

This form shall be filed in duplicate with the Kansas Corporation Commission, 200 Colorado Derby Building, Wichita, Kansas 67202, within ten days after the completion of the well, regardless of how the well was completed.

Attach separate letter of request if the information is to be held confidential. If confidential, only file one copy. Information on side one will be of public record and side two will then be held confidential.

Circle one: Oil, Gas, Dry, SWD, OWWO, Injection. Type and complete ALL sections.

Applications must be filed for dual completion, commingling, SWD and injection, T.A.

Attach wireline logs (i.e. electrical log, sonic log, gamma ray neutron log, etc.). KCC # (316) 263-3238. (Rules 82-2-105 & 82-2-125)

OPERATOR Trans-Western Operating Co

API NO. 15-199-20178 0000

ADDRESS Box 276 Golden, CO

COUNTY Wallace

FIELD Stockholm

**CONTACT PERSON Douglas J. Isern

PROD. FORMATION Morrow

PHONE 303-279-2995

LEASE B.H.Y.

PURCHASER

WELL NO. 1-20

ADDRESS

WELL LOCATION NENW Sec. 20, T15S, R42W

DRILLING Murfin Drlg. Co.

4680 Ft. from South Line and

CONTRACTOR

3730 Ft. from East Line of

ADDRESS 250 N. Water, Suite 300

the SEC. 20 TWP. 15 S RGE. 42 W

Wichita, Ks

WELL PLAT

PLUGGING

CONTRACTOR

ADDRESS

KCC
KGS
(Office Use)

07-02-90
JUL 2 1990

CONSERVATION DIVISION
Wichita, Kansas

TOTAL DEPTH 5300 PBTD

SPUD DATE 8/25/89 DATE COMPLETED 9/16/89

ELEV: GR 3935 DF KB 3940

DRILLED WITH (CABLE) (ROTARY) (AIR) TOOLS

Amount of surface pipe set and cemented 356 DV Tool Used? no

AFFIDAVIT

STATE OF Colorado, COUNTY OF Jefferson SS, I,

Douglas J. Isern OF LAWFUL AGE, BEING FIRST DULY SWORN UPON HIS OATH,

DEPOSES THAT HE IS President (FOR)(OF) Trans-Western Operating Co.

OPERATOR OF THE B.H.Y #1-20 Well LEASE, AND IS DULY AUTHORIZED TO MAKE

THIS AFFIDAVIT FOR AND ON THE BEHALF OF SAID OPERATOR, THAT WELL NO. BHY #1-20 ON

SAID LEASE HAS BEEN COMPLETED AS OF THE 16th DAY OF September, 1989, AND THAT

ALL INFORMATION ENTERED HEREIN WITH RESPECT TO SAID WELL IS TRUE AND CORRECT.

FURTHER AFFIANT SAITH NOT.

SUBSCRIBED AND SWORN BEFORE ME THIS 28th DAY OF June, 1990.

Debi Reagan
NOTARY PUBLIC

MY COMMISSION EXPIRES: June 11, 1994

**The person who can be reached by phone regarding any questions concerning this information. Within 45 days of completion, a witnessed initial test by the Commission is required if the well produces more than 25 BOPD or is located in a Basic Order Pool.

SIDE TWO

WELL LOG

SHOW GEOLOGICAL MARKERS, LOGS RUN, OR OTHER DESCRIPTIVE INFORMATION.

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.

FORMATION DESCRIPTION; CONTENTS, ETC.	TOP	BOTTOM	NAME	DEPTH
Morrow Ss. (gas)	5105	5130	Morrow Sh. Morrow Ss. Morrow Ls. St. Gen. St. Louis	5058 5105 5132 5198 5261

Report of all strings set — surface, intermediate, production, etc. **CASING RECORD** (New) or (Used)

Purpose of string	Size hole drilled	Size casing set (in O.D.)	Weight lbs/ft.	Setting depth	Type cement	Sacks	Type and percent additives
surface	12 1/4"	8 5/8"	24#	362	Lite Common	125 75	3 % CaCl "
production	7 7/8"	5 1/2 "	15.5#	5299	Surfill	150	

LINER RECORD

PERFORATION RECORD

Top, ft.	Bottom, ft.	Sacks cement	Shots per ft.	Size & type	Depth interval
			4		5124-30

TUBING RECORD

Size	Setting depth	Packer set at

ACID, FRACTURE, SHOT, CEMENT SQUEEZE RECORD

Amount and kind of material used	Depth interval treated
Squeezed 1550-1570', with 100 sxs and 100 sxs down back side	

Date of first production	Producing method (flowing, pumping, gas lift, etc.)	Gravity
SIGW	flowing	

RATE OF PRODUCTION PER 24 HOURS	Oil	Gas	Water	Gas-oil ratio
	bbls.	2,960	MCF %	bbls. CFPB

Disposition of gas (vented, used on lease or sold)	Perforations
shut-in	5124-30



TRANS - WESTERN PETROLEUM, INC.

March 21, 1990
by FAX

Kansas Corporation Commission
Oil and Gas Conservation Division
District 4 Office
2301 East 13th Street
Hays, Kansas 67601
Attn: Mr. Don Butcher

RE: BHY #1-20 Well
NW/4 Section 20-15S-42W
Wallace County, Kansas
Alternate II Cement Job

Gentlemen:

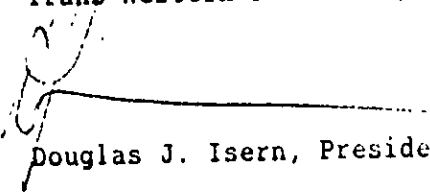
On 3/16/90 at the request of the state we ran a temperature survey in the above referenced well to ascertain if there was communication between the water bearing zones. This survey was interpreted by Cable Inc. who concluded that there was no evidence of communication of any zones from surface down to 2200 feet. A copy is attached of their letter along with the survey. On March 2, I traveled to Colby to meet with Don Butcher to discuss the results of the survey and the wishes of the State in this matter. Mr. Butcher outlined three options open to us in order to comply with the second stage cement obligations:

- A) We could request a hearing for a determination from the KCC.
- B) We could provide evidence through SP and resistivity logs that the Dakota was greater than 20,000 ppm chlorides and therefore unusable in this area.
- C) Or, we could squeeze the Dakota by perforating between 1550 and 1570 and displacing 100sxs of cement through the perforations and 100sxs down the backside.

In accordance with these options we would like to elect option "C" in order to comply in full with the second stage cement requirement. Thank you very much.

Sincerely,

Trans-Western Petroleum, Inc.


Douglas J. Isern, President

FAX cc: Shari Fiest

STATE OF KANSAS
OIL AND GAS CONSERVATION DIVISION
Wichita, Kansas
JUL 9 1990



J. F. KERKER
President



Telephones
303-522-4761 - 522-4764

PRODUCTION ENGINEERING

440 - 442 SOUTH FRONT STREET
BOX 590
STERLING, COLORADO 80761

March 21, 1990

Trans-Western Pet. Inc.
P.O. Box 276
Golden, CO 80402

Attn: Douglas J. Isern (President)

Dear Sir:

After reveiwing the exploded view of the log on the BHY #1-20
Temperature Survey in does not appear to me that there is any
communication between the Two Water Bearing Zones on the outside
of the casing.

If you have any questions regarding this please feel free to call
me at (303) 522-4761.

Sincerely,

CABLE INC.

Dennis O. Donoho
Coordinator

DOD/dmc

enc.

RECEIVED
STATE CORPORATION DIVISION

JUL 2 1990

CONSERVATION DIVISION
Wichita, Kansas

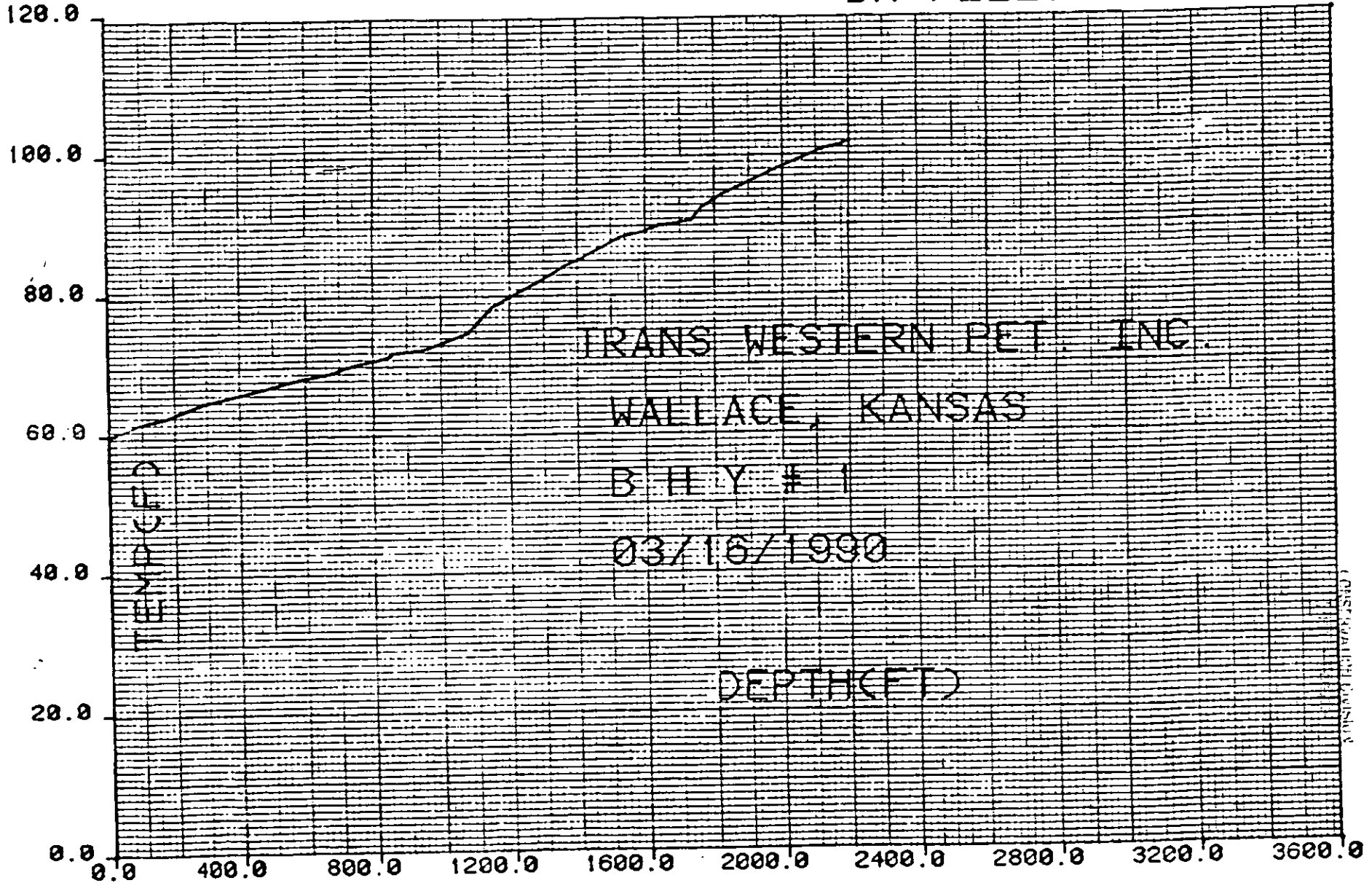




STERLING, CO 80751
(303) 522-4761

10 x 10 TO 1/4 INCH
6 x 9 INCHES

BR FILE# 28WCBHY#



JUL 2 1990

STATE OF KANSAS
JUL 2 1990

279-6281

JUL 2 1990

CONSERVATION DIVISION
Wichita, KansasBH / # 1-20

- 28-90 M I R U Patrich service unit & ~~trip out~~ trip out of hole with 60 jts 2 7/8" tubing. Rig up Mercury wireline & perforated & jet shots from 1560-1561 (1'), approx 70' below the top of Dakota. Pick up retrievable bridge plug & packer & trip in hole on 52 jts tbg. Set RBP at 1612', laid down 1 jft, & set packer at 1580'. Rig up B J services & pressure tested RBP to 1008 psi. Released packer & pumped 2 sacks of sand on RBP. Pulled 4 jts tbg & reset packer at 1449'. Pressured annulus to 500 psi & pumped 100 sacks 60% Pozmix with 3% calcium chloride. Displaced ^{1042' Barrel of} water to 1540'. Pumped 100 sacks of 60% Pozmix down 8 5/8" by 5 1/2" casing annulus from surface. Rig down cementers and shut in to wait on cement.
- 29-90 Wait on cement
- 30-90 Released packer and trip out of hole with tubing. Pick up 4 7/8" bit and 5" casing scraper and trip back in with 2 7/8" tubing. Tagged cement at 1464'. Rig up power swivel and drilled 25' of hard cement, then dropped through 63' to ~~hard~~ 1552'. Drilled 45' of hard cement to sand fill at 1597'. Circulate clean to plug at 1612' & pressure test to 250 psi. Trip out of hole, lay down bit & scraper, & pick up retrieving tool. Trip in hole and latched onto plug, released & trip out of hole. Shut down for night.
- 1-90 Trip in hole to sand fill at 3885' & circulate clean to plug at 4000'. Latch onto plug, release & trip out of hole. Pick up Arrow tension packer, seating nipple, and trip in on 123 jts of 2 7/8" tubing. Set packer ~~at~~ in tension at 3866' & nipple up tubing head. Swabbed 35 B load water to pit. SDF. SETP-30 psi. Run swab & found TCC @ 3700'. Released rig.
- 2-90

Date 4-28-90 District Oakley Ticket No. 609727
 Company Transwestern Rig _____
 Lease BHY Well No. 1-20
 County Wallace State KS
 Location Wagon SW-85-NE-5-1 Field _____

CEMENT DATA
 Spacer Type: _____
 Amt. _____ Bbls Yield _____ h/ft Density _____ PPG

CASING DATA: PTA Squeeze
 Surface Intermediate Production Liner
 Size _____ Type _____ Weight _____ Collar _____

LEAD: Pump Time _____ hrs. Type 6040
346 _____ Excess _____
 Amt. 200 _____ Bbls Yield _____ h/ft Density _____ PPG

Casing Depth: Top _____ Bottom _____

TAIL: Pump Time _____ hrs. Type _____
 Amt. _____ Bbls Yield _____ h/ft Density _____ PPG

Drill Pipe: Size _____ Weight _____ Collars _____
 Open Hole: Size _____ T.D. _____ ft. P.B. to _____ ft.

WATER: Lead _____ gals/ft Tail _____ gals/ft Total _____ Bbls

CAPACITY FACTORS
 Casing: Bbls/Lin. ft. .0238 Lin. ft./Bbl. _____
 Open Hole: Bbls/Lin. ft. _____ Lin. ft./Bbl. _____
 Drill Pipe: Bbls/Lin. ft. _____ Lin. ft./Bbl. _____
 Annulus: Bbls/Lin. ft. 1058 Lin. ft./Bbl. _____
769 Bbls/Lin. ft. .0058 Lin. ft./Bbl. _____
 Perforations: From 1560 ft. to 1561 ft. Amt. _____

Pump Trucks Used 2751
 Bulk Equip. 272

Float Equip: Manufacturer _____ Depth _____
 Shoe: Type _____ Depth _____
 Float: Type _____ Depth _____
 Centralizers: Quantity _____ Plug: Top _____ Shim _____
 Stage Collars _____
 Special Equip _____
 Disp. Fluid Type _____ Amt. _____ Bbls. Weight _____ PPG
 Mud Type _____ Weight _____ PPG

COMPANY REPRESENTATIVE _____

CEMENTER JES

TIME	PRESSURES PSI		FLUID PUMPED DATA			REMARKS
	AM/PM	DRILL PIPE CASING	ANNULUS	TOTAL FLUID	Pumped Per Time Period	
11:30	am		Centered			On location & setup job
12:00	pm					Job safety meeting
4:29	pm					
12:15	pm					Pressure also to 1000 PSI before
12:20	pm					Pressure 1000 PSI before
1:00	pm					See notes on 12:20 & 12:15
1:10	pm					See notes on 12:20 & 12:15
1:15	pm					See notes on 12:20 & 12:15
2:40	pm					See notes on 12:20 & 12:15
3:30	pm					Job finished

FINAL DISP. PRESS: _____ PSI BUMP PLUG TO _____ PSI BLEEDBACK _____ BBLs THANK YOU
 Form No. BR 0602 (Rev. 7/85)
 Note: Must accompany job ticket.



P.O. Box 4442
 Houston, Tx. 77210

REMIT TO: P.O. Box 100806, Houston, Tx. 77212

SEVICE OPERATIONS CONTRACT
 T 30 DAYS FROM DATE OF CONTRACT

DATE <u>4-28-90</u>		SERVICE CONTRACT NO. <u>609727</u>	
NEW WELL <input checked="" type="checkbox"/> OLD WELL <input type="checkbox"/>		JOB NUMBER	
WELL TYPE <u>0</u>		FEDERAL OFFSHORE LEASE NO.	
WELL NO. <u>1-20</u>		LEASE NAME <u>BHY</u>	
COUNTY/PARISH <u>Wallace</u>		CODE	STATE <u>KS</u> CODE
FIELD NAME		CITY CODE	
WELL OWNER		MTA CODE	
STAGE NO.	JOB CODE <u>Squeeze</u>	WORKING DEPTH <u>1560</u> FT	PUMPING EQUIPMENT
1 SURFACE <input type="checkbox"/>	2 INTERMEDIATE <input type="checkbox"/>	3 PRODUCTION <input type="checkbox"/>	4 REMEDIAL <input type="checkbox"/>
AUTHORIZED BY: <u>Wayne Stack</u>		ORDER NO.	TRUCK CALLED: <u>11:30A</u>
ARRIVED AT JOB		DATE	DATE

FINAL DISP. PRESS: _____ PSI BUMP PLUG TO _____ PSI BLEEDBACK: _____ BBLs THANK YOU
 Form No. BR 0502 (Rev. 7/85)
 Note: Must accompany job ticket.



P.O. Box 4442
 Houston, Tx. 77210

REMIT TO: P.O. Box 100806, Houston, Tx. 77212

SERVICE OPERATIONS CONTRACT
 TERMS NET 30 DAYS FROM DATE OF CONTRACT

DATE 4-24-90		SERVICE CONTRACT NO. 609727	
NEW WELL <input checked="" type="checkbox"/> OLD WELL <input type="checkbox"/>		WELL TYPE 0	
WELL NO. 1-20		LEASE NAME & FEDERAL OFFSHORE LEASE NO. BHY	
COUNTY/PARISH Walker		CODE	STATE KS
FIELD NAME		CITY CODE	
WELL OWNER		MTA CODE	
CUSTOMER ACCOUNT NO.		DIST. NAME Oakley	
CUSTOMER Transwestern/BHY/1-		DIST. NUMBER 203320	
ADDRESS		ORDER NO.	
CITY		STATE	
AUTHORIZED BY: Wayne Stack		ZIP	
STAGE NO.		JOB CODE Surface	
TOTAL PREV. GALS.		WORKING DEPTH 1560 FT	
TOTAL MEAS. DEPTH		SURFACE <input type="checkbox"/> INTERMEDIATE <input type="checkbox"/> PRODUCTION <input type="checkbox"/> REMEDIAL <input type="checkbox"/>	
SIZE HOLE		DEPTH	
SIZE & WT. CASING 5 1/2 15.5		DEPTH	
SIZE & WT. DRILL PIPE OR TUBING 2 3/4		DEPTH	
PACKER DEPTH 1449		FLUID PUMPED	
MAX. BPM		PUMPING EQUIPMENT	
S EMPLOYEE NUMBER 0-9262		TRUCK CALLED	
REMARKS		ARRIVED AT JOB	
		START OPERATION	
		FINISH OPERATION	
		TIME RELEASED	
		MILES FROM STATION TO WELL 75	
		SALESMAN NUMBER	
CUSTOMER INSTRUCTIONS FOR DISPOSAL OF RETURNED CEMENT			

CONTRACT CONDITIONS: (This contract must be signed before the job is commenced or merchandise is delivered)
 The undersigned is authorized to execute this contract as an agent of the customer. As such, the undersigned agrees and acknowledges that this contract for services, materials, products, and/or supplies includes all of and only those terms and conditions appearing on the front and back of this document. No additional or substitute terms and/or conditions will become a part of this contract without the written consent of an officer of BJ SERVICES.

SIGNED: Wayne Stack
 (WELL OWNER, OPERATOR, CONTRACTOR OR AGENT)

PRICE BOOK REF. NO.	QUANTITY	DESCRIPTION	UNIT PRICE	QTY	PRICE EXTENSION
04	1	Price of Job			
2110211115	150	PTM 75 Oakley	879.00	150	879.00
21101910105	120	Class A	1.10	120	165.00
21411015104	80	Parasol	6.00	80	720.00
21411510118	240	Cach	62.00	240	289.60
21811210185	200	Reyase	59.16	200	60.00
214110111011	652.5	Per Ton mile 8.7 Tons	25.00	652.5	190.00
		20% Disc			456.25
					2793.95
					559.77
					2235.16

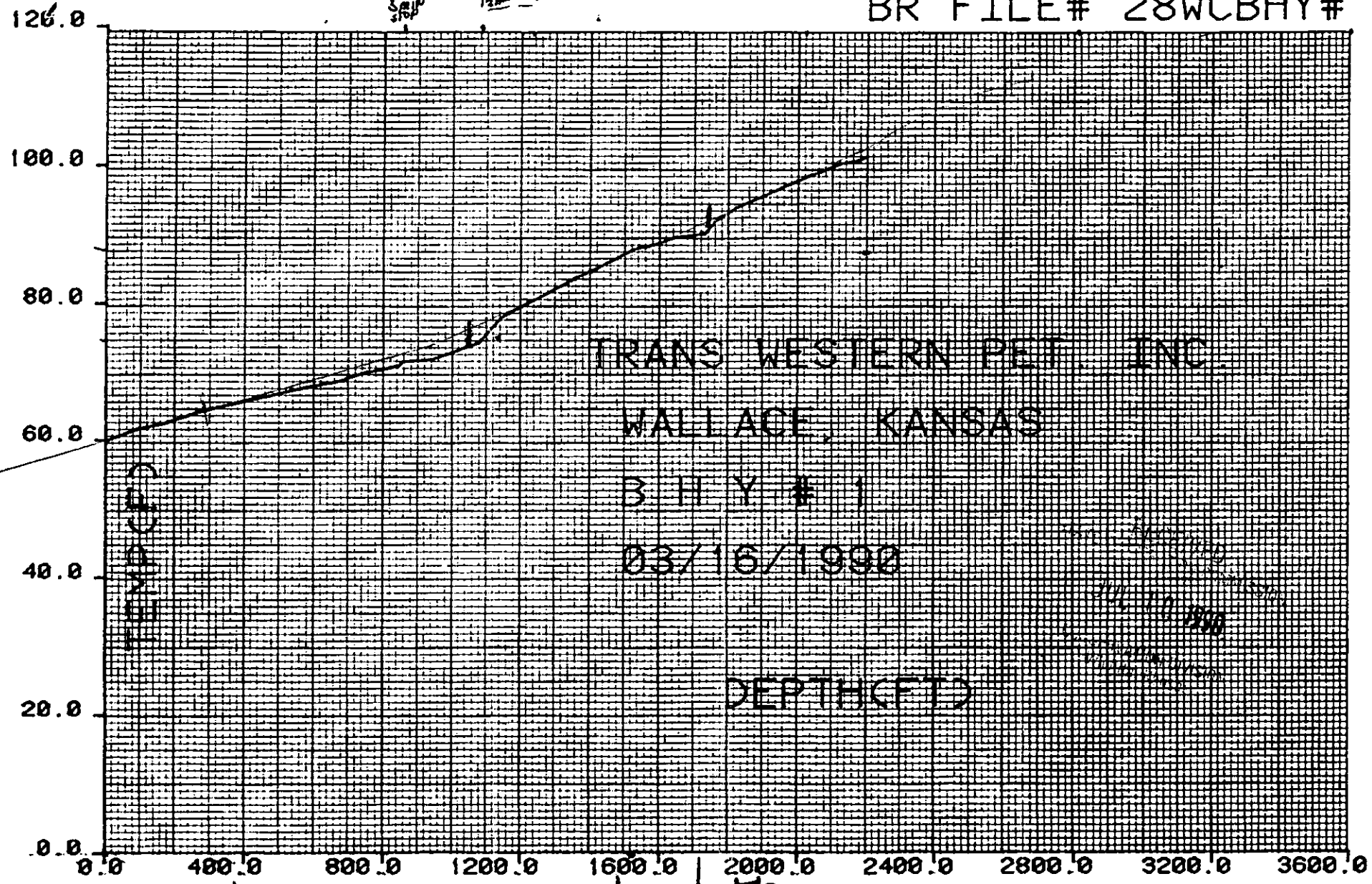
THE ABOVE MATERIAL AND SERVICE ORDERED BY CUSTOMER AND RECEIVED BY: _____
 CUSTOMER: This is not an invoice - This Service Operations Contract is subject to review and correction by our Accounting Department.
 (Rev. 12/88)



STERLING, CO 80751 10 x 10 TO 1/4 INCH
(303) 522-4761 6 x 9 INCHES

Love 7/21

BR FILE# 28WCBHY#



C
O
S
E
L

S
P
L
1 1/2 min stop

Fluid Level ? Full

S.P.
362'

Top DK 1490'
Base DK 1720'
Choyenne 1920-1990

OK
JCB

lousy Evidence

RECEIVED

STATE

JUL 10 1990

CONSERVATION DIV
WALLACE, Kansas

SUB-SURFACE TEMPERATURE SURVEY

COMPANY TRANS WESTERN
COUNTY WALLACE
STATE KAN
LINER -
DATE 031690
ELEVATION 9'
MAX TEMP 100.1 F
PERF -
TUBING -
UNITS ENGLISH

RUN 28 FIELD WC
WELL STAT SHUT IN
CASING PRESS 0
TUBING PRESS 0
ELEMENT RANGE 33 - 233
ZONE
PICK-UP/TD
CAL SER NO. 12147

WELL NAME BHY# 1-20
TOOL HUNG 2200
ON BOTTOM 1136 031690
OFF BOTTOM 1140 031690
ZERO POINT 5'
SHUT-IN
ON-PROD
MPP

PURPOSE TEMP SURVEY

SURVEY DATA

TIME	DEPTH	PRES	GRAD
0:00	2200	100.9	0.000
0:02	2175	100.4	.022
0:04	2123	99.8	.011
0:06	2070	98.7	.021
0:08	2013	97.6	.020
0:10	1957	96.5	.020
0:12	1890	95.0	.023
0:14	1820	93.4	.022
0:16	1760	91.4	.033
0:18	1730	89.8	.055
0:20	1640	89.1	.007
0:22	1590	88.3	.017
0:24	1523	87.9	.013
0:26	1474	86.2	.026
0:28	1415	84.7	.026
0:30	1354	83.3	.022
0:32	1286	81.3	.030

TIME	DEPTH	PRES	GRAD
0:34	1213	79.5	.025
0:36	1141	77.6	.026
0:40	1079	74.0	.058
0:42	1010	72.8	.018
0:44	940	71.5	.018
0:46	855	71.3	.003
0:53	844	70.8	.046
0:54	809	70.3	.014
0:56	756	69.5	.011
0:58	675	68.5	.017
1:00	565	67.4	.009
1:02	472	66.4	.011
1:04	375	65.3	.011
1:06	280	64.2	.011
1:08	170	62.3	.017
1:10	90	61.5	.010
1:12	0	59.9	.018

BR FILE# 28WCBHY#

TIME IS IN HOURS AND MINUTES



TRANS - WESTERN PETROLEUM, INC.

April 20, 1990
by FAX

Kansas Corporation Commission
Oil and Gas Conservation Division
District 4 Office
2301 East 13th Street
Hays, Kansas 67601
Attn: Mr. Don Butcher

RE: BHY #1-20 Well
NW/4 Section 20-15S-42W
Wallace County, Kansas
Alternate II Cement Job

Gentlemen:

With reference to our letter of March 21, 1990, we have been delayed in the execution of the option we chose in order to comply with the second stage cement requirement. Our engineer had scheduled this for last weekend. His father in law passed away ~~last~~ last week and he had to cancel these arrangements in order to drive back to Pennsylvania. We hope that he will be able to schedule this job within the next two to three weeks. Thank you for your patients in this matter.

Sincerely,

Trans-Western Petroleum, Inc.

Douglas J. Isern, President

Shari -
Follow-up on
Phone call of
AM of 4/20/90

Don B

APR 25 1990
OIL AND GAS CONSERVATION DIVISION
HAYS, KANSAS



TRANS - WESTERN PETROLEUM, INC.

Kansas Corporation Commission
Oil and Gas Conservation Division
District 4 Office
2301 East 13th Street
Hays, Kansas 67601
Attn: Mr. Don Butcher

March 21, 1990
by FAX

RE: BHY #1-20 Well
NW/4 Section 20-15S-42W
Wallace County, Kansas
Alternate II Cement Job

Gentlemen:

On 3/16/90 at the request of the state we ran a temperature survey in the above referenced well to ascertain if there was communication between the water bearing zones. This survey was interpreted by Cable Inc. who concluded that there was no evidence of communication of any zones from surface down to 2200 feet. A copy is attached of their letter along with the survey. On March 2, I traveled to Colby to meet with Don Butcher to discuss the results of the survey and the wishes of the State in this matter. Mr. Butcher outlined three options open to us in order to comply with the second stage cement obligations:

- A) We could request a hearing for a determination from the KCC.
- B) We could provide evidence through SP and resistivity logs that the Dakota was greater than 20,000 ppm chlorides and therefore unusable in this area.
- C) Or, we could squeeze the Dakota by perforating between 1550 and 1570 and displacing 100sxs of cement through the perforations and 100sxs down the backside.

In accordance with these options we would like to elect option "C" in order to comply in full with the second stage cement requirement. Thank you very much.

Sincerely,

Trans-Western Petroleum, Inc.

Douglas J. Isen, President

WALLACE COUNTY, KANSAS

FAX cc: Shari Fiest

J. F. KERKER
President



Telephones
303-522-4761 - 522-4764

PRODUCTION ENGINEERING

440 - 442 SOUTH FRONT STREET
BOX 590
STERLING, COLORADO 80751

March 21, 1990

Trans-Western Pet. Inc.
P.O. Box 276
Golden, CO 80402

Attn: Douglas J. Isern (President)

Dear Sir:

After reveiwing the exploded view of the log on the BHY #1-20
Temperature Survey in does not appear to me that there is any
communication between the Two Water Bearing Zones on the outside
of the casing.

If you have any questions regarding this please feel free to call
me at (303) 522-4761.

Sincerely,

CABLE INC.

Dennis O. Donoho
Coordinator

DOD/dmc

enc.

APR 25 1990

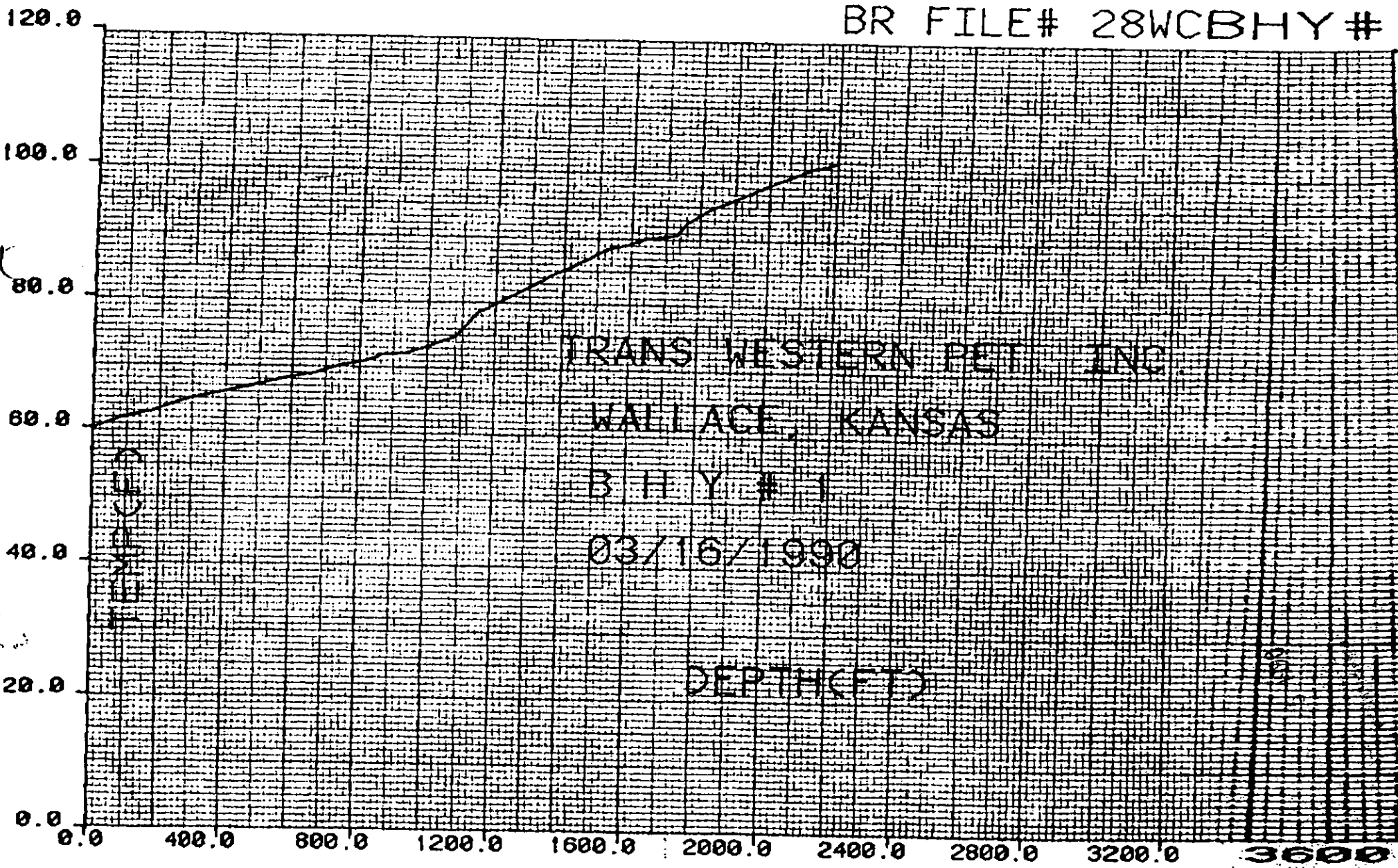
Wichita, Kansas



STERLING, CO 80751
(303) 522-4761

10 x 10 TO 1/2 INCH
6 x 8 INCHES

BR FILE# 28WCBHY#



TRANS WESTERN PET INC

WALLACE, KANSAS

BHY# 1

03/16/1990

DEPTH(FT)

Transwestern
BHY 1-20
Wallace Co KS 20-15-42

? BB

STAT
0000
WIND



file
K.A.R. 82-3-106
Extension

Kansas Corporation Commission

MIKE HAYDEN
KEITH R. HENLEY
RICH KOWALEWSKI
MARGALEE WRIGHT
JUDITH M. COYNE
FRANK A. CARO, JR.

GOVERNOR
CHAIRMAN
COMMISSIONER
COMMISSIONER
EXECUTIVE DIRECTOR
GENERAL COUNSEL

CONSERVATION DIVISION
SHARI FEIST ALBRECHT, DIRECTOR
200 Colorado Derby Bldg.
202 W. 1st Street
Wichita, KS 67202-1286
(316) 263-3238

January 11, 1990

Mr. James F. Marquis
Trans-Western Petroleum
P.O. Box 276
Golden, Colorado 80402

Re: BHY #120
NW/4 Sec. 20-T15S-R42W
Wallace County, Kansas

Dear Mr. Marquis:

In your letter dated December 29, 1989, you inquire whether the running of a temperature gradient survey would be sufficient to comply with the Alternate II cementing requirements specified in K.A.R. 82-3-106 if the survey should indicate no water flow from any usable water-bearing zones.

In response, K.A.R. 82-3-106 (c) and (d) require the cementing of surface casing in accordance with the rule. It is my understanding that the above-captioned well is in an area which requires Alternate II cementing. Without requesting an exception to the cementing requirements of K.A.R. 82-3-106 (c)(2) and (d) and after notice and hearing on such a request, temperature gradient survey results showing no water flow cannot be considered acceptable in lieu of cementing. Should such a request for hearing be desired, I suggest you contact Bill Bryson of my staff at 913-296-5113 to discuss any additional proof which may be necessary to grant such an exception.

Sincerely,

Shari Feist Albrecht

Shari Feist Albrecht
Director

SFA/lrs

cc: Bill Bryson
Don Butcher



TRANS - WESTERN PETROLEUM, INC.

December 29, 1989

Kansas Corporation Commission
Oil and Gas Conservation Division
202 West 1st Street, Suite 200
Wichita, Kansas 67202

Attn: Ms. Shari Feist Albrecht

RE: BHY #1-20 Well
NW/4 Section 20-15S-42W
Wallace County, Kansas

Dear Ms. Albrecht,

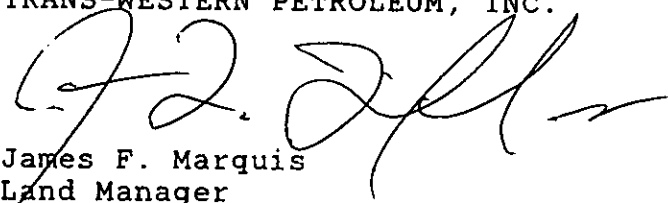
We are in receipt of your letter dated December 21, 1989 in which you grant us an extension of time to comply with the provisions of K.A.R. 82-3-106. We appreciate your consideration in granting us this additional time.

In order to clarify your request that we conduct a temperature gradient survey in the referenced well, in the event that this survey should indicate that there is no water flow from any usable water bearing zones, and that these zones are effectively isolated and sealed, will this be sufficient to achieve compliance with the requirements of K.A.R. 82-3-106?

Thank you for your time and attentions in this matter.

Sincerely yours,

TRANS-WESTERN PETROLEUM, INC.


James F. Marquis
Land Manager

JFM/hos

STATE OF KANSAS
CORPORATION
COMMISSION
WICHITA, KANSAS

**TRANS - WESTERN PETROLEUM, INC.**March 21, 1990
by FAX

Kansas Corporation Commission
Oil and Gas Conservation Division
District 4 Office
2301 East 13th Street
Hays, Kansas 67601
Attn: Mr. Don Butcher

RE: BHY #1-20 Well
NW/4 Section 20-15S-42W
Wallace County, Kansas
Alternate II Cement Job

Gentlemen:

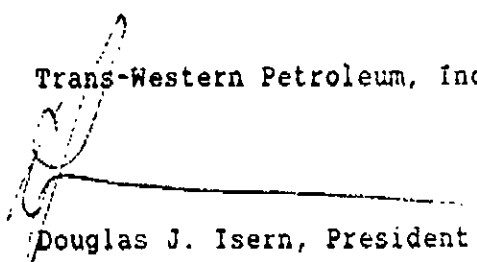
On 3/16/90 at the request of the state we ran a temperature survey in the above referenced well to ascertain if there was communication between the water bearing zones. This survey was interpreted by Cable Inc. who concluded that there was no evidence of communication of any zones from surface down to 2200 feet. A copy is attached of their letter along with the survey. On March 2, I traveled to Colby to meet with Don Butcher to discuss the results of the survey and the wishes of the State in this matter. Mr. Butcher outlined three options open to us in order to comply with the second stage cement obligations:

- A) We could request a hearing for a determination from the KCC.
- B) We could provide evidence through SP and resistivity logs that the Dakota was greater than 20,000 ppm chlorides and therefore unusable in this area.
- C) Or, we could squeeze the Dakota by perforating between 1550 and 1570 and displacing 100sxs of cement through the perforations and 100sxs down the backside.

In accordance with these options we would like to elect option "C" in order to comply in full with the second stage cement requirement. Thank you very much.

Sincerely,

Trans-Western Petroleum, Inc.


Douglas J. Isern, President

FAX cc: Shari Fiest

J. F. KERKER
President



Telephones
303-822-4761 - 522-4764

PRODUCTION ENGINEERING

440 - 442 SOUTH FRONT STREET
BOX 590
STERLING, COLORADO 80751

March 21, 1990

Trans-Western Pet. Inc.
P.O. Box 276
Golden, CO 80402

Attn: Douglas J. Isern (President)

Dear Sir:

After reveiwing the exploded view of the log on the BHY #1-20 Temperature Survey in does not appear to me that there is any communication between the Two Water Bearing Zones on the outside of the casing.

If you have any questions regarding this please feel free to call me at (303) 522-4761.

Sincerely,

CABLE INC.

A handwritten signature in cursive script that reads "Dennis O. Donoho".

Dennis O. Donoho
Coordinator

DOD/dmc

enc.

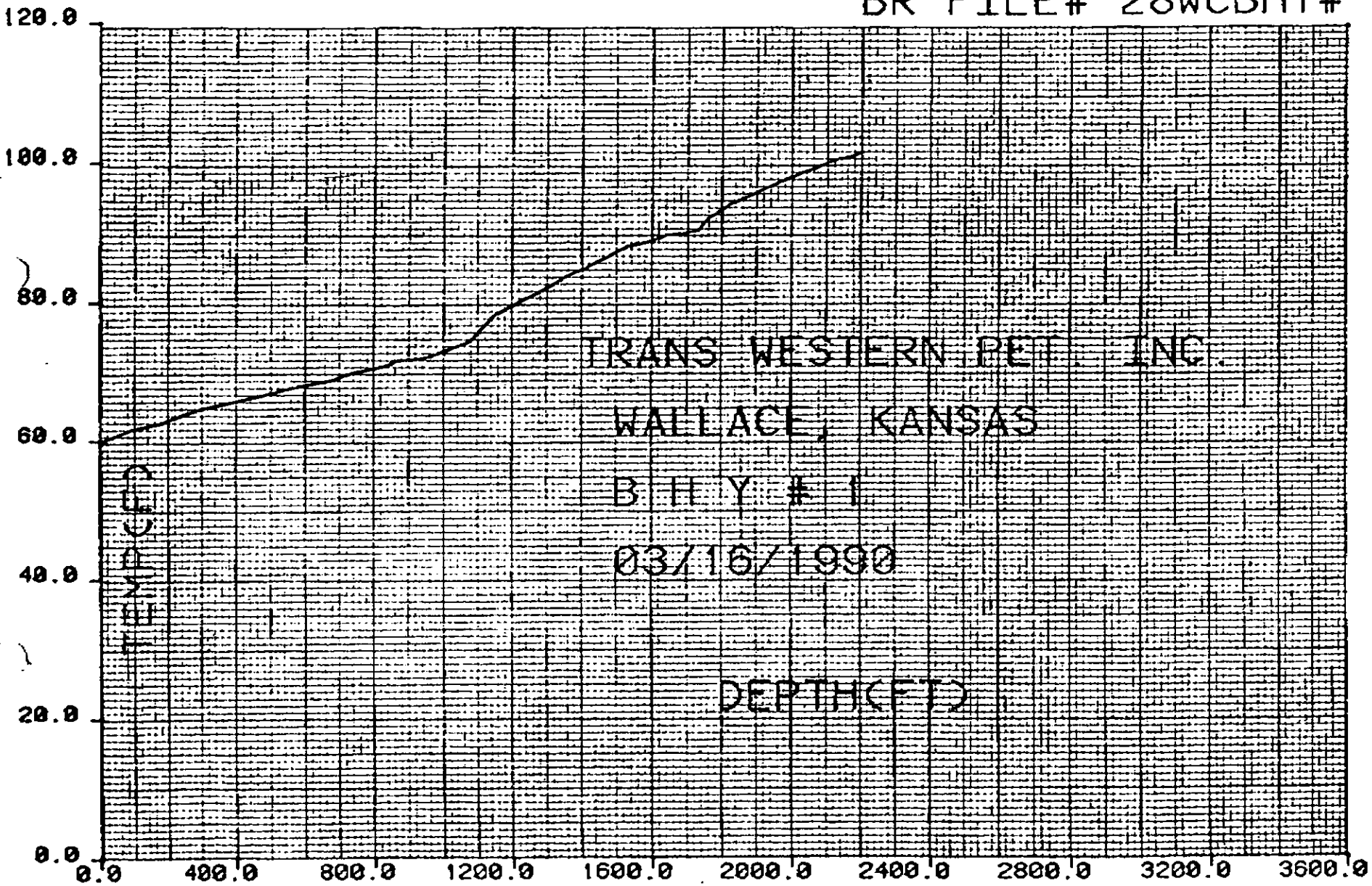


STERLING, CO 80751
(303) 522-4761

10 x 10 TO 1/4 INCH
6 x 9 INCHES

BR FILE# 28WCBHY#

03/26/1990 08:15 FROM TRANS-WESTERN PETROLEUM TO 913162636927 P.03



TRANS WESTERN PET INC

WALLACE, KANSAS

B H Y # 1

03/16/1990

DEPTH(FT)



TRANS - WESTERN PETROLEUM, INC.

February 2, 1990

Kansas Corporation Commission
Oil and Gas Conservation Division
Colorado Derby Building, Suite 200
200 West First Street
Wichita, Kansas 67202
Attn: Ms. Shari Feist Albrecht

ST. ...
FEB 5 1990
CA ...

RE: BHY #1-20 Well
NW/4 Section 20-15S-42W
Wallace County, Kansas
Alternate II Cement Job

Gentlemen:

The subject well was completed as a well capable of producing dry gas from perforations from 5124 feet to 5130 feet in the upper Morrow sand. Flow was gauged at 2.96 MMCFD after twenty four hours, with an established shut-in tubing pressure of 590 psi. Gas analysis shows a heating value of 500 BTU/cf with 59% nitrogen. The well will remain shut in until a market can be developed.

A Baker port collar was installed in the 5 1/2 inch production casing at a depth of 2006' for the purpose of conducting an Alternate II cement job. Dakota sand is from 1490 feet to 1670 feet, and Cheyenne from 1820 feet to 1850 feet. Surface casing is 8 5/8 inch set at 362 feet and cemented to surface, with returns. Severe lost circulation problems were encountered while drilling from 368 feet to 850 feet and again from 2000 feet to 2045 feet.

An attempt to complete the Alternate II cement job was made on December 16 and 17, 1989. A retrievable bridge plug was set at 4000 feet to isolate the Morrow perforations. The port collar was then opened and pressured repeatedly to 1000 psi without any leak off. The casing was then perforated above the port collar at 1996 feet and again from 1991 to 1992 feet. Pressure was applied to 1500 psi without any leak off. A variable density bond log was then run from 2050 feet to surface. This log shows probable bridges at 1868 feet to 1876 feet and at 1142 feet to 1146 feet, with high amplitude readings at numerous intervals in between. A free point was then established at approximately 1200 feet by pulling 12 inch of stretch in the casing with 100,000 pounds of pull.

Our conclusion is that the Dakota and Cheyenne sands are effectively isolated behind pipe between the intervals of 1145 feet and 1870 feet, and any attempt to pump cement between this interval would likely entail a breakdown of these formations. This would be counter-productive to protecting these zones. Further additional perforations in the casing could also provide



Kansas Corporation Commission
BHY #1-20 Alternate II Cement Job
February 2, 1990
Page 2 of 2

communication avenues for either the Morrow gas to charge the Dakota, or, conversely, Dakota water to invade the Morrow, should the cement squeeze channel or deteriorate at some later date.

We believe the objectives of isolating the Dakota and Cheyenne (and Ogallala) can best be accomplished by limiting additional perforations to a point above the freepoint and highest identifiable bridge (perforate at 1130 feet), and circulating cement to surface. A temperature survey would be run following this cement stage to confirm the placement of this cement column.

Thank you for your consideration of this proposal.

Sincerely yours,

TRANS-WESTERN PETROLEUM, INC.

James F. Marquis
Land Manager

JFM/hos

cc: Mr. Don Butcher
District 4, Hays, Kansas



Kansas Corporation Commission

MINI HA JEN
KEITH R. HENLEY
RICH KOWALEWSKI
MARGALEE WRIGHT
JUDITH M. CONNELL
FRANK A. CARO, JR.

GOVERNOR
CHAIRMAN
COMMISSIONER
COMMISSIONER
EXECUTIVE DIRECTOR
GENERAL COUNSEL

CONSERVATION DIVISION
SHARI FEIST ALBRECHT, DIRECTOR
200 Colorado Derby Bldg.
202 W. 1st Street
Wichita, KS 67202-1286
(316) 263-3238

December 21, 1989

James F. Marquis
Trans-Western Petroleum, Inc.
P.O. Box 276
Golden, Colorado 80402

Re: BHY #1-20
N/2 NW/4 20-15S-42W
Wallace County, Kansas

Dear Mr. Marquis:

This letter is written to inform you that you have been granted a 60-day extension of time to complete Alternate II cementing on the above described well.

Your original 120 days for completion expires on December 27, 1989. Your 60-day extension will expire on February 25, 1990. As a condition of granting this extension, I must request that you run a log to determine the temperature gradient in the well within three weeks from the date of this letter. Before running the log and completing the cementing of this well, please contact the Hays District Office at (913) 628-1200.

Extension of this time frame pursuant to K.A.R. 82-3-106, automatically extends the time period for filing the ACO-1, pursuant to K.A.R. 82-3-130.

If you have any questions in this regard, please do not hesitate to contact me. Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Shari Feist Albrecht".

Shari Feist Albrecht
Director

SFA:nao
cc: Don Butcher
Dennis Anderson
Dave Williams
Kris Moore
Janice Martin



TRANS - WESTERN PETROLEUM, INC.

BY UPS NEXT DAY MAIL

December 20, 1989

Kansas Corporation Commission
Oil and Gas Conservation Division
202 West 1st Street, Suite 200
Wichita, Kansas 67202
Attn: Ms. Shari Feist Albrecht

RE: Alternate II Cementing: Request for Extension
BHY #1-20 Well, N/2NW/4 Section 20-15S-42W
Wallace County, Kansas

Dear Ms. Albrecht,

Pursuant to K.A.R. 82-3-106, as supplemented, Trans-Western Operating Company, operator (#8458) of the above referenced well, attempted to complete the Alternate II cementing procedure to protect the usable water zones as set for District 4 this past week. Due to problems in the well bore, our attempts to complete this cementing procedure were unsuccessful. We were unable to displace any cement through the port collar into the annular space between the well bore and the production casing string, due to blockage most likely caused by heaving and sloughing shale material. A subsequent perforation of the casing string above the port collar and attempt to displace cement through these perforations yielded like results.

As the 120 day period provided pursuant to the aforementioned K.A.R. 82-3-106 will expire in the near future (December 27, 1989), please accept this letter as Trans-Western Operating Company's formal request that you grant us an extension of ninety (90) days in which to comply with this regulation. This will allow us time to evaluate the condition of the well bore and plan the most effective method of achieving compliance. We have been in contact with Mr. Don Butcher of the District 4 office regarding this problem, and are copying him with this letter.

We thank you for your attention in this matter, and consideration in granting us this extension of time. If you should need anything additional in this, or if you wish to discuss the situation, please do not hesitate to contact us.

Sincerely yours,

TRANS-WESTERN OPERATING COMPANY


James F. Marquis
Land Manager

JFM/hos

cc: Mr. Don Butcher, District 4

P.O. BOX 276

GOLDEN, CO 80402

(303) 279-2995

RECEIVED
DISTRICT 4
WICHITA, KANSAS

DEC 21 1989

WICHITA COUNTY
WICHITA, KANSAS

Must be approved by the K.C.C. five (5) days prior to commencing well

Expected Spud Date August 15 1989 Approx N/2 NW Sec 20 Twp 15 S, Rg 42W East West
month day year

OPERATOR: License # 8458
Name: Transwestern Operating Company
Address: P.O. Box 276
City/State/Zip: Golden, CO 80402
Contact Person: Doug Isern
Phone: 303-279-2995

4680 feet from South line of Section
3730 feet from East line of Section
(Note: Locate well on Section Plat Below)

CONTRACTOR: License #: 6033
Name: Murfin Drilling Company

County: Wallace
Lease Name: B.H.Y. Well #: 1-20
Field Name: ~~Cadder Creek Field~~ UNKNOWN

Well Drilled For: Well Class: Type Equipment:
 Oil ... Inj ... Infield Mud Rotary
 Gas ... Storage Pool Ext. ... Air Rotary
 OWWO ... Disposal ... Wildcat ... Cable
 Seismic; ... # of Holes

Is this a Prorated Field? ... yes no
 Target Formation(s): Morrow
 Nearest lease or unit boundary: 600'
 Ground Surface Elevation: ~~TBD EST. 3935'~~ feet MSL
 Domestic well within 330 feet: ... yes no
 Municipal well within one mile: ... yes no
 Depth to bottom of fresh water: 275'
 Depth to bottom of usable water: 1850' 1900'
 Surface Pipe by Alternate: ... 1 2
 Length of Surface Pipe Planned to be set: 350'
 Length of Conductor pipe required: N/A
 Projected Total Depth: 5300'
 Formation at Total Depth: Morrow
 Water Source for Drilling Operations:
 ... well ... farm pond other

If OWWO: old well information as follows:
 Operator: _____
 Well Name: _____
 Comp. Date: _____ Old Total Depth _____

Directional, Deviated or Horizontal wellbore? ... yes no
 If yes, total depth location: _____

DWR Permit #: _____
 Will Cores Be Taken?: ... yes no
 If yes, proposed zone: _____

AFFIDAVIT

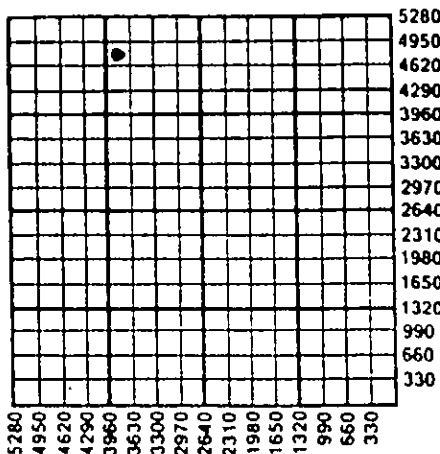
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

It is agreed that the following minimum requirements will be met:

1. The appropriate district office shall be notified before setting surface pipe;
2. The minimum amount of surface pipe as specified above shall be set by circulating cement to the top; in all cases surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation;
3. If the well is dry, a plugging proposal shall be submitted to the district office. An agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
4. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
5. If an Alternate II completion, production pipe shall be cemented from below any usable water to surface within 120 days of spud date. In all cases, notify district office prior to any cementing.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 8-3-89 Signature of Operator or Agent: Jack E. Goss, Agent for Operator Title: Drilling Manager



RECEIVED
 STATE CORPORATION COM.
 AUG - 7 1989
 CONECT. DIV.
 WICHITA, KANSAS

FOR KCC USE:

API # 15-199-20,178
 Conductor pipe required NONE feet
 Minimum surface pipe required 340' feet per Alt. X ②
 Approved by: DPW 8-07-89
 EFFECTIVE DATE: 8-12-89
 This authorization expires: 2-07-90
 (This authorization void if drilling not started within 6 months of effective date.)
 Spud date: _____ Agent: _____

20
15
42W

REMEMBER TO:

- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before disposing or injecting salt water.



Kansas Corporation Commission

MIKE HAYDEN
KEITH R. HENLEY
RICH KOWALEWSKI
MARGALEE WRIGHT
JUDITH McCONNELL
FRANK A. CARO, JR.

GOVERNOR
CHAIRMAN
COMMISSIONER
COMMISSIONER
EXECUTIVE DIRECTOR
GENERAL COUNSEL

District # 4
2301 E. 13th St.
Hays, Ks. 67601
(913) 628-1200

CONSERVATION DIVISION
SHARI FEIST ALBRECHT, DIRECTOR
200 Colorado Derby Bldg.
202 W. 1st Street
Wichita, KS 67202-1286
(316) 263-3238

M E M O

DATE: February 26, 1990
TO: Shari Albrecht
FROM: Don Butcher
RE: Trans Western Pet Inc. BHY #1-20 Well NW 20-15-42W
Wallace County, Kansas Alt. II Cement

Examination of well logs and sample logs in the area leave me with the opinion that the base of the Ogallala occurs near 225 feet. This is followed by the Smokey Hill chalk. It is my opinion that the lost circulation problem between 368 feet and 850 feet occurred because of a breakdown in the cement between the 362 feet of surface pipe and the Ogallala sand just above.

To prove or disprove this theory, it will be necessary to run a continuous temperature log from 1740 feet to the surface. I would prefer to witness this procedure.

The upper Dakota sand in this well is from 1490 feet to 1530 feet. The lower Dakota sand is from 1590 feet to 1670 feet. The Cheyenne sand is from 1820 feet to 1880 feet.

If we are to protect against downward drainage we would need to insure the placement of cement between the surface pipe and the production string from a depth of 400 feet to or near the surface.

If we are to protect the best water in the Dakota, we would need at a minimum, a 100 sks block squeeze at 1540 feet.

If we are to protect all of the Dakota sands from waters in the Cheyenne and below we would need a 100 sk block squeeze at 1680 feet.

My recommendation is to place a 100 sks block squeeze at 1540 feet followed by a bradenhead squeeze with the amount of cement needed to fill the annulus space behind the 5½ inch casing to 400 feet. The amount of cement should be increased by 25% to allow for cement loss.

The first step is the temperature survey.


Don

FEB 28 1990

Mike Hayden
Governor

Keith R. Henley
Chairman

Rich Kowalewski
Commissioner

Jack Shriver
Commissioner

Judith McConnell
Executive Director

Frank A. Caro Jr.
General Counsel



Kansas Corporation Commission

June 21, 1990

Trans-Western Petroleum, Inc.
ATTN: James F. Marquis
P.O. Box 276
Golden, Colorado 80402

Re: B. H. Y. #1-20
API # 15-199-20,178
N/2 NW/4 Sec 20-15S-42W
Wallace County

Dear Mr. Marquis:

By letter, dated December 21, 1989, you were granted an extension of 60 days to complete the Alternate II cementing on the above referenced well. This extension also applied to the filing of the ACO-1 Well Completion Report. The letter also required certain logs to be run.

This extension expired on February 25, 1990. I can find no record of the Wichita office receiving the ACO-1 Well Completion Report and associated logs and cementing tickets on this well.

Please submit the ACO-1 and attachments, to my attention, within 15 days of this letter. If I have not received the ACO-1 within 15 days, I will turn this matter over to the compliance department.

Failure to file the ACO-1 may result in an administrative penalty of \$500. Failure to complete the Alternate II cementing will result in a \$5000 administrative penalty.

Sincerely

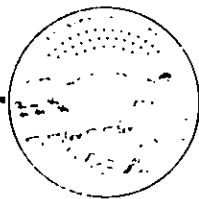
Handwritten signature of Dennis Anderson in cursive.

Dennis Anderson
Engineer

cc: District #4
Compliance
File

Enclosure: Extension letter

Conservation Division
Shari Feist Albrecht
Director
200 Colorado Derby Bldg.
202 W. 1st Street
Wichita, KS 67202-1286
telephone (316) 261-2338



Kansas Corporation Commission

ASST. TO CHIEF	GOVERNOR
KEITH R. HENLEY	CHAIRMAN
ERIC KOVALEWSKI	COMMISSIONER
MARGARET WRIGHT	COMMISSIONER
JUDITH M. GORRELL	EXECUTIVE DIRECTOR
FRANK A. CARO, III	GENERAL COUNSEL

CONSERVATION DIVISION
 SHARI FEIST ALBRECHT, DIRECTOR
 200 Colorado Derby Bldg
 202 W. 1st Street
 Wichita, KS 67202-1286
 (316) 263-3238

December 21, 1989

James F. Marquis
 Trans-Western Petroleum, Inc.
 P.O. Box 276
 Golden, Colorado 80402

Re: BHY #1-20
 N/2 NW/4 20-15S-42W
 Wallace County, Kansas

Dear Mr. Marquis:

This letter is written to inform you that you have been granted a 60-day extension of time to complete Alternate II cementing on the above described well.

Your original 120 days for completion expires on December 27, 1989. Your 60-day extension will expire on February 25, 1990. As a condition of granting this extension, I must request that you run a log to determine the temperature gradient in the well within three weeks from the date of this letter. Before running the log and completing the cementing of this well, please contact the Hays District Office at (913) 628-1200.

Extension of this time frame pursuant to K.A.R. 82-3-106, automatically extends the time period for filing the ACO-1, pursuant to K.A.R. 82-3-130.

If you have any questions in this regard, please do not hesitate to contact me. Thank you for your cooperation.

Sincerely,

Shari Feist Albrecht
 Director

SFA:nao

cc: Don Butcher
 Dennis Anderson ←
 Dave Williams
 Kris Hoore
 Janice Martin



TRANS - WESTERN PETROLEUM, INC.

June 25, 1990

Kansas Corporation Commission
200 Colorado Derby Bldg.
202 W. 1st Street
Wichita, Kansas 67202-1286

Att: Dennis Anderson

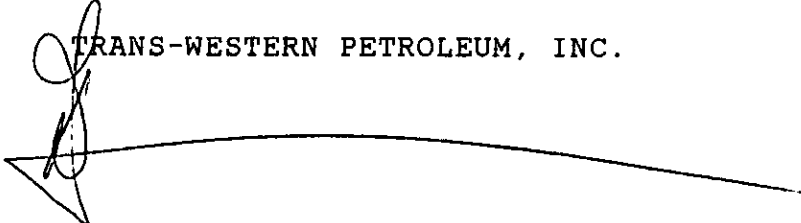
Gentlemen,

Enclosed are the documents requested in your letter of 7-21-1990. These documents were faxed to Don Butcher 4-30-90. We didn't realize that you didn't have a copy.

Thank You.

Sincerely,

TRANS-WESTERN PETROLEUM, INC.



Douglas J. Isern, President

encl.: letter 3-21-1990
Extension letter 4-20-90
Temp log
completion report
Cement Tickets
ACO-1

RECEIVED
KANSAS CORPORATION COMMISSION
JUN 2 1990
LEGAL SERVICES DIVISION
WICHITA, KANSAS



TRANS · WESTERN PETROLEUM, INC.

April 20, 1990
by FAX

Kansas Corporation Commission
Oil and Gas Conservation Division
District 4 Office
2301 East 13th Street
Hays, Kansas 67601
Attn: Mr. Don Butcher

RE: BHY #1-20 Well
NW/4 Section 20-15S-42W
Wallace County, Kansas
Alternate II Cement Job

Gentlemen:

With reference to our letter of March 21, 1990, we have been delayed in the execution of the option we chose in order to comply with the second stage cement requirement. Our engineer had scheduled this for last weekend. His father in law passed away ~~last~~ last week and he had to cancel these arrangements in order to drive back to Pennsylvania. We hope that he will be able to schedule this job within the next two to three weeks. Thank you for your patients in this matter.

Sincerely,

Trans-Western Petroleum, Inc.

Douglas J. Isern, President

*Agreed to by Falcione
4-20*

RECEIVED
STATE CORPORATION COMMISSION

JUL 2 1990

CONSERVATION DIVISION
Wichita, Kansas



PLEASE TYPE ALL INFORMATION

KANSAS CORPORATION COMMISSION
TEMPORARY ABANDONMENT WELL APPLICATION and SEVERANCE EXEMPTION REQUEST
ALL REQUESTED INFORMATION MUST BE SHOWN

TR# 4-002,370

OPERATOR LIC.# 8458
DATE 10/27/97
OPERATOR NAME Texas Western Operatin Co.
MAILING ADDRESS PO 276
CITY, STATE Golden, CO ZIP 80402
CONTACT PERSON Doug Isen PHONE 446-0828
PURCHASER (If Known) OLD: _____ NEW: _____

LEASE NAME But 1-20 SEC. 20 TWP. 53 RGE. 42W E/W COUNTY Waller
WELL # 1-20 SPOT LOCATION NEMW FEET FROM S/N LINE OF SECTION (circle one above)
API NO. 15-199-20128 FEET FROM E/W LINE OF SECTION (circle one above)
TYPE OF WELL* SIGW TOTAL DEPTH 5300
DATE DRILLED 8/25/89 DATE SHUT-IN 9/16/89
DOCKET NO. IF SWD OR ENIR _____
*TYPE OF WELL INDEX (circle one): OIL SWD ENIR WSW

SURFACE CASING

OTHER CASING

TEMPORARY ABANDONMENT CHECK BOX (Below):	PLUG BACK DEPTH	PLUG BACK METHOD	DEPTH TO FLUID FROM SURFACE	GL/DF/KB ELEVATION	SIZE	DEPTH	CEMENT AMOUNT	CONDITION OF CASING	OTHER CASING			
									SIZE	DEPTH	CEMENT AMOUNT	CONDITION OF CASING
INITIAL REQUEST <input checked="" type="checkbox"/>				3940 KB	8 7/8	362	200 SXS	Good	5 1/2	5299	250	Good
RENEWAL REQUEST _____	REASON FOR TA REQUEST: <u>GAS MARKET</u>											
SEVERANCE TAX EXEMPTION REQUEST (3 yr. inactive well) _____												

DEPTH AND TYPE OF TOOLS/JUNK IN HOLE _____
TYPE COMPLETION: ALT. I () ALT. II () DEPTH Perf 1560-1570 & SQZ CEMENT AMOUNTS 200 SXS
TUBING IN HOLE: 2 7/8" INCH AT 5076.5 FEET
PACKER TYPE: AD-1 Tension Packer SIZE 5 1/2 x 2 7/8 INCH SET AT 5076.5 FEET

GEOLOGICAL DATA: FORMATION NAME _____ FORMATION TOP _____ FORMATION BASE _____
1. Morrow At: 5705 to 5732 feet Perforation () or Open Hole ()
2. _____ At: _____ to _____ feet Perforation () or Open Hole ()
3. _____ At: _____ to _____ feet Perforation () or Open Hole ()

APPROVED to 10/29/98

DOCUMENT FOR THREE YEAR INACTIVE WELL SEVERANCE TAX EXEMPTION REQUEST ONLY: LIST PRODUCTION VOLUMES OF OIL or GAS PRODUCED FOR THE PAST THREE YEARS PERIOD FOR THIS WELL BY MONTH AND YEAR AND ATTACH LAST THREE YEARS OF COUNTY RENDITION FORMS. CHECK VOLUME TYPE: OIL _____ GAS _____

MONTHS: _____

19__														
19__														
19__														

DO NOT WRITE IN THIS SPACE - KCC USE ONLY
DATE TESTED _____ RESULTS _____ DATE PLUGGED _____ DATE REPAIRED _____ DATE PUT BACK IN SERVICE _____

REVIEW COMPLETED BY: _____ SEVERANCE TAX EXEMPTION APPROVED? YES () NO () COMMENTS: MAY, KS T.A. APPROVED: YES () DENIED ()



TRANS - WESTERN PETROLEUM, INC.

May 8th, 1997

Registered Mail

Mr. Jim Hemmen
Kansas Corporation Commission
Wichita State Office Building
130 S. Market, Room 2078
Wichita, Kansas 67202-3802

RE: Information Demand Letter April 10, 1997

Dear Mr. Hemmen,

Enclosed are copies of the following:

1. Precision Well Testing Natural Gas Analysis Report
2. Flow Test 9-25-89
3. Pipeline Map

The new tests you requested cannot be run due to pipeline back pressure conditions. The well continues to be shut-in pending the installation of a new compressor by Marathon and price. The flow test conducted in 1989, along with the required forms, were provided to Don Butcher at that time by Wayne Stack our engineer. When Marathon has installed a new compressor and there is a market for the Helium we will retest the well prior to production and file the new forms you requested. The enclosed pipeline map was prepared by Marathon and is the only one provided to us. Marathon built the pipeline and may have other maps. They also conducted flow tests on this well and may provide you with them.

Sincerely,



Douglas J. Isern, President

cc: Dave Williams
William Wix

RECEIVED
KANSAS CORP COMM
1997 MAY -9 P 12:41



TRANS - WESTERN PETROLEUM, INC.

May 8th, 1997

Registered Mail

Mr. Jim Hemmen
Kansas Corporation Commission
Wichita State Office Building
130 S. Market, Room 2078
Wichita, Kansas 67202-3802

RE: Information Demand Letter April 10, 1997


Dear Mr. Hemmen,

Enclosed are copies of the following:

1. Precision Well Testing Natural Gas Analysis Report
2. Flow Test 9-25-89
3. Pipeline Map

The new tests you requested cannot be run due to pipeline back pressure conditions. The well continues to be shut-in pending the installation of a new compressor by Marathon and price. The flow test conducted in 1989, along with the required forms, were provided to Don Butcher at that time by Wayne Stack our engineer. When Marathon has installed a new compressor and there is a market for the Helium we will retest the well prior to production and file the new forms you requested. The enclosed pipeline map was prepared by Marathon and is the only one provided to us. Marathon built the pipeline and may have other maps. They also conducted flow tests on this well and may provide you with them.

Sincerely,



Douglas J. Isern, President

cc: Dave Williams
William Wix

STATE OF KANSAS
MAY 9 1997
CONSERVATION DIVISION
WICHITA, KANSAS

9-25-89 STIP - 590 psi @ 9 AM, 9-24-89. Opened well to pit through 2" flow prover with 1" orifice plate and gauged as follows:

<u>Hours</u>	<u>Pressure</u>	<u>Estimated MCFD</u>	<u>Comments</u>
0	590psig	0	Shut in 186 hours
0.5	320	6,315	
1	260	5,130	Slug wtr-est 15
2	180	3,550	
3	150	2,960	
4	160	3,550	
8	150	2,960	
12	150	2,960	
24	150	2,960	Dry Gas

Shut in @ 9 AM 9-25-89.

STATE OF KANSAS
FILED
MAY 9 1989
CONSERVATION DIVISION
Wichita, Kansas



P.O. Box 1155
Lamar, Colorado 81052
Telephone 719/336-3201

April 17, 1997

Mr. Jim Hemmen
Kansas Corporation Commission Conservation Division
Wichita State Office Building
130 S. Market, Room 2078
Wichita, KS 67202-3802

Re: KCC Requirements Relative To The B.H.Y #1-20 Gas Well
KCC letter Dated April 10, 1997

Dear Mr. Hemmen:

In your letter to Trans-Western Operating Company dated April 10, 1997, regarding the B.H.Y. #1-20 gas well, you referenced Marathon Oil Company as receiving produced gas from this well for injection in our Stockholm Unit gasflood.

This information is incorrect. We do not purchase any gas from the B.H.Y. #1-20 or from Trans-Western Operating Company and do not intend to do so in the future. Currently, the gas for our flood is supplied solely from Horseshoe Operating Company's Hinriches #1 well located in Sec. 7, 15S, 42W.

Marathon Oil Company apologizes for any inconvenience this misinformation has caused. If you have any further questions, please contact the undersigned at (719) 336-3201.

Sincerely,

MARATHON OIL COMPANY

A handwritten signature in cursive script that reads 'Jennifer Miskimins'.

Jennifer Miskimins
Production Supervisor
Lamar, CO, Production Area

JLM:rg

cc: W. T. Reish
D. J. Haman



Kansas Corporation Commission

Bill Graves, Governor Timothy E. McKee, Chair Susan M. Seltsam, Commissioner John Wine, Commissioner
Judith McConnell, Executive Director David J. Heinemann, General Counsel

May 12, 1997

Doug Isern
Trans-Western Petroleum, Inc.
P.O. Box 276
Golden, CO. 80402-0276

RE: Inability At Present Time
To Test Your BHY #1-20
Gas Well and Future Plans
Regarding Same

Dear Mr. Isern:

We appreciate your response to my Notice-of-Violation letter dated April 10, 1997 regarding testing of the BHY #1-20 gas well for open flow potential.

I've been directed by senior level staff to ask you a couple of questions.

- [A] Approximately how long will it be before Marathon Petroleum has the needed new compressor installed and running?
- [B] What does the availability of a market for "the Helium" have to do with the possible future startup of your BHY #1-20 gas well? Is this something that's being actively pursued at the present time?
- [C] Has the BHY #1-20 well had a regular orifice meter on it in the past when it was producing natural gas into Marathon's line? If so, were the produced volumes measured and recorded?

By the way, the 1989 flow test would never have been accepted by the State Corporation Commission staff in 1989 because all it provided was raw data that still needed the requisite engineering calculations performed on it to convert the data to an absolute wellhead open flow potential. Not only that, but the data needed to be transcribed over to the two standard Commission testing forms, Form CG-1 and Form G-2. However, these omissions could have been easily corrected at the time and the testing results been resubmitted.

In conclusion, was there one more open hole resistivity log from the drilling of the BHY #1-20 well that you might have inadvertently overlooked when you mailed those other logs?

We would sure appreciate your sending us a copy of this log.

M.L. Korphage, Conservation Division Director

Conservation Division, Wichita State Office Building, 130 S. Market, Room 2078, Wichita, Kansas 67202-3802 (316)337-6200

Page 2
May 12, 1997

I can't tell from the copy of the pipeline map you sent us what the diameter of the line that picks up the gas from the BHY #1-20 well is. Is it 3 inches or 4 inches or what?

Again, thank you very much for your assistance up to this point. I will look forward to your reply.

Warmest regards,

Jim Hemmen
Research Analyst

cc: William J. Wix
Assistant General Counsel

Dave Williams
Production Department Supervisor

jlp



Copy to: Jim Hemmen

Kansas Corporation Commission

Bill Graves, Governor Timothy E. McKee, Chair Susan M. Seltsam, Commissioner John Wine, Commissioner
Judith McConnell, Executive Director David J. Heinemann, General Counsel

August 15, 1997

Trans-Western Operating, Inc. #8458
P.O. Box 276
Golden, Colorado 80402-0276
(303) 279-2995

Re: B.H.Y. Lease
Well #1-20
60'N&100'W.of W2 NE NW/4 20-15-42W
Wallace County, Kansas

Attention: Operator

Commission records indicate that the above referenced well was last owned and/or operated under your name and that the well appears to have been abandoned and unplugged longer than ninety (90) days. Furthermore, there is no record at the Conservation Division Office that current temporary abandonment status has been requested or granted.

K.A.R. 82-3-111 states in part:

(a) Within 90 days after operations cease on any well drilled for the purpose of exploration, discovery, service or production of oil, gas or other minerals, the owner or operator of the well shall:

- (1) Plug the well; or
- (2) File an application with the Conservation Division requesting temporary abandonment, on the forms prescribed and furnished by the Conservation Division.

This letter is to serve notice that the above referenced well is in violation of K.A.R. 82-3-111. Said well must be plugged immediately or classified as a temporarily abandoned well, provided approval is granted, by filing a CP-111 Form with the Kansas Corporation Commission, Conservation Division: Attention Marvin Miller, 2301 E. 13th Street, Hays, Kansas 67601, (913) 628-1200.

This needs to be accomplished by September 15, 1997. Your prompt attention will be appreciated.

Sincerely,
Marvin L. Miller

Marvin L. Miller
Temporary Abandoned
Well Coordinator

MM/sp

cc: Compliance (Topeka)
District #4 File



TRANS - WESTERN PETROLEUM, INC.

April 14, 1997

Registered Mail

Mr. Jim Hemmen
Kansas Corporation Commission
Wichita State Office Building
130 S. Market, Room 2078
Wichita, Kansas 67202-3802

RE: Information Demand Letter April 9, 1997

Dear Mr. Hemmen,

Enclosed are copies of the following:

1. Letter from the KCC to TWP 6-21-90
2. Letter from TWP to the KCC 4-20-90
3. Letter from TWP to the KCC 3-21-90
4. Letter from TWP to the KCC 2-2-90
5. Letter from TWP to the KCC 12-29-89
6. Letter from the KCC to TWP 12-21-89
7. Letter from TWP to the KCC 12-20-89
8. Letter from the KCC to TWP 12-5-89
9. Temperature Survey and Report from Cable Inc. 3-21-90
10. Electric Logs: Sonic Cement Bond Log, Variable intensity bond log, Radiation Log, Density/Neutron
11. Copies of Cement Tickets
12. Geological Report
13. ACO-1 6-28-90
14. ACO-1 4-14-97 with notary

As evidenced from the prolonged correspondence in 1989 and 1990, all of the information you are now demanding, and more, was previously provided to the KCC. Undoubtably the KCC would not have made the rulings concerning this well with out complete information. In 1990, when we met with Don Butcher in Hays, he had a complete file on this well including a flow test. He and I referred to the file several times during that meeting. If we were negligent in providing information he would most certainly have informed us at that time. I trust that the enclosed, which has been gathered for you at significant expense, meets with your demands and that you will make copies of the logs and return them to us. Thank You.

Sincerely,

Douglas J. Isern, President

RECEIVED
KANSAS CORPORATION COMMISSION

MAY 05 1997

CONSERVATION DIVISION
WICHITA, KS

cc: Dave Williams
William Wix

P.O. BOX 276

GOLDEN, CO 80402

446-0828
(303) 279-2995



TRANS - WESTERN PETROLEUM, INC.

April 14, 1997

Registered Mail

Mr. Jim Hemmen
Kansas Corporation Commission
Wichita State Office Building
130 S. Market, Room 2078
Wichita, Kansas 67202-3802

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Sincerely,


Douglas J. Isern, President

cc: Dave Williams
William Wix

P.O. BOX 276

GOLDEN, CO 80402

446-0828
(303) 279-2995

04/15/97
11:00 AM
KANSAS CORPORATION COMMISSION
WICHITA, KANSAS



TRANS - WESTERN PETROLEUM, INC.

May 29th, 1997

~~Registered Mail~~

RECEIVED
STATE CORPORATION COMMISSION

Mr. Jim Hemmen
Kansas Corporation Commission
Wichita State Office Building
130 S. Market, Room 2078
Wichita, Kansas 67202-3802

JUN 2 1997

CONSERVATION DIVISION
Wichita, Kansas

RE: Information Demand Letter May 12, 1997

Dear Mr. Hemmen,

In answer to your letter of May 12, 1997 is the following:

[A] To the best of my knowledge the new compressor has been scheduled for this summer.

[B] The Helium Market is significant in that Helium sells for \$34/MCF and this well has a high percentage. I have enclosed recent press releases on this concerning development plans of UPRC.

[C] The production history is attached. All production was through a regular orifice meter and gauged by Marathon. We made production reports and paid advalorum taxes but no severance taxes on the production since the gas was reinjected.

The flow tests were filed by Wayne Stack, who tells me that they were filed using the form required at the time since the purpose of the flow tests were to report to the KCC. We did not have a gas market at the time and cannot find a copy of the forms we filed. Marathon also performed a four point test. We have asked them for a copy and will send it to you if they comply with our request.

We were not able to run a resistivity log in this well because of hole problems at the time.

I believe that Marathon's pipeline is a 4" fiberglass line.

Sincerely,

Douglas J. Isern, President

cc: Dave Williams
William Wix



TRANS - WESTERN PETROLEUM, INC.

May 29th, 1997

~~Registered Mail~~

Mr. Jim Hemmen
Kansas Corporation Commission
Wichita State Office Building
130 S. Market, Room 2078
Wichita, Kansas 67202-3802

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We were not able to run a resistivity log in this well because of hole problems at the time.

I believe that Marathon's pipeline is a 4" fiberglass line.

Sincerely,

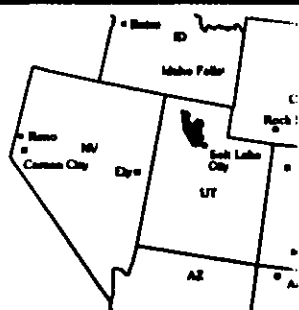
Douglas J. Isern, President

cc: Dave Williams
William Wix

KANSAS CORPORATION COMMISSION
MAY 29 1997 4 3:07

OIL JOURNAL

ESTABLISHED IN 1921 AS THE MONTANA OIL JOURNAL • PUBLISHED WEEKLY



Oil & Gas news from the Mountains & Great Plains

June 77 No. 14

April 4, 1997-April 10, 1997

Union Pacific to target helium potential-SE Colorado

Union Pacific Resources Group Inc. (UPR) has announced it will invest approximately \$100 million in eastern Colorado to develop several natural gas fields which contain high concentrations of helium. The project will include drilling natural gas wells, construction of a gathering and compression infrastructure, a natural gas processing plant and a helium liquefaction facility. In addition to helium and natural gas, the facility, to be located near Cheyenne Wells, will also produce natural gas liquid (NGL) products.

The combined facilities will employ up to 16 people and will have an annual payroll in excess of \$550,000. The plant will be located on a 25-acre site one mile south of U.S. Hwy. 40, southwest of Cheyenne Wells in Cheyenne County. The new employees will be in addition to the 26 UPR employees who currently work out of UPR's Cheyenne Wells office.

The facility will operate 24 hours a day, processing 35 million cubic feet per day (MMcfd) of natural gas and producing liquid helium for ultimate use in high-technology processes. If necessary, the plant may be expanded to process a total of 50 MMcfd. Praxair Inc., a Danbury, Conn., industrial gas company, will purchase the liquid helium produced in Cheyenne Wells.

Liquid helium is used to cool super-conducting magnets in medical magnetic resonance imaging (MRI) systems. Additionally, the fiber optic industry uses helium in the manufacturing of fiber optic strands.

"I welcome this investment by Union Pacific Resources," said Colorado Governor Roy Romer. "By creating these value-added jobs tied to the high-tech world, UPR is helping to diversify the economy in eastern Colorado - an important part of our

efforts to make sure rural Colorado shares in the state's strong economic growth."

Jack L. Messman, chairman and CEO of UPR, said the new facility represents a new strategic direction for his company, increasing the value of its more than 7.5 million acres of land grant property in eastern Colorado and southwest Wyoming.

"Colorado remains strategically important to UPR, because this facility represents our entry into the helium production market," Messman said, "Helium's growing importance to the high-tech industries has created dramatically higher demand. Our Colorado facility will play a critical role in meeting that demand."

Cheyenne County officials said the now processing facility continues its longstanding partnership with UPR. Cheyenne County has benefited from not only the tax base that UPR represents but also the general activity that UPR has brought to the area. Over the past three years, UPR has paid in excess of \$4 million in taxes to Cheyenne County. The county feels that building a community/industry relationship with a company as strong as Union Pacific Resources benefits both the local economy and UPR.

"The commission has worked hard with UPR to make Cheyenne County a productive, workable investment for this new high-tech facility," said county commissioner Jerry Allen. "UPR has been one of the leaders in our economic development and we are pleased they have chosen to expand their presence here with a forward-looking project. This project will benefit all of Cheyenne County with construction jobs, production jobs, and production revenue to mineral owners as well as tax base for the county."

UPR has been active in eastern Colorado since 1979. Today,

continued on page 3

Red River stakings noted-Sheridan, Richland Counties, Montana

Drilling activity in the northeastern portion of Montana continues at a steady pace. Two companies, Collins & Ware (C & W) and Texaco have staked more locations on the Montana portion of the Williston Basin. In Richland county, Midland based Collins & Ware is proposing to drill a Red River test 23 miles northwest of Sidney and about one and a half miles northeast of Red Water East field, a one well Ordovician

Energy have shot about 145 miles of 3-D seismic and it is reported that several other Red River prospects are in the works, one of which is rumored to be in the nsw 1-22n-55e.

Moving north into Sheridan county, Texaco is continuing to exploit the Red River with their drilling program near Reserve field and Colored Canyon field. In Reserve field, Texaco is planning to drill the #1 Tailwynd nene 31-33n-56e and to the southeast four miles at Col-

Northern BLM sale averages \$10.12 per acre-Billings County tract \$80 per acre

At the most recent Northern BLM sale held in Billings Montana, 108 tracts totaling 54,576.32 acres received bids. Thirty one parcels comprising 10,125.62 acres drew no bid. Total bonus taken in at the sale was \$552,269.75 representing a per acre average of \$10.12. High bid at the sale went to two companies who

CRUD

Effective Date AREA

West Texas Int-
Central Mont-
Northwest Mon
Williston Basin
No. Dakota-Bill
Fryburg-Medon.
Wyo. & So. M.
Wyoming Sw-
Williston Basin
North Central t
Four Corners ..
Nebraska

RI

As reported by Hughes Christensen
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North Dakota
South Dakota
Wyoming
Nebraska
Colorado
New Mexico
Utah
Nevada
TOTAL US
Canada - Land

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Denver, Co 80209
Rocky Mountain Oil
ver. CO 80209 Mail
de: \$55.00/annual
advance. Jerry Dots.

THANK YOU

they operate 195 wells. UPR's net production from these wells and wells in which they own an interest but do not operate is 4,050 barrels of oil per day, 6.1 million cubic feet of natural gas per day and 300 barrels of NGL's per day. UPR anticipates drilling 30 wells to support the facilities being constructed under this project with additional wells to be drilled on an ongoing basis.

Gas that is produced in eastern Colorado is characterized by its high nitrogen content and low BTU (British Thermal Unit) value. Heretofore, the gas developed in eastern Colorado was transported to gas and helium plants in Kansas for processing. This arrangement has caused both operational and economic challenges. Operationally, the pipelines transporting the gas and the plants in Kansas have a limited amount of capacity thereby restricting the amount of eastern Colorado gas that can physically be processed. Economically, it was very costly to transport the gas to a plant located more than 100 miles away.

UPR has, for some time, recognized the value of the low BTU and high helium content gas but has struggled with the reliability and cost of transportation and the capacity constraints that exist. By developing the gas processing and helium complex in eastern Colorado, UPR has developed a solution that will be mutually beneficial to all eastern Colorado producers as well as to the state of Colorado. By building a new facility, the transmission costs will be substantially reduced and the capacity constraints will no longer exist. This will allow more wells to be drilled. More wells translates into additional production for area producers and more tax revenues for the state of Colorado. Additionally, more production means more

jobs for the local community.

The UPR plant will utilize a cryogenic extraction process to recover NGL's and helium from the inlet gas stream. A pressure swing adsorption process will be used to purify the helium. The purified helium may then be marketed as Grade-A, gaseous helium or may be liquefied through an additional cryogenic process which will be available at the plant.

The UPR facility has received appropriate zoning from Cheyenne County and has applied for the necessary permitting from the Colorado Department of Health. UPR will commence construction of the facilities in the third quarter of 1997 and expects to be in service by the second quarter of 1998.

With the construction of UPR's helium plant in Colorado, one company that is sure to take notice is Exxon. Exxon is currently one of the largest, if not the largest helium producer in the Rocky Mountain region. Exxons primary reserves of helium derives from the company's giant Schute Creek gas plant in Lincoln County on the Greater LaBarge platform area of southwestern Wyoming. For 1995 Exxon produced 227,773,777 mcfg within the state of Wyoming. The majority of this gas is produced at the Schute Creek plant. The bulk of this LaBarge gas that Exxon produces is CO₂, associated with slighter components of methane and helium. Both the methane and helium are stripped from the CO₂ for sales and what Carbon Dioxide is not sold for injection and other commercial purposes is vented. According to state production reports, for the month of January, 1997, Exxon sold approximately 2,809 mcfd of helium. Not confirmed by Exxon, it has been reported that the price of helium has been as high as \$70 per mcf.

RIG SPOTTER

Ashby	1	Bataa	D.J.
Aahby	2	Colo. Energy	D.J.
Kudu	1	Mull Drilling	D.J.
Nabors	414	Barrett	Uinta
Nabors	457	Barrett	Uinta
Nabors	488	Barrett	Uinta
Nabors	931	Marathon	Uinta
Nabors	968	HS Resources	D.J.
Nabors	972	HSR	D.J.
Caza	81	Chesapeake	Williston
Caza	71	Wynn Expl.	Williston
Caza	74	Murphy Expl.	Williston
Nabors	49	Texaco	Williston
Nabors	337	Samedan	Williston
Nabors	350	Continental	Williston
Nabors	354	Wascana	Williston
Nabors	416	Collins & Ware	Williston
Nabors	455	Burlington	Williston
Caza	46	Chesapeake	Williston
Nabors	38	Conoco	Williston
Nabors	52	Burlington	Williston
Nabors	59	Continental	Williston
Nabors	265	Conoco	Williston
Nabors	267	Burlington	Williston
Nabors	417	Missouri R.	Williston
Nabors	557	Continental	Williston
Nabors	558	Burlington	Williston
Nabors	560	Burlington	Williston
Nabors	592	Continental	Williston
Wolverine	22	EM Davis	Williston
Nabors	296	Evertson	D.J.
Nabors	969	Evertson	D.J.
4 Corners	14	Burlington	San Juan
Walters	5	Burlington	San Juan
Nabors	42	Continental	Williston
Nabors	684	Summit Res.	Williston
Caza	16	Coastal	Uinta
Caza	56	Inland	Uinta
Caza	59	Coastal	Uinta
Chandler	1	Enron	Uinta
Nabors	280	GRCL	Uinta
Parker	235	Anschutz	Green River
Quaries	24	BTA	Green River
SST	56	UPRC	Green River
Union	17	Balcon	Uinta
Caza	11	Cabot	Green River
Caza	12	Gross Timbers	Green River
Caza	23	Vessels	Green River
Caza	77	KCS Res.	Big Horn
Cyclone	7	Samedan	Powder River
Elenburg	14	Flying J	Wind River
Nabors	181	Marathon	Big Horn
Nabors	268	Marathon	Green River
Nabors	907	Marathon	Big Horn
Nabors	909	Yates	Powder River
Nabors	911	Amoco	Green River
Nabors	914	Barrett	Green River
Nabors	930	BTA	Green River
Nabors	934	Bataa	Big Horn
Nabors	937	Amoco	Green River
Nabors	941	Snyder	Big Horn
Nabors	946	Amoco	Green River
Norton	6	Wexpro	Green River
Parker	112	Amoco	Green River
Sauers	35	Forest Oil	Powder River
SST	2	Snyder	Green River
SST	88	UPRC	Green River
True	15	True Oil	Powder River



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UP Resources targets helium

Plans call for \$100 million to develop drilling in Cheyenne County

By Kerri S. Smith
Denver Post Business Writer

Union Pacific Resources Group of Fort Worth will spend \$100 million to develop several natural-gas fields in eastern Colorado in the next year — but the company won't after 97 percent of the natural gas it will pump.

Union Pacific officials want the helium that makes up 2.5 percent to 3 percent of the natural gas underground.

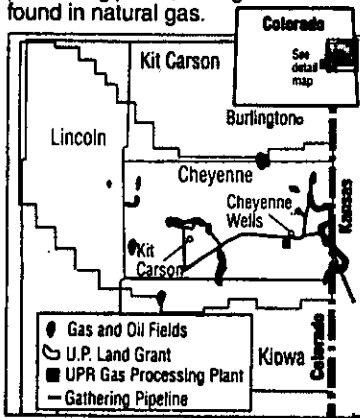
The fields, which are near Cheyenne Wells in Cheyenne County, represent the world's richest deposit of helium, said George Lindahl, Union Pacific president and chief operating officer.

"This is obviously very good news for Colorado," said Cliff Dodge, executive vice president of the Rocky Mountain Oil and Gas Association. The trade group represents 300 firms and individuals.

"Their geologists have told them the time is right to invest more, but Union Pacific already is a major player in Colorado," Dodge said. It is an excellent company with a

Where the helium is

Union Pacific will pour \$100 million into drilling dozens of natural-gas wells, laying pipelines and building two processing plants, all to garner helium, found in natural gas.



Source: Union Pacific Resources Group Inc.

reputation as a good steward of the land it explores and produces on."

Union Pacific is interested in helium because it has an increasing number of high-tech uses. It is used

as a "super coolant" in several machines, including the MRI, or magnetic resonance imaging machine, used to detect tumors and other physical problems. Helium also is used in fiber optics, welding, deep-sea diving and even in space shuttle operations.

Union Pacific will pump and process the helium, along with the natural gas accompanying it. That means drilling wells, laying pipelines and building two processing plants, one for helium and one for natural gas.

The project means 16 new jobs and an annual payroll of \$550,000, Lindahl added.

Once the helium is ready for market, a second company, Praxair Inc. of Connecticut, will take over, distributing and selling it in liquid form. Some of the helium will be marketed overseas.

"This is exciting, because we are opening up a brand-new producing area for us," Lindahl said.

The natural gas that will be pumped out with the helium is of poor burning quality because it

contains 50 percent nitrogen, Lindahl said. Union Pacific will vent the nitrogen and process the remains into natural-gas liquids. The natural gas liquids will be shipped to buyers via pipeline.

Union Pacific already operates 195 wells in eastern Colorado, most of them oil wells. From these wells, and other, partially owned wells, the company generates 4,050 barrels of oil, 6.1 million cubic feet of natural gas and 300 barrels of natural gas liquids daily.

Union Pacific is just one of dozens of companies drilling in Colorado that have beefed up exploration and production budgets for 1997, the gas association's Dodge said. Strengthening natural-gas prices are fueling much of the trend.

Union Pacific Resources Group Inc. is the largest independent oil and gas producer in the country. It was created in 1995, when Union Pacific Railroad spun off its oil and gas assets. The company has market capitalization of \$6.5 billion, Lindahl said.

AREA GAS PRICES

Prices yesterday at area filling stations for unleaded regular and unleaded premium gasoline, cash, self-serve.

Station & Location	Regular	Mid-Grade	Premium
B&B Conoco 3298 S. Broadway	\$1.169	\$1.299	\$1.399
Murray's Amoco 4901 Kipling St.	\$1.139	\$1.279	\$1.379
Total 61st Ave. & Federal Blvd.	\$1.129	\$1.209	\$1.309
Bowmar Amoco 5200 S. Lowell Blvd.	\$1.199	\$1.339	\$1.439
Lee & Tyler's Auto. Serv. 1570 S. Holly St.	\$1.229	\$1.369	\$1.469
Clay's Texaco 6395 E. Hampden Ave.	\$1.199	\$1.339	\$1.439
Avg. price yesterday	\$1.177	\$1.306	\$1.406
Avg. price last week	\$1.229	\$1.342	\$1.442

Gasoline prices dropped slightly in all three grades, according to the Denver Post's weekly survey of area service stations. Regular unleaded fell from \$1.229 a gallon last week to \$1.177 this week. Midgrade and premium unleaded each fell 3.6 cents.

WestPac mystery fares return for encore at \$89

The Denver Post

Western Pacific Airlines said it will offer new, low companion-fare and mystery-fare promotions beginning today for travel that must be completed by May 21.

One promotion offers a free companion ticket with any three-day advance purchase fare. It's good for all the flights in WestPac's route system. The airline serves 17 cities from its Colorado Springs hub.

The mystery fare promotion is for passengers originating travel in the Springs. Mystery fares are \$89 round-trip and destinations include four cities in the east — Newark, Washington, Orlando and Atlanta — and four in the west — Seattle,

San Francisco, Los Angeles and San Diego.

Mystery trips require a minimum one-night stay in the destination and travel is good through May 21, the airline said. WestPac said mystery trips can be booked on a special toll-free telephone line: 1-800-930-0303. Consumers are asked to select the dates they want to travel and designate either "Mystery East" or "Mystery West" cities, the airline said.

On Wednesday, Western Pacific also is expected to announce a new frequent flier program in connection with a new King Soopers Visa card. King Soopers Visa cardholders can accumulate mileage points redeemable for WestPac tickets.

We Make Your Goals

Creek Panther Office

BHYREV.XLS

BHY 1-20 GAS SALES

chk date	Mnth Prd	MCF	CASH	mcf/day
1/26/94	20-Dec	7344	\$3,672.00	245
2/1/94		0		0
3/2/94	Jan-94	15766	\$7,883.00	526
3/24/94	Feb-94	7958	\$3,979.00	265
4/1/94		0		0
5/3/94	Mar-95	12922	\$5,928.15	431
6/28/94	May-94	8840	\$4,952.85	295
7/28/94	Jun-94	13933	\$6,966.50	464
8/26/94	7/31/94	13398	\$6,699.00	447
9/27/94	Aug-94	11000	\$5,500.00	367
10/21/94	Sep-94	9125	\$4,562.50	304
11/23/94	Oct-94	11810	\$5,905.00	394
12/22/94	Nov-94	7256	\$3,628.00	242
1/25/95	12/24/95	8622	\$4,311.00	287
		127974	\$63,987.00	