mining
January 22, 1991
Page 2

Any bond in the name of TXO should be cancelled and all wells and properties shown on the attached Exhibit "A" should be placed on Marathon's statewide bond for the state of Utah.

Marathon respectfully requests that you acknowledge your receipt of this letter by signing the enclosed duplicate original of this letter in the space provided below, and returning it to me in the self-addressed, stamped envelope provided. Also, please provide Marathon with confirmation of the bond cancellations in accordance with the substitution requested above.

Marathon appreciates your patience and cooperation in this matter, and if Marathon can be of any further assistance, please feel free to contact this office.

Sincerely,



R. P. Meabon
Regulatory Coordinator
Rocky Mountain Region
Extension 3003

RPM:mh

Attachments

RECEIVED AND ACCEPTED THIS _____ DAY OF _____,
1991, BY:

[Governmental Agency or Department]

By _____
Name _____
Its _____
Title

UNITED STATES OF AMERICA,
STATE OF OHIO,
OFFICE OF THE SECRETARY OF STATE.

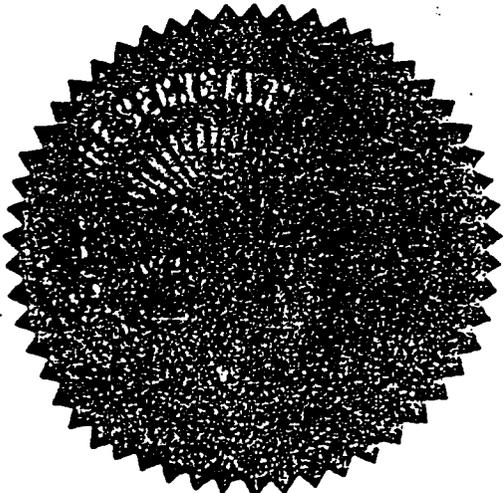
I, Sherrod Brown

do hereby certify that I am the duly elected, qualified and present acting Secretary of State for the State of Ohio, and as such have custody of the records of Ohio and Foreign corporations; that said records show an AGREEMENT OF MERGER of MARATHON PETROLEUM COMPANY, an Ohio corporation, Charter No. 7265, having its principal location in Findlay, County of Hancock, and incorporated on August 1, 1887, and TXO PRODUCTION CORP., a Delaware corporation, having qualified to do business within the State of Ohio on November 2, 1983, under License No. 623328, into MARATHON OIL COMPANY, an Ohio corporation, Charter No. 584981, the survivor of said Merger, filed in this office on December 24, 1990, recorded in the Records of Incorporation. Said surviving corporation, MARATHON OIL COMPANY, an Ohio corporation, Charter No. 584981, having its principal location in Findlay, County of Hancock, was incorporated on November 18, 1981 and is currently in GOOD STANDING upon the records of this office.

WITNESS my hand and official seal at

Columbus, Ohio, this

28th day of December, A.D. 19 90



Sherrod Brown

Sherrod Brown
Secretary of State

Division of Oil, Gas and Mining
 OPERATOR CHANGE WORKSHEET

Routing:	
1- LCR	<i>lf</i>
2- DTS	<i>TS</i>
3- VLC	<i>✓</i>
4- RJF	<i>✓</i>
5- RWM	<i>lf</i>
6- LQR	<i>lf</i>

Attach all documentation received by the division regarding this change.
 Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold) Designation of Agent
 Designation of Operator Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 1-1-91)

TO (new operator) <u>MARATHON OIL COMPANY</u>	FROM (former operator) <u>TXO PRODUCTION CORP.</u>
(address) <u>P. O. BOX 2690</u>	(address) <u>P. O. BOX 2690</u>
<u>CODY, WY 82414</u>	<u>CODY, WY 82414</u>
phone <u>(307) 587-4961</u>	phone <u>(307) 587-4961</u>
account no. <u>N 3490</u>	account no. <u>N1580</u>

Well(s) (attach additional page if needed): *****MERGER*****

Name: <u>**SEE ATTACHED**</u>	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____

OPERATOR CHANGE DOCUMENTATION

- N/A 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). *(see documentation)*
- See 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). *(Rec. 1-24-91)*
- N/A 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) If yes, show company file number: .
- See 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of Federal and Indian well operator changes should take place prior to completion of steps 5 through 9 below.
- See 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. *(2-26-91)*
- See 6. Cardex file has been updated for each well listed above.
- See 7. Well file labels have been updated for each well listed above.
- See 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission.
- See 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- 1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) no (If entity assignments were changed, attach copies of Form 5, Entity Action Form).
- 2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

BOND VERIFICATION (Fee wells only)

- 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond. *(Federal & State wells only!)*
- 2. A copy of this form has been placed in the new and former operators' bond files. *(upon completion of routing)*
- 3. The former operator has requested a release of liability from their bond (yes/no) yes. Today's date February 27, 1991. If yes, division response was made by letter dated March 1, 1991.

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

- 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated _____ 19____, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
- 2. Copies of documents have been sent to State Lands for changes involving State leases. *Sent 3-5-91*

MICROFILMING

- 1. All attachments to this form have been microfilmed. Date: March 11 1991.

INDEXING

- 1. RWM Copies of all attachments to this form have been filed in each well file.
- 2. The original of this form and the original attachments have been filed in the Operator Change file.

REMARKS

910204 Bfm/moab ~~No doc. as of yet.~~ (In the process of changing) will call when approved.
 Bfm/S.Y. Book Cliffs Unit, Oil Springs Unit, Marble Mansion Unit (Not approved as of yet)

910204 St. Lands - No documentation as of yet. (Copy hand delivered 2-8-91) for

910222 Bfm/S.Y. - Approved 2-20-91 - ok for DOGM to recognize eff. date 1-1-91. (T. Thompson)

910226 St. Lands - Needs additional info. "will take 2-3 weeks". (Proceed with change per DTS)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WRF-999
FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

FEB 27 1992

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Marathon Oil Company

3. Address and Telephone No.
P.O. Box 2690 Cody, Wyoming 82414 (307) 587-4961

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1233' FSL & 2112' FEL Sec.5, T11S, R23E

5. Lease Designation and Serial No.
U-54193

6. If Indian, Allottee or Tribe Name

7. If Unit or CA. Agreement Designation

8. Well Name and No.
Cracker Fed. #3

9. API Well No.
43-047-31689

10. Field and Pool, or Exploratory Area
Rockhouse

11. County or Parish, State
Uintah, Utah

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other Status Change
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

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

13. 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.)*

Prior Status: Active Wasatch Gas Producer

Present Status: Shut-In Wasatch Gas Producer

A review of our records indicate that the status changed on August 8, 1991.

RECEIVED

MAR 10 1992

DIVISION OF
OIL GAS & MINING

FEB 1992

Dist: BLM-orig.+3, SUDOGM-2, WRF, FMK, WTR-4, Title & Cont. (Hou.), SPO JLS

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

Signed AP Meador Title Regulatory Coordinator Date Feb. 21, 1992

(This space for Federal or State official use)
NOTED

Approved by _____ Title _____ Date FEB 26 1992

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS <small>(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.)</small>		3. LEASE DESIGNATION & SERIAL NO. See Below
		6. IF INDIAN ALLOTTEE OR TRIBE NAME
1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER		7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR Marathon Oil Company		8. FARM OR LEASE NAME See Below
3. ADDRESS OF OPERATOR P.O. Box 2690, Cody, Wyoming 82414		9. WELL NO. See Below
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface See Below At proposed prod. zone		10. FIELD AND POOL, OR WILDCAT See Below
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA See Below
14. API NO. See Below	15. ELEVATIONS (Show whether DF, RT, GR, etc.)	12. COUNTY Grand and Uintah
		13. STATE Utah

RECEIVED

FEB 25 1993

DIVISION OF
OIL GAS & MINING

18. 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"/> FRACTURE TREAT <input type="checkbox"/> SHOOT OR ACIDIZE <input type="checkbox"/> REPAIR WELL <input type="checkbox"/> (Other)	WATER SHUT-OFF <input type="checkbox"/> FRACTURE TREATMENT <input type="checkbox"/> SHOOTING OR ACIDIZING <input type="checkbox"/> (Other)
PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETE <input type="checkbox"/> ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> ABANDONMENT* <input type="checkbox"/>
APPROX. DATE WORK WILL START _____	DATE OF COMPLETION _____

(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.)

* Must be accompanied by a cement verification report.

On 2/22/93 with an effective date of October 1, 1992, Marathon Oil Company sold all of its rights, title and interests shown on Exhibit 'A' and 'B' to:

Lone Mountain Production Company
P.O. Box 3394, 408 Production Building
Billings, Montana 59103-3394

By copy of this sundry notice to Lone Mountain Production Company, Marathon is advising that Lone Mountain Production Company is responsible for operating these leases and wells within the federal and state rules and regulations.

Utah O&G--cc: WRF,RDS,CLB,RPM,KJI,TITLE AND CONTR(HOU),ACCTG.,CFR,LONE MTN. PROD.

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

SIGNED R.P. Meabon TITLE Regulatory Coordinator DATE 2/23/93

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

See Instructions On Reverse Side

List of Properties sold by Marathon Oil Company to Lone Mountain Production Company, P.O. Box 3394, 408 Petroleum Building, Billings, Montana 59103-3394

WELL	LOCATION	LEASE	API #
North Horse Point Field			
Little Berry State #1	SW/4 SW/4, Sec. 2-16S-23E	ML-21061	043-019-31075
BAR X West Field			
Hancock Federal #2	NW/4 SW/4, Sec. 5-17S-25E	U-38720	043-019-30833
Bryson Canyon Field			
Hougen Federal A#1- St #1	SW/4 SW/4 Sec. 14-17S-24E	U-42480	043-019-30799
TXO Pogo USA #19-9	NE/4 SE/4, Sec. 15-17S-24E	U-49535	043-019-30779
East Canyon Field			
Callister Federal #1	NW/4 SE/4 Sec. 24-16S-24E	U-38363	043-019-30857
Ptasynski Federal #1	NE/4 NW/4 Sec. 15-17S-23E	U-24603-A	043-019-30780
Horseshoe Bend Field			
Bridle Federal #1	SW/4 SW/4 Sec. 34-6S-22E	U-47866	043-047-31533
Bridle Federal #2	NE/4 SE/4 Sec. 34-6S-22E	U-47866	043-047-31655
Bridle Federal #3	SE/4 NE/4 Sec. 34-6S-22E	U-47866	043-047-31678
Bridle Federal #4	SE/4 NE/4 Sec. 34-6S-22E	U-47866	043-047-31866
Croquet Federal #1	SE/4 NE/4 Sec. 35-6S-21E	U-53862	043-047-31440
Croquet Federal #2	NE/4 SE/4 Sec. 35-6S-21E	U-53862	043-047-31672
Croquet Federal #3	NE/4 NW/4 Sec. 35-6S-21E	U-53862	043-047-31867
Football Fed #29-4	SE/4 SW/4 Sec. 29-6S-21E	U-46699	043-047-31883
Shuffleboard Fed #1	NE/4 NE/4 Sec. 27-6S-21E	U-31255	043-047-31668
Stirrup Fed. #28-1	NW/4 SW/4 Sec. 28-6S-21E	U-34711	043-047-31571
Stirrup Fed. #29-2	NW/4 SE/4 Sec. 29-6S-21E	U-46699	043-047-31508
Stirrup Fed. #29-3	SE/4 SE/4 Sec. 29-6S-21E	U-46699	043-047-31634
Stirrup State #32-1	NW/4 NE/4 Sec. 32-6S-21E	ML-22036	043-047-31557
Stirrup State #32-2	SE/4 NE/4 Sec. 32-6S-21E	ML-22036	043-047-31626
Stirrup State #32-4	NW/4 NE/4 Sec. 32-6S-21E	ML-22036	043-047-31648
Rockhouse Field			
Cracker Fed. #1	SE/4 NE/4 Sec. 8-11S-23E	U-54197	043-047-31532
Cracker Fed. #2	SE/4 SE/4 Sec. 8-11S-23E	U-54197	043-047-31690
Cracker Fed. #3	SW/4 SE/4 Sec. 5-11S-23E	U-54193	043-047-31689
Cracker Fed. #4	SE/4 NE/4 Sec. 7-11S-23E	U-54196	043-047-31748
Marble Mansion #1	SE/4 SE/4 Sec. 18-11S-23E	U-54201	043-047-31865
Wells Fed. A #1	SW/4 SE/4 Sec. 12-11S-23E	U-54198	043-047-31603

San Arroyo Field

Arco Fed. B #1	SE/4 SE/4 Sec. 6-16S-25E	U-9831	043-019-30552
Arco Fed. C #1	NW/4 NW/4 Sec. 35-16S-25E	U-06188-B	043-019-30572
Arco Fed. D #1	NE/4 SE/4 Sec. 34-16S-25E	U-29645	043-019-30578
Arco Fed. H #1	NW/4 SW/4 Sec. 12-16S-25E	U-0126528	043-019-31002
Bennion Fed. #1	NE/4 NW/4 Sec. 30-16S-25E	U-24632	043-019-30893
BMG Fed. #1	NE/4 NW/4 Sec. 8-16S-26E	U-05015	043-019-31017
BMG Fed. #2	SW/4 SW/4 Sec. 8-16S-26E	U-05015	043-019-31108
BMG Fed. #3	SW/4 SW/4 Sec. 8-16S-26E	U-05015-A	043-019-31114
BMG Fed. #4	NW/4 NW/4 Sec. 17-16S-26E	U-05015-A	043-019-31130
BMG Fed. #5	NW/4 SW/4 Sec. 8-16S-26E	U-05015-A	043-019-31131
BMG Fed. #7	NW/4 SE/4 Sec. 17-16S-26E	U-05015-A	043-019-31183
Bookcliffs #1	SE/4 SE/4 Sec. 32-18S-22E	U-036905	043-019-15410
Bookcliffs #3	SW/4 NE/4 Sec. 33-18S-22E	U-036905	043-019-15411
Credo Fed. #1	NE/4 SE/4 Sec. 5-16S-26E	U-24638	043-019-30797
Credo Fed. A #1	SE/4 NW/4 Sec. 5-16S-26E	U-24638	043-019-30798
Grynberg Fed. #1	NE/4 SW/4 Sec. 28-16S-25E	U-13653	043-019-30657
Harvey Fed. #1-X	SW/4 SE/4 Sec. 5-16S-25E	U-10427	043-019-30574
Lauck Fed. A #1	SE/4 SE/4 Sec. 29-16S-25E	U-34033	043-019-30990
Lauck Fed. #2	NW/4 SW/4 Sec. 29-16S-25E	U-34033	043-019-31109
Moxa Fed. #1	SW/4 SW/4 Sec. 9-16S-26E	U-24638	043-019-30698
Moxa Fed. A #1	NE/4 SE/4 Sec. 4 16S-26E	U-24638	043-019-30792
Nicor Fed. #1	NW/4 NE/4 Sec. 28-16S-25E	U-31807	043-019-30656
Nicor Fed. #2	NW/4 NE/4 Sec. 33-16S-25E	U-13653	043-019-31020
Texas Pac St #1	NW/4 SE/4 Sec. 36-16S-25E	ML-4468-A	043-019-30634
Texas Pac St #2	SW/4 SW/4 Sec. 36-16S-25E	ML-4468-A	043-019-30670
Valentine Fed. #1	SE/4 SW/4 Sec. 35-16S-25E	U-38276	043-019-30639
Valentine Fed. #2	SE/4 NW/4 Sec. 34-16S-25E	U-38276	043-019-30640
Valentine Fed. #3	SE/4 SW/4 Sec. 35-16S-25E	U-38276	043-019-31009
Wall Fed. #1	NE/4 SW/4 Sec. 30-16S-25E	U-24632	043-019-30838

Oil Springs Field

Oil Springs #5	NE/4 SW/4 Sec. 5-12S-24E	U-08424-A	043-047-15930
Oil Springs #7	SE/4 SW/4 Sec. 4-12S-24E	U-08424-A	043-047-31248
Oil Springs #10	NE/4 NE/4 Sec. 5-12S-24E	U-08424-A	043-047-31656

Evacuation Creek Field

Evacuation Creek State A #1	NE/4 NE/4 Sec. 2-12S-25E	ML-28043	043-047-31674
Evacuation Cr.#23-2-1	NE/4 SW/4 Sec. 2-12S-25E	ML-28043	043-047-15675
Evacuation Creek State #1	SE/4 SW/4 Sec. 36-11S-25E	ML-39868	043-047-31307

LONE MOUNTAIN PRODUCTION COMPANY

P.O. BOX 3394
408 PETROLEUM BUILDING
BILLINGS, MONTANA 59103-3394
(406) 245-5077
FAX 248-6321

February 22, 1993

State of Utah
Dept. of Natural Resources
Division of Oil, Gas, & Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180

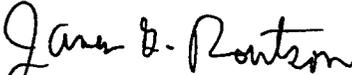
Re: Change of Operator
Sundry Notices
Grand and Uintah Counties, Utah

Gentlemen:

Enclosed in triplicate are Sundry Notices for 53 wells located on Federal lands in Utah for which Lone Mountain Production Company is assuming operations effective February 22, 1993. Two separate lists of the wells and lease numbers, by sorted by BLM district, are attached. The wells were all previously operated by Marathon Oil Company. If any further information is needed please advise either me or Joe Dyk in our Grand Junction office.

Very truly yours,

Lone Mountain Production Company


James G. Routson
President

Enclosures

xc: Joe Dyk
Marathon

RECEIVED

FEB 25 1993

DIVISION OF
OIL GAS & MINING

RECEIVED

FEB 25 1995

UTAH FEDERAL WELLS

VERNAL BLM DISTRICT

DIVISION OF
OIL GAS & MINING

<u>WELL</u>	<u>LEASE NO.</u>	<u>LOCATION</u>
Shuffleboard Fed. No. 1	U-31255	NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 27-T6S-R21E
Stirrup Fed. No. 28-1	U-34711	NW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 28-T6S-R21E
Stirrup Fed. No. 29-2	U-46699	NW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 29-T6S-R21E
Stirrup Fed. No. 29-3	U-46699	SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 29-T6S-R21E
Football Fed. No. 29-4	U-46699	SE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 29-T6S-R21E
Croquet Fed. No. 1	U-53862	SE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 35-T6S-R21E
Croquet Fed. No. 2	U-53862	NE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 35-T6S-R21E
Croquet Fed. No. 3	U-53862	NE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 35-T6S-R21E
Bridle Fed. No. 1	U-47866	SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 34-T6S-R22E
Bridle Fed. No. 2	U-47866	NE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 34-T6S-R22E
Bridle Fed. No. 3	U-47866	SW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 34-T6S-R22E
Bridle Fed. No. 4	U-47866	SE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 34-T6S-R22E
Cracker Fed. No. 1	U-54197	SE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 8-T11S-R23E
Cracker Fed. No. 2	U-54197	SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 8-T11S-R23E
Cracker Fed. No. 3	U-54193	SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 5-T11S-R23E
Cracker Fed. No. 4	U-54196	SE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 7-T11S-R23E
Marble Mansion Unit #1	U-54201	SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 18-T11S-R23E
Wells Fed. A No. 1	U-54198	SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 12-T11S-R23E
Oil Springs Unit #5	U-08424-A	NE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 5-T12S-R24E
Oil Springs Unit #7	U-08424-A	SE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 4-T12S-R24E
Oil Springs Unit #10	U-08424-A	NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 5-T12S-R24E

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial No.
U-54193

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Lone Mountain Production Company

3. Address and Telephone No.

P.O. Box 3394, Billings, MT 59103

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1233' FSL, 2112' FEL, Sec. 5-T11S-R23E
(SW $\frac{1}{4}$ SE $\frac{1}{4}$)

8. Well Name and No.

Cracker Fed. No. 3

9. API Well No.

43-047-31689

10. Field and Pool, or Exploratory Area

Rock House

11. County or Parish, State

Uintah County, Utah

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Change of Operator</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

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

13. 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.)*

Lone Mountain Production Company has assumed operations of the above referenced well effective February 22, 1993. The former operator was Marathon Oil Company.

Bond Coverage is provided by Lone Mountain's Statewide Oil & Gas BLM Bond No. UT0719.

Field Operations will be handled by our Grand Junction office.

RECEIVED

FEB 25 1993

DIVISION OF
OIL GAS & MINING

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

Signed James R. Rowton

Petroleum Engineer

Feb. 22, 1993

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry of a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.

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MAR 22 1993

5. Lease Designation and Serial No.

U-54193

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

SUBMIT IN TRIPLICATE

MAR 22 1993

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Marathon Oil Company

3. Address and Telephone No.

P.O. Box 2690, Cody, Wyoming 82414

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SWSF S-115-23E

DIVISION OF
OIL GAS & MINING
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FEB 25 1993

8. Well Name and No.

Cracked 3

9. API Well No.

See Below

10. Field and Pool, or Exploratory Area

See Below

11. County or Parish, State

See Below

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	VERNAL DIST.	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	ENG. 577 3117	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	GEOL.	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	E.S.	<input type="checkbox"/> Plugging Back
	PET.	<input type="checkbox"/> Casing Repair
	A.M.	<input type="checkbox"/> Altering Casing
		<input type="checkbox"/> Other
		<input type="checkbox"/> Change of Plans
		<input type="checkbox"/> New Construction
		<input type="checkbox"/> Non-Routine Fracturing
		<input type="checkbox"/> Water Shut-Off
		<input type="checkbox"/> Conversion to Injection
		<input type="checkbox"/> Dispose Water

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

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On 2/22/93 with an effective date of October 1, 1992, Marathon Oil Company sold all of its rights, title and interests shown on Exhibits 'A' and 'B' to:

Lone Mountain Production Company
P.O. Box 3394, 408 Petroleum Building
Billings, Montana 59103-3394

Marathon Oil Company has emergency NTL-2B pit permits for these wells and associated operations and by copy of this sundry notice to Lone Mountain Production Company, Marathon is advising that Lone Mountain Production Company is responsible for operating the pits in compliance with NTL-2B regulations as well as all other state and federal regulations.

BLM-orig & 3--cc: WRF, RDS, CLB, RPM, KJI, TITLE AND CONTR(HOU), ACCTG., CFR,
Lone Mtn. Prod. Co.

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

Signed R.P. Meador

Title Regulatory Coordinator

Date 2/23/93

(This space for Federal or State office use)

Approved by [Signature]
Conditions of [Signature]

Title ASSISTANT DISTRICT
MANAGER MINERALS

Date MAR 16 1993

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statement or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

CONDITIONS OF APPROVAL ATTACHED
TO OPERATOR'S COPY

Marathon Oil Company
Change of Operator

CONDITIONS OF APPROVAL

We have reviewed your proposal for technical adequacy and concur with the request providing the following stipulations are included as a part of the approval.

1. This change of operator approval is for the following wells only:

<u>WELL NAME & NUMBER</u>	<u>LEASE NUMBER</u>
Stirrup Fed. 28-1	U - 34711
Stirrup Fed. 29-2	U - 46699
Stirrup Fed. 29-3	U - 46699
Stirrup Fed. 29-4	U - 46699
Croquet Fed. 1	U - 53862
Croquet Fed. 3	U - 53862
Bridle Fed. 1	U - 47866
Bridle Fed. 2	U - 47866
Bridle Fed. 3	U - 47866
Bridle Fed. 4	U - 47866
Cracker Fed. 1	U - 54197
Cracker Fed. 2	U - 54197
Cracker Fed. 3	U - 54193
Cracker Fed. 4	U - 54196
Wells Fed. 1	U - 54198

2. The other wells as listed in the attachment to this sundry notice are denied. The reason for denial is because the wells are either in a Communitization Agreement (C.A.) or a Federal Unit or they are located outside of the Vernal District. Changes of operator for wells that are C.A.s or Federal Units needed to be filed with our BLM State Office in Salt Lake City, Utah. The changes for the other wells will need to be filed in the appropriate District or Resource Area Office.

RECEIVED

MAR 22 1993

DIVISION OF
OIL GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial No.
U-54193

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Cracker Fed. No. 3

9. API Well No.
43-047-31689

10. Field and Pool, or Exploratory Area
Rock House

11. County or Parish, State
Uintah County, Utah

SUBMIT IN TRIPLICATE

RECEIVED

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Lone Mountain Production Company

3. Address and Telephone No.
P.O. Box 3394, Billings, MT 59103

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**1233' FSL, 2112' FEL, Sec. 5-T11S-R23E
(SW $\frac{1}{4}$ SE $\frac{1}{4}$)**

MAR 24 1993

**DIVISION OF
OIL GAS & MINING**

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other Change of Operator
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

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

13. 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.)*

Lone Mountain Production Company has assumed operations of the above referenced well effective February 22, 1993. The former operator was Marathon Oil Company.

Bond Coverage is provided by Lone Mountain's Statewide Oil & Gas BLM Bond No. UT0719.

Field Operations will be handled by our Grand Junction office.

RECEIVED
FEB 25 1993

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

Signed *James R. Parker* Title Petroleum Engineer Date Feb. 22, 1993

(This space for Federal or State office use)

Approved by *Edwin S. Mendenhall* Title Assistant District Manager Minerals Date MAR 23 1993

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Routing: *J*

1-LEC	7-DEC
2-DTS	
3-VLC	✓
4-RJF	✓
5-RWM	✓
6-ADA	✓

Attach all documentation received by the division regarding this change.
 Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold) Designation of Agent
 Designation of Operator Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 10-1-92)

TO (new operator) <u>LONE MTN PRODUCTION CO</u>	FROM (former operator) <u>MARATHON OIL COMPANY</u>
(address) <u>P. O. BOX 3394</u>	(address) <u>P. O. BOX 2690</u>
<u>BILLINGS, MT 59103-3394</u>	<u>CODY, WY 82414</u>
phone <u>(406) 245-5077</u>	phone <u>(307) 587-4961</u>
account no. <u>N 7210</u>	account no. <u>N 3490</u>

Well(s) (attach additional page if needed):

Name: **SEE ATTACHED**	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____

OPERATOR CHANGE DOCUMENTATION

- J* 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). *(Rec'd 2-25-93)*
- J* 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). *(Rec'd 2-25-93)*
- N/A* 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) _____ If yes, show company file number: _____.
- J* 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of Federal and Indian well operator changes should take place prior to completion of steps 5 through 9 below.
- J* 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. *(3-24-93)*
- J* 6. Cardex file has been updated for each well listed above. *(3-24-93)*
- J* 7. Well file labels have been updated for each well listed above. *(3-24-93)*
- J* 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. *(3-24-93)*
- J* 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- 1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) (If entity assignments were changed, attach copies of Form 6, Entity Action Form).
- 2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

BOND VERIFICATION (Fee wells only)

- 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
- 2. A copy of this form has been placed in the new and former operators' bond files.
- 3. The former operator has requested a release of liability from their bond (yes/no) . Today's date _____ 19____. If yes, division response was made by letter dated _____ 19____.

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

- 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated _____ 19____, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
- 2. Copies of documents have been sent to State Lands for changes involving State leases.

FILMING

1. All attachments to this form have been microfilmed. Date: March 29 1993.

FILED

- 1. Copies of all attachments to this form have been filed in each well file.
- 2. The original of this form and the original attachments have been filed in the Operator Change file.

REMARKS

930316 Bdm/Moab Approved some of the wells on 3-10-93 eff. 2-23-93. (see other change.)

930323 Bdm/Vernal Approved some of the wells on 3-16-93 eff. 10-1-92. The remaining wells are unitized or under a C.A. (will be handled on separate change).

930324 Bdm/Vernal Approved some wells on 3-23-93, operation of wells eff. 2-22-93.

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
 1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801

MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

SUSAN GUFFEY
 LONE MTN PRODUCTION CO
 PO BOX 3394
 BILLINGS MT 59103-3394

UTAH ACCOUNT NUMBER: N7210

REPORT PERIOD (MONTH/YEAR): 6 / 96

AMENDED REPORT (Highlight Changes)

Well Name			Producing Zone	Well Status	Days Oper	Production Volumes		
API Number	Entity	Location				OIL(BBL)	GAS(MCF)	WATER(BBL)
BAR X UNIT #12								
4301930597	08187	17S 26E 8	MRSN					
STATE 54 GRAND #1								
4301915910	08344	16S 26E 32	DKTA					
TOC TXO POGO USA 15-9								
4301930779	09155	17S 24E 15	DKTA					
FEDERAL #1								
4301915699	09221	18S 23E 3	DKTA					
EVACUATION CREEK STATE 23-2-1								
4304715675	09605	12S 25E 2	DKTA					
CROQUET FEDERAL #1								
4731440	09635	06S 21E 35	UNTA			U38404		
CROQUET FEDERAL #2								
4304731672	09636	06S 21E 35	UNTA	U53862		C.A. UT080P49 - 86C696		
SHUFFLEBOARD FEDERAL #1								
4304731668	09842	06S 21E 27	UNTA	U31255		C.A. UT080P49 - 86C692		
STIRRUP STATE #32-4								
4304731648	10183	06S 21E 32	UNTA					
CRACKER FEDERAL #3								
4304731689	10581	11S 23E 5	WSTC			U54193		
EVACUATION CREEK STATE "A" #1								
4304731674	10661	12S 25E 2	DKTA					
CRACKER FEDERAL #4								
4304731748	10669	11S 23E 7	WSTC			U54196		
HANCOCK FEDERAL #15-3								
4301931235	10681	17S 25E 15	DKTA					
Federal 17-b								
4304732752	99999	11S 23E 17	DRL	U54200	TOTALS	Marble Mansion II Unit		

COMMENTS: _____

I hereby certify that this report is true and complete to the best of my knowledge.

Date: _____

Name and Signature: _____

Telephone Number: _____

LONE MOUNTAIN PRODUCTION COMPANY

Mailing Address:
P.O. Box 3394
Billings, MT 59103-3394

(406) 245-5077
FAX 248-6321

Shipping Address:
100 North 27th Street
Suite 650
Billings, MT 59101

August 7, 1996

Lisha Cordova
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

VIA FAX: 1-801-359-3940

RE: RESIGNATION OF OPERATOR
VARIOUS WELLS
UINTAH COUNTY, UTAH

Dear Lisha:

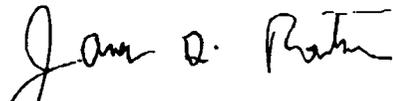
Pursuant to your telephone conversation with Carolyn George this afternoon, attached is a list of federal wells previously operated by Lone Mountain Production Company in the referenced county.

Lone Mountain has resigned as operator of the aforementioned wells and accepts the transfer of operations to Rosewood Resources, Inc., effective August 1, 1996.

Should you have any questions or need further information please contact our office at the letterhead address or phone number.

Sincerely,

LONE MOUNTAIN PRODUCTION COMPANY


James G. Routson
President

Attachment

UTAH FEDERAL WELLS

VERNAL BLM DISTRICT

<u>Well</u>	<u>Lease No.</u>	<u>Location</u>
Shuffleboard Federal No. 1	U-31255	NE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 27: T6S-R21E
Stirrup Federal No. 28-1	U-34711	NW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 28: T6S-R21E
Football Federal No. 29-4	U-46699	SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 29: T6S-R21E
Croquet Federal No. 1	U-53862	SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 35: T6S-R21E
Croquet Federal No. 2	U-53862	NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 35: T6S-R21E
Croquet Federal No. 3	U-53862	NE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 35: T6S-R21E
Bridle Federal No. 1	U-47866	SW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 34: T6S-R22E
Bridle Federal No. 2	U-47866	NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 34: T6S-R22E
Bridle Federal No. 3	U-47866	SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 34: T6S-R22E
Bridle Federal No. 4	U-47866	SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 34: T6S-R22E
Cracker Federal No. 1	U-54197	SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 8: T11S-R23E
Cracker Federal No. 2	U-54197	SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 8: T11S-R23E
Cracker Federal No. 3	U-54193	SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 5: T11S-R23E
Cracker Federal No. 4	U-54196	SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 7: T11S-R23E
Marble Mansion Unit No. 1	U-54201	SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 18: T11S-R23E
Oil Springs Unit No. 5	U-08424-A	NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 5: T12S-R24E
Oil Springs Unit No. 7	U-08424-A	SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 4: T12S-R24E
Oil Springs Unit No. 10	U-08424-A	NE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 5: T12S-R24E

UTAH FEDERAL WELLS*(Rosewood Resources, Inc. assumes operations effective August 1, 1996)***BLM VERNAL DISTRICT**

No.	WELL NAME	LEASE NO.	LOCATION in Uintah County
1)	Shuffleboard Fed. No. 1	U-31255	NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 27-T6S-R21E
2)	Stirrup Fed. No. 28-1	U-34711	NW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 28-T6S-R21E
3)	Football Fed. No. 29-4	U-46699	SE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 29-T6S-R21E
4)	Croquet Fed. No. 1	U-53862	SE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 35-T6S-R21E
5)	Croquet Fed. No. 2	U-53862	NE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 35-T6S-R21E
6)	Croquet Fed. No. 3	U-53862	NE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 35-T6S-R21E
7)	Bridle Fed. No. 1	U-47866	SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 34-T6S-R22E
8)	Bridle Fed. No. 2	U-47866	NE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 34-T6S-R22E
9)	Bridle Fed. No. 3	U-47866	SW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 34-T6S-R22E
10)	Bridle Fed. No. 4	U-47866	SE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 34-T6S-R22E
11)	Cracker Fed. No. 1	U-54197	SE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 08-T11S-R23E
12)	Cracker Fed. No. 2	U-54197	SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 08-T11S-R23E
13)	Cracker Fed. No. 3	U-54193	SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 05-T11S-R23E
14)	Cracker Fed. No. 4	U-54196	SE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 07-T11S-R23E
15)	Marble Mansion Unit #1	U-08424-A	SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 18-T11S-R23E
16)	Oil Springs Unit #5	U-08424-A	NE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 05-T12S-R24E
17)	Oil Springs Unit #7	U-08424-A	SE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 04-T12S-R24E
18)	Oil Springs Unit #10	U-08424-A	NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 05-T12S-R24E



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

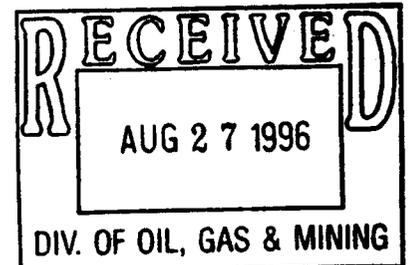
Vernal District Office
170 South 500 East
Vernal, Utah 84078-2799

Phone: (801) 781-4400
Fax: (801) 781-4410

IN REPLY REFER TO:
3162.3
UT08300

August 26, 1996

Rosewood Resources, Inc.
Attn: Janet Hambright
100 Crescent Court, Suite 500
Dallas, TX 75201



Re: Well No. Cracker Federal 3
SWSE, Sec. 5, T11S, R23E
Lease U-54193
Uintah County, Utah

Dear Ms. Hambright:

This correspondence is in regard to the self-certification statement submitted requesting a change in operator for the referenced well. After a review by this office, the change in operator request is approved. Effective immediately, Rosewood Resources, Inc. is responsible for all operations performed on the referenced well. All liability will now fall under your bond, BLM Bond No. MT0627, for all operations conducted on the referenced well on the leased land.

If you have any other questions concerning this matter, please contact Margie Herrmann or Pat Sutton of this office at (801) 789-1362.

Sincerely,

Howard B. Cleavinger II
Assistant Field Manager
Minerals Resources

cc: Lone Mountain Production Company
Division of Oil, Gas & Mining
Best Exploration Inc.
DJ Investment Co.
Marceil Fees Trust
J&K Properties Inc.
T-K Production Co.

Don F. Bradshaw Trust
W S Fees Jr Trust
Harold B. Holden
Morgan Marathon Ltd.
John W. Warner

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

RECEIVED
AUG 27 1996
DIV. OF OIL, GAS & MINING

5 Lease Designation and Serial No
U-54193

6 If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Cracker Fed. No. 3

9. API Well No.
43-047-31689

10. Field and Pool, or Exploratory Area
Rock House

11. County or Parish, State
Uintah County, Utah

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Rosewood Resources, Inc.

3. Address and Telephone No.
100 Crescent Court, Suite 500, Dallas, TX 75201 (214) 871-5700

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**1233' FSL, 2112' FEL, Section 5: T11S-R23E
(SW $\frac{1}{4}$ SE $\frac{1}{4}$)**

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Change of Operator</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

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

13. 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.)

Rosewood Resources, Inc. has assumed operation of the above referenced well effective August 1, 1996. The former operator was Lone Mountain Production Company.

Bond Coverage is provided by Rosewood's Nationwide Oil & Gas Bond No. MT0627.

MINERAL DIST.
ENG. *[Signature]*
GEOL. _____
E.S. _____
PET. _____
A.M. _____

RECEIVED
AUG 01 1996

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

Signed *[Signature]* Title Production Engineer Date August 1, 1996

(This space for Federal or State Office use)

Approved by *[Signature]* Title Assistant Field Manager
Mineral Resources Date AUG 26 1996

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

OPERATOR CHANGE WORKSHEET

Routing:

1-LEG	6-LEG
2-GLH	7-KDR
3-DTS	8-SJ
4-VLD	9-FILE
5-RJF	

Attach all documentation received by the division regarding this change.
Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold) Designation of Agent
 Designation of Operator Operator Name Change Only

The operator of the well(s) listed below has changed, effective: 8-1-96

TO: (new operator) ROSEWOOD RESOURCES INC
 (address) 100 CRESCENT COURT #500
DALLAS TX 75201
 Phone: (214)871-5718
 Account no. N7510

FROM: (old operator) LONE MTN PRODUCTION CO
 (address) PO BOX 3394
BILLINGS MT 59103-3394
 Phone: (406)245-5077
 Account no. N7210

WELL(S) attach additional page if needed:

Name: <u>**SEE ATTACHED**</u>	API: <u>43-047-31689</u>	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____

OPERATOR CHANGE DOCUMENTATION

- Yec 1. (r649-8-10) Sundry or other legal documentation has been received from the FORMER operator (attach to this form). (rec'd 8-7-96)
- Yec 2. (r649-8-10) Sundry or other legal documentation has been received from the NEW operator (Attach to this form). (rec'd 8-7-96)
- N/A 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is the company registered with the state? (yes/no) _____ If yes, show company file number: _____
- Yec 4. FOR INDIAN AND FEDERAL WELLS ONLY. The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of Federal and Indian well operator changes should ordinarily take place prior to the division's approval, and before the completion of steps 5 through 9 below.
- Yec 5. Changes have been entered in the Oil and Gas Information System (3270) for each well listed above. (8-29-96)
- Yec 6. Cardex file has been updated for each well listed above.
- Yec 7. Well file labels have been updated for each well listed above.
- Yec 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc.
- Yec 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- YLC 1. (r649-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) (no) ____ If entity assignments were changed, attach copies of Form 6, Entity Action Form.
- N/A 2. Trust Lands, Sovereign Lands, Tax Commission, etc., have been notified through normal procedures of entity changes.

BOND VERIFICATION - (FEE WELLS ONLY)

- N/A 1. (r649-3-1) The NEW operator of any fee lease well listed above has furnished a proper bond.
- YLC 2. A copy of this form has been placed in the new and former operator's bond files.
- ____ 3. The FORMER operator has requested a release of liability from their bond (yes/no) _____, as of today's date _____. If yes, division response was made to this request by letter dated _____.

LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY

- N/A 1. Copies of documents have been sent on _____ to _____ at Trust Lands for changes involving State leases, in order to remind that agency of their responsibility to review for proper bonding.

FILMING

- VDP 1. All attachments to this form have been microfilmed. Today's date: 9/18/96.

FILING

- ____ 1. Copies of all attachments to this form have been filed in each well file.
- ____ 2. The original of this form, and the original attachments are now being filed in the Operator Change file.

COMMENTS

960829 Btm/Vernal Appx. 8-26-96



United States Department of the Interior

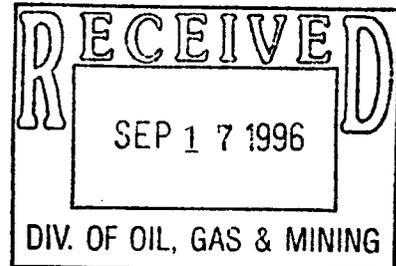
BUREAU OF LAND MANAGEMENT

Vernal District Office
170 South 500 East
Vernal, Utah 84078-2799

Phone: (801) 781-4400
Fax: (801) 781-4410

IN REPLY REFER TO:
3162.3
UT08300

September 6, 1996



Rosewood Resources, Inc.
Attn: Janet Hambright
100 Crescent Court, Suite 500
Dallas, TX 75201

43-64-31689
Re: Rescind Change of Operator
Well No. Cracker Federal 3
SWSE, Sec. 5, T11S, R23E
Lease U-54193
Uintah County, Utah

Dear Ms. Hambright:

This correspondence is in regard to the letter approving a change in operator for the referenced well. It has come to our attention, Lease No. UTU-54193 terminated by cessation of production effective May 10, 1996. Therefore, Cracker Federal No. 3 was not located on an authorized lease and a change of operator cannot be approved. Lone Mountain continues to be responsible for all operations performed on the referenced well. All liability continues under their bond, BLM Bond No. UT0719.

If you have any other questions concerning this matter, please contact Margie Herrmann or Pat Sutton of this office at (801) 781-4400.

Sincerely,

Howard B. Cleavinger II
Assistant Field Manager
Minerals Resources

cc: Lone Mountain Production Company
Division of Oil, Gas & Mining
Best Exploration Inc.
DJ Investment Co.
Marceil Fees Trust
J&K Properties Inc.
T-K Production Co.

Don F. Bradshaw Trust
W S Fees Jr Trust
Harold B. Holden
Morgan Marathon Ltd.
John W. Warner

OPERATOR CHANGE WORKSHEET

Routing: <i>[Signature]</i>	
1-LEC <i>[Signature]</i>	6-LEC <i>[Signature]</i>
2-GLH	7-KDR <input checked="" type="checkbox"/>
3-DTS <i>[Signature]</i>	8-SJ <input checked="" type="checkbox"/>
4-VLD <input checked="" type="checkbox"/>	9-FILE
5-RJF <input checked="" type="checkbox"/>	

Attach all documentation received by the division regarding this change.
Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold) Designation of Agent
 Designation of Operator Operator Name Change Only

The operator of the well(s) listed below has changed, effective: 8-1-96

TO: (new operator) LONE MTN PRODUCTION CO
 (address) PO BOX 3394
BILLINGS MT 59103-3394
 Phone: (406)245-5077
 Account no. N7210

FROM: (old operator) ROSEWOOD RESOURCES INC
 (address) 100 CRESCENT COURT #500
DALLAS TX 75201
 Phone: (214)871-5718
 Account no. N7510

WELL(S) attach additional page if needed:

Name: <u>CRACKER FED 3/WSTC</u>	API: <u>43-047-31689</u>	Entity: <u>10581</u>	S	<u>5</u>	T	<u>11S</u>	R	<u>23E</u>	Lease: <u>U54193</u>
Name: _____	API: _____	Entity: _____	S	_____	T	_____	R	_____	Lease: _____
Name: _____	API: _____	Entity: _____	S	_____	T	_____	R	_____	Lease: _____
Name: _____	API: _____	Entity: _____	S	_____	T	_____	R	_____	Lease: _____
Name: _____	API: _____	Entity: _____	S	_____	T	_____	R	_____	Lease: _____
Name: _____	API: _____	Entity: _____	S	_____	T	_____	R	_____	Lease: _____

OPERATOR CHANGE DOCUMENTATION

- N/A 1. (r649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator (attach to this form). *(See BLM Letter)*
- N/A 2. (r649-8-10) Sundry or other legal documentation has been received from the **NEW** operator (Attach to this form). *(See BLM Letter)*
- N/A 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is the company registered with the state? (yes/no) _____ If yes, show company file number: _____.
- See 4. **FOR INDIAN AND FEDERAL WELLS ONLY.** The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of Federal and Indian well operator changes should ordinarily take place prior to the division's approval, and before the completion of steps 5 through 9 below.
- See 5. Changes have been entered in the Oil and Gas Information System (3270) for each well listed above. *(9-19-96)*
- See 6. Cardex file has been updated for each well listed above. *(9-19-96)*
- See 7. Well file labels have been updated for each well listed above. *(9-19-96)*
- See 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc. *(9-19-96)*
- See 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- Luc 1. (r649-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) no If entity assignments were changed, attach copies of Form 6, Entity Action Form.
- N/A 2. Trust Lands, Sovereign Lands, Tax Commission, etc., have been notified through normal procedures of entity changes.

BOND VERIFICATION - (FEE WELLS ONLY)

- N/A Luc 1. (r649-3-1) The NEW operator of any fee lease well listed above has furnished a proper bond.
2. A copy of this form has been placed in the new and former operator's bond files.
3. The FORMER operator has requested a release of liability from their bond (yes/no) , as of today's date . If yes, division response was made to this request by letter dated .

LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY

- N/A 1. Copies of documents have been sent on to at Trust
8/24/94 Lands for changes involving State leases, in order to remind that agency of their responsibility to
BT's review for proper bonding.

FILMING

- VDR 1. All attachments to this form have been microfilmed. Today's date: 10/16/94.

FILING

1. Copies of all attachments to this form have been filed in each well file.
2. The original of this form, and the original attachments are now being filed in the Operator Change file.

COMMENTS

9/29/94 BTm/Verael Aprv. chg. from Lone Mtn. to Rosewood eff. 8-1-94; now
they are rescinding that approval.

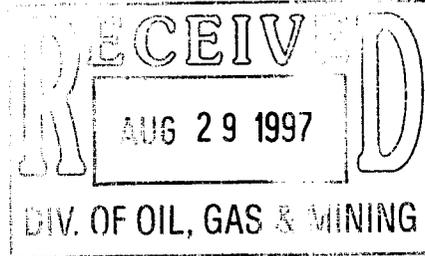
LONE MOUNTAIN PRODUCTION COMPANY

Mailing Address:
P.O. Box 3394
Billings, MT 59103-3394

(406) 245-5077
FAX 248-6321

Shipping Address:
100 North 27th Street
Suite 650
Billings, MT 59101

August 26, 1997



State of Utah
Division of Oil, Gas & Mining
1594 W. Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801

RE: SUNDRY NOTICE
CRACKER FEDERAL NO. 3 WELL
SWSE SECTION 5: T11S-R23E
UINTAH COUNTY, UTAH

Gentlemen:

Enclosed in duplicate is one sundry notice outlining the final plugging and abandonment of the referenced well. The plugging was witnessed by Bill Owens of the BLM in Vernal, Utah on August 21, 1997.

Should you have any questions or need further information you may contact me at (406) 245-5077 or Joe Dyk in our Loma office at (970) 858-7546.

Sincerely,

LONE MOUNTAIN PRODUCTION COMPANY

A handwritten signature in cursive script that reads "James G. Routson (cg)".

James G. Routson
President

Enclosure

cc: Joe Dyk

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN
TRIPLICATE*
(Other Instructions on
reverse side)

Form Approved.
Budget Bureau No. 1004-0135
Expires : March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT--" for such proposals		5. LEASE DESIGNATION AND SERIAL NO. U-54193 (expired)
SUBMIT IN TRIPLICATE		6. IF INDIAN, ALLOTEE OR TRIBE NAME
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. IF UNIT OR CA, AGREEMENT DESIGNATION
2. NAME OF OPERATOR Lone Mountain Production Company		8. WELL NAME and No. Cracker Federal No. 3
3. ADDRESS OF OPERATOR P. O. Box 3394, Billings, Montana 59103 (406) 245-5077		9. API WELL NO. 43-047-31689
4. LOCATION OF WELL (Footage, Sec. T., R., M., or Survey Description) 1233' FSL, 2112' FEL Section 5-T11S-R23E (SWSE)		10. Field and Pool, or Exploratory Area Rock House
		11. County or Parish, State Uintah County, Utah

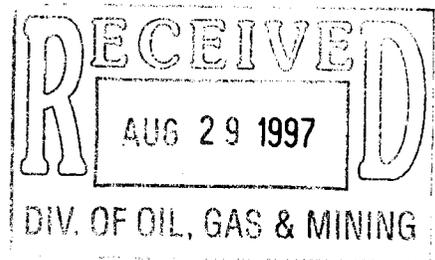
12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent <input type="checkbox"/> Subsequent Report <input checked="" type="checkbox"/> Final Abandonment Notice	<input checked="" type="checkbox"/> Abandonment <input type="checkbox"/> +Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input type="checkbox"/> Other _____ <input type="checkbox"/> Change of Plans <input type="checkbox"/> New Construction <input type="checkbox"/> Non-Routine Fracturing <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Dispose of Water <small>(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form)</small>

13. Describe the Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If a well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Plugged and abandoned August 20 & 21, 1997 as follows:

Perforated 4 spf @ 3180', 1350', 365', 50'.
 Set retainer @ 4825'. Plug 1, 10 sx., 4697' - 4825', in casing.
 Set retainer @ 3080'. Plug 2, 30 sx., 3080' - 3180', in casing and annulus.
 Set retainer @ 1047'. Plug 3, 90 sx., 1047' - 1350', in casing and annulus.
 Set retainer @ 260'. Plug 4, 30 sx., 260' - 365', in casing and annulus.
 Plug 5, 25 sx., sfc - 50', in casing and annulus.

Plugging witnessed by Bill Owens, Vernal District Office, Vernal, Utah.



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

Signed: Jan S. Ranta

Title: **Petroleum Engineer**

Date: **August 26, 1997**

(This space for Federal or State office use)

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

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instructions of Reverse Side