

UTAH OIL AND GAS CONSERVATION COMMISSION

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

DATE FILED **11-04-88**

LAND: FEE & PATENTED _____ STATE LEASE NO. _____ PUBLIC LEASE NO. **U-61429** INDIAN _____

DRILLING APPROVED **12-02-88 (EXCEPTION LOCATION)**

SPUDDED IN: _____

COMPLETED: _____ PUT TO PRODUCING: _____

INITIAL PRODUCTION: _____

GRAVITY A.P.I. _____

GOR: _____

PRODUCING ZONES: _____

TOTAL DEPTH: _____

WELL ELEVATION: _____

DATE ABANDONED **Well never drilled LA 9-11-90**

FIELD: **WILDCAT**

UNIT: _____

COUNTY: **UINTAH**

WELL NO. **DRAGON FEDERAL 1-1-11-25** API NO. **43-047-31858**

LOCATION **1466' FNL** FT. FROM (N) (S) LINE. **1000' FEL** FT. FROM (E) (W) LINE. **LOT 9 NE** 1/4 - 1/4 SEC. **1**

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
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11S	25E	1	MITCHELL ENERGY CORP.
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ACR

UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL [X] DEEPEN [] PLUG BACK []

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

2. NAME OF OPERATOR MITCHELL ENERGY CORPORATION

3. ADDRESS OF OPERATOR 555 Seventeenth Street, Suite 3500 Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with State requirements) At surface 1466' FNL & 1000' FEL

At proposed prod. zone same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Location is 27 miles southwest of Rangely, Colorado

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1000'

16. NO. OF ACRES IN LEASE 599.76

17. NO. OF ACRES ASSIGNED TO THIS WELL 236.72

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. -0-

19. PROPOSED DEPTH 6790'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5888' ungraded

22. APPROX. DATE WORK WILL START* 9/1/88

23. PROPOSED CASING AND CEMENTING PROGRAM

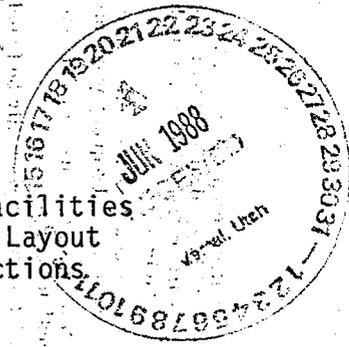
Table with 5 columns: SIZE OF HOLE, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Rows include 12-1/4" casing and 7-7/8" casing.

The operator proposes to drill to a depth sufficient to test the Morrison for gas. If productive, 4-1/2" casing will be run and set at 6790'. If non-productive, the well will be plugged and abandoned in a manner consistent with Federal Regulations. Specific programs are outlined in Onshore Oil and Gas Order #1.

EXHIBITS ATTACHED:

- Ten Point Compliance Program
Surface Use & Operating Plan
Exhibit #1 Blowout Preventer
Exhibit #2 Location & Elevation Plat
Exhibit #3 Planned Access Roads
Exhibit #3A Planned Access Roads
Exhibit #3B Planned Pipeline ROW

- Exhibit #4 Radius Map
Exhibit #5 Production Facilities
Exhibit #6 Drilling Rig Layout and Cross Sections.



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 James C. Anderson TITLE District Production Manager DATE 6/16/88

(This space for Federal or State office use)

PERMIT NO. APPROVED BY [Signature] TITLE ASSISTANT DISTRICT MANAGER MINERALS DATE July 18, 1988

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY *See Instructions On Reverse Side

NOTICE OF APPROVAL

Ut 050 517 43

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL
WITHIN THE UINTAH OURAY RESERVATION

Company Mitchell Energy Corporation Well No. 1-1-11-25
Location Sec. 1, Lot 9 T.11S., R.25E. Lease No. U-61429
Onsite Inspection Date June 30, 1988

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

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.

It is noted that Mitchell Energy assigned 236-72 acres to this well (1-11-11-25) and 320 acres to Well 1-12-11-25. Please be advised that no special spacing has been approved for this area and that general statewide spacing for gas applies. Therefore, the spacing (or acreage) assigned to the well identified earlier is 40 acres. Mitchell may wish to request a Board hearing to establish a spacing of other than 40 acres for this area.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

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.

Report ALL water shows and water-bearing sands to Wayne Svejnoha of this office. Copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

2. Pressure Control Equipment

An annular-type BOP will be utilized while drilling this well. The annular preventer will be pressure tested to a minimum pressure of 1500 psi for at least 10 minutes.

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

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

3. Casing Program and Auxiliary Equipment

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

A cement bond log (CBL) will be run to determine the top of cement and adequacy of the bond.

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 progress reports shall be submitted to this office on a weekly basis.

Should a drill stem test (DST) be performed, it shall be accomplished during daylight hours. DST may be allowed to continue at night if the test was initiated during daylight hours, the rate of flow is stabilized, and adequate lighting is available, i.e. lighting which is adequate for visibility and vapor-proof for safe operations. Packers can be released, but tripping should not begin before daylight.

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.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the authorized officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

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.

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 of 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.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a

permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

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

Gerald E. Kenczka Petroleum Engineer	(801) 781-1190
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Ed Forsman Petroleum Engineer	(801) 789-7077
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Craig M. Hansen Assistant District Manager for Minerals	(801) 247-2318
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Revised October 1, 1985

Date NOS Received _____

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

Company/Operator Mitchell Energy Corporation
Well Name & Number Dragon Federal 1-1-11-25
Lease Number U-61429
Location NE ¼ NE ¼ Sec. 1 T. 11 S. R. 25 E.
Surface Ownership Federal BLM

B. THIRTEEN POINT SURFACE USE PROGRAM:

Multipoint Requirements to Accompany APD

1. Proposed Gas Pipeline

A proposed gas pipeline, included in the APD, will be installed on the west side of the access road if the well goes into production. The pipeline will be a three (3) inch buried steel line about 1500 feet long.

The pipeline is approved subject to the following conditions of approval:

1. The gas line will be constructed according to project specifications as proposed by Mitchell Energy Corporation.
2. The Vernal Bookcliffs Resource Area shall be notified at least 24 hours prior to commencement of construction.
3. The pipeline shall not block, dam, or change the natural flow of any drainage.
4. Mitchell Energy Corporation is to notify BLM prior to any blading if blading is required by the existing topography. No blading will be allowed without prior approval.

2. Planned Access Roads

There will be four (4) 24-inch culverts installed at water crossings.

All travel will be confined to a 30-foot-wide corridor along access road right-of-way.

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

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. Traveling 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.

3. Location of Existing and/or Proposed Facilities

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.

The required paint color is forest green.

4. 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 not be lined unless needed to conserve fluids.

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

5. Well Site Layout--provide a plat (not less than 1" = 50') showing:

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 Authorized Officer for approval.

The stockpiled topsoil will be stored on the northwest end of the location.

Access to the well pad will be from the northwest end of the pad.

Diversion ditches shall be constructed on the south side of the location above the cut slope, draining around the northwest and southeast ends of the location.

The northeast side of the pad will follow the edge of the stream channel. No fill material will be allowed to obstruct the stream channel. The stream channel will be kept free of any obstructions which may result from drilling and/or production operations.

6. Plans for Restoration of Surface

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

The reserve pit and that portion of the location and access road not needed for production facilities/operations will be reclaimed. The reserve pit will be reclaimed within 90 days 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 at the time restoration activities are scheduled to begin.

All seeding will be done from September 15 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.

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 or broadcast. 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.

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

The operator or his contractor shall contact the BLM (801) 789-1362 between 24 and 48 hours prior to construction activities. Contact Keith Chapman or Jim Piani.

Drilling rigs and equipment used during drilling operations on this wellsite will not be stacked or stored on Federal lands after the conclusion of drilling operations or any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites or other applicable facilities. A list of noxious weeds may be obtained from the BLM, BIA, FS, or the appropriate County Extension Office.

On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.

About two cords saleable firewood will be removed on the well pad and access road construction. Mitchell Energy Corporation will purchase a fire wood permit for the two cords of wood which can then be utilized as the purchasers.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

5. LEASE DESIGNATION AND SERIAL NO.
U-61429

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA

7. UNIT AGREEMENT NAME
NA

8. FARM OR LEASE NAME
Dragon Federal

9. WELL NO.
1-1-11-25

10. FIELD AND POOL, OR WILDCAT
Hell's Hole Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Lot 9
Sec. 1-T11S-R25E

12. COUNTY OR PARISH
Uintah

13. STATE
UT

22. APPROX. DATE WORK WILL START*
9/1/88

RECEIVED
NOV 04 1988

DIVISION OF
OIL, GAS & MINING

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
MITCHELL ENERGY CORPORATION

3. ADDRESS OF OPERATOR
555 Seventeenth Street - Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with all State requirements*)
At surface 1466' FNL & 1000' FEL

At proposed prod. zone same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Location is 27 miles southwest of Rangely, Colorado

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
1000'

16. NO. OF ACRES IN LEASE
599.76

17. NO. OF ACRES ASSIGNED TO THIS WELL
236.72

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
-0-

19. PROPOSED DEPTH
6790' Morrison

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5888' ungraded

22. APPROX. DATE WORK WILL START*
9/1/88

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#, K-55, ST&C	800'	Circ to surface
7-7/8"	4-1/2"	11.6#, K-55, LT&C	6790'	1st Stage - 300 sx + additives as per 10 pt. Drilling Program Nos. 3 & 4

some. 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.

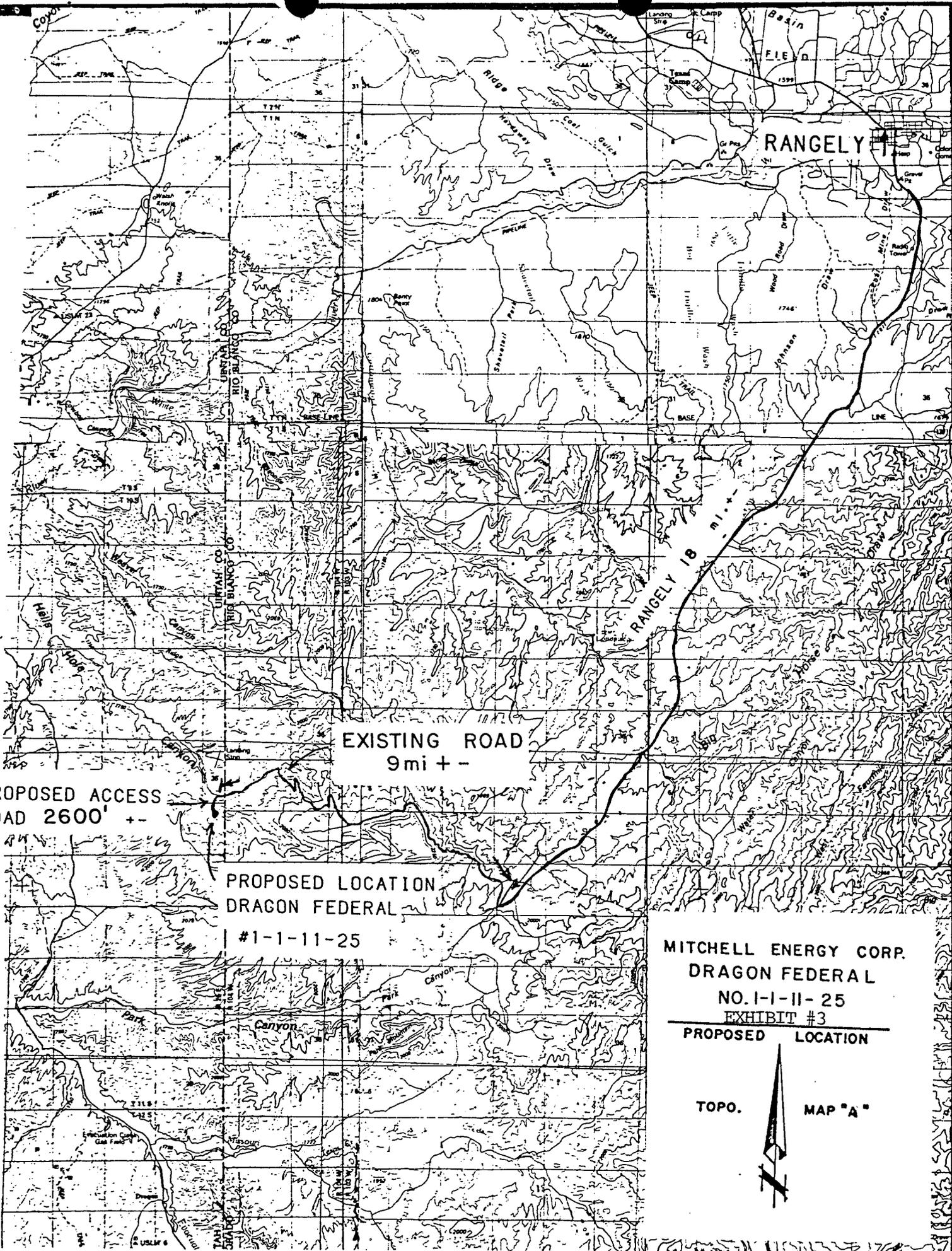
24. SIGNED James C. Anderson TITLE District Production Manager DATE 6/16/88
James C. Anderson

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: _____



RANGELEY

EXISTING ROAD
9mi +- -

PROPOSED ACCESS
ROAD 2600' +- -

PROPOSED LOCATION
DRAGON FEDERAL

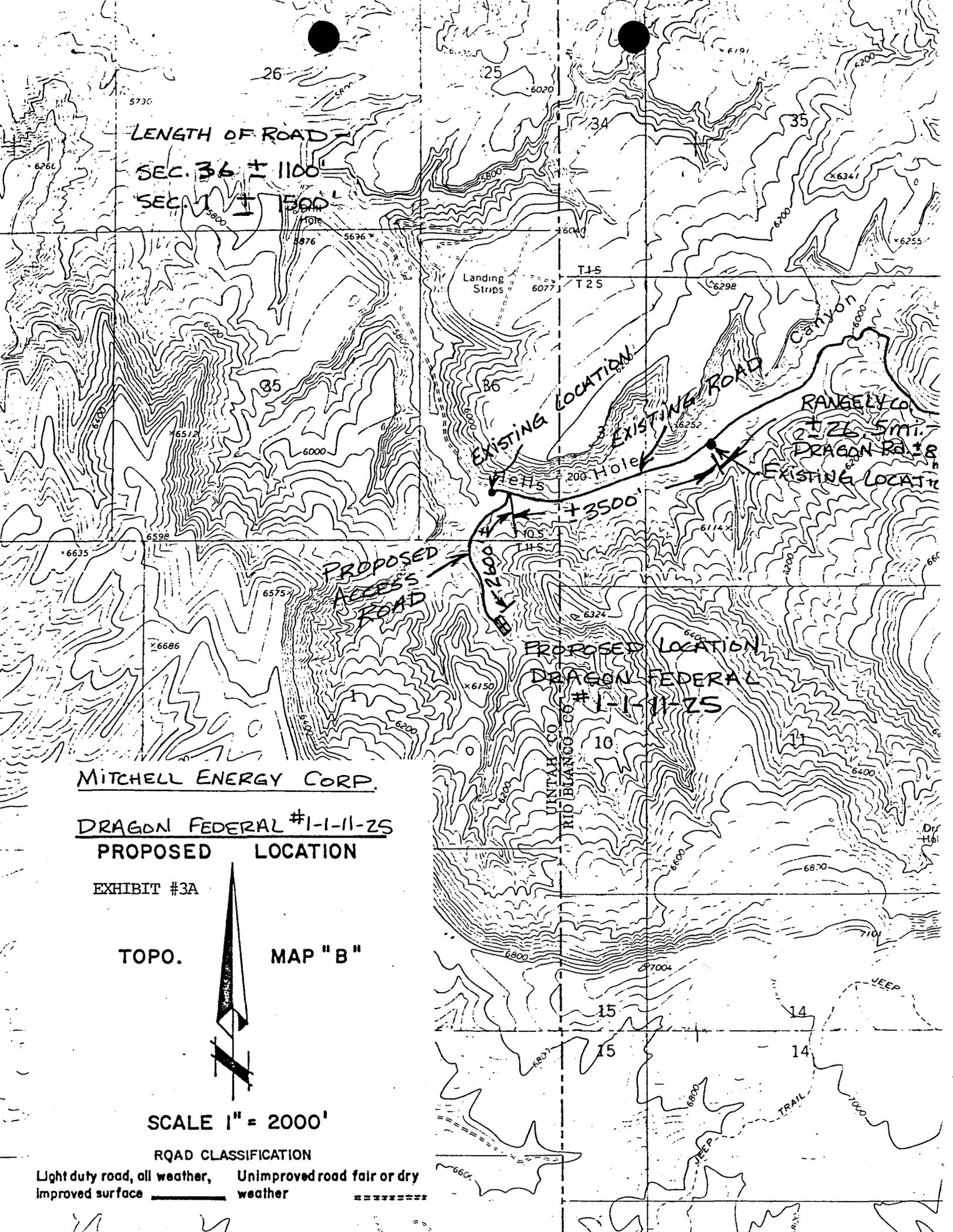
#1-1-11-25

MITCHELL ENERGY CORP.
DRAGON FEDERAL
NO. 1-1-11-25
EXHIBIT #3
PROPOSED LOCATION

TOPO.

MAP "A"





LENGTH OF ROAD =
 SEC. 36 ± 1100'
 SEC. 38 ± 1500'

Landing Strips
 T15
 T25

EXISTING LOCATION
 EXISTING ROAD
 RANGELEY CO.
 26.5 MI.
 DRAGON FEDERAL #18
 EXISTING LOCATION

PROPOSED
 ACCESS
 ROAD

PROPOSED LOCATION
 DRAGON FEDERAL
 #1-1-11-25

MITCHELL ENERGY CORP.

DRAGON FEDERAL #1-1-11-25
 PROPOSED LOCATION

EXHIBIT #3A

TOPO. MAP "B"



SCALE 1" = 2000'

ROAD CLASSIFICATION

Light duty road, all weather, improved surface ————— Unimproved road fair or dry weather =====

Mitchell Energy (303) 292-4455

1-1-11-25

James Andersson
Joni Seay

Bfm Approved APD 7-18-88

* As per telephone conversation, they do not want to submit APD to state as of yet. They do not plan on doing any work soon. They are waiting on results from another well, before moving on the 1-1-11-25.
7-18-88 fcr

11-1-88 Margie Herman (Bfm-Vernal)
Work has not started.

Joni Seay - Is submitting application 11-1-88.

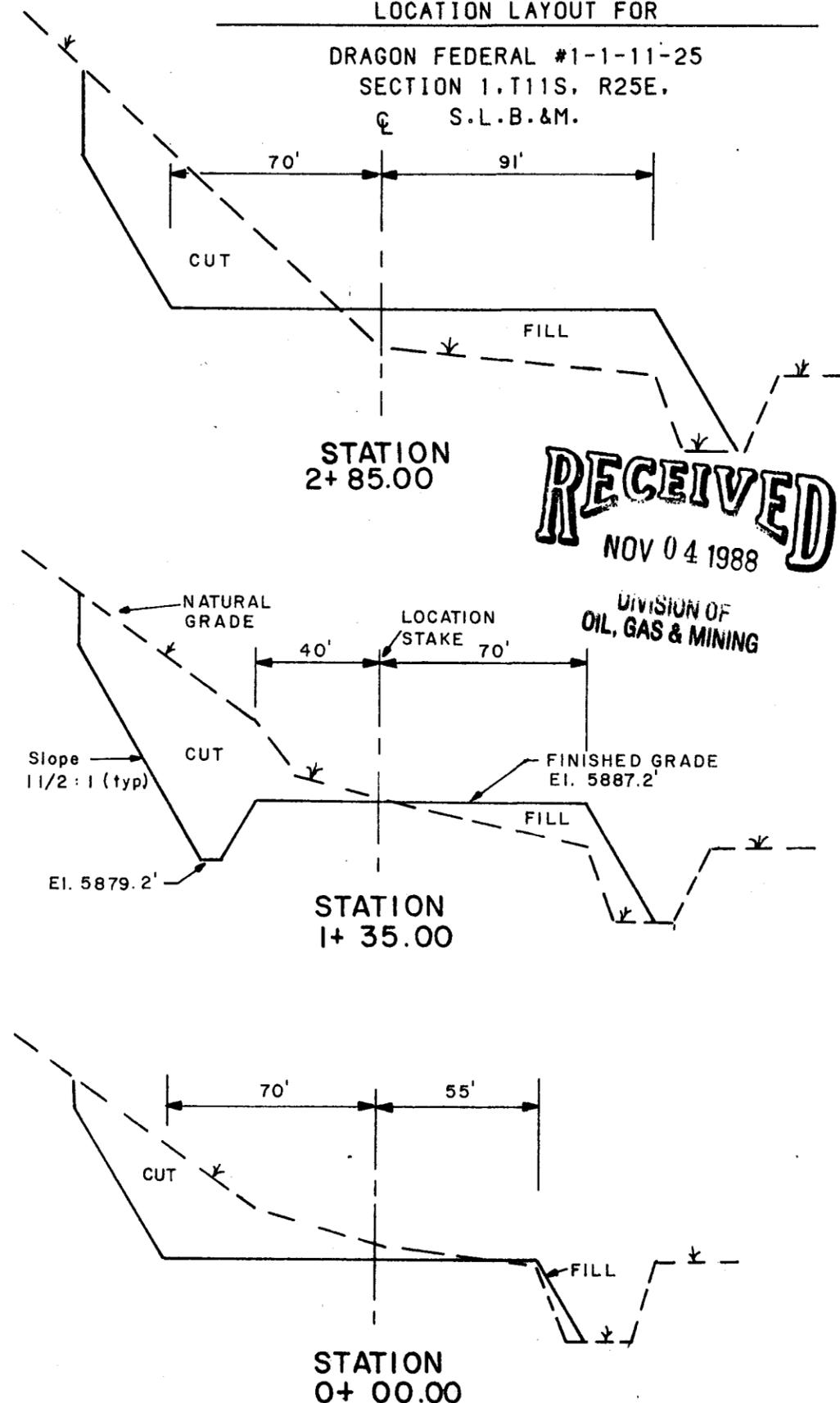
* Work is not planned to start for a while yet.

11-4-88 Application received. fcr

MITCHELL ENERGY CORP.

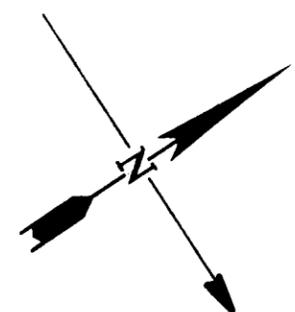
LOCATION LAYOUT FOR

DRAGON FEDERAL #1-1-11-25
SECTION 1.T11S, R25E,
S.L.B.&M.



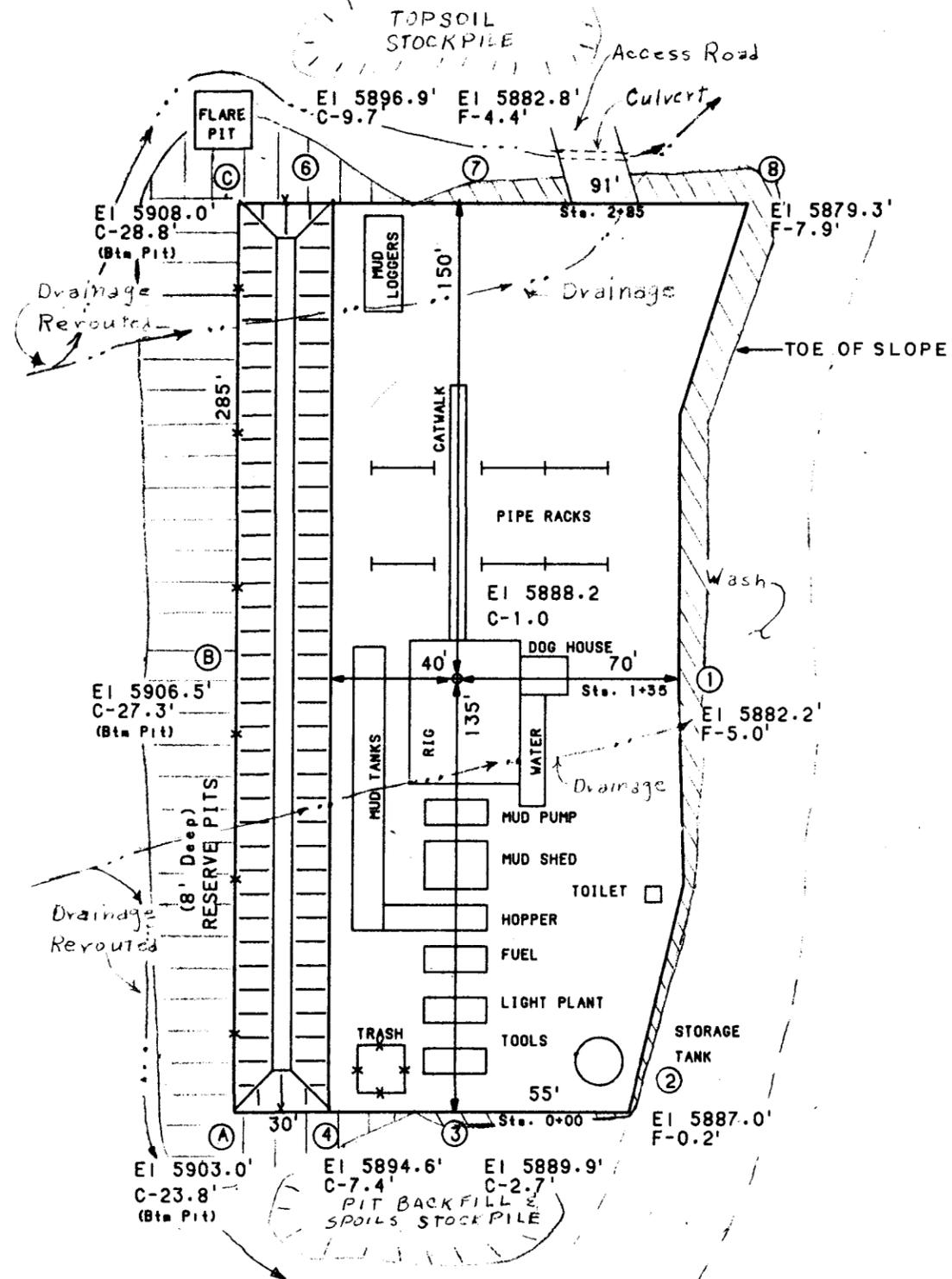
RECEIVED
NOV 04 1988

DIVISION OF
OIL, GAS & MINING



SCALE: 1" = 50'
DATE: 5/20/88

X-Section
Scale
1" = 20'
1" = 50'



APPROXIMATE YARDAGES

CUT	
(6) Topsoil Stripping	= 744 Cu. Yds.
Pit Volume (Below Grade)	= 1.456 Cu. Yds.
Remaining Location	= 7.588 Cu. Yds.
TOTAL CUT	= 9.788 CU. YDS
FILL	= 3.991 CU. YDS

EXCESS MATERIAL AFTER 20% COMPACTION	= 4.799 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 1.472 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 3.327 Cu. Yds.

DRILLING PROGRAM

Attached to Form 9-331C
Mitchell Energy Corporation
Dragon Federal #1-1-11-25
Lot 9 Sec. 1-T11S-R25E, S.L.B. & M.
1466' FNL & 1000' FEL
Uintah County, Utah

1. GEOLOGIC NAME OF SURFACE FORMATION:

The surface formation is the Green River.

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

Green River	Surface	Mancos "B"	3105'
Upper Segó	1805'	Niobrara	5125'
Anchor Tongue	1920'	Frontier	6155'
Lower Segó	1960'	Dakota Silt	6310'
Buck Tongue	2055'	Dakota	6390'
Castlegate	2240'	Morrison	6640'
Mancos	2480'		
TOTAL DEPTH	6790'		

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

Castlegate	2240'	Possible water & Gas
Dakota	6390'	Gas
Morrison	6640'	Gas

No other formations are expected to give up oil, gas, or water in measurable quantities. If any shallow fresh water zones and/or coal zones are encountered, a D.V. tool will be inserted at 2500'± and cement will be circulated up, across and at least 50' above across the zones of interest.

4. CASING PROGRAM:

Hole size	Interval	Section Length	Size (OD)	Weight, Grade And Joint	Condition
12-1/4"	0-800'	800'	8-5/8"	24# K-55 ST & C	New
7-7/8"	0-6790'	6790'	4-1/2"	11.6# K-55 LT & C	New

CEMENT PROGRAM:

Surface - Circulate to surface

Production - Approximately 300 sacks (first stage) plus additives for producing interval. Shallow zone will be covered with cement using a DV tool placed below the Castlegate. The first stage cement top shall extend at least 200' above the uppermost producing interval.

2. **MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:**

Refer to the descriptive layout of the blowout preventer and accompanying notes given in **Exhibit #1**.

The blowout preventer (BOP) will include two ram preventers (blind and 4-1/2" drill pipe) as shown in attached drawing "**Minimum Blowout Preventer Requirements - 3MWP**" and attached notes. The BOP's will be nipped up on the surface casing. The BOP's and accessory equipment will be hydraulically tested to 3000 PSI for thirty minutes prior to drilling out and after any use under pressure.

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

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

All casing string will be pressure tested to 0.2 psi/ft or 1000 psi, whichever is the greater.

6. **TYPES AND CHARACTERISTICS OF THE PROPOSED CIRCULATING FLUIDS:**

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

<u>TYPE</u>	<u>MUD WEIGHT #/GAL.</u>	<u>VISCOSITY</u>	<u>WATER LOSS</u>
Low solids, non-dispersed	8.7-9.3	30-45	8-30 cc

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

7. **AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:**

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

8. **LOGGING, TESTING, AND CORING PROGRAM:**

- A. Tests will be run on the basis of shows and on the recommendation of the geologist.

- B. The logging program will consist of Dual Induction-GR-SP, BHC-Sonic-GR, Density-Neutron, and Structural Dipmeter from below surface casing to total depth. Strata-Dip and Mudlogger over Dakota interval.
- C. One 60 foot core in the upper Dakota.
- D. Stimulation procedures will be determined after evaluation of logs and well testing. If a treatment is indicated after perforating, the zone will be brokendown and a sand and foamed water frac will be performed on the prospective formation. The stimulation procedure will consist of approximately 2,000 gallons of 7.5% hydrochloric acid followed by a frac treatment of 17,000 gallons of gelled water with 120,000 pounds of 20/40 sand in 70% quality CO₂ foam.

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

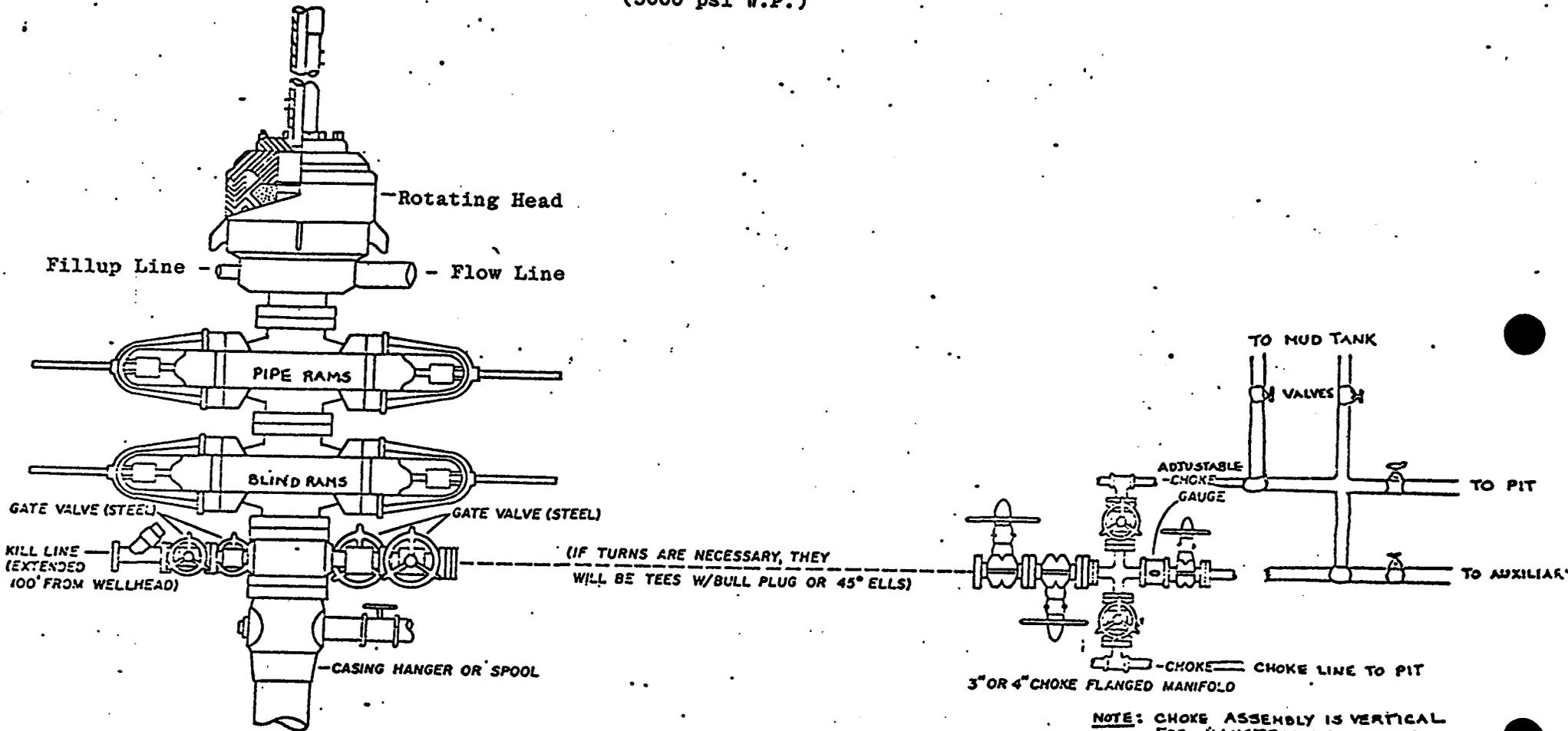
No abnormal pressures or temperatures are anticipated. Estimated temperature at 6790' is 160^oF. Estimated bottom hole pressure (BHP) is 2250 psig.

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

10. **ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:**

Road and location work will begin as soon as approval has been received from the BLM. The anticipated spud date is September 1, 1988. Once commenced, the drilling operation should be finished within 25 days. If the well is productive, an additional 30 days will be required for completion.

FIGURE #1
BLOWOUT PREVENTER FOR HIGH PRESSURE WELLS
 (900 SERIES MINIMUM)
 (3000 psi W.P.)



NOTE: CHOKER ASSEMBLY IS VERTICAL FOR ILLUSTRATION ONLY, SHOULD BE HORIZONTAL ON RIG. STAKE ALL LINES SECURELY EVERY 30' AND AT END OF LINE.

NOTES REGARDING THE BLOW OUT PREVENTERS

1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
2. Wear ring to be properly installed in head.
3. Blow out preventer and all fittings must be in good condition 3000 psi W.P. minimum.
4. All fittings to be flanged.
5. Safety valves must be available on rig floor at all times with proper connections, valve to be full bore 3000 psi W.P. minimum.
6. All choke and fill lines to be securely anchored especially ends of choke lines.
7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
8. Kelly cock or kelly.
9. Extension wrenches and hand wheels to be properly installed.
10. Blow out preventer control to be located as close to drillers position as feasible.
11. Blow out preventer closing equipment to include 80 gallon accumulator, two independent sources of pump power on each closing unit installation, and meet all API specifications.

SURFACE USE AND OPERATING PLAN

Attached to Form 9-331C
Mitchell Energy Corporation
Dragon Federal #1-1-11-25
Lot 9 Sec. 1 T11S-R25E, S.L.B. & M.
1466' FNL & 1000' FEL
Uintah County, Utah

1. EXISTING ROADS:

- A. The proposed well site and elevation plats are attached, **Exhibit #2.**
- B. Beginning on Main Street in Rangely, Colorado turn south at the stoplight and proceed 18 miles on Dragon Trail Road to the Rabbit Mountain turnoff. Turn right and proceed 4.8± miles in a westerly direction on Rabbit Mountain to the Wexpro #7-1 location, stay to the right and go 3.5 miles in a northwesterly direction down into Hell's Hole Canyon. Turn left and go approximately 2 miles west to the location.
- C. All roads to the location are shown in **Exhibit #3 & 3A.** The existing roads described above and illustrated by a black line are adequate for travel during the drilling and production activities. Upgrading of the road prior to drilling will be done where necessary as determined during the onsite.
- D. Not applicable.
- E. Existing roads, within a one-mile radius are shown on **Exhibit #4.**
- F. For existing roads, routine grading and upgrading of low water crossings where necessary will be conducted to maintain their condition.

2. PLANNED ACCESS ROADS/PIPELINE ROW

The map showing all the necessary access roads to be constructed is shown as **Exhibit #3 & 3A.** The route (2600±) to be constructed is shown in yellow and will be constructed as follows:

- A. The maximum width of the running surface of proposed access road will be 18'. The road will be crowned and ditched. Ditches will be at a 3:1 slope and 4 feet wide. BLM to specify any changes during onsite inspection. Water will be diverted, where possible to avoid ponding and maintain good drainage.
- B. The average grade will be 1% or less.
- C. No turnouts are planned.
- D. The drainage design will be consistent with local drainage patterns. Crown and ditching specified in #2A or as directed by the BLM during onsite inspection.
- E. There will be three culverts and a low water crossing required.

- F. Surfacing material will consist of native surface soil. If this is not sufficient, additional required materials will be purchased from the dirt contractor.
 - G. One fence cut will be required at the fence along state line. A cattle guard can be installed if it is deemed necessary.
 - H. The proposed access road as shown in **Exhibit #3** has been centerlined flagged by Uintah Engineering & Land Surveying of Vernal, Utah.
- 2A. A pipeline is planned to be constructed to this well to connect the well to the Hell's Hole gathering system for marketing purposes. The pipeline will be a buried steel 6" schedule 40 pipeline. The pipeline will be wrapped and cathodically protected. The line will originate at the existing line in the south central area of Section 1-T10S-R25W in Uintah County, Utah. There will be 1500'± of 3" line inside Federal lands.

The pipeline will be located along the west side of the access road as shown on **Exhibit #3B**. The route has been flagged in the field by Uintah Engineering & Land Surveying of Vernal Utah.

3. **LOCATION OF EXISTING WELLS:**

For all existing wells within a one-mile radius of this development well, see **Exhibit #4**.

- A. There are no water wells within a one-mile radius.
- B. There are no abandoned well within a one-mile radius.
- C. There are no temporarily abandoned wells within a one-mile radius.
- D. There are no disposal wells within a one-mile radius.
- E. There are no wells presently being drilled within a one-mile radius.
- F. There are two producing wells within a one-mile radius.
- G. There are no shut-in wells within a one-mile radius.
- H. There are no injection wells within a one-mile radius.
- I. There are no monitoring or observation wells for other uses within a one-mile radius.

4. **LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:**

- A. Owned or controlled by Lessee/Operator within 1 mile of Proposed Well:
 - (1) Tank Batteries: One tank battery at MEC's H.H. Fed. #2-2-2-104 and one tank battery at H.H. State #1-36-11-25.
 - (2) Production Facilities: Gas Separator at MEC's H.H. Fed. #2-2-2-104 and one gas separator at H.H. State #1-36-11-25.

(3) Oil Gathering Lines: None.

(4) Gas Gathering Lines: Hell's Hole gas gathering system.

(5) Injection Lines: None.

(6) Disposal Lines: None.

B. If the well is productive, contemplated facilities will be as follows:

(1) Production facilities will be located on solid ground of the cut area of drill pad. All facilities will be contained on the well pad.

(2) Refer to **Exhibit #5** for the production facility layout.

(3) The tank battery will be constructed using a bulldozer to level the site, backhoes to dig trenches and bury lines, and pole trucks, floats, and roustabout crews to maneuver and set facility equipment. All flowlines and piping will be installed according to API specifications. Construction material will consist of surface soil. No additional material from outside sources is anticipated.

C. Rehabilitation Plans:

The plan for rehabilitation of the disturbed area no longer needed for operations after drilling and construction is completed is as follows:

1. The reserve pit will be backfilled after the contents of the pit are dry.

2. The area of the drill site not needed for production facilities will be recontoured to the natural level as nearly as possible and revegetated/reseeded by the contour method per specifications of the Bureau of Land Management.

D. In the event that production is established, a permanent gas line will be installed to connect the well.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. The primary source of water will be in Rangely, approximately 27 miles northeast of location

B. Water will be hauled by tank truck to the drilling site.

C. No water well will be drilled on this lease.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. No construction materials are anticipated to be needed for drilling the well or constructing the access roads into the location. Native soil will be utilized for the drilling site and access roads. If the surface soil materials are not sufficient, the required materials (rock, gravel, etc.) will be purchased from the dirt contractor.

- B. No construction materials will be taken from Federal lands.
- C. Native surface soil materials for construction of access roads are sufficient.
- D. Exhibits #3, 3A and #4 show access roads crossing Federal lands. No Indian Land is involved.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Cuttings not retained for evaluation purposes will be exhausted into the reserve pit (see Exhibit #6 for location).
- B. Drilling fluids will be contained in steel mud tanks. The reserve pit will contain any excess flow from the well during drilling, cementing, and completion operations. The reserve pit will be an earthen pit, approximately 300'x30'x8' and fenced on three sides prior to drilling. Fenced on the 4th side immediately following rig removal.
- C. Produced water will be disposed into a pit or a tank (depending on the rates). Produced oil will be collected in sealable tanks. The oil will be trucked from the location. Water will be disposed of in the pit as per NTL-2B.
- D. A portable chemical toilet will be provided on the location for human waste.
- E. Garbage and trash produced during drilling or testing will be handled in the trash cage (see Exhibit #6 for location). The garbage cage will be approximately 8'x8'x6' in size. This garbage will be hauled to the dump after drilling is completed. Water and tailings will be disposed into the reserve pit. Salts and other chemicals produced during drilling or testing will be disposed into the reserve pit. No toxic waste/chemicals will be produced by this proposed operation. If a trash cage is not available, a trash/burn pit will be constructed and fenced with woven wire.
- F. After the rig moves out, all materials will be cleaned up and no adverse materials will be left on location. The reserve pit will be fenced during drilling and kept closed until the pit has dried. All pits will be filled and the well site will be leveled and reseeded, per BLM specifications; this will occur when pits are dry enough to fill and as weather permits. Only that part of the pad required for producing facilities will be kept in use. In the event of a dryhole, only a dryhole marker will remain.

8. ANCILLARY FACILITIES:

No air strip, campsite or other facilities will be built during drilling and completion operations of this well.

9. WELL SITE LAYOUT:

- A. Refer to Exhibit #6 for the Drill Pad layout as staked, with elevations by Uintah Engineering & Land Surveying of Vernal, Utah. Cuts and fills have been indicated to show the planned cut across the proposed location. Topsoil will be stockpiled per BLM specifications to be determined at the pre-drill on-site inspection.

- B. Refer to **Exhibit #6** for a planned location diagram of the proposed rig and drilling equipment, reserve pit, trash cage, and pipe racks. No permanent living facilities are planned. There will be a trailer on site.
- C. The rig orientation, turn-around area, parking area, and access roads are shown in **Exhibit #6**.
- D. The reserve pit will not be lined.

10. PLANS FOR RESTORATION OF SURFACE:

- A. Upon completion of the proposed operations, and if the well is to be abandoned, the location will be backfilled, leveled, and contoured to as nearly the original topography as is feasible as soon as the pits have dried enough to handle earth moving equipment. The location will be reseeded per Bureau of Land Management recommendations. All spoils materials will be hauled to the dump upon completion of the drilling operation.
- B. Revegetation and rehabilitation will be achieved by re-seeding utilizing the contour method with a seed mixture of native grasses and shrubs recommended by the Bureau of Land Management.
- C. Three sides of the reserve pit will be fenced prior to drilling operations. Prior to rig release, the reserve pit will be fenced on the fourth side to prevent livestock or wildlife from being entrapped. The fencing will be maintained until leveling and the clean-up accomplished.
- D. If any oil is on the pits and cannot be immediately removed after operations cease, the pit containing the oil or other adverse substances will be overhead flagged and fenced. The entire location will be policed for trash and other refuse, and additional clean-up will be done as deemed necessary.
- E. Time to complete rehabilitation depends upon the time for pits to dry. Planting and revegetation should occur by Fall 1989, unless otherwise requested.

11. OTHER INFORMATION:

- A. The vegetation is sparse pinyon-juniper woodland, with abundant sage, cacti, grasses and narrow-leaved yucca.
- B. Geographically, the project area is 27 miles southwest of Rangely Colorado.
- C. There is not substantial live water in the immediate area. The White River is located approximately 9 miles northwest of the the well.

The closest permanent residence is in Park Cayon approximately 7 miles southeast of the location.
- D. There are no reported restrictions or reservations noted on the oil and gas lease.
- E. Drilling is planned for September 1, 1988. It is anticipated that the casing point will be reached within 25 days after commencement of drilling.

12. LESSEE'S AND OPERATOR'S REPRESENTATIVE:

Mitchell Energy Corporation
555 17th Street
Suite 3500
Denver, CO 80202

(303) 292-4455

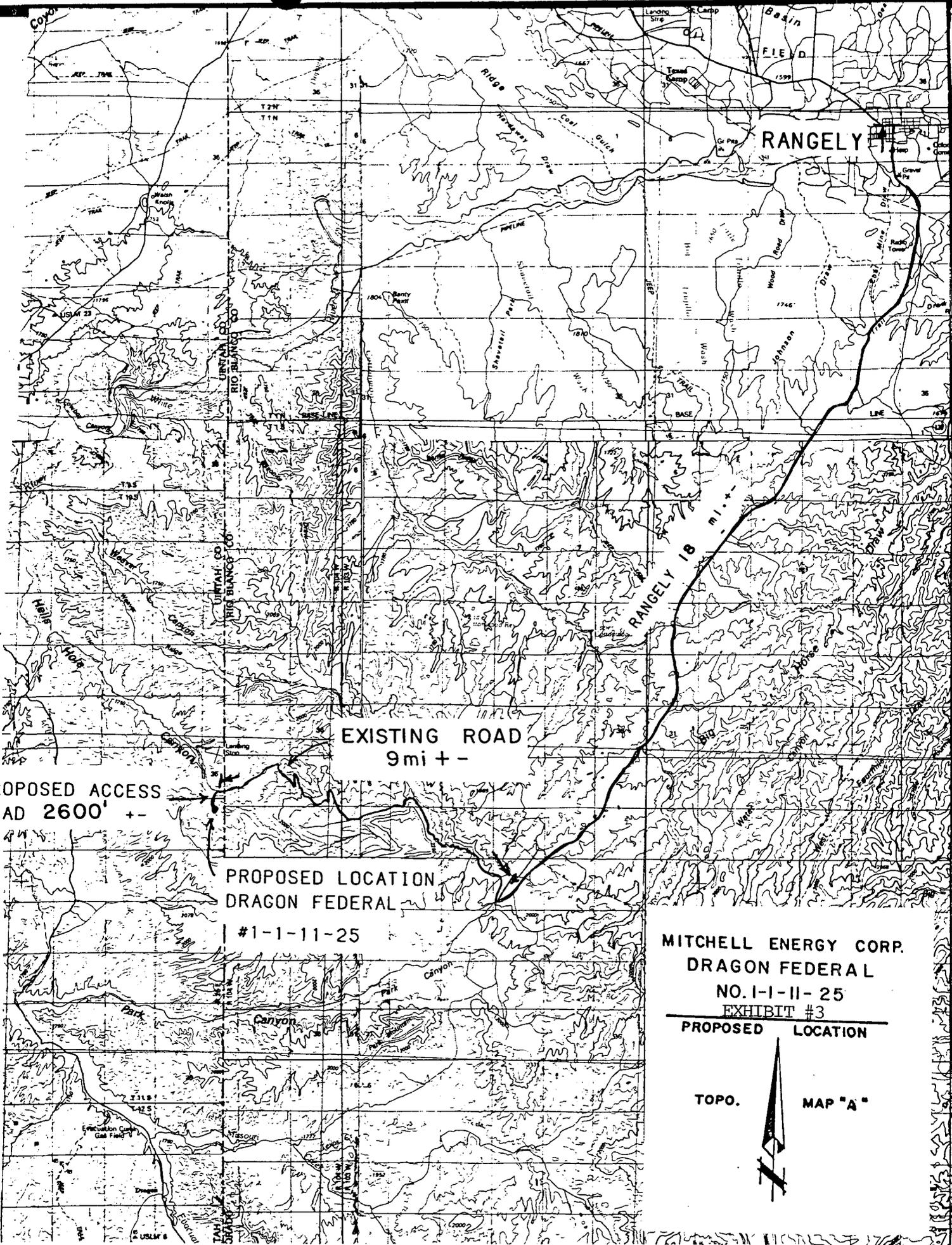
Mr. James C. Anderson Ms. Joanie Seay

13. CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite 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 the work associated with the operations proposed herein will be performed by Mitchell Energy Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for this filing of a false statement.

Date:


Mr. James C. Anderson
District Production Manager



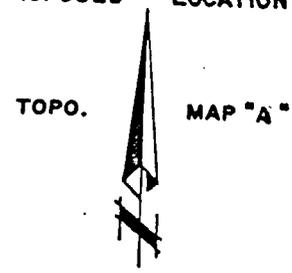
EXISTING ROAD
9mi +-

PROPOSED ACCESS
ROAD 2600' +-

PROPOSED LOCATION
DRAGON FEDERAL

#1-1-11-25

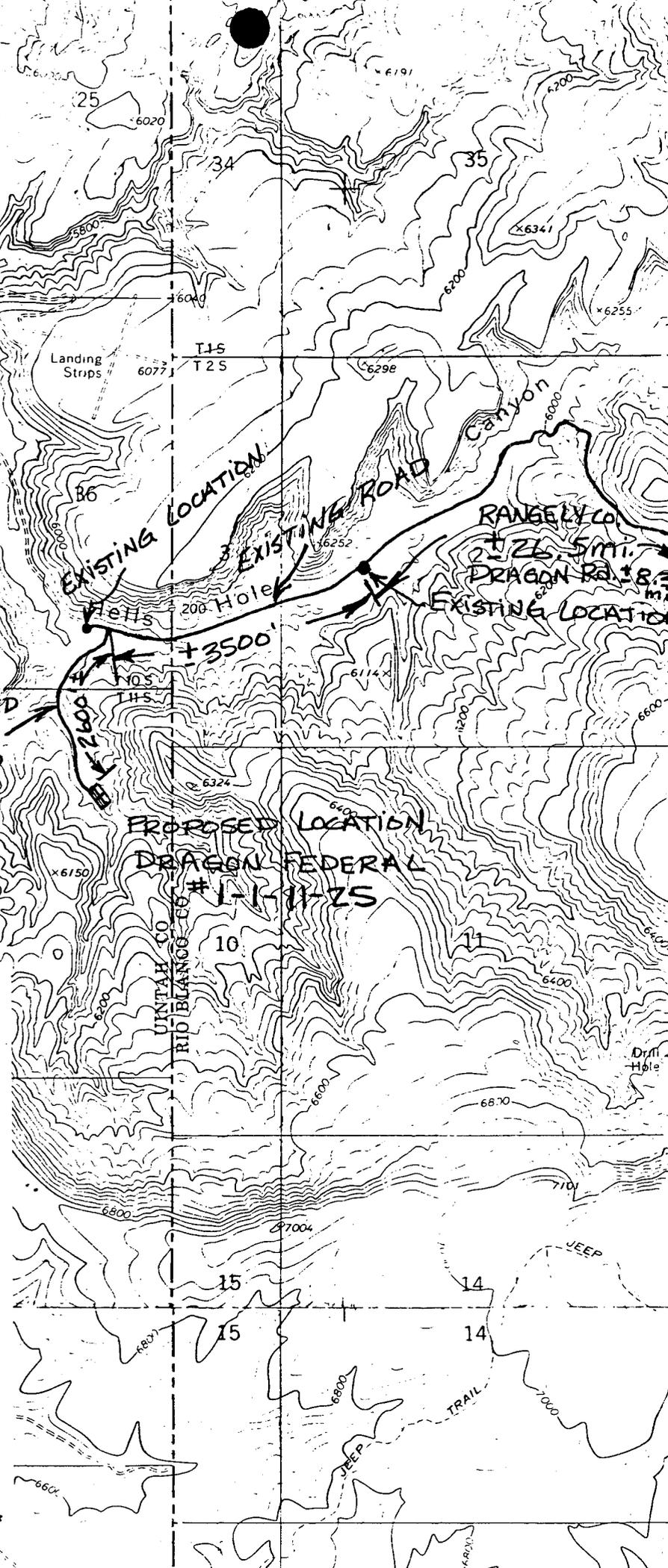
MITCHELL ENERGY CORP.
DRAGON FEDERAL
NO. 1-1-11-25
EXHIBIT #3
PROPOSED LOCATION



LENGTH OF ROAD

SEC. 36 ± 1100'

SEC. 11 ± 1500'



MITCHELL ENERGY CORP.

DRAGON FEDERAL #1-1-11-25

PROPOSED LOCATION

EXHIBIT #3A

TOPO.

MAP "B"

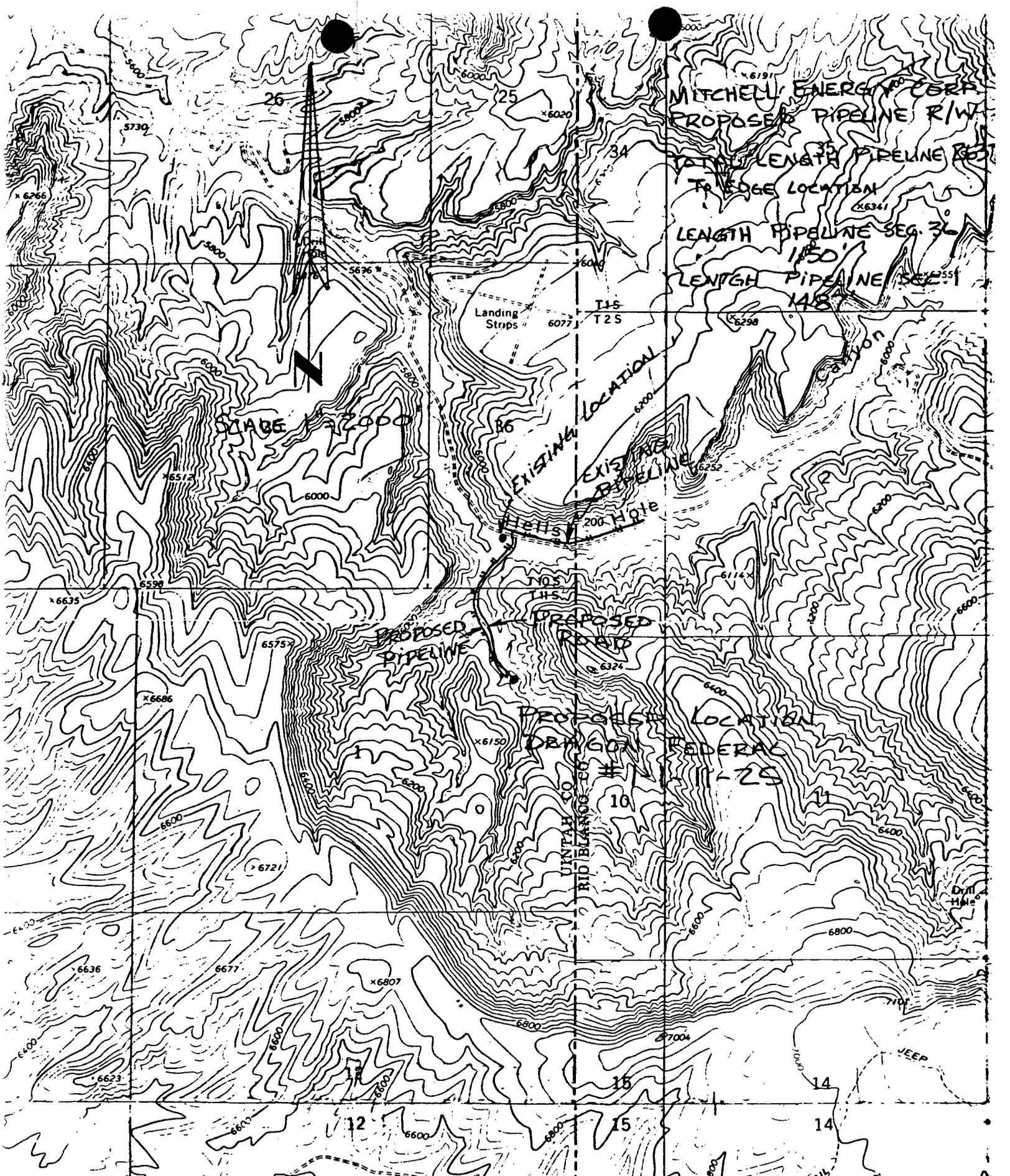


SCALE 1" = 2000'

ROAD CLASSIFICATION

Light duty road, all weather, improved surface  Unimproved road fair or dry weather 

u y



MITCHELL ENERGY CORP.
 PROPOSED PIPELINE R/W
 TOTAL LENGTH PIPELINE 80'
 TO EDGE LOCATION
 LENGTH PIPELINE SEG. 36
 1150'
 LENGTH PIPELINE SEG. 1
 1487'

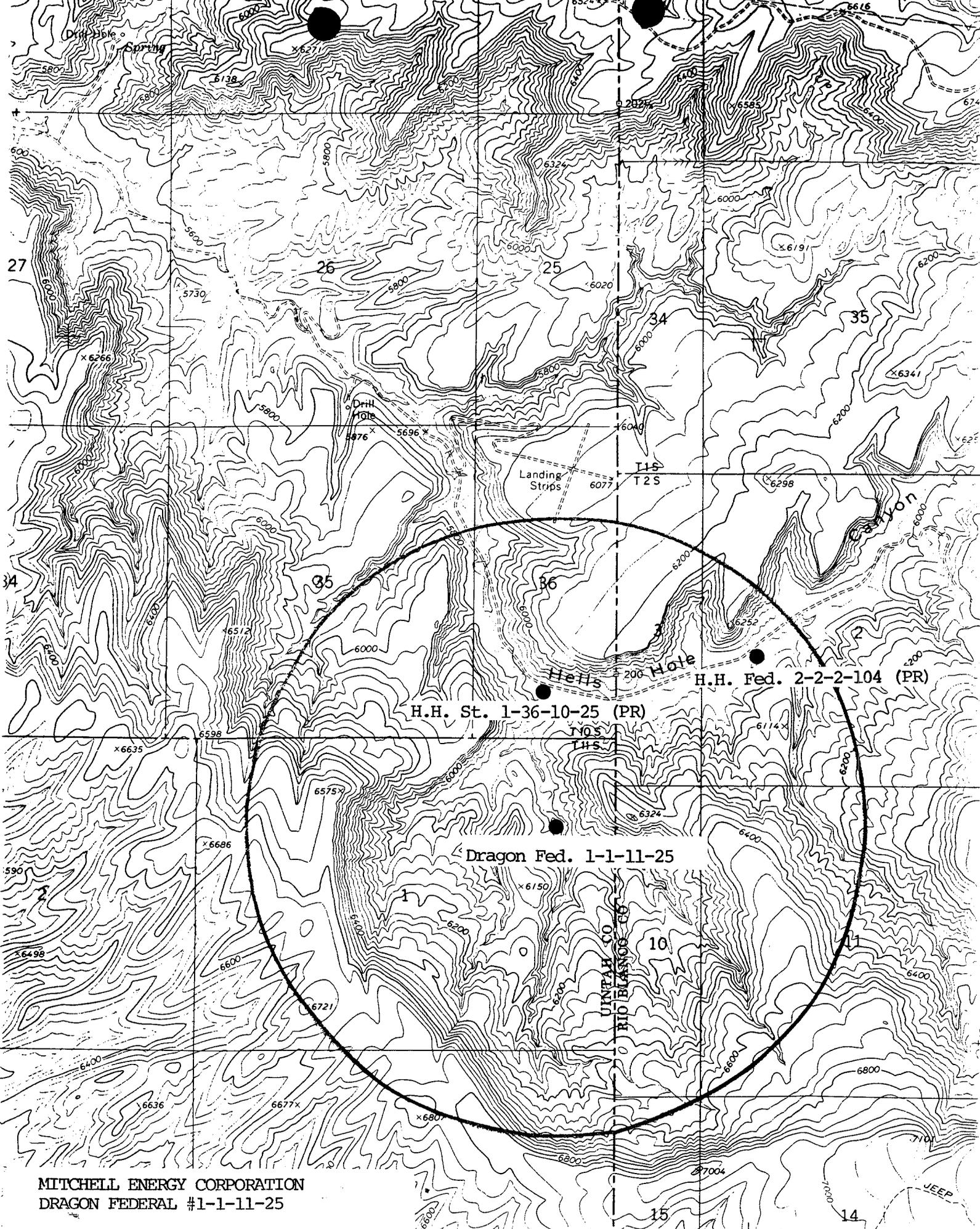
STAGE #2000

EXISTING LOCATION
 EXISTING PIPELINE
 Hells Hole

PROPOSED PIPELINE
 PROPOSED ROAD
 PROPOSED LOCATION
 DRAGON FEDERAL
 #1-1-11-25

MITCHELL ENERGY CORPORATION
 DRAGON FEDERAL #1-1-11-25

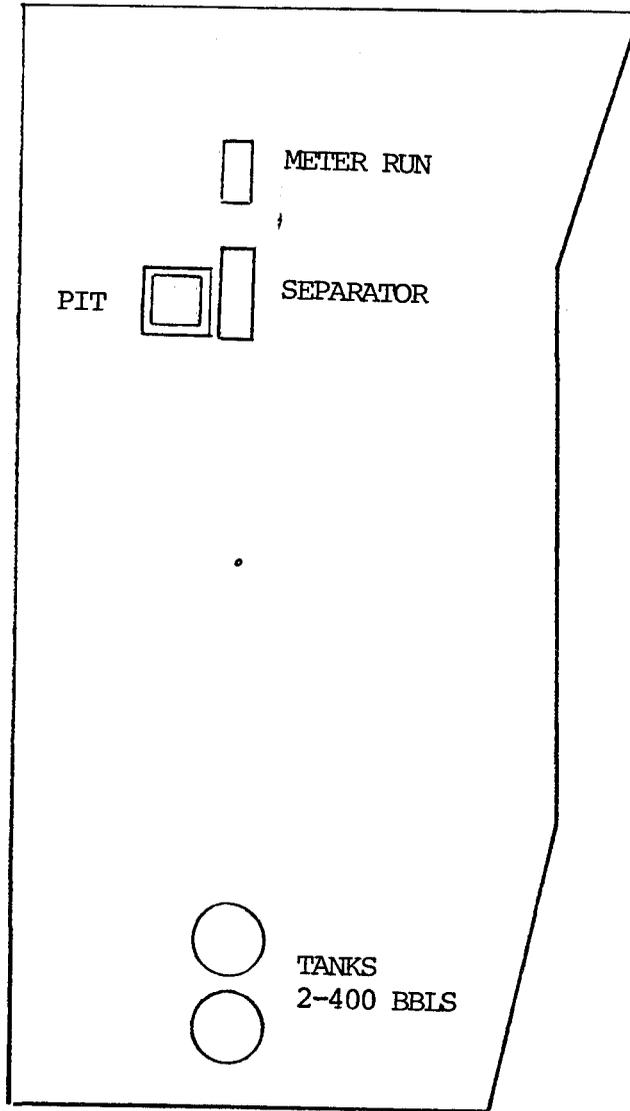
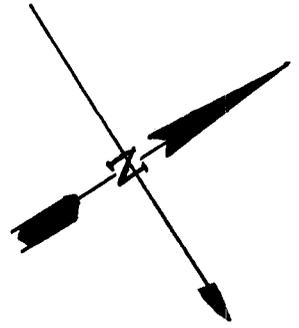
PROPOSED PIPELINE RIGHT-OF-WAY
 EXHIBIT #3B



MITCHELL ENERGY CORPORATION
 DRAGON FEDERAL #1-1-11-25

ONE MILE RADIUS MAP
 EXHIBIT #4

DN SE 66 R 25 E R 104 W 2'30" 1 010 000 FEET (COLO.)



MITCHELL ENERGY CORPORATION
DRAGON FEDERAL #1-1-11-25

PRODUCTION LAYOUT
EXHIBIT #5

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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
 MITCHELL ENERGY CORPORATION

3. ADDRESS OF OPERATOR
 555 Seventeenth Street - Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with state requirements.)
 At surface 1466' FNL & 1000' FEL
 At proposed prod. zone same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 Location is 27 miles southwest of Rangely, Colorado

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
 1000'

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 -0-

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5888' ungraded

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#, K-55, ST&C	800'	Circ to surface
7-7/8"	4-1/2"	11.6#, K-55, LT&C	6790'	1st Stage - 300 sx + additives as per 10 pt. Drilling Program Nos. 3 & 4

The operator proposes to drill to a depth sufficient to test the Morrison for gas. If productive, 4-1/2" casing will be run and set at 6790'. If non-productive, the well will be plugged and abandoned in a manner consistent with Federal Regulations. Specific programs are outlined in Onshore Oil and Gas Order #1.

EXHIBITS ATTACHED:

- Ten Point Compliance Program
- Surface Use & Operating Plan
- Exhibit #1 Blowout Preventer
- Exhibit #2 Location & Elevation Plat
- Exhibit #3 Planned Access Roads
- Exhibit #3A Planned Access Roads
- Exhibit #3B Planned Pipeline ROW
- Exhibit #4 Radius Map
- Exhibit #5 Production Facilities
- Exhibit #6 Drilling Rig Layout and Cross Sections

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.

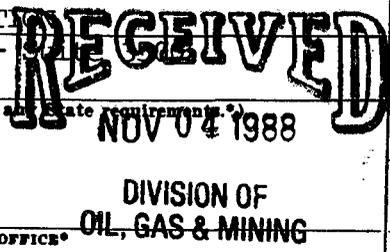
24. SIGNED James C. Anderson TITLE District Production Manager DATE 6/16/88
 James C. Anderson

PERMIT NO. 43-047-31858 APPROVAL DATE _____

APPROVED BY _____ TITLE _____
 OF UTAH DIVISION OF OIL, GAS, AND MINING

DATE: 12-2-88
 BY: John P. Dan
 WELL SPACING: 2615-3-3

*See Instructions On Reverse Side



5. LEASE DESIGNATION AND SERIAL NO.
 U-61429
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 NA
 7. UNIT AGREEMENT NAME
 NA
 8. FARM OR LEASE NAME
 Dragon Federal
 9. WELL NO.
 1-1-11-25
 10. FIELD AND POOL, OR WILDCAT
 Hell's Hole Wildcat
 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Lot 9
 Sec. 1-T11S-R25E
 12. COUNTY OR PARISH
 Uintah
 13. STATE
 UT
 17. NO. OF ACRES ASSIGNED TO THIS WELL
 236.72
 20. ROTARY OR CABLE TOOLS
 Rotary
 22. APPROX. DATE WORK WILL START*
 9/1/88

MITCHELL ENERGY CORP.

Well location, DRAGON FEDERAL #1-1-11-25, located as shown in Lot 9 of Section 1, T11S, R25E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION IN THE NE1/4 OF SECTION 36, T10S, R25E, S.L.B.&M. TAKEN FROM THE WEAVER RIDGE QUADRANGEL, UTAH-COLORADO, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6077 FEET

RECEIVED
NOV 04 1988

DIVISION OF OIL, GAS & MINING



CERTIFICATE

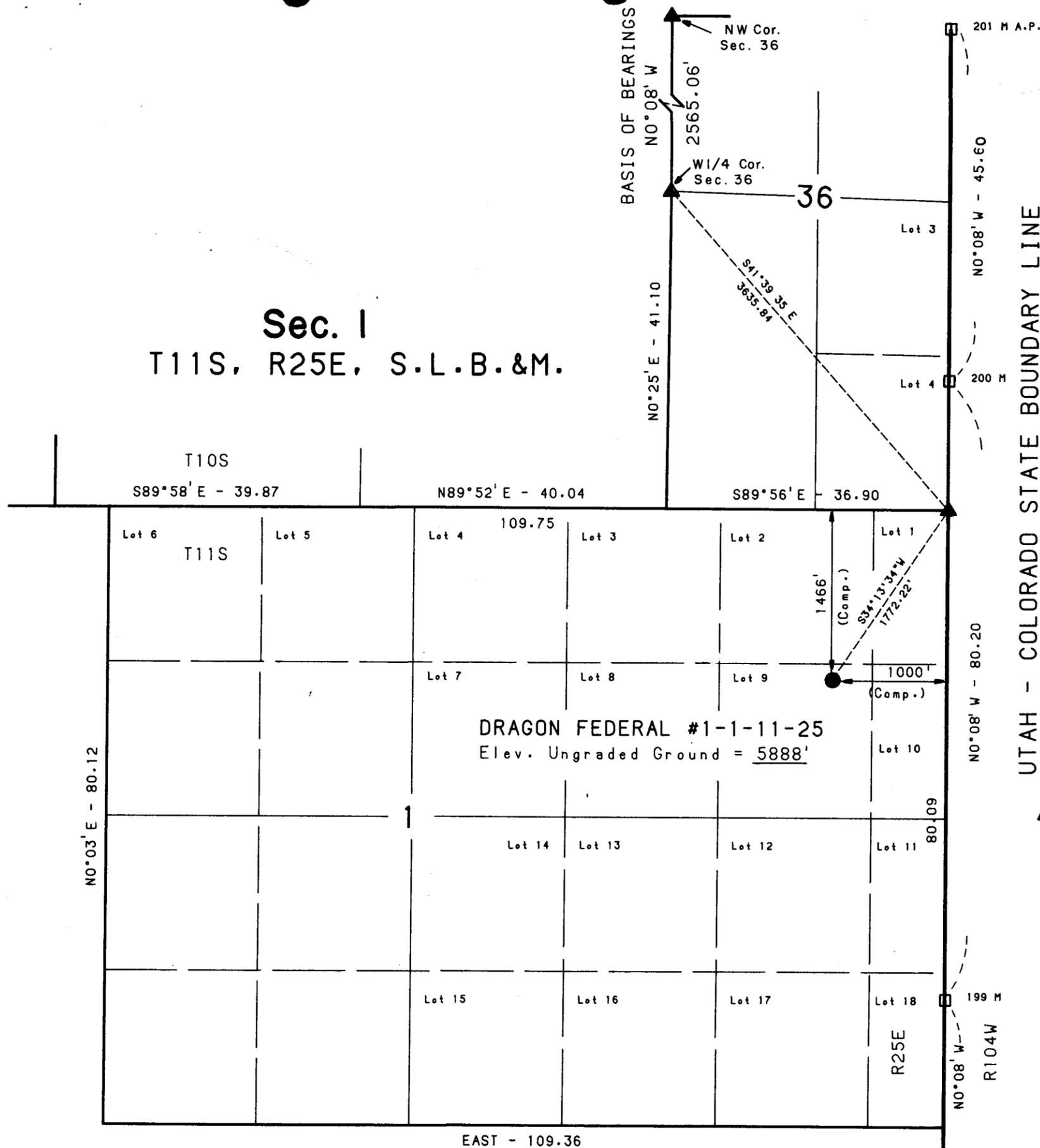
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

John Marshall
REGISTERED LAND SURVEYOR
REGISTRATION NO 2454
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
P. O. BOX 1758 - 85 SOUTH - 200 EAST
VERNAL, UTAH - 84078

SCALE 1" = 1000"	DATE 5-20-88
PARTY D.K. K.W. JAK.J.R.S.	REFERENCES GLO
WEATHER COOL	FILE MITCHELL ENERGY CORP.

Sec. 1
T11S, R25E, S.L.B.&M.



UTAH - COLORADO STATE BOUNDARY LINE

▲ = SECTION CORNERS LOCATED

OPERATOR Mitchell Energy Corporation DATE 11-4-88

WELL NAME Dragon Federal 1-1-11-25

SEC Lot 9 NE 1 T 11S R 25E COUNTY Uintah

43-047-31858
API NUMBER

Federal
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

No other well within 920'
Need Water Permit
Btm approved 7-18-88. (see notes)
Exception location requested. Received 11-14-88
RDC 11-14-88. Process 11-28-88

APPROVAL LETTER:

SPACING: R615-2-3 _____ UNIT _____ R615-3-2

_____ CAUSE NO. & DATE _____ R615-3-3

STIPULATIONS:

1- Water Permit

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPlicate*
(Other instructions on reverse side)

5. LEASE DESIGNATION AND SERIAL NO.

U-61429

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

NA

7. UNIT AGREEMENT NAME

NA

8. FARM OR LEASE NAME

Dragon Federal

9. WELL NO.

1-1-11-25

10. FIELD AND POOL, OR WILDCAT

Hell's Hole

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

Lot 9

Sec. 1-T11S-R25E

12. COUNTY OR PARISH

Uintah

13. STATE

UT

SUNDRY NOTICES AND REPORTS

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

RECEIVED
NOV 14 1988

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR

MITCHELL ENERGY CORPORATION
DIVISION OF OIL, GAS & MINING

3. ADDRESS OF OPERATOR

555 Seventeenth Street - Suite 3500
Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.)
At surface

1466' FNL & 1000' FEL

14. PERMIT NO.

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

5888' Ungraded

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF
FRACTURE TREAT
SHOOT OR ACIDIZE
REPAIR WELL
PULL OR ALTER CASING
MULTIPLE COMPLETE
ABANDON*
CHANGE PLANS

(Other) Exception to Statewide Rule

SUBSEQUENT REPORT OF:

WATER SHUT-OFF
FRACTURE TREATMENT
SHOOTING OR ACIDIZING
REPAIRING WELL
ALTERING CASING
ABANDONMENT*
(Other)

(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.)*

Mitchell Energy Corporation requests permission to drill the subject well on an Exceptional Location. The well location is necessitated by topographical conditions which make the proposed location the only practical site for access and pipeline connection. The site is located within a 460' radius of Mitchell Energy Corporation's lease boundary. The attached map shows the canyon topography with a 460' radius drainage circle.

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

SIGNED James C. Anderson
James C. Anderson

TITLE District Production Manager

DATE 11/11/88

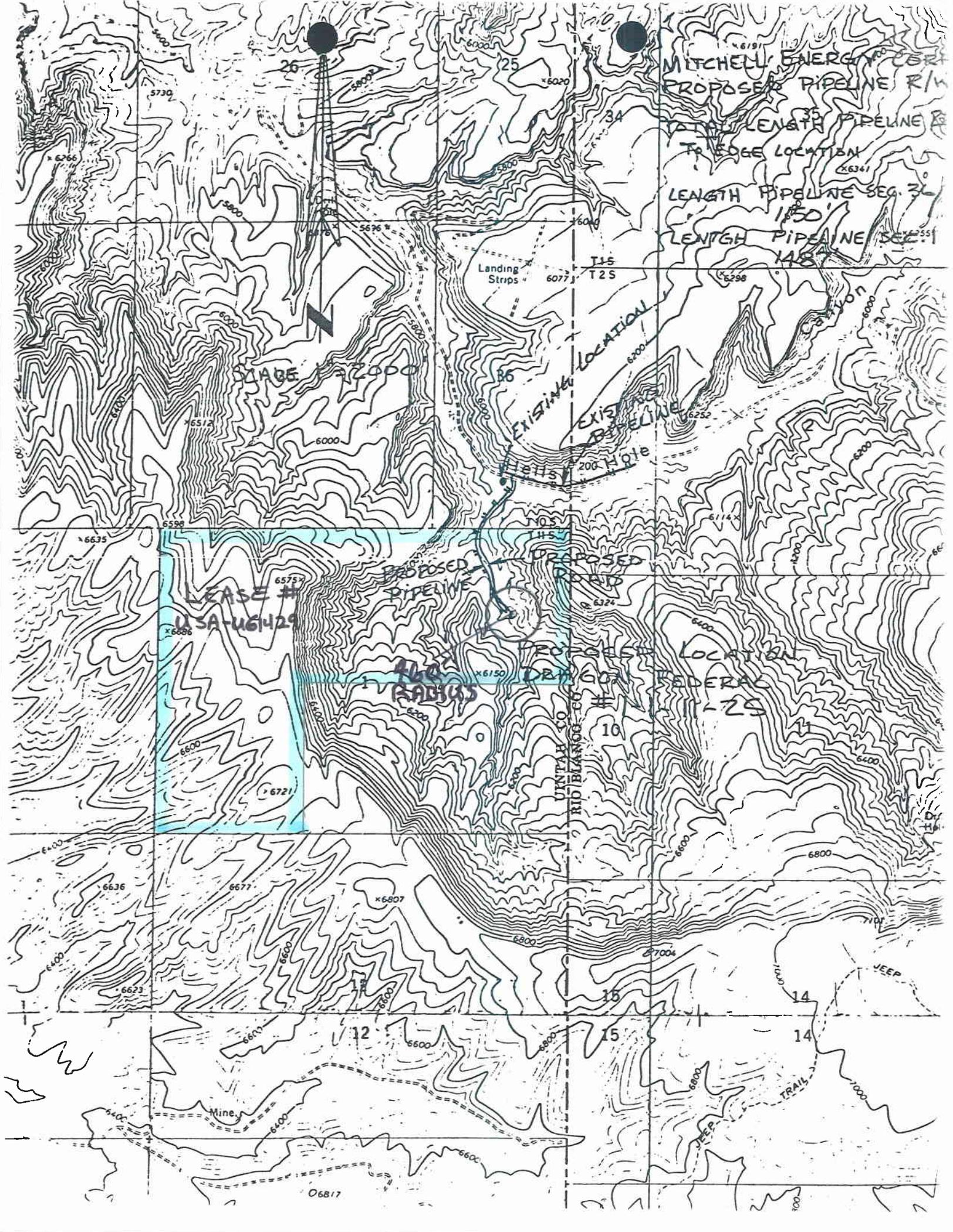
(This space for Federal or State office use)

APPROVED BY _____ TITLE _____

DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side



MITCHELL ENERGY CORP
PROPOSED PIPELINE R/W
TOTAL LENGTH PIPELINE R/W
TO EDGE LOCATION
LENGTH PIPELINE SEC. 36
1850'
LENGTH PIPELINE SEC. 35
1487'

STAGE #2000

EXISTING LOCATION
EXISTING PIPELINE

LEASE #
USA-U6429

ALTA
SABINS

PROPOSED LOCATION
DRAGON FEDERAL
1-29

UNTAH CO
RIO BLANCO

06817

STATE ACTIONS

Mail to:
RDCC Coordinator
116 State Capitol
Salt Lake City, Utah 84114

-
1. ADMINISTERING STATE AGENCY
OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203
2. STATE APPLICATION IDENTIFIER NUMBER:
(assigned by State Clearinghouse)
-
3. APPROXIMATE DATE PROJECT WILL START:
Upon approval
-
4. AREAWIDE CLEARING HOUSE(S) RECEIVING STATE ACTIONS:
(to be sent out by agency in block 1)
Uinta Basin Association of Governments
-
5. TYPE OF ACTION: Lease Permit License Land Aquisition
 Land Sale Land Exchange Other _____
-
6. TITLE OF PROPOSED ACTION:
Application for Permit to Drill
-
7. DESCRIPTION:
Mitchell Energy Corporation proposes to drill a wildcat well, the Dragon Federal #1-11-25, on a federal lease number U-61429 in Uintah County, Utah. This action is being presented to RDCC for consideration of resource issues affecting state interests. The DOGM is the primary administrative agency in this case and must issue approval to drill before operations can commence.
-
8. LAND AFFECTED (site location map required) (indicate county)
SE/4, SE/4, Section 1, Township 11 South, Range 25 East, Uintah County, Utah
-
9. HAS THE LOCAL GOVERNMENT(S) BEEN CONTACTED?
Unknown
-
10. POSSIBLE SIGNIFICANT IMPACTS LIKELY TO OCCUR:
No significant impacts are likely to occur
-
11. NAME AND PHONE NUMBER OF DISTRICT REPRESENTATIVE FROM YOUR AGENCY NEAR PROJECT SITE, IF APPLICABLE:
Carol Kubly, Vernal, ph. 789-1388
-
12. FOR FURTHER INFORMATION, CONTACT: 13. SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL
John Baza
PHONE: 538-5340
- John R. Baza*
DATE: 11-14-88
Petroleum Engineer
-



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangertter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

December 2, 1988

Mitchell Energy Corporation
555 Seventeenth Street, Suite 3500
Denver, Colorado 80202

Gentlemen:

Re: Dragon Federal 1-1-11-25 - Lot 9 NE - Sec. 1, T. 11S, R. 25E - Uintah County, Utah
1466' FNL, 1000' FEL

Approval to drill the referenced well is hereby granted in accordance with Rule R615-3-3, Oil and Gas Conservation General Rules, 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.

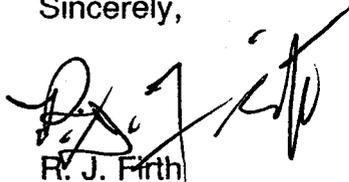
In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form OGC-8-X.
4. Prompt notification if it is necessary to plug and abandon the well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or Jim Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Rule R615-3-22, Gas Flaring or Venting, Oil and Gas Conservation General Rules.

6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 538-6121.
7. 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 43-047-31858.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

lr
Enclosures
cc: Branch of Fluid Minerals
D. R. Nielson
WE14/1-2



State of Utah
OFFICE OF PLANNING AND BUDGET

well file

RECEIVED
DEC 05 1988
DIVISION OF
OIL, GAS & MINING

Norman H. Bangarter
Governor
Dale C. Hatch, C.P.A., J.D.
Director
Michael E. Christensen, Ph.D.
Deputy Director

116 State Capitol Building
Salt Lake City, Utah 84114
(801) 538-1027

November 30, 1988

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

SUBJECT: Mitchell Energy Corporation Application for Permit to Drill a Wildcat Well, the Dragon Federal #1-11-25, on federal lease #U-61429, Uintah County
State Application Identifier #UT881115-080

Dear Mr. Baza:

The Resource Development Coordinating Committee of the State of Utah has reviewed this proposed action and the Division of State History comments:

The staff of the Utah State Historic Preservation Office has reviewed our cultural resource files for the above requested project area. There have been no cultural resource sites recorded in the project area because no cultural resource surveys have been conducted. This slope of Hell's Hole Canyon has a moderate potential for containing archaeological sites. The Division of Oil, Gas and Mining can use this information in making any further recommendations on the project.

The above is provided on request as outlined by 36 CFR 800 or Utah Code, Title 63-18-37. The Utah SHPO makes no regulatory requirement in this matter. If you have questions or need additional assistance, please contact Diana Christensen at (801) 533-7039 or 533-6017.

The Committee appreciates the opportunity of reviewing this document. Please address any other questions regarding this correspondence to Carolyn Wright (801) 538-1535.

Sincerely,

Michael E. Christensen

Michael E. Christensen
Deputy Director

MEC/jw

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

RECEIVED
AUG 20 1990

DIVISION OF
OIL, GAS & MINING

3162.35
(UT08438)

August 17, 1990

Mitchell Energy Corp.
555 Seventeenth St., Suite 3500
Denver, CO 80202

Re: Rescind Application for Permit to Drill
Well #: 1-1-11-~~15~~ 25
Section 1, T11S, R25E 43-047-31858
Uintah County, Utah
Lease U-61429

The Application for Permit to Drill the referenced well was approved on July 18, 1988. A request for a one (1) year extension to the APD ending July 18, 1990, was submitted and approved. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is rescinding the approval of the referenced application without prejudice. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

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

Sincerely,

Howard B. Cleavinger II
Howard B. Cleavinger II
Assistant District Manager
for Minerals

bcc: State Div. O G & M
Well File
U-922/U-943
U-942
RA
AIRS

MHerrmann:plp:0360H

OIL AND GAS	
DFN	RJF
JPB	GLH
DIS	SLS
1-FA-DWF	
MICROFILM	
FILE	



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

September 11, 1990

Mitchell Energy Corporation
555 Seventeenth Street, Suite 3500
Denver, Colorado 80202

Gentlemen:

Re: Well No. 1-1-11-25, Sec. 1, T. 11S, R. 25E, Uintah County, Utah,
API No. 43-047-31858

In concert with action taken by the U.S. Bureau of Land Management, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval prior to the commencement of any future work on the subject location.

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

Sincerely,

Don Staley
Administrative Supervisor

RWM ✓
File ✓

DME/lcd
cc: D.R. Nielson
R.J. Firth
Bureau of Land Management
Well file

WOI196