Form 3160-3
(April 2004)

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. **UTU-079608**

6. If Indian, Allotee or Tribe Name **N/A**

7. If Unit or CA Agreement, Name and No. **N/A**

8. Lease Name and Well No. **DUGOUT CREEK FED'L. 31-4**

9. API Well No. **43-007-31057**

1a. Type of work: ☑ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone

2. Name of Operator **STONE ENERGY CORPORATION**

3a. Address **950 1TH. ST., SUITE 2600 DENVER, CO 80202-2828**

3b. Phone No. *(include area code)* **(303) 685-8000**

10. Field and Pool, or Exploratory **WILDCAT**

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface **871' FNL & 1777' FEL** 536416X 39642099
At proposed prod. zone **SAME** NWNE 4387912Y -110.575600

11. Sec., T. R. M. or Blk. and Survey or Area **4-14S-12E SLM**

14. Distance in miles and direction from nearest town or post office* **10 AIR MILES NORTHEAST OF WELLINGTON**

12. County or Parish **CARBON**

13. State **UT**

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any) **863'**

16. No. of acres in lease **1,893.89**

17. Spacing Unit dedicated to this well **NE4**

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

19. Proposed Depth **3,500'**

20. BLM/BIA Bond No. on file **RLB0002054**

21. Elevations (Show whether DF, KDB, RT, GL, etc.) **6,246' GL**

22. Approximate date work will start* **11/01/2005**

23. Estimated duration **4 WEEKS**

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature

Name *(Printed/Typed)* **BRIAN WOOD** Date **09/12/2005**

Title **CONSULTANT** **PHONE: (505) 466-8120** **FAX: (505) 466-9682**

Approved by *(Signature)*

Name *(Printed/Typed)* **BRADLEY G. HILL** Date 09-21-05

Title Office **ENVIRONMENTAL SCIENTIST III**

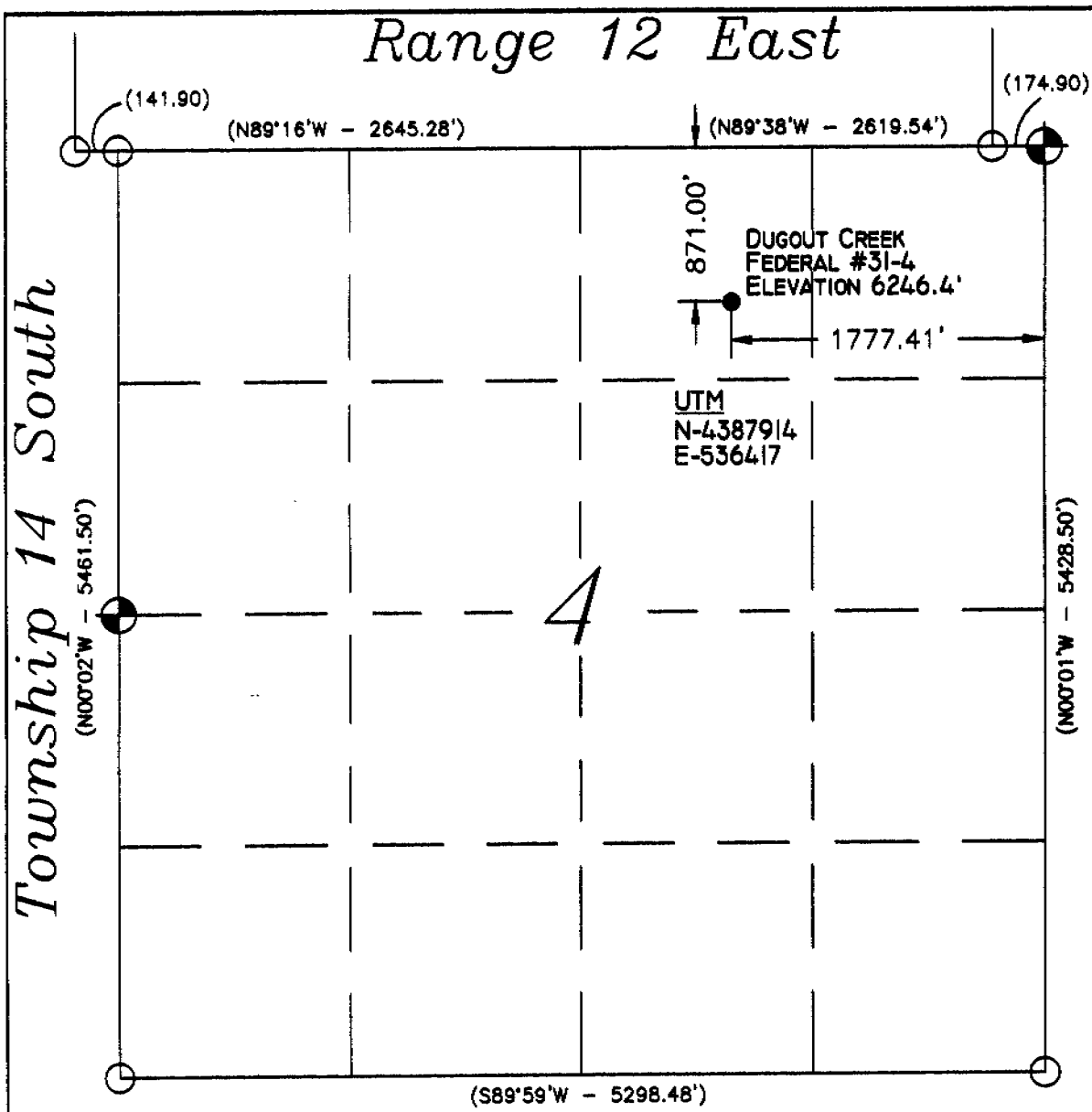
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**(Instructions on page 2)*

Federal Approval of this Action is Necessary

RECEIVED
SEP 16 2005
DIV. OF OIL, GAS & MINING



Legend

- ● Drill Hole Location
- ⊕ Brass Cap (Found)
- ○ Brass Cap (Searched for, but not found)
- △ Calculated Corner (From Reference Points)
- ( ) GLO
- GPS Measured

NOTE:
UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 27 DATUM.

LAT / LONG
39°38'31.632"N
110°34'32.121"W

Location:
The well location was determined using a Trimble 4700 GPS survey grade unit.

Basis of Bearing:
The Basis of Bearing is GPS Measured.

GLO Bearing:
The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

Basis of Elevation:
Basis of Elevation of 6178' being at the Southeast Section corner of Section 2, Township 14 South, Range 12 East, Salt Lake Base & Meridian, as shown on the Pine Canyon Quadrangle 7.5 Minute Series Map.

Description of Location:
Proposed Drill Hole located in the NW1/4 NE1/4 of Section 4, T14S, R12E, S.L.B.&M., being South 871.00' and West 1777.41' from the Northeast Section Corner of Section 4, T14S, R12E, Salt Lake Base and Meridian.

Surveyor's Certificate:
I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.

Registered Land Surveyor
6-13-05
No. 146652
Albert J. Spensko
State of Utah

GRAPHIC SCALE
0 500' 1000'
(IN FEET)
1 inch = 1000 ft.

TALON RESOURCES, INC.
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon@etv.net

ENERGY

Dugout Creek Federal #31-4
Section 4, T14S, R12E, S.L.B.&M.
Carbon County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. A-1	Date: 6/7/05
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 1771

Stone Energy Corporation
Dugout Creek Federal 31-4
871' FNL & 1777' FEL
Sec. 4, T. 14 S., R. 12 E.
Carbon County, Utah

Drilling Program

1. FORMATION TOPS

The estimated tops of important geologic markers are:

Formation Name	GL Depth	KB Depth	Elevation
Mancos Shale	0'	10'	6,246'
Ferron Sandstone & Coal	2,746'	2,756'	3,500'
Tununk Shale	3,246'	3,256'	3,000'
Total Depth (TD)*	3,500'	3,510'	2,746'

2. NOTABLE ZONES

Gas and coal are expected to be found in the Ferron. No fresh water is expected.

3. PRESSURE CONTROL

A minimum ≈10" x 2,000 psi double ram BOP with 2,000 psi choke manifold will be used from bottom of surface casing to TD. (A typical 2,000 psi BOP is on on the next page.) Actual model will not be known until the bid is let.) BOP system will be tested to 1,500 psi. System will be tested at least once every 30 days. Tests will be recorded in the driller's log. BOPs will be inspected and operated daily to assure good mechanical working order.

4. CASING & CEMENTING

Hole Diameter	O. D.	Weight	Grade	Thread	Age	Depth
12-1/4"	8-5/8"	24#	J-55	S T & C	New	350'
8-1/2"	5-1/2"	17#	N-80	L T & C	New	3,500'

Surface casing will be circulated to surface with ≈250 sacks Class G + 2% $CaCl_2$ + 1/4 pound per sack cello flake mixed at 1.17 cubic feet per sack and 15.8 pounds per gallon. Excess: >100%.

Production casing will be cemented to the surface with ≈50% excess. Will cement from TD to ≈2,500' with ≈230 sacks premium with 5 pounds per sack gilsonite + 0.6 pounds per sack Halad 9 + 0.25 pounds per sack cellophane + 15% salt mixed at 13.5 pounds per gallon, 1.49 cubic feet per sack, and 6.08 gallons water per sack. Will cement from ≈2,500' to surface with ≈390 sacks light with 5 pounds per sack gilsonite + 1/4 pound/sack cellophane + 15% salt mixed at 12.5 pounds per gallon, 2.20 cubic feet per sack, and 11.1 gallons per sack water.

5. MUD PROGRAM

Will drill surface hole with fresh water gel. Will drill from bottom of surface casing to top of Ferron with 8-9 pound non-dispersed gal base fluid with loss control of <12 cc. Lost circulation material will be on site. Will air drill Ferron with 2,400 scfm. Will use air mist if needed.

6. DATA GATHERING

No core or drill stem test is planned. Will run Gamma Ray log from surface to TD, Dual Induction and BHC Density/Neutron logs from BSC to TD, and Coal and High Res. Density logs from ≈2,500' to TD.

7. DOWN HOLE CONDITIONS

Maximum anticipated bottom hole pressure is <1,400 psi. No abnormal pressures, temperatures, or hydrogen sulfide are expected.

8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take ≈4 weeks to drill and complete the well.

Castleview Hospital is a 3/4 hour drive away in Price on 590 East 100 North. Their phone number is (435) 637-4800.

This APD is also an application for approval of an exception location. The well is staked 11' too far south and 3' too far east. I am requesting an exception because of geology. Stone believes the most efficient reservoir drainage pattern is near the center of 160 acres. Standard state wildcat spacing excludes the center of a quarter section.

The well is staked at 871' FNL & 1777' FEL on a 1,893.89 acre BLM lease. Stone is requesting permission to drill at 871' FNL & 1777' FEL 4-14s-12e. This is the only oil or gas well, existing or planned, in the quarter section. Furthermore, there are no other existing wells of any type within a 1 mile radius. Closest lease line is 863' west. Stone is owner of all drilling units within a minimum 863' radius of the proposed exception. Five of the 8 offset quarter sections are part of the same Stone lease. The quarter section drilling unit (SE4 Sec. 4) toward which the well encroaches is part of the same Stone lease.

Surface Use Plan

1. DIRECTIONS (See PAGES 11 & 12)

From the Chevron station in east Wellington on US 6/191 ...
Go North 5.5 miles on the paved Nine Mile Canyon Road
Then turn right and go Northeast 4.1 miles on the paved Dugout Canyon Road
Then turn left and go Northeast ≈2,080' cross country to the 31-4 pad

Paved roads will be maintained by the county. Dirt roads are described below. No right-of-way is needed. All access is either county road or on lease.

2. ROAD TO BE UPGRADED AND BUILT (See PAGE 11)

All access (≈7,830') from the pavement to the pad will be built. Road will be flat bladed with a ≈16' wide running surface. Maximum disturbed width will be 40'. Topsoil and trees will be windrowed by the side. Maximum cut or fill will be ≈5'. Maximum grade will be ≈5%. No fence will be crossed. No turnout is needed. Two culverts will be installed from south to north:

18" x 40'
30" x 30'

Drainage dips and low water crossings will be installed on the remainder of the road. No fill will be used at low water crossings.

If the well is a producer, the road will be upgraded to Class 3 Road Standards within 60 days of dismantling the rig. If the deadline cannot be met, BLM will be notified so temporary drainage control can be installed. Class 3 Road Standards control drainage by using topography, ditch turnouts, dips, out sloping, crowning, low water crossings, rock, gravel, and culverts.

3. EXISTING WELLS

There are no existing oil, gas, water, or disposal wells within a mile radius.

4. PROPOSED PRODUCTION FACILITIES (See PAGE 12)

A well head, pump, separator, meter run, dehydrator, and above ground tank will be installed on the pad. All will be painted a flat juniper green color. Vessels will be surrounded by an impermeable dike with sufficient capacity to hold 150% of the volume of the largest tank within the dike.

Two ≈80' long trenches will be built parallel to and on opposite sides of the new road from the pad southwest to the buried utility lines running south from the 44-28. (Utility lines' right-of-way application will be filed separate.) Maximum disturbed width will be 50' (includes all of the 40' wide road corridor). A 12.47 kv power line will be buried ≈30" deep in one trench. A gas pipeline and water pipeline be buried ≈48" deep in the other trench.

Exact gas and water volumes are not known at this time. Both pipelines will be polyethylene. Diameters will range from 3" to 14". Gas line will operate from ≈30 to ≈100 psi, have a burst pressure of ≈1,016 psi, and will transport ≈300 to ≈1,000 mcfd. Water line will operate at ≈20 psi to ≈90 psi, have a burst pressure of ≈512 psi, and will transport ≈300 to ≈1,000 bwpd. Both lines will be tested to ≈190 psi with nitrogen or fresh water. Test water will be disposed of into the reserve pit.

5. WATER SUPPLY

Stone will truck water from the Price River Water Improvement District's approved (state permit #91-2) existing water source at 265 Fairgrounds Road in Price.

6. CONSTRUCTION MATERIALS & METHODS (See PAGES 13 - 15)

Soil and brush will be piled northwest of the pad. A diversion ditch will be cut north of the pad. The reserve pit will be lined with minimum 12 mil plastic. Rock, if needed, will be hauled from a private source off BLM land.

7. WASTE DISPOSAL

The reserve pit will be fenced 4' high on 3 sides with 4 strands of barbed wire or woven wire topped with barbed wire. The fourth side will be fenced once the rig moves off hole. The fence will be kept in good repair while the pit dries. No fluids will be discharged in the flare pit.

All trash will be placed in a trash cage. When full, it will be hauled to a state approved landfill. There will be no trash burning or disposal of trash in the reserve pit. Chemical toilets will be used for human waste. Their contents will be disposed of in state approved facilities.

No oil will be allowed on the reserve pit. Any oil which accumulates on the pit will be pumped or skimmed off and hauled to a state approved recycle facility. Once dry, the reserve pit contents will be buried in place. The pit will be back filled sufficiently deep so that no liner is exposed.

8. ANCILLARY FACILITIES

There will be no air strips or camps. Camper trailers may be on location for the company man, tool pusher, and mud loggers.

9. WELL SITE LAYOUT

See PAGES 13 - 15 for depictions of the well pad, cross section, cut and fill diagram, reserve pit, trash cage, access onto the location, parking, living facilities, and rig orientation.

10. RECLAMATION & REVEGETATION

After completing drilling, the well site and immediate area will be cleared of all debris and material not needed for production.

Reclamation will start when the reserve pit is dry. At least 2' of cover will be placed on the reserve pit. All areas not needed for production will be back filled, contoured to match natural contours, and reserved topsoil and trees evenly spread. If the well is a producer, then enough topsoil will be kept aside to reclaim the rest of the pad. Disturbed areas will be ripped, harrowed, or scarified before seeding. All reclaimed areas will be broadcast seeded in late fall or winter with seed mix specified by BLM. Seeded areas will be left rough and lightly harrowed or drug with a chain after seeding.

11. SURFACE OWNER

All road, well, and trench construction will be on BLM surface.

12. OTHER INFORMATION

Montgomery's archaeology report MOAC 05-17 was filed June 22, 2005.

13. REPRESENTATION

Anyone having questions concerning the APD should call:

Brian Wood, Consultant
Permits West, Inc.
37 Verano Loop
Santa Fe, NM 87508
(505) 466-8120 FAX: (505) 466-9682 Cellular: (505) 699-2276

The field representative will be:

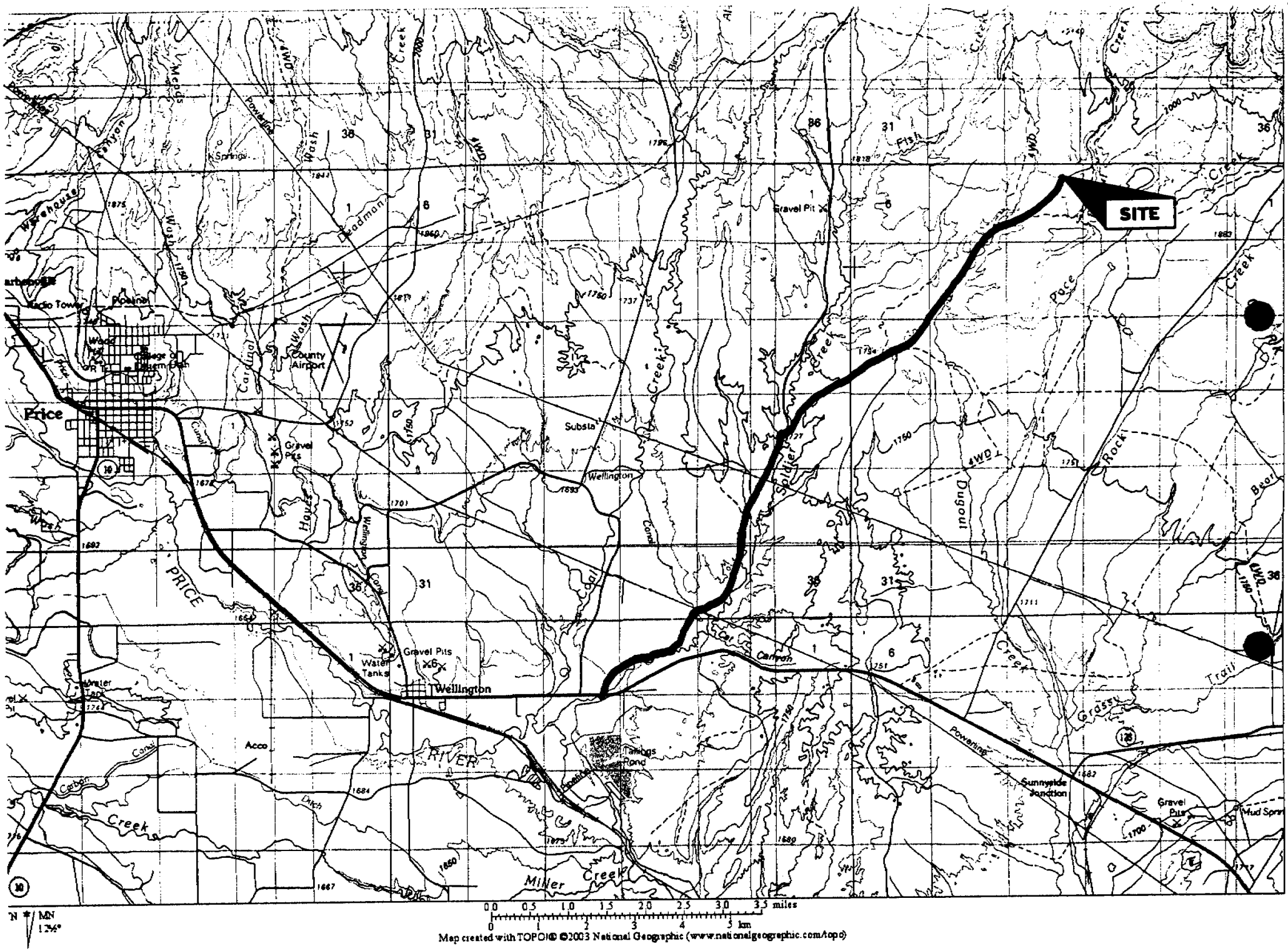
Matt Peterson, Operations Engineer
Stone Energy Corporation
950 17th St., Suite 2600
Denver, Co. 80202-2828
(303) 685-8000

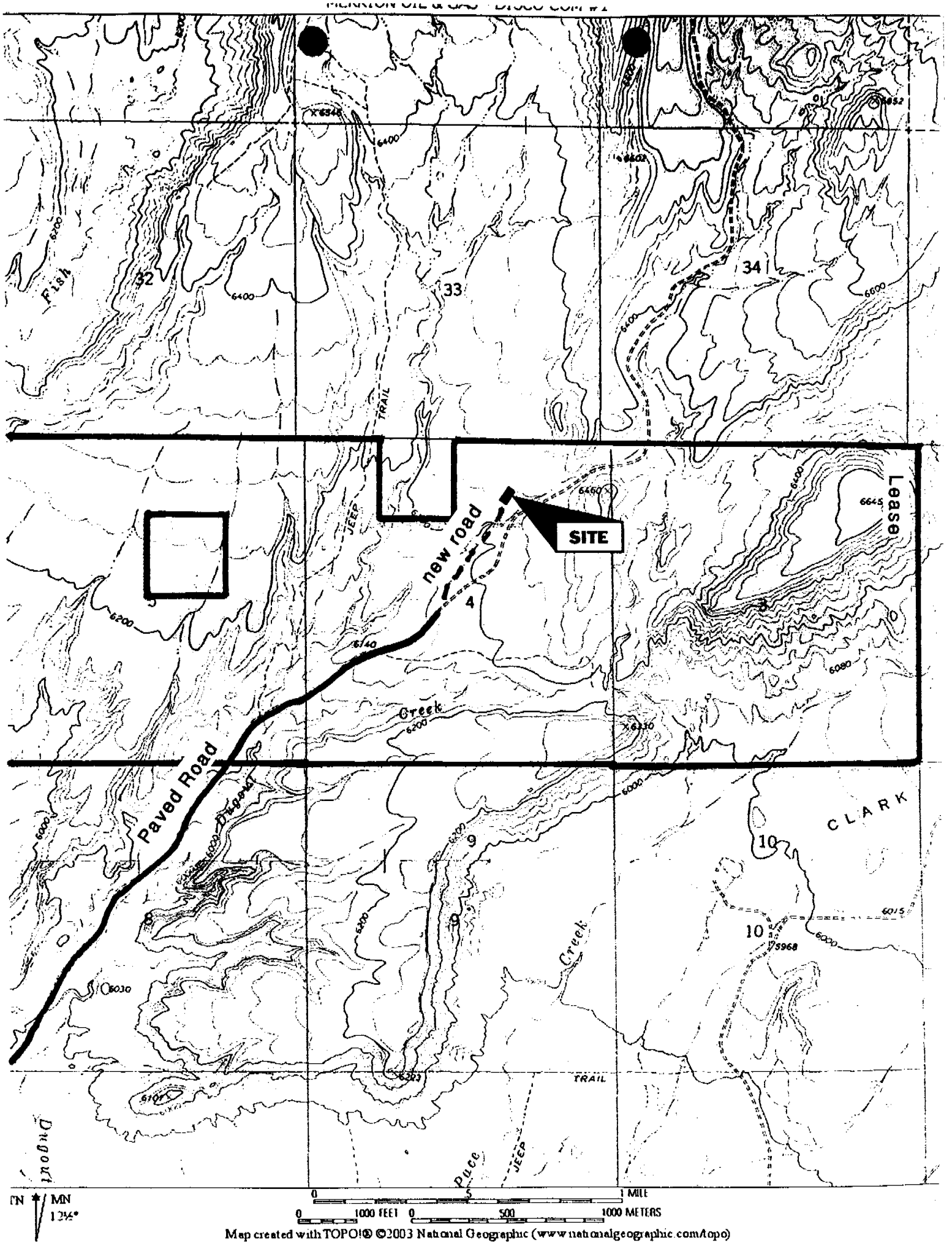
I hereby certify Stone Energy Corporation has the necessary consents from the proper lease and unit interest owners to conduct lease and unit operations in conjunction with this APD. Bond (RLB0002054) coverage *per* 43 CFR 3104 for lease activities is being provided by Stone Energy Corporation.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Stone Energy Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U. S. C. 1001 for the filing of a false statement.

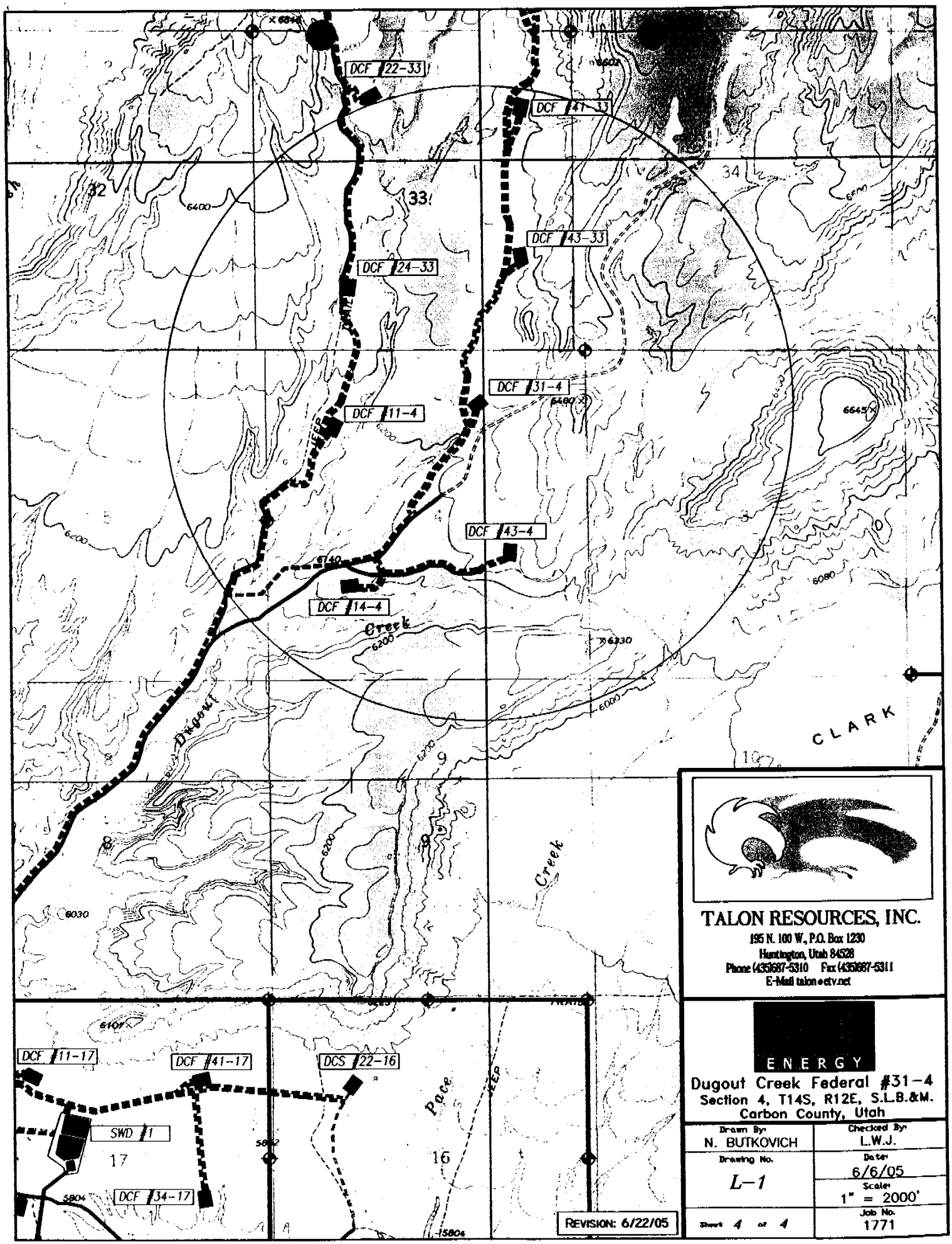
September 12, 2005

Brian Wood, Consultant

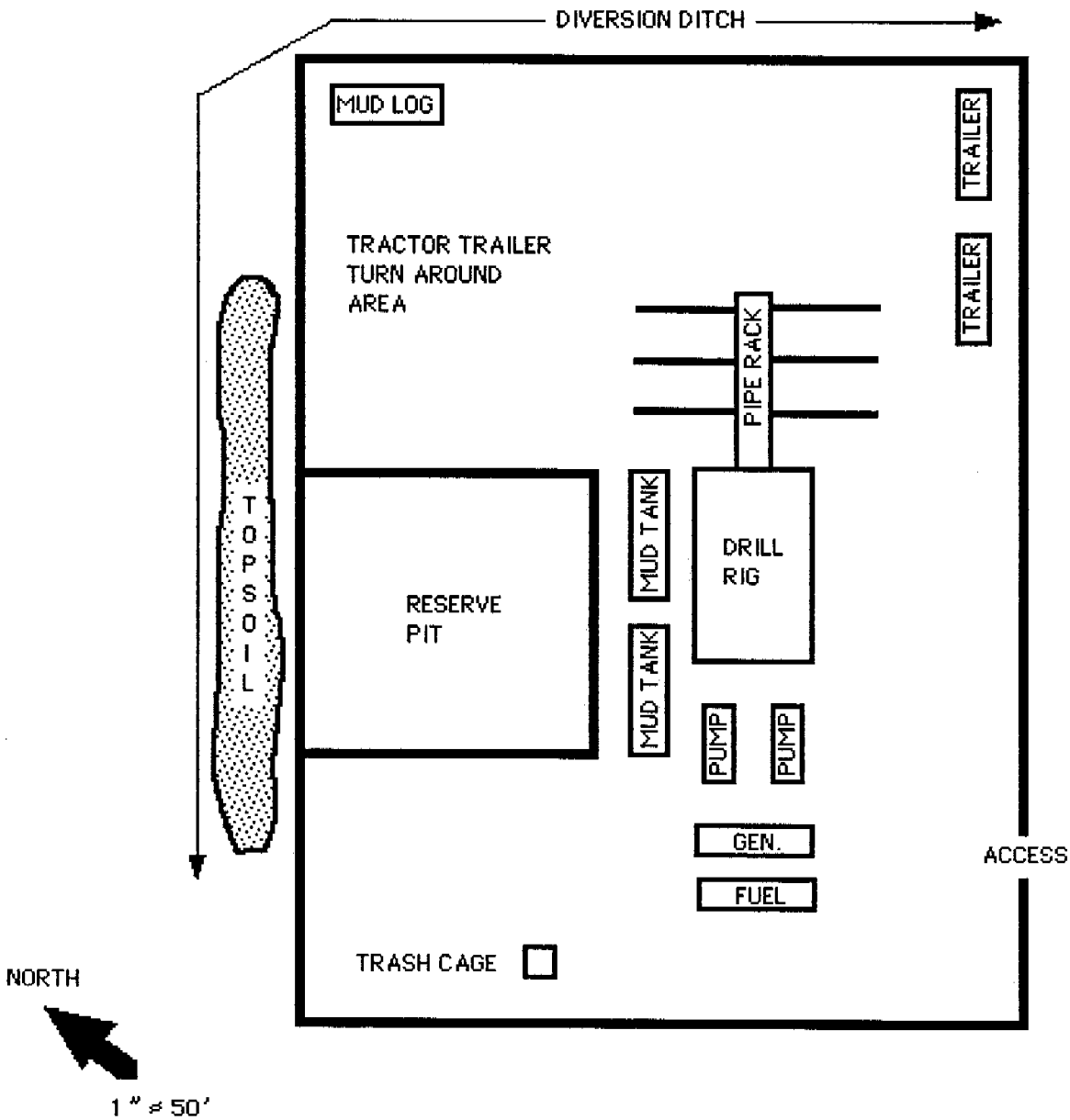

SITE
Price
Wellington
Sunnyside Junction
Tailings Pond
Gravel Pits
Water Tanks
Substa
Radio Tower
County Airport
College of Eastern Utah
Acco
PRICE
RIVER
Miller Creek
Carbon Creek
Cardinal Wash
Meeks Canyon
Powerline
Wellington Canal
Coal Canyon
Soldier Creek
Dugout Creek
Rock Creek
Grass Creek
Trail
Mud Spring
Fish Creek
Pace Creek
Gravel Pit
0.0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 miles
0 1 2 3 4 5 km
Map created with TOPO!© ©2003 National Geographic (www.nationalgeographic.com/topo)



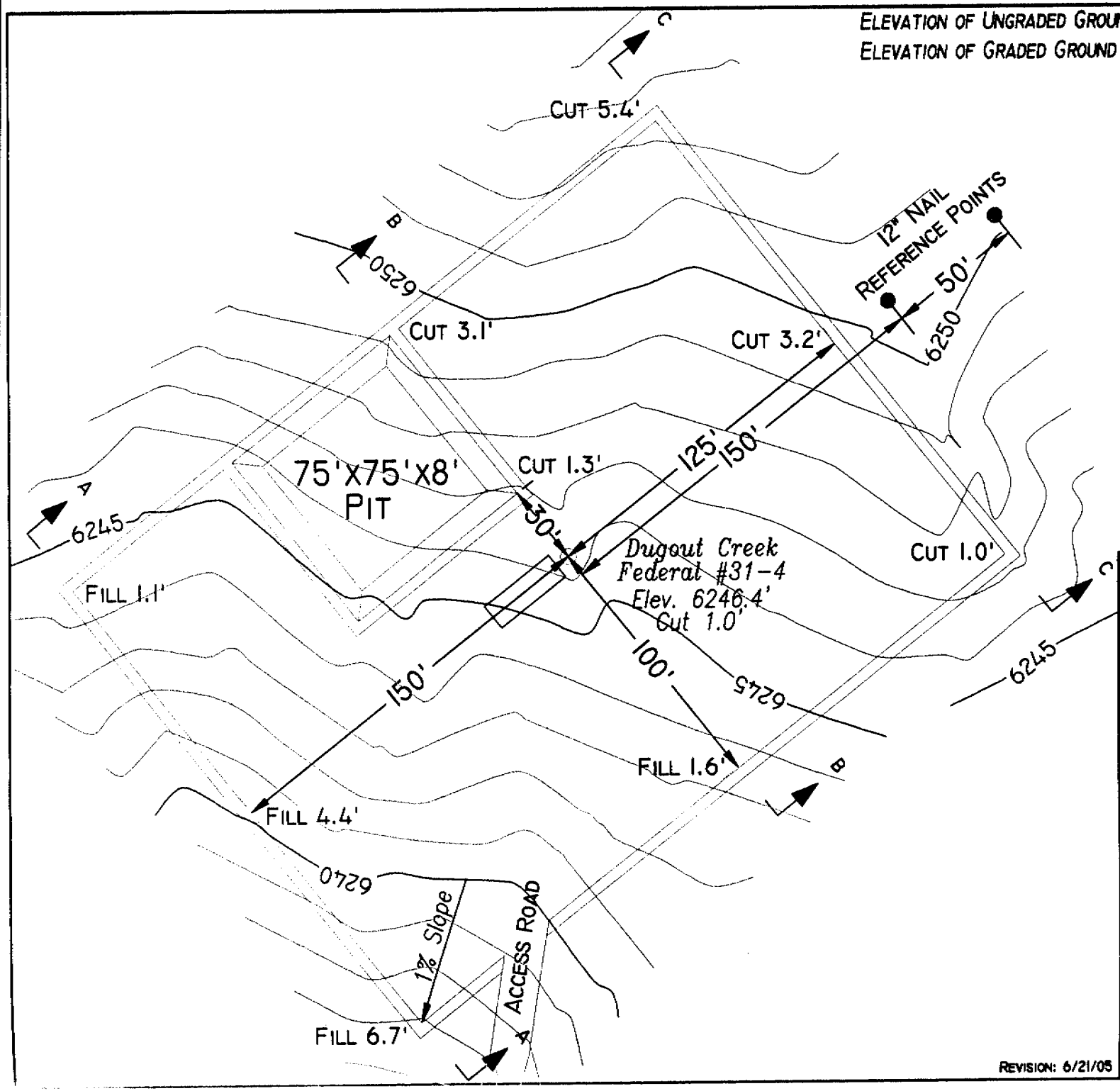
Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)


DCF #22-33
DCF #41-33
DCF #43-33
DCF #24-33
DCF #31-4
DCF #11-4
DCF #43-4
DCF #14-4
DCF #11-17
DCF #41-17
DCS #22-16
SWD #1
DCF #34-17
32
33
34
4
9
16
17
6400
6645
6080
6330
6000
6030
6200
6140
5804
Dugout
Creek
Pace
Creek
CLARK
TALON RESOURCES, INC.
195 N. 100 W., P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon@etv.net
ENERGY
Dugout Creek Federal #31-4
Section 4, T14S, R12E, S.L.B.&M.
Carbon County, Utah
Drawn By: N. BUTKOVICH
Checked By: L.W.J.
Drawing No. L-1
Date: 6/6/05
Scale: 1" = 2000'
Sheet 4 of 4
Job No. 1771
REVISION: 6/22/05

Stone Energy Corporation
Dugout Creek Federal 31-4
871' FNL & 1777' FEL
Sec. 4, T. 14 S., R. 12 E.
Carbon County, Utah



ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 6246.4'
ELEVATION OF GRADED GROUND AT LOCATION STAKE = 6245.4'



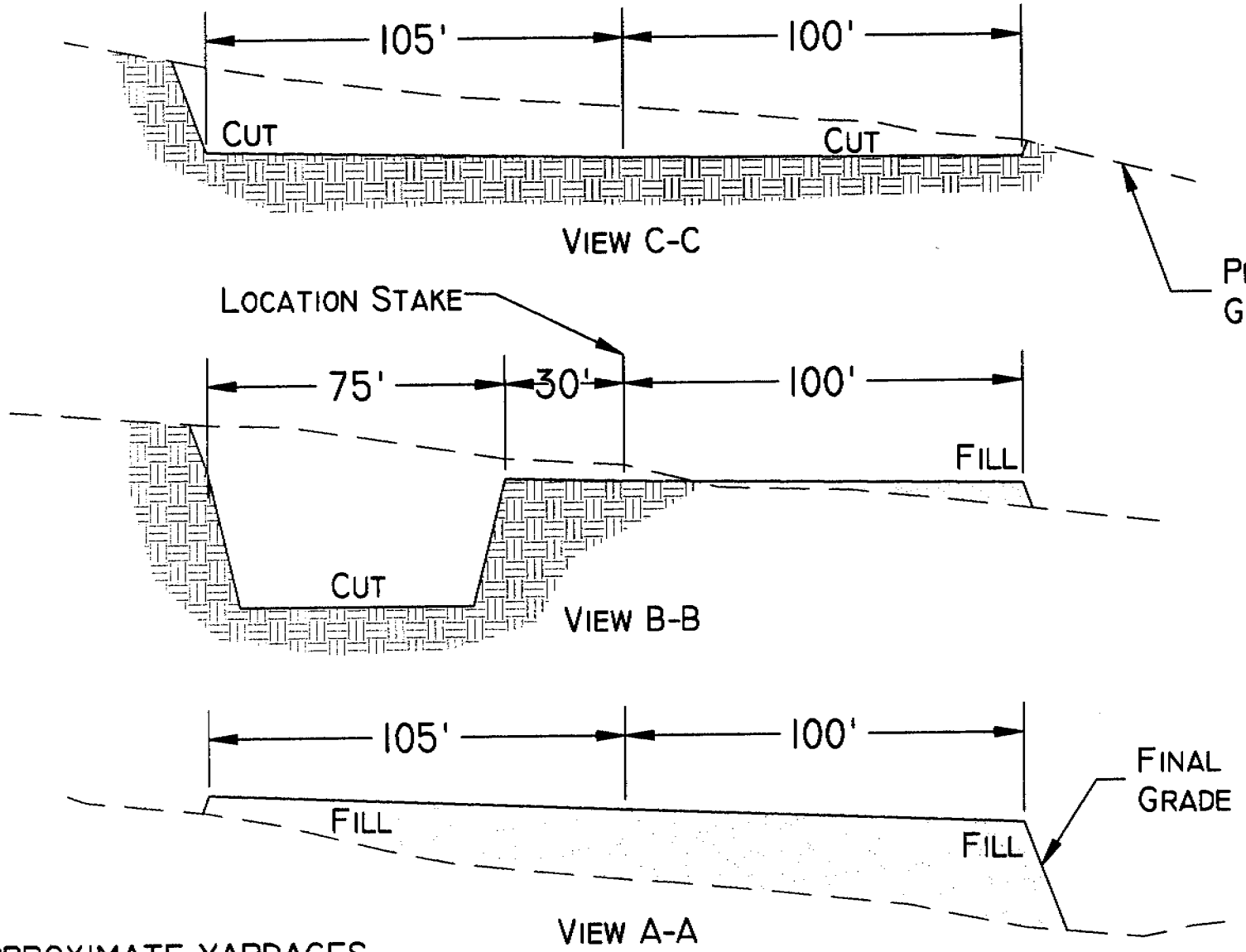
REVISION: 6/21/05

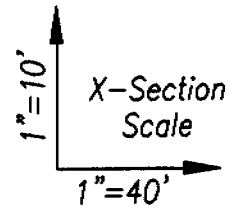
TALON RESOURCES, INC.
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonestv.net

ENERGY

LOCATION LAYOUT
Section 4, T14S, R12E, S.L.B.&M.
Dugout Creek Federal #31-4

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. A-2	Date: 6/6/05
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 1771





SLOPE = 1 1/2 : 1
(EXCEPT PIT)
PIT SLOPE = 1 ; 1

APPROXIMATE YARDAGES

CUT

(6")TOPSOIL STRIPPING = 1,045 CU. YDS.

REMAINING LOCATION = 2,740 CU, YDS.
(INCLUDING TOPSOIL STRIPPING)

TOTAL CUT (INCLUDING PIT) = 4,260 CU. YDS.

TOTAL FILL = 2,780 CU. YDS.

TALON RESOURCES, INC.
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonset.net

ENERGY

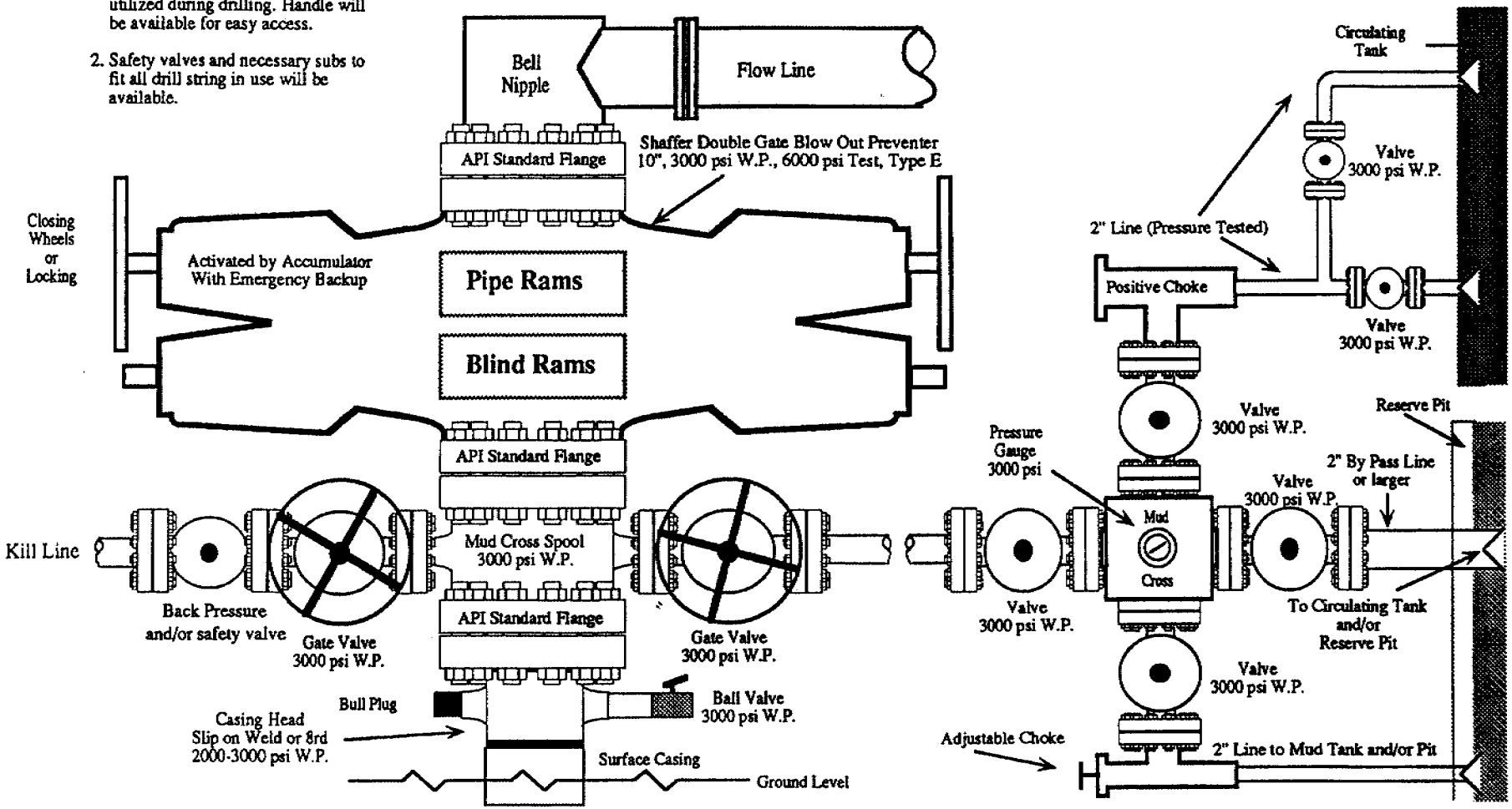
TYPICAL CROSS SECTION
Section 11, T14S, R12E, S.L.B.&M.
Dugout Creek Federal #31-4

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. C-1	Date: 6/6/05
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 1771

2,000 PSI BOP SYSTEM

Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.

2. Safety valves and necessary subs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/16/2005

API NO. ASSIGNED: 43-007-31057

WELL NAME: DUGOUT CREEK FED 31-4

OPERATOR: STONE ENERGY (N2745)

CONTACT: BRIAN WOOD

PHONE NUMBER: 505-466-8120

PROPOSED LOCATION:

NWNE 04 140S 120E

SURFACE: 0871 FNL 1777 FEL

BOTTOM: 0871 FNL 1777 FEL

CARBON

WILDCAT (1)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-079608

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: FRSD

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 39.64210

LONGITUDE: -110.5756

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. RLB0002054)

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. 91-2)

N RDCC Review (Y/N)
(Date:)

NA Fee Surf Agreement (Y/N)

NA Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit ___

___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells

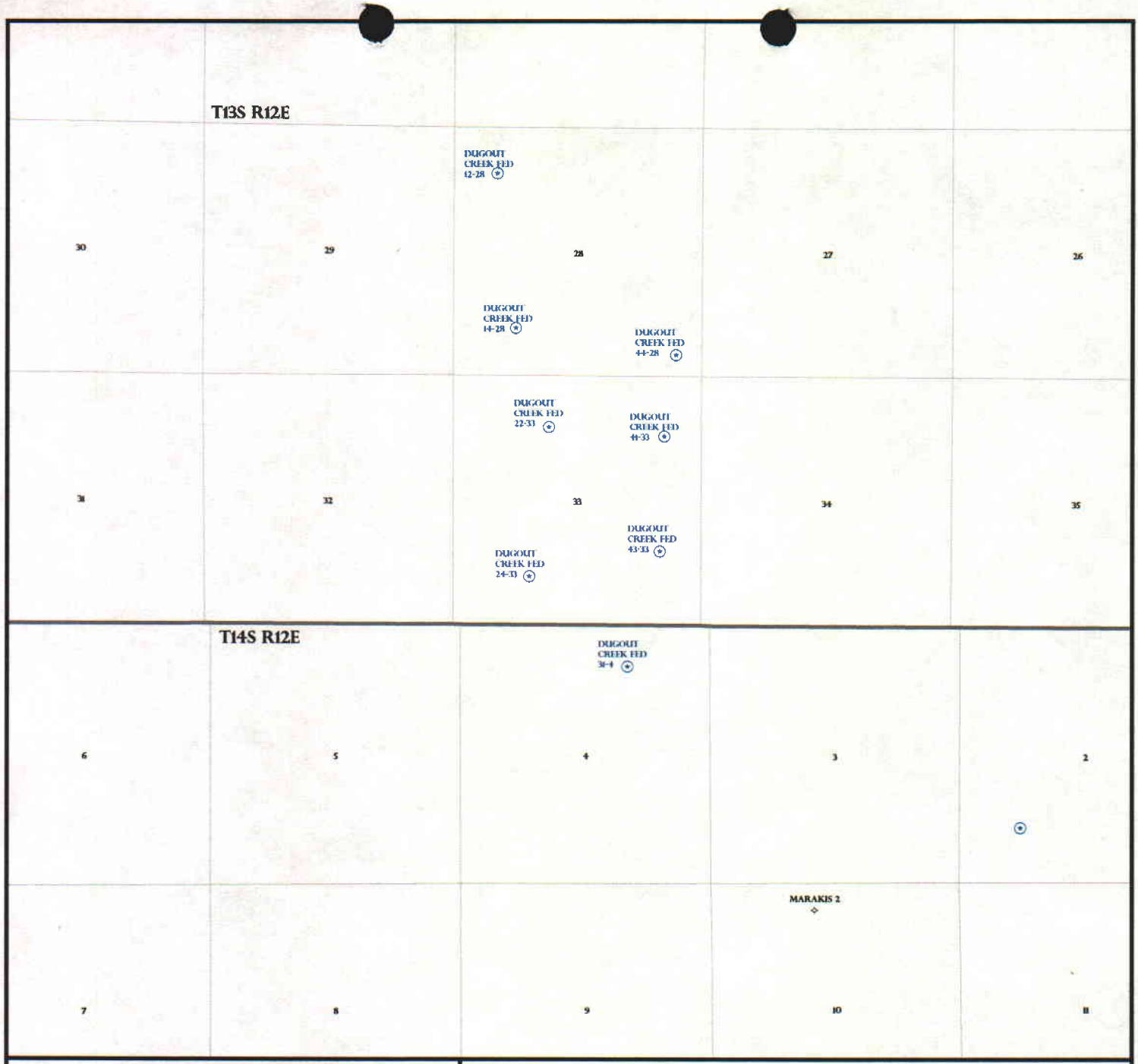
✓ R649-3-3. Exception

___ Drilling Unit
Board Cause No: ___
Eff Date: ___
Siting: ___

___ R649-3-11. Directional Drill

COMMENTS: ___

STIPULATIONS: 1- Federal Approval
2- Spacing Stip



OPERATOR: STONE ENERGY CORP (N2745)

SEC: 4 **T.** 14S **R.** 12E

FIELD: WILDCAT (001)

COUNTY: CARBON

SPACING: R649-3-3 / EXCEPTION LOCATION

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING

Utah Oil Gas and Mining

N
W E
S

PREPARED BY: DIANA WHITNEY
DATE: 21-SEPTEMBER-2005

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

September 21, 2005

Stone Energy Corporation
950 17th St., Suite 2600
Denver, CO 80202-2828

Re: Dugout Creek Federal 31-4 Well, 871' FNL, 1777' FEL, NW NE, Sec. 4, T. 14 South, R. 12 East, Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-31057.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Carbon County Assessor
Bureau of Land Management, Moab District Office

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

Operator: Stone Energy Corporation

Well Name & Number Dugout Creek Federal 31-4

API Number: 43-007-31057

Lease: UTU-079608

Location: NW NE **Sec.** 4 **T.** 14 South **R.** 12 East

Conditions of Approval

1. General

   Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

   Notify the Division within 24 hours of spudding the well.

   - Contact Carol Daniels at (801) 538-5284.

   Notify the Division prior to commencing operations to plug and abandon the well.

   - Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

   All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-079608
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
7. UNIT or CA AGREEMENT NAME: N/A
8. WELL NAME and NUMBER: DUGOUT CREEK FED. 31-4
9. API NUMBER: 4300731057
10. FIELD AND POOL, OR WILDCAT: WILDCAT

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER _____

2. NAME OF OPERATOR: STONE ENERGY CORPORATION

3. ADDRESS OF OPERATOR: 950 17th St., #2600 CITY DENVER STATE CO ZIP 80202-2828 PHONE NUMBER: (303) 685-8000

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 871' FNL & 1777' FEL COUNTY: CARBON

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 4 14S 12E S STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: _____	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: EXTEND APD APPROVAL
_____	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

REQUEST APD APPROVAL BE EXTENDED 1 YEAR
WAITING ON BLM APPROVAL OF APD

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 10-10-06
By: [signature]

10-12-06 PM

NAME (PLEASE PRINT) KITTY WOOD TITLE CONSULTANT (505 466-8120)

SIGNATURE Kitty Wood DATE 10/6/2006

(This space for State use only)

RECEIVED
OCT 1 0 2006
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

[redacted]

Application for Permit to Drill
Request for Permit Extension
Validation
(this form should accompany the Sundry Notice requesting permit extension)

API: 43-007-31057
Well Name: DUGOUT CREEK FEDERAL 31-4
Location: NWNE 4-14S-12E, CARBON COUNTY
Company Permit Issued to: STONE ENERGY CORPORATION
Date Original Permit Issued: 9/30/2005
31

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes☐ No☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes☐ No☑

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes☐ No☑

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes☐ No☑

Has the approved source of water for drilling changed? Yes☐ No☑

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes☐ No☑

Is bonding still in place, which covers this proposed well? Yes☑ No☐

Kitty Wood
Signature

10/6/2006
Date

Title: Consultant

Representing: Stone Energy Corporation

RECEIVED
OCT 10 2006
DIV. OF OIL, GAS & MINING

Form 3160-3
(April 2004)

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. **UTU-079608**

6. If Indian, Allotee or Tribe Name **N/A**

7. If Unit or CA Agreement, Name and No. **N/A**

8. Lease Name and Well No. **DUGOUT CREEK FED'L. 31-4**

1a. Type of work: ☑ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone

2. Name of Operator **STONE ENERGY CORPORATION**

9. API Well No. **43-007-** 31057

3a. Address **950 1TH. ST., SUITE 2600 DENVER, CO 80202-2828**

3b. Phone No. *(include area code)* **(303) 685-8000**

10. Field and Pool, or Exploratory **WILDCAT**

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface **871' FNL & 1777' FEL**
At proposed prod. zone **SAME**

11. Sec., T. R. M. or Blk. and Survey or Area **4-14S-12E SLM**

14. Distance in miles and direction from nearest town or post office* **10 AIR MILES NORTHEAST OF WELLINGTON**

12. County or Parish **CARBON**

13. State **UT**

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any) **863'**

16. No. of acres in lease **1,893.89**

17. Spacing Unit dedicated to this well **NE4**

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

19. Proposed Depth **3,500'**

20. BLM/BIA Bond No. on file **RLB0002054**

21. Elevations (Show whether DF, KDB, RT, GL, etc.) **6,246' GL**

22. Approximate date work will start* **11/01/2005**

23. Estimated duration **4 WEEKS**

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature

Name *(Printed/Typed)* **BRIAN WOOD** Date **09/12/2005**

Title **CONSULTANT** **PHONE: (505) 466-8120** **FAX: (505) 466-9682**

Approved by *(Signature)* Name *(Printed/Typed)* Date 3/8/07

Title Assistant Field Manager, Division of Resources

Office Division of Resources Moab Field Office

Application approval 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.
Conditions of approval, if any, are attached.

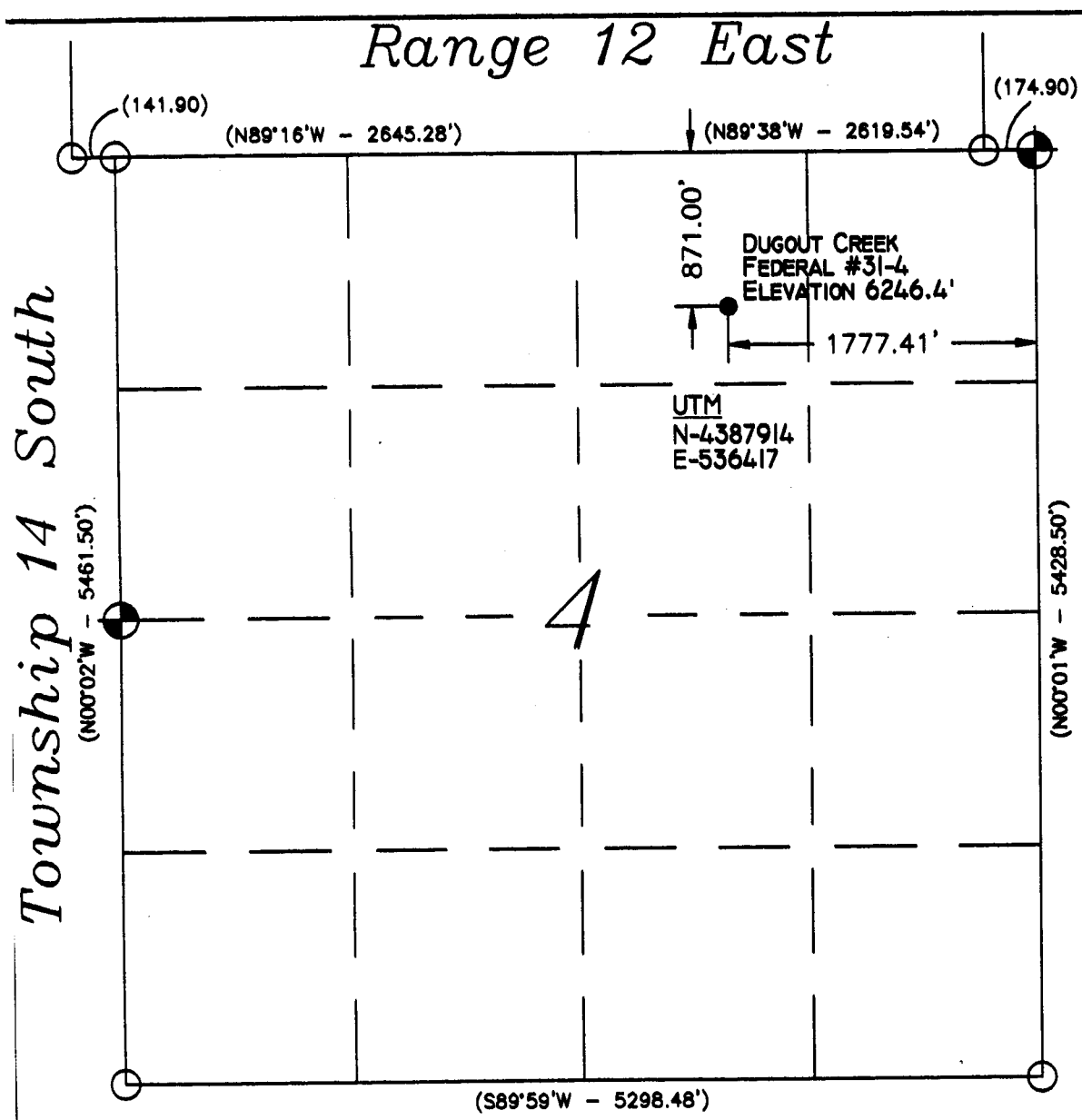
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**(Instructions on page 2)*

SEP 2005
Received
BLM
Moab F.O.

CONDITIONS OF APPROVAL ATTACHED

RECEIVED
MAR 1 2 2007
DIV. OF OIL, GAS & MINING



Legend

- ● Drill Hole Location
- ⊕ Brass Cap (Found)
- ○ Brass Cap (Searched for, but not found)
- △ Calculated Corner (From Reference Points)
- ( ) GLO
- GPS Measured

NOTE:
UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 27 DATUM.

LAT / LONG
39°38'31.632"N
110°34'32.121"W

Location:
The well location was determined using a Trimble 4700 GPS survey grade unit.

Basis of Bearing:
The Basis of Bearing is GPS Measured.

GLO Bearing:
The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

Basis of Elevation:
Basis of Elevation of 6178' being at the Southeast Section corner of Section 2, Township 14 South, Range 12 East, Salt Lake Base & Meridian, as shown on the Pine Canyon Quadrangle 7.5 Minute Series Map.

Description of Location:
Proposed Drill Hole located in the NW1/4 NE1/4 of Section 4, T14S, R12E, S.L.B.&M., being South 871.00' and West 1777.41' from the Northeast Section Corner of Section 4, T14S, R12E, Salt Lake Base and Meridian.

Surveyor's Certificate:
I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.

Registered Land Surveyor
6-13-05
No. 146652
Albert J. Spensko
State of Utah

GRAPHIC SCALE
0 500' 1000'
(IN FEET)
1 inch = 1000 ft.

TALON RESOURCES, INC.
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon @ etv.net

ENERGY

Dugout Creek Federal #31-4
Section 4, T14S, R12E, S.L.B.&M.
Carbon County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. A-1	Date: 6/7/05
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 1771

Stone Energy Corporation
Dugout Creek Federal 31-4
Lease U-79608
NW/NE Section 4, T14S, R12E
Carbon County, Utah

A COMPLETE COPY OF THIS APPROVED PERMIT and Conditions of Approval shall be maintained on location during all construction and drilling operations, and shall be available to contractors to ensure compliance.

CONDITIONS OF APPROVAL

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.

Be advised that Stone Energy Corporation is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by **WYB000086** (Principal – Stone Energy Corporation) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. Deviation from the approved plan is not allowed. The operator is fully responsible for the actions of his subcontractors.

Failure to comply with the provisions of this permit, including applicable regulations, stipulations, and/or approval conditions, will be considered a violation subject to the enforcement provisions of 43 CFR Subpart 3163.

A. DRILLING PROGRAM

1. The proposed 2M BOPE is adequate for anticipated conditions. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.

2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGM) is required before conducting any surface disturbing activities.

3. Drilling reports, which describe the activities of each day, shall be submitted to the BLM Moab Field Office on a weekly, or more frequent, basis. In addition to a daily summary of activities, drilling reports shall include the drilling fluid weight, details of casing and cement, water flows, lost circulation zones and any other information that would contribute to our understanding of drilling conditions.

4. When drilling with air, the requirements of Onshore Oil and Gas Order No. 2, part III, E, Special Drilling Operations, shall apply.

5. If cement does not circulate to surface on the production casing, a cement bond log (CBL), or other appropriate tool for determining top-of-cement, shall be run and shall be submitted to BLM.

Surface Use Conditions of Approval

Dugout Creek 31-4

Standard Conditions of Approval

A. General

1. The operator shall contact the Price BLM Office at least forty-eight hours prior to the anticipated start of construction and/or any surface disturbing activities. The BLM may require and schedule a preconstruction conference with the operator prior to the operator commencing construction and/or surface disturbing activities. The operator and the operator's contractor, or agents involved with construction and/or any surface disturbing activities associated with the project, shall attend this conference to review the Conditions of Approval and plan of development. The operator's inspector will be designated at the pre-drill conference, and is to be given an approved copy of all maps, permits and conditions of approval before the start of construction. The BLM will also designate a representative for the project at the preconstruction conference.

2. The operator shall designate a representative(s) who shall have the authority to act upon and to implement instructions from the BLM. The operator's representative shall be available for communication with the BLM within a reasonable time when construction or other surface disturbing activities are underway.

3. If any cultural values [sites, artifacts, human remains] are observed during operation of this lease/permit/right-of-way, they will be left intact and the Price Field Manager notified. The authorized officer will conduct an evaluation of the cultural values to establish appropriate mitigation, salvage or treatment. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized BLM officer (AO). Within five working days the AO will inform the operator as to:
    - Whether the materials appear eligible for the National Register of Historic Places;
    - The mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,
    - A time-frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the

required mitigation has been completed, the operator will then be allowed to resume construction measures.

4. The operator shall restrict travel on unimproved roads during periods of inclement weather or spring thaw when the possibility exists for excessive surface resource damage (e.g., rutting in excess of 4-inches, travel outside roadway, etc.).

5. The Companies will provide geo-referenced spatial data depicting as-built locations of all facilities, wells, roads, pipelines, power lines, and other related facilities to the BLM by November 1 of each year until completion of project construction activities has occurred.

6. If any dead or injured threatened, endangered, proposed, or candidate species is located during construction or operation, the BLM Price Field Office (435-636-3600) shall be notified within 24 hours.

B. Construction

1. The operator will limit vegetation removal and the degree of surface disturbance wherever possible. Where surface disturbance cannot be avoided, all practicable measures will be utilized to minimize erosion and stabilize disturbed soils.

2. Construction and surface disturbing activities will not be conducted during periods of frozen or saturated soils when watershed damage or excessive rutting is likely to occur.

3. Remove all available topsoil from constructed well locations including areas of cut and fill, and stockpile at the site. Topsoil will also be salvaged for use in reclamation on all other areas of surface disturbance (roads, pipelines, etc.). Clearly segregate topsoil from excess spoil material. Any topsoil stockpiled for one year or longer will be signed and stabilized in accordance with the BLM approved Revegetation Plan (see attached).

4. Drill pads or facility sites are to be designed to prevent overland flow of water from entering or leaving the site. Storm water collected on disturbed sites will be prevented from flowing off the site and the pad is to be sloped to provide for zero runoff. The drill pad shall be designed to disperse diverted overland flow and to regulate flow velocity so as to prevent or minimize erosion. Well pad diversion outlets shall be equipped with rock energy brakes and gravel-bedded dispersion fans.

5. The operator will not push soil material and overburden over side slopes or into drainages. All soil material disturbed will be placed in an area where it can be retrieved without creating additional undue surface disturbance and where it does not impede watershed and drainage flows.

6. Construct the backslope no steeper than 1½:1, and construct the foreslope no steeper than 2:1, unless otherwise directed by the BLM Authorized Officer.
7. Maintain a minimum 20-foot undisturbed vegetative border between toe-of-fill of pad and/or pit areas and the edge of adjacent drainages, unless otherwise directed by the BLM Authorized Officer.

8. Reserve pits will be adequately fenced during and after drilling operations until pit is reclaimed so as to effectively keep out wildlife and livestock. Adequate fencing, in lieu of more stringent requirements by the surface owner, is defined as follows:
   - Construction materials will consist of steel or wood posts. Three or four strand wire (smooth or barbed) fence or hog panel (16-foot length by 50-inch height) or plastic snow fence must be used with connectors such as fence staples, quick-connect clips, hog rings, hose clamps, twisted wire, etc. Electric fences will not be allowed.
   - Construction standards: Posts shall be firmly set in ground. If wire is used, it must be taut and evenly spaced, from ground level to top wire, to effectively keep out animals. Hog panels must be tied securely into posts and one another using fence staples, clamps, etc. Plastic snow fencing must be taut and sturdy. Fence must be at least 2-feet from edge of pit. 3 sides fenced before beginning drilling, the fourth side fenced immediately upon completion of drilling and prior to rig release. Fence must be left up and maintained in adequate condition until pit is closed.

9. The reserve pit will be oriented to prevent collection of surface runoff. After the drilling rig is removed, the operator may need to construct a trench on the uphill side of the reserve pit to divert surface drainage around it. If constructed, the trench will be left intact until the pit is closed.

10. The reserve pit will be lined with an impermeable liner if permeable subsurface material is encountered. An impermeable liner is any liner having a permeability of less than 10^{-7} cm/sec. The liner will be installed so that it will not leak and will be chemically compatible with all substances that may be put in the pit. Liners made of any man-made synthetic material will be of sufficient strength and thickness to withstand normal installation and pit use. In gravelly or rocky soils, a suitable bedding material such as sand will be used prior to installing the liner.

11. The reserve pit will be constructed so that at least half of its total volume is in solid cut material (below natural ground level).

12. The reserve pit shall have 2 foot of freeboard maintained at all times to prevent overflow of fluids.

13. Culverts will be placed on channel bottoms on firm, uniform beds, which have been shaped to accept them, and aligned parallel to the channel to minimize erosion. Backfill will be thoroughly compacted.

14. The minimum diameter for culverts will be 18 inches. However, all culverts will be appropriately sized in accordance with standards in BLM Manual 9113.

15. Construction and other project-related traffic will be restricted to approved routes. Cross-country vehicle travel will not be allowed.

16. Maximum design speed on all operator-constructed and maintained roads will not exceed 25 miles per hour and all access roads and well location speed limits will not exceed 15 miles per hour.

17. Pipeline construction shall not block nor change the natural course of any drainage. Pipelines shall cross perpendicular to drainages. Pipelines shall not be run parallel in drainage bottoms. Suspended pipelines shall provide adequate clearance for maximum runoff.

18. Pipeline trenches shall be compacted during backfilling. Pipeline trenches shall be routinely inspected and maintained to ensure proper settling, stabilization and reclamation.

19. During construction, emissions of particulate matter from well pad and road construction would be minimized by application of water or other non-saline dust suppressants with at least 50 percent control efficiency. Dust inhibitors (surfacing materials, non-saline dust suppressants, and water) will be used as necessary on unpaved roads that present a fugitive dust problem. The use of chemical dust suppressants on public surface will require prior approval from the BLM Authorized Officer.

20. The operator shall submit a Sundry Notice (Form 3160-5) to BLM for approval prior to construction of any new surface disturbing activities that are not specifically addressed in the approved APD.

21. In the event construction can't be completed prior to winter closures, measures to prevent erosion from upcoming spring snowmelt should be taken as follows:
    a. Loose earth and debris must be removed from drainages, and flood plains. Earth and debris should not be stockpiled on drainage banks.
    b. Road drainages should be checked to ensure there are none with uncontrolled outlet.
    c. Be sure all ditch drainages have an outlet to prevent ponding. If necessary, build temporary sediment ponds to capture runoff from unreclaimed areas. Re-route ditches as needed to avoid channeling water through loosened soil.

C. Operations/Maintenance

1. If in the process of air drilling the wells there is a need to utilize mud, all circulating fluids will be contained either in an approved pit or in an aboveground containment tank. The pit or containment tank will be large enough to safely contain the capacity of all expected fluids without danger of overflow.

2. All waste, other than human waste and drilling fluids, will be contained in a portable trash cage. This waste will be transported to a State approved waste disposal site immediately upon completion of drilling operations. No trash or empty barrels will be placed in the reserve pit or buried on location. All state and local laws and regulations pertaining to disposal of human and solid waste will be complied with.

3. Rat and mouse holes shall be filled and compacted from the bottom to the top immediately upon release of the drilling rig from the location.

4. The operator will be responsible for prevention and control of noxious weeds and weeds of concern on all areas of surface disturbance associated with this project (well locations, roads, water management facilities, etc.) Use of pesticides shall comply with the applicable Federal and State laws. Pesticides shall be used only in accordance with their registered uses and within limitations imposed by the Secretary of Interior. Prior to the use of pesticides on public land, the holder shall obtain from the BLM authorized officer written approval of a plan showing the type and quantity of material to be used, pest(s) to be controlled, method of application, location of storage and disposal of containers, and any other information deemed necessary by the authorized officer to such use.

5. The operator and their contractors shall ensure that all use, production, storage, transport and disposal of hazardous and extremely hazardous materials associated with the drilling, completion and production of these wells will be in accordance with all applicable existing or hereafter promulgated federal, state and local government rules, regulations and guidelines. All project-related activities involving hazardous materials will be conducted in a manner to minimize potential environmental impacts. In accordance with OSHA requirements, a file will be maintained onsite containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds and/or substances which are used in the course of construction, drilling, completion and production operations.

6. Hydrocarbons shall be put in test tanks on location during completion work. Produced water will be put in the reserve pit during completion work per Onshore Order #7.

7. The only fluids/waste materials which are authorized to go into the reserve pit are RCRA exempt exploration and production wastes. These include:
   - drilling muds & cuttings
   - rigwash

- excess cement and certain completion & stimulation fluids defined by EPA as exempt

It does not include drilling rig waste, such as:

- spent hydraulic fluids
- used engine oil
- used oil filter
- empty cement, drilling mud, or other product sacks
- empty paint, pipe dope, chemical or other product containers
- excess chemicals or chemical rinsate

Any evidence of non-exempt wastes being put into the reserve pit may result in the BLM Authorized Officer requiring specific testing and closure requirements.

8. Reserve pits will be closed as soon as possible, but no later than 90 days from time of drilling/well completion, unless the BLM Authorized Officer gives an extension. Squeezing of pit fluids and cuttings is prohibited. Pits must be dry of fluids or they must be removed via vac-truck or other environmentally acceptable method prior to backfilling, re-contouring and replacement of topsoil. Mud and cuttings left in pit must be buried at least 3-feet below re-contoured grade. The operator will be responsible for re-contouring any subsidence areas that develop from closing a pit before it is sufficiently dry.

9. If this well is drilled during the fire season (June-October), the operator shall institute all necessary precautions to ensure that fire hazard is minimized, including but not limited to mowing vegetation on the access route(s) and well location(s), keeping fire fighting equipment readily available when drilling, etc.

D. Producing Well

1. Landscape those areas not required for production to the surrounding topography as soon as possible.

2. Reduce the backslope to 2:1 and the foreslope to 3:1, unless otherwise directed by the BLM Authorized Officer. Reduce slopes by pulling fill material up from foreslope into the toe of cut slopes.

3. Production facilities (including dikes) must be placed on the cut portion of the location and a minimum of 15 feet from the toe of the back cut unless otherwise approved by the BLM Authorized Officer.

4. Any spilled or leaked oil, produced water or treatment chemicals must be reported in accordance with NTL-3A and immediately cleaned up in accordance with BLM requirements. This includes clean-up and proper disposition of soils contaminated as a result of such spills/leaks.

5. Distribute stockpiled topsoil evenly over those areas not required for production and reseed as recommended.

6. Upgrade and maintain access roads and drainage control (e.g., culverts, drainage dips, ditching, crowning, surfacing, etc.) as necessary and as directed by the BLM Authorized Officer to prevent soil erosion and accommodate safe, environmentally-sound access.

7. Prior to construction of production facilities not specifically addressed in the APD, the operator shall submit a Sundry Notice to the BLM Authorized Officer for approval.

8. If not already required prior to constructing and drilling the well location, the operator shall immediately upgrade the entire access road to BLM standards (including topsoiling, crowning, ditching, drainage culverts, surfacing, etc.) to ensure safe, environmentally-sound, year-round access. This requirement does not supercede or apply where specific road requirements are addressed in the APD/POD surface use plan (e.g., two track road, spot upgrade, etc.)

9. Waterbars shall be installed on all reclaimed pipeline corridors per the guidelines in F #12.

E. Roads and Pipelines

1. All necessary ROWs including pipeline, power line, water line and road, etc. shall be obtained prior to any construction, surface disturbing activities, or drilling.

2. Roads constructed on BLM lands would be constructed to allow for drainage and erosion control. The operator is responsible for maintenance of all roads authorized through the lease or right-of-way. Construction and maintenance shall comply with Class III Road Standards with a 16-ft wide graveled travel surface as described in BLM Manual Section 9113, the BLM Gold Book standards and the Moab District Road Standards, except as modified by BLM. Maintenance may include but is not limited to grading, applying gravel, snow removal, ditch cleaning, and headcut restoration/prevention.

3. Topsoil from access roads and pipelines are to be wind rowed along the uphill side of the road or stored in an approved manner. When the road and pipeline is rehabilitated, this soil will then be used as a top coating for the seed bed.

4. The operator shall provide an inspector under the direction of a registered professional engineer (PE) at all times during road construction. A PE shall certify (statement with PE stamp) that the road was constructed to the required Bureau of Land Management (BLM) road standards.

5. Erosion-control structures such as water bars, diversion channels, and terraces will be constructed to divert water and reduce soil erosion on the disturbed area. Road ditch turnouts shall be equipped with energy dissipaters as needed to avoid

erosion. Where roads interrupt overland sheet-flow and convert this runoff to channel flow, ditch turnouts shall be designed to reconvert channel flow to sheet flow. Rock energy dissipaters and gravel dispersion fans may be used, or any other design which would accomplish the desired reconversion of flow regime. As necessary cut banks, road drainages, and road crossings shall be armored or otherwise engineered to prevent headcutting.

F. Dry Hole/Reclamation

1. Interim reclamation will be initiated as soon as is practical after construction and drilling operations. Areas to be reclaimed include but are not limited to road out-slopes, areas disturbed during installation of electric, water and gas lines and areas of well pad sites no longer needed for drilling operation activities. Interim reclamation operations will follow the guidelines set in Appendix A (Revegetation Plan) in the Stone Energy Corporation Dugout Creek Prospect EA.

2. Upon cessation of production of the project the Proponent will expediently reclaim and reseed all disturbed lands including but not limited to well pad sites, access roads, compressor sites and water treatment facilities, in accordance with Appendix A (Reclamation Plan) in the Stone Energy Corporation Dugout Creek Prospect EA and any pertinent COAs.

3. Disturbed lands will be re-contoured back to conform with existing undisturbed topography. No depressions will be left that trap water or form ponds.

4. Before the location has been reshaped and prior to redistributing the topsoil, the operator will rip or scarify the drilling platform and access road on the contour, to a depth of at least 12 inches. The rippers are to be no farther than 24 inches apart.

5. Distribute the topsoil evenly over the entire location and other disturbed areas. Prepare the seedbed by disking to a depth of 4-to-6 inches following the contour.

6. Phased reclamation plans will be submitted to BLM for approval prior to individual POD facility abandonment via a Notice of Intent (NOI) Sundry Notice. Individual facilities, such as well locations, pipelines, discharge points, impoundments, etc. need to be addressed in these plans as they are no longer needed. Individual items that will need to be addressed in reclamation plans include:
   - Pit closure (Close ASAP after suitably dry, but no later than 90 days from time of drilling unless an extension is given by BLM Authorized Officer.) BLM may require closure prior to 90 days in some cases due to land use or environmental concerns.
   - Configuration of reshaped topography, drainage systems, and other surface manipulations
   - Waste disposal

- Revegetation methods, including specific seed mix (pounds pure live seed/acre) and soil treatments (seedbed preparation, fertilization, mulching, etc.). On private surface, the landowner should be consulted for the specific seed mix.
- Other practices that will be used to reclaim and stabilize all disturbed areas, such as water bars, erosion fabric, hydro-mulching, etc.
- An estimate of the timetables for beginning and completing various reclamation operations relative to weather and local land uses.
- Methods and measures that will be used to control noxious weeds, addressing both ingress and egress to the individual well or POD.
- Decommissioning/removal of all surface facilities

7. BLM will not release the performance bond until all disturbed areas associated with the APD/POD have been successfully revegetated (evaluation will be made after the second complete growing season) and has met all other reclamation goals of the surface owner and surface management agency.
8. A Notice of Intent to Abandon and a Subsequent Report of Abandonment must be submitted for abandonment approval.

9. For performance bond release approval, a Final Abandonment Notice (with a surface owner release letter on split-estate) must be submitted prior to a final abandonment evaluation by BLM.

10. Soil fertility testing and the addition of soil amendments may be required to stabilize some disturbed lands.

11. Any mulch utilized for reclamation needs to be certified weed free.

12. Waterbars are to be constructed at least one (1) foot deep, on the contour with approximately two (2) feet of drop per 100 feet of waterbar to ensure drainage, and extended into established vegetation. All waterbars are to be constructed with the berm on the downhill side to prevent the soft material from silting in the trench. The initial waterbar should be constructed at the top of the backslope. Subsequent waterbars should follow the following general spacing guidelines:

Slope (percent)	Spacing Interval (feet)
≤ 2	200
2 – 4	100
4 – 5	75
≥ 5	50

Proponent Committed Management and Mitigation Measures

1. A maximum of 4 wells per section (160-acre spacing) would be developed on the Proponent's leases.

2. Surface water resources will be protected by implementing Best Management Practices (BMPs) for erosion control and hydrologic protection during the construction, operation, and reclamation of the project facilities as described in the Ferron EIS (BLM 1998, page 4-15) and the Stone Energy Corporation Dugout Creek Prospect EA.

3. Soils will be protected, reserved and stockpiled according to the procedures outlined in the Chapter 2.2.4.5 and 2.2.4.7 in the Stone Energy Corporation Dugout Creek Project EA and the Revegetation Plan in Appendix A of the same EA.

4. Removal or disturbance of vegetation will be kept to a minimum by using previously disturbed areas wherever possible and disturbed areas will be stabilized in accordance with the BLM approved Revegetation Plan (see attached).

5. The proponent and its contractor's will power wash construction and drilling equipment and vehicles prior to the start of construction. Any equipment taken off-site such as to another remote location will be power-washed prior to being returned to the Dugout Creek Project Area.

6. The proponent will control weeds along Right-of-Ways (ROWs), at well sites, and within any other areas disturbed by the project. Prompt reclamation would be implemented, and native seed mixtures will be used for reclamation (see Appendix A of Stone Energy Corporation Dugout Creek Project EA).

7. Hand pulling or digging, biological control, mechanical methods and/or application of BLM approved herbicides will be used for the control of weeds, as appropriate.

8. The proponent will provide the BLM with a brief annual report with the following information:
    a. What vehicles were washed and when.
    b. What noxious weeds were controlled, method used and when.
    c. A pesticide use proposal will be submitted to and approved by the BLM for use of herbicides.

9. The proponent will avoid any construction within the seasonal buffers for active raptor nests (February 1-July 15). Seasonal buffers have been established as a result of BLM coordination and interaction with the Utah Division of Wildlife Resources and the US Fish and Wildlife Service, and these buffers typically involve a half-mile radius from active raptor nests (1 mile for peregrine falcon), unless an exemption is granted by the BLM.

10. A portion of the project area is located within crucial mule deer winter range. The Proponent will avoid construction activities in this habitat between December 1 and April 15. To avoid collisions with mule deer, the Proponent will designate a speed limit of 15 mph on well pad access roads. In addition, the Proponent has also agreed

to enter into a memorandum of understanding (MOU) with the National Fish and Wildlife Foundation (NFWF), Utah Division of Wildlife Resources (UDWR) and the BLM which will provide for a per well payment to be made by the proponent, into an account held by NFWF. This account will provide funding for wildlife mitigation which would be designed to increase mule deer forage and habitat elements. The location and specifics of this plan have yet to be determined.

11. Prior to any construction activities between February 1 and July 1 within 0.5 mile of golden eagle nest site #1507, the nest will be checked to determine its activity status. If nest is occupied, construction will not occur within 0.5 mile of the nest during the nesting season (February 1 through August 1). This would further minimize the risk of any impacts to golden eagle use of this nest.

12. All new BLM access roads may be required to be gated and locked to prevent public access during the hunting and winter seasons to minimize the potential effects of increased human access during these periods.

13. Cultural and Paleontological resources will be protected as outlined in Chapter 2.2.4.1 and 2.2.4.2 in the Stone Energy Corporation Dugout Creek Project EA.

14. During drilling and completion operations, erect derrick structures will be illuminated from dusk to dawn as a safety precaution to low flying aircraft.

15. Minimize road width cuts.

16. For reducing visual contrast, all production facilities will be painted a flat, non-reflective standard environmental color (Olive Black 5WA20-6) approved by the Rocky Mountain Five State Interagency Committee. This Fuller O'Brien color is for reference only. This will include all facilities except those required to comply with Occupational Safety and Health (OSHA) regulations. These facilities will be painted within 6 months of installation the color stipulated by OSHA and the BLM Price Field Office.

17. Minimize pumping unit height.

18. Minimize well pad size.

19. Use landscape design features, primarily native species, to reduce drill pad area after artificial lift equipment is installed and operational.

20. Use feathering to soften linear lines to create more natural contours for well pads.

21. Use natural vegetation to screen out other undesirable views.

22. Blend soil disturbance into natural topography to achieve natural appearance, reduce erosion, and rehabilitate ground cover.

23. Adequate signage and personnel shall be available to protect and direct any recreational vehicles within the construction area.

24. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the operator, or any person working on his behalf, on public land is to be immediately reported to the Price BLM Office. The operator will suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Price BLM Office. An evaluation of the discovery will be made by the BLM to determine appropriate actions to prevent the loss of significant cultural or scientific values. The operator is responsible for the cost of evaluation of any site found during construction. The BLM will determine what mitigation is necessary.

25. The placement of powerline poles within the proposed southern powerline corridor, along with construction activities will be monitored to ensure that eligible cultural resource sites are avoided. When eligible cultural sites exist in close proximity to proposed road disturbances, such sites will be fenced to insure avoidance during construction. Pole site, construction monitoring, and avoidance fencing will be monitored by the BLM or a BLM-approved archeologist.

26. Vegetation removal necessitated by construction shall be confined to the limits of actual construction. Removed vegetation will be stockpiled for use in reclamation or removed from the construction site at the direction of the BLM.

27. Revegetate disturbed soils promptly.

28. Use natural vegetation to screen out other undesirable views.

29. During to surface disturbance, topsoil is to be separately removed and segregated from other material. Topsoil depth will be decided onsite by BLM. If the topsoil is less than 6 inches, a 6-inch layer that includes the A horizon and the unconsolidated material immediately below the A horizon shall be removed and the mixture segregated and redistributed as the surface soil layer. Generally topsoil shall be stored within the pad site or adjacent to access roads. The company in consultation with BLM shall determine stockpile locations and dimensions at the onsite. If the topsoil stockpiles will not be redistributed for a period in excess of one (1) year, the stockpiles are to be seeded with seed mixture as described in Appendix A (Reclamation Plan) in the Stone Energy Corporation Dugout Creek Prospect EA.

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Notify the Price Field Office at least 48-hours prior to commencing construction of location.

Spud- Notify the Price Field Office 24-hours prior to spudding. Submit written notification of spud (Sundry Notice, Form 3160-5) to the Moab Field Office within 24-hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports that describe the progress and status of the well shall be submitted to the Moab Field Office on a weekly basis. This report may be in any format customarily used by the operator.

Oil and Gas Operations Reports (OGORs)- Production from this well shall be reported to Minerals Management Service (MMS) on a monthly basis.

Sundry Notices- Any modification to the proposed drilling program shall be submitted to the Moab Field Office on a Sundry Notice (Form 3160-5). Regulations at 43 CFR 3162.3-2 describe which operations require prior approval, and which require notification.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, immediately notify the Price Field Office, and work that might disturb the cultural resources shall cease.

First Production- A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Price Field Office.

Notify the Moab Field Office when the well is placed into production. Initial notification may be verbal, but must be confirmed in writing within five business days. Please include the date production started, the producing formation and production volumes.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, a *Well Completion or Recompletion Report and Log* (Form 3160-4) shall be submitted to the Moab Field Office within thirty-days after completion of the well. 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. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered to be shut-in until the gas can be captured or until approval to continue the venting/flaring pursuant to NTL-4A is granted. Compensation shall be due for gas that is vented/flared without approval.

Produced Water- An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order No.7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling of production prior to the sales measurement point. The term "commingling" describes both the combining of production from different geologic zones and/or combining production from different leases or agreement areas.

Plugging and Abandonment- If the well is a dry hole, plugging instructions must be obtained from the Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Sundry Notice, Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. 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 Price Field Office or the appropriate surface managing agency.

TABLE 1

NOTIFICATIONS

Notify Nathan Sill (435-636-3668) or Walton Willis (435-636-3662) of the BLM Price Field Office for the following:

2 days prior to constructing location (Sill);

1 day prior to spudding (Willis);

50 feet prior to reaching the surface casing setting depth (Willis).

If the people at the above number cannot be reached, notify the BLM Moab Field Office at 435-259-2100.

Well abandonment operations require 24-hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained from:

Eric Jones, Petroleum Engineer	Office: 435-259-2117 Home: 435-259-2214

FORM 9

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

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-079608

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: N/A

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER _____

8. WELL NAME and NUMBER: DUGOUT CREEK FED'L 31-4

2. NAME OF OPERATOR: Stone Energy Corporation

9. API NUMBER: 4300731057

3. ADDRESS OF OPERATOR: 1401 17th St., #1000 CITY DENVER STATE CO ZIP

PHONE NUMBER: (303) 893-0102

10. FIELD AND POOL, OR WILDCAT: WILDCAT

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 871' FNL & 1777' FEL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 4 14S 12E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: _____	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: EXTEND APD APPROVAL
_____	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

REQUEST APD APPROVAL BE EXTENDED 1 YEAR
BLM APPROVAL DELAYED DUE TO NEPA

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 09-05-07

By: _____

NAME (PLEASE PRINT) CARINA YANDA

TITLE CONSULTANT

SIGNATURE _____

DATE 8/24/2007

(This space for State use only)

9-6-07
RM

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SEP 04 2007
DIV. OF OIL, GAS & MINING

(5/2000)

(See Instructions on Reverse Side)

[redacted]

Application for Permit to Drill
Request for Permit Extension
Validation
(this form should accompany the Sundry Notice requesting permit extension)

API: 43-007-31057
Well Name: DUGOUT CREEK FED'L. 31-4
Location: NWNE4-14S-12E, CARBON COUNTY
Company Permit Issued to: STONE ENERGY CORPORATION
Date Original Permit Issued: 9/21/2005

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes☐ No☑

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes☐ No☑

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes☐ No☑

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes☐ No☑

Has the approved source of water for drilling changed? Yes☐ No☑

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes☐ No☑

Is bonding still in place, which covers this proposed well? Yes☑ No☐

Signature _____ Date 8/24/2007

Title: CONSULTANT

Representing: STONE ENERGY CORPORATION

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SEP 04 2007
DIV. OF OIL, GAS & MINING

Division of Oil, Gas and Mining

OPERATOR CHANGE WORKSHEET

ROUTING
1. DJJ
2. CDW

X Change of Operator (Well Sold)
Operator Name Change

Designation of Agent/Operator
Merger

The operator of the well(s) listed below has changed, effective: **7/1/2007**

FROM: (Old Operator):	**TO:** (New Operator):
N2745-Stone Energy Corporation	N2695-Newfield Production Company
1999 Broadway, Suite 3700	1401 17th St, Suite 1000
Denver, CO 80202-3025	Denver, CO 80202
Phone: 1-(303) 296-3600	Phone: 1-(303) 893-0102

CA No. **Unit:**

WELL NAME(S)	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 9/6/2007
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/6/2007
3. The new company was checked on the **Department of Commerce, Division of Corporations Database on:** 7/31/2007
4. Is the new operator registered in the State of Utah: Business Number: 755627-0143

5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE

5b. Inspections of LA PA state/fee well sites complete on: n/a

5c. Reports current for Production/Disposition & Sundries on: ok

6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA n/a
7. **Federal and Indian Units:**
   The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
8. **Federal and Indian Communization Agreements ("CA"):**
   The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject,** for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database on:** 9/27/2007
2. Changes have been entered on the **Monthly Operator Change Spread Sheet on:** 9/27/2007
3. Bond information entered in RBDMS on: 9/27/2007
4. Injection Projects to new operator in RBDMS on: n/a
5. Receipt of Acceptance of Drilling Procedures for APD/New on: 9/27/2007

WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: UTB00192
2. Indian well(s) covered by Bond Number: n/a
3. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 61BSBDH2919
4. The **FORMER** operator has requested a release of liability from their bond on: n/a
   The Division sent response by letter on:

LEASE INTEREST OWNER NOTIFICATION:

5. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: USA UTU-079608
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
7. UNIT or CA AGREEMENT NAME: N/A
8. WELL NAME and NUMBER: Dugout Creek Fed 31-4
9. API NUMBER: ~~4300371057~~ 4300731057
10. FIELD AND POOL, OR WILDCAT: Wildcat

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER _____
2. NAME OF OPERATOR: Newfield Production Company
3. ADDRESS OF OPERATOR: 1401 17th Street, Ste 1000 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 893-0102
4. LOCATION OF WELL
FOOTAGES AT SURFACE: 871' FNL, 1777' FEL COUNTY: Carbon
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 4 14S 12E, SLM STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: _____	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☑ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: _____	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER: _____
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective July 1, 2007, Newfield Production Company will take over operations of the referenced well. The previous owner was:

Stone Energy Corporation
950 17th Street, Suite 2600
Denver, CO 80202

Effective July 1, 2007, Newfield Production Company is responsible under the terms and conditions of the leases for operations conducted on the leased lands or a portion thereof under BLM Bond No. RLB 0010473.

Seller Signature: E J Louviere

Title: E. J. Louviere
Sr. Vice President Land

NAME (PLEASE PRINT) Kelly L. Donohoue TITLE Division Landman

SIGNATURE Kelly L Donohoue DATE 6/29/07

(This space for State use only)

APPROVED 9/27/07
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED
SEP 06 2007
DIV. OF OIL, GAS & MINING

(5/2000)

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

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	Dugout Creek Fed 31-4
API number:	~~4300371057~~ 4300731057
Location:	Qtr-Qtr: NWNE Section: 4 Township: 14S Range: 12E
Company that filed original application:	Stone Energy Corporation
Date original permit was issued:	09/21/2005
Company that permit was issued to:	Stone Energy Corporation

Check one	Desired Action:
	Transfer pending (unapproved) Application for Permit to Drill to new operator
	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
✓	**Transfer approved Application for Permit to Drill to new operator**
	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?		✓
If so, has the surface agreement been updated?		
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		✓
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		✓
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		✓
Has the approved source of water for drilling changed?		✓
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		✓
Is bonding still in place, which covers this proposed well? Bond No. RLB 0010473	✓	

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Kelly Donohoue Title Division Landman

Signature Kelly L. Donohoue Date 6/29/07

Representing (company name) Newfield Production Company

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

(3/2004)

FORM 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.
UTU-079608

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
NA

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No.
DUGOUT CREEK FED 31-4

9. API Well No.
43-007-31057

2. Name of Operator
NEWFIELD PRODUCTION COMPANY

10. Field and Pool, or Exploratory Area
WILDCAT

3. Address and Telephone No.
Rt. 3 Box 3630, Myton Utah, 84052 435-646-3721

11. County or Parish, State
CARBON COUNTY, UT.

4. Location of Well (Footage, Sec., T., R., m., or Survey Description)
871 FNL 1777 FEL NW/NE Section 4, T14S R12E

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

TYPE OF SUBMISSION	TYPE OF ACTION	
[X] Notice of Intent	[ ] Abandonment	[ ] Change of Plans
[ ] Subsequent Report	[ ] Recompletion	[ ] New Construction
[ ] Final Abandonment Notice	[ ] Plugging Back	[ ] Non-Routine Fracturing
	[ ] Casing Repair	[ ] Water Shut-Off
	[ ] Altering Casing	[ ] Conversion to Injection
	[X] Other **Permit Extension**	[ ] Dispose Water
		(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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

Newfield Production Company requests to extend the Permit to Drill this well for one year.

This APD has not yet been approved by the BLM.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 08-20-08
By: [signature]

COPY SENT TO OPERATOR
Date: 8.21.2008
Initials: KS

14. I hereby certify that the foregoing is true and correct
Signed [signature] Title Regulatory Specialist Date 8/18/2008
Mandie Crozier

CC: UTAH DOGM

(This space for Federal or State office use)
Approved by _____ Title _____ Date _____
Conditions of approval, if any:
CC: Utah DOGM

RECEIVED
AUG 20 2008
DIV. OF OIL, GAS & MINING

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

RESET

Application for Permit to Drill
Request for Permit Extension
Validation

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-007-31057
Well Name: DUGOUT CREEK FEDERAL 31-4
Location: NW/NE Section 4,T14S R12E
Company Permit Issued to: STONE ENERGY CORPORATION
Date Original Permit Issued: 9/21/2005

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes☐ No☑

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes☐ No☑

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes☐ No☑

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes☐ No☑

Has the approved source of water for drilling changed? Yes☐ No☑

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes☐ No☑

Is bonding still in place, which covers this proposed well? Yes☑ No☐

Mandie Crozier
Signature

8/18/2008
Date

Title: Regulatory Specialist

Representing: Newfield Production Company

RECEIVED
AUG 20 2008
DIV. OF OIL, GAS & MINING

Form 3160-3
(April 2004)

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. **UTU-079608**

6. If Indian, Allotee or Tribe Name **N/A**

7. If Unit or CA Agreement, Name and No. **N/A**

8. Lease Name and Well No. **DUGOUT CREEK FED'L. 31-4**

9. API Well No. **43-007- 31057**

10. Field and Pool, or Exploratory **WILDCAT**

11. Sec., T. R. M. or Blk. and Survey or Area **4-14S-12E SLM**

1a. Type of work: ☑ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone

2. Name of Operator **STONE ENERGY CORPORATION**

3a. Address **950 1TH. ST., SUITE 2600 DENVER, CO 80202-2828**

3b. Phone No. *(include area code)* **(303) 685-8000**

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface **871' FNL & 1777' FEL**
At proposed prod. zone **SAME**

12. County or Parish **CARBON**

13. State **UT**

14. Distance in miles and direction from nearest town or post office* **10 AIR MILES NORTHEAST OF WELLINGTON**

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **863'**

16. No. of acres in lease **1,893.89**

17. Spacing Unit dedicated to this well **NE4**

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

19. Proposed Depth **3,500'**

20. BLM/BIA Bond No. on file **RLB0002054**

21. Elevations (Show whether DF, KDB, RT, GL, etc.) **6,246' GL**

22. Approximate date work will start* **11/01/2005**

23. Estimated duration **4 WEEKS**

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature — Name *(Printed/Typed)* **BRIAN WOOD** — Date **09/12/2005**

Title **CONSULTANT** PHONE: (505) 466-8120 FAX: (505) 466-9682

Approved by *(Signature)* — Name *(Printed/Typed)* William A. Lynn Jackson — Date 3/8/07

Title Assistant Field Manager, Division of Resources — Office Division of Resources Moab Field Office

Application approval 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.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

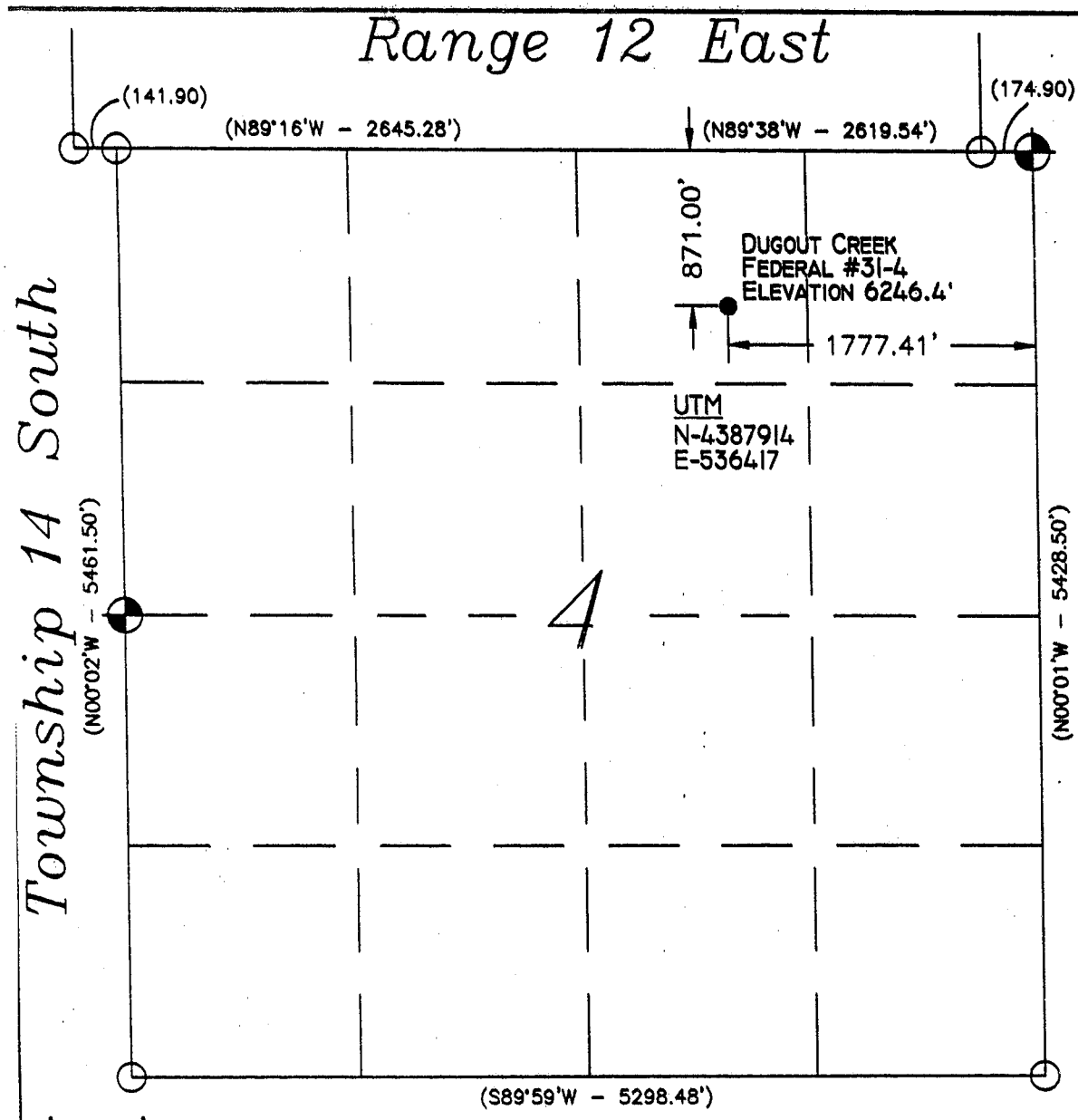
**(Instructions on page 2)*

J 3.8.7

SEP 2005
Received
BLM
Moab F.O.

CONDITIONS OF APPROVAL ATTACHED

RECEIVED
APR 16 2009
DIV. OF OIL, GAS & MINING



Legend

- ● Drill Hole Location
- ⊕ Brass Cap (Found)
- ○ Brass Cap (Searched for, but not found)
- △ Calculated Corner (From Reference Points)
- ( ) GLO
- GPS Measured

NOTE:
UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 27 DATUM.

LAT / LONG
39°38'31.632"N
110°34'32.121"W

Location:
The well location was determined using a Trimble 4700 GPS survey grade unit.

Basis of Bearing:
The Basis of Bearing is GPS Measured.

GLO Bearing:
The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

Basis of Elevation:
Basis of Elevation of 6178' being at the Southeast Section corner of Section 2, Township 14 South, Range 12 East, Salt Lake Base & Meridian, as shown on the Pine Canyon Quadrangle 7.5 Minute Series Map.

Description of Location:
Proposed Drill Hole located in the NW1/4 NE1/4 of Section 4, T14S, R12E, S.L.B.&M., being South 871.00' and West 1777.41' from the Northeast Section Corner of Section 4, T14S, R12E, Salt Lake Base and Meridian.

Surveyor's Certificate:
I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.

Registered Land Surveyor
6-13-05
No. 146652
Albert J. Spensko
State of Utah

GRAPHIC SCALE
0 500' 1000'
(IN FEET)
1 inch = 1000 ft.

TALON RESOURCES, INC.
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon @ etv.net

ENERGY

Dugout Creek Federal #31-4
Section 4, T14S, R12E, S.L.B.&M.
Carbon County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. A-1	Date: 6/7/05
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 1771

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Green River District-Price Field Office
125 South 600 West
Price, UT 84501
(435) 636-3600 Fax: (435) 636-3657
http://www.blm.gov/ut/st/en/fo/price.html

APR 14 2009

In Reply Refer To:
(3160) UTG020

CERTIFIED MAIL-RETURN RECEIPT REQUESTED
7008 0150 0002 0895 8962

Stone Energy Corporation
950 17th Street, Suite 2600
Denver, Colorado 80202-2828

RE: Notice of Expiration
13 well locations

Dear Sir or Madam:

The Application for Permit to Drill (APD) the wells listed in attachment A were approved on February 27, March 1, 7, 8 and 13, 2007. No extensions of the original APDs were requested. According to our records, no known activity has transpired at the approved locations. In view of the foregoing, this office is notifying you that the approval of the referenced applications are expired. If you intend to drill at any of these location in the future, a new Application for Permit to Drill must be submitted.

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

If you have any questions regarding this matter, please contact Katie Nash at (435) 636-3614.

Sincerely,

Michael Stiewig
Acting Price Field Office Manager

RECEIVED
APR 16 2009
DIV OF OIL, GAS & MINING

Attachment A

Dugout Creek Federal 22-33
Section 33-T13S-R12E
Lease No. UTU 79606
Carbon County Utah
Approved 02/27/07
Expired 02/27/09

Dugout Creek Federal 12-28
Section 28-T13S-R12E
Lease No. UTU 79605
Carbon County Utah
Approved 02/27/07
Expired 02/27/09

Dugout Creek Federal 41-33
Section 33-T13S-R12E
Lease No. UTU 79606
Carbon County Utah
Approved 03/01/07
Expired 03/01/09

Dugout Creek Federal 14-28
Section 28-T13S-R12E
Lease No. UTU 79605
Carbon County Utah
Approved 03/01/07
Expired 03/01/09

Dugout Creek Federal 24-33
Section 33-T13S-R12E
Lease No. UTU 79606
Carbon County Utah
Approved 03/07/07
Expired 03/07/09

Dugout Creek Federal 44-28
Section 28-T13S-R12E
Lease No. UTU 79605
Carbon County Utah
Approved 03/07/07
Expired 03/07/09

Dugout Creek Federal 43-33
Section 33-T13S-R12E
Lease No. UTU 79606
Carbon County Utah
Approved 03/07/07
Expired 03/07/09

Dugout Creek Federal 14-4
Section 4-T14S-R12E
Lease No. UTU 79608
Carbon County Utah
Approved 03/07/07
Expired 03/07/09

Dugout Creek Federal 31-4
Section 4-T14S-R12E
Lease No. UTU 79608
Carbon County Utah
Approved 03/08/07
Expired 03/08/09

Dugout Creek Federal 11-4
Section 4-T14S-R12E
Lease No. UTU 79608
Carbon County Utah
Approved 03/08/07
Expired 03/08/09

Dugout Creek Federal 23-18
Section 18-T14S-R12E
Lease No. UTU 79609
Carbon County Utah
Approved 03/08/07
Expired 03/08/09

Dugout Creek Federal 43-4
Section 4-T14S-R12E
Lease No. UTU 79608
Carbon County Utah
Approved 03/08/07
Expired 03/08/09

Dugout Creek Federal 23-28
Section 28-T13S-R12E
Lease No. UTU 79605
Carbon County Utah
Approved 03/13/07
Expired 03/13/09

API Well No: 43007310570000

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-079608

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: Gas Well

8. WELL NAME and NUMBER: DUGOUT CREEK FED 31-4

2. NAME OF OPERATOR: NEWFIELD PRODUCTION COMPANY

9. API NUMBER: 43007310570000

3. ADDRESS OF OPERATOR: Rt 3 Box 3630 , Myton, UT, 84052

PHONE NUMBER: 435 646-4825 Ext

9. FIELD and POOL or WILDCAT: WILDCAT

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
0871 FNL 1777 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: NWNE Section: 04 Township: 14.0S Range: 12.0E Meridian: S

COUNTY: CARBON

STATE: UTAH

11.
CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 8/13/2009	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Newfield Production Company requests to extend the Permit to Drill this well for one year.

Approved by the Utah Division of Oil, Gas and Mining

Date: August 17, 2009

By: [signature]

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Mandie Crozier	435 646-4825	Regulatory Tech
SIGNATURE		**DATE**
N/A		8/13/2009

RECEIVED August 13, 2009

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43007310570000

API: 43007310570000
Well Name: DUGOUT CREEK FED 31-4
Location: 0871 FNL 1777 FEL QTR NWNE SEC 04 TWNP 140S RNG 120E MER S
Company Permit Issued to: NEWFIELD PRODUCTION COMPANY
Date Original Permit Issued: 9/21/2005

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- **If located on private land, has the ownership changed, if so, has the surface agreement been updated?** ◉ **Yes** ○ **No**
- **Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?** ○ **Yes** ◉ **No**
- **Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?** ○ **Yes** ◉ **No**
- **Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?** ○ **Yes** ◉ **No**
- **Has the approved source of water for drilling changed?** ○ **Yes** ◉ **No**
- **Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?** ○ **Yes** ◉ **No**
- **Is bonding still in place, which covers this proposed well?** ◉ **Yes** ○ **No**

Approved by the Utah Division of Oil, Gas and Mining

Signature: Mandie Crozier **Date:** 8/13/2009
Title: Regulatory Tech **Representing:** NEWFIELD PRODUCTION COMPANY

Date: August 17, 2009
By:

RECEIVED August 13, 2009

API Well No: 43007310570000

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-079608

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: Gas Well

8. WELL NAME and NUMBER: DUGOUT CREEK FED 31-4

2. NAME OF OPERATOR: NEWFIELD PRODUCTION COMPANY

9. API NUMBER: 43007310570000

3. ADDRESS OF OPERATOR: Rt 3 Box 3630 , Myton, UT, 84052

PHONE NUMBER: 435 646-4825 Ext

9. FIELD and POOL or WILDCAT: WILDCAT

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
0871 FNL 1777 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: NWNE Section: 04 Township: 14.0S Range: 12.0E Meridian: S

COUNTY: CARBON

STATE: UTAH

11.
CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 9/21/2010	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Newfield proposes to extend the Application for Permit to Drill this well for one year.

Approved by the Utah Division of Oil, Gas and Mining

Date: September 20, 2010

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Mandie Crozier	435 646-4825	Regulatory Tech

SIGNATURE	DATE
N/A	9/13/2010

RECEIVED September 13, 2010

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43007310570000

API: 43007310570000
Well Name: DUGOUT CREEK FED 31-4
Location: 0871 FNL 1777 FEL QTR NWNE SEC 04 TWNP 140S RNG 120E MER S
Company Permit Issued to: NEWFIELD PRODUCTION COMPANY
Date Original Permit Issued: 9/21/2005

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- **If located on private land, has the ownership changed, if so, has the surface agreement been updated?** ○ **Yes** ◉ **No**
- **Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?** ○ **Yes** ◉ **No**
- **Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?** ○ **Yes** ◉ **No**
- **Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?** ○ **Yes** ◉ **No**
- **Has the approved source of water for drilling changed?** ○ **Yes** ◉ **No**
- **Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?** ○ **Yes** ◉ **No**
- **Is bonding still in place, which covers this proposed well?** ◉ **Yes** ○ **No**

Approved by the Utah Division of Oil, Gas and Mining

Signature: Mandie Crozier **Date:** 9/13/2010
Title: Regulatory Tech **Representing:** NEWFIELD PRODUCTION COMPANY

Date: September 20, 2010

By:

RECEIVED September 13, 2010

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

September 15, 2011

43 007 31057
Dugout Creek Federal 31-4
4S 12E 4

Mandie Crozier
Newfield Production Co
Route 3 Box 3630
Myton, UT 84052

Re: APDs Rescinded for Newfield Production Company
Uintah County & Duchesne County

Dear Ms. Crozier:

Enclosed find the list of APDs that you requested to be rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective September 23, 2011.

A new APD 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 immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal
Bureau of Land Management, Price

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

43-013-34072	JOELYN FED 1-27
43-013-34073	HELEN FED 1-26
43-007-31327	DUGOUT CREEK FED 41-30
→ 43-007-31057	DUGOUT CREEK FED 31-4
43-007-31058	DUGOUT CREEK FED 43-33
43-007-31059	DUGOUT CREEK FED 41-33
43-007-31060	DUGOUT CREEK FED 44-28