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SUBMIT IN TRIPlicate  
(Other instructions on reverse side)

STATE OF UTAH

DIVISION OF OIL, GAS & MINING  
CONSERVATION COMMISSION

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK  
 DRILL  DEEPEN  PLUG BACK

2. TYPE OF WELL  
 OIL WELL  GAS WELL  OTHER  SINGLE BORE  MULTIPLE BORE

3. NAME OF OPERATOR  
 QUINEX ENERGY CORPORATION

4. ADDRESS OF OPERATOR  
 465 SOUTH 200 WEST, SUITE 300, BOUNTIFUL, UTAH 84010

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)  
 1040' FSL 1100' FEL Sec 36, T1S, R3W, U3B & M

At proposed prod. zone  
 Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE  
 2.8 miles east & 0.75 miles south of Bluebell, Duchesne Co. UT

|  |                   |                                  |        |  |        |
|--|-------------------|----------------------------------|--------|--|--------|
| 16. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FE. (Also to nearest drg. line, if any) | 1100'             | 17. NO. OF ACRES IN LEASE        | 640    | 18. NO. OF ACRES ASSIGNED TO THIS WELL | 640    |
| 18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FE.    |                   | 19. PROPOSED DEPTH               | 14300' | 20. ROTARY OR CABLE TOOLS              | Rotary |
| 21. ELEVATION (Show whether DP, RT, GR, etc.)  | 6259' GR 6280' KB | 22. APPROX. DATE WORK WILL START |        | 10/01/89                               |        |

1. LEASE IDENTIFICATION AND SERIAL NO.  
 14-20-462-4437

6. IS INDIAN, ALLOTTEE OR TRIBE NAME  
 Ute Tribal

7. UNIT AGREEMENT NAME  
 Ute Tribal

8. NAME OF LEASE OWNER  
 Marlene

9. WELL NO.  
 2-36A3

10. FIELD AND POOL OR WILDCAT  
 Bluebell

11. SEC., T., R., M. OR BLM. AND SURVEY OR AREA  
 NW $\frac{1}{4}$ , SE $\frac{1}{4}$ , SE $\frac{1}{4}$   
 Sec 36 T1S, R3W, U3B

12. COUNTY OR PARISH 13. STATE  
 Duchesne Utah

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|--------------------|
| 14 3/4"      | 10 3/4"        | 40.5#           | 2000'         | 1100 sks           |
| 9 7/8"       | 7 5/8"         | 26.4 & 29.7#    | 11300'        | 1200 sks           |
| 6 3/4"       | 5 1/2"         | 20 #            | 14300'        | 700 sks            |

Quinex is bonded by Lumberman's Mutual Casualty Company (Kemper Group) to cover Ute Tribal Lease in Sec 36, T1S, R3W

The drilling of the Quinex-Marlene 2-36A3 Well will follow the attached drilling prognosis.

This well is a Green River-Wasatch Test in the Bluebell Field of Duchesne County Utah.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED [Signature] TITLE [Signature] DATE 10/2/89

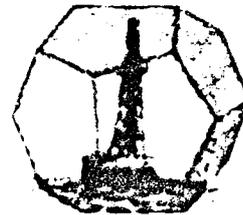
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

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OCT 03 1999



**QUINEX ENERGY CORPORATION**

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3870 • FAX (801) 295-5858

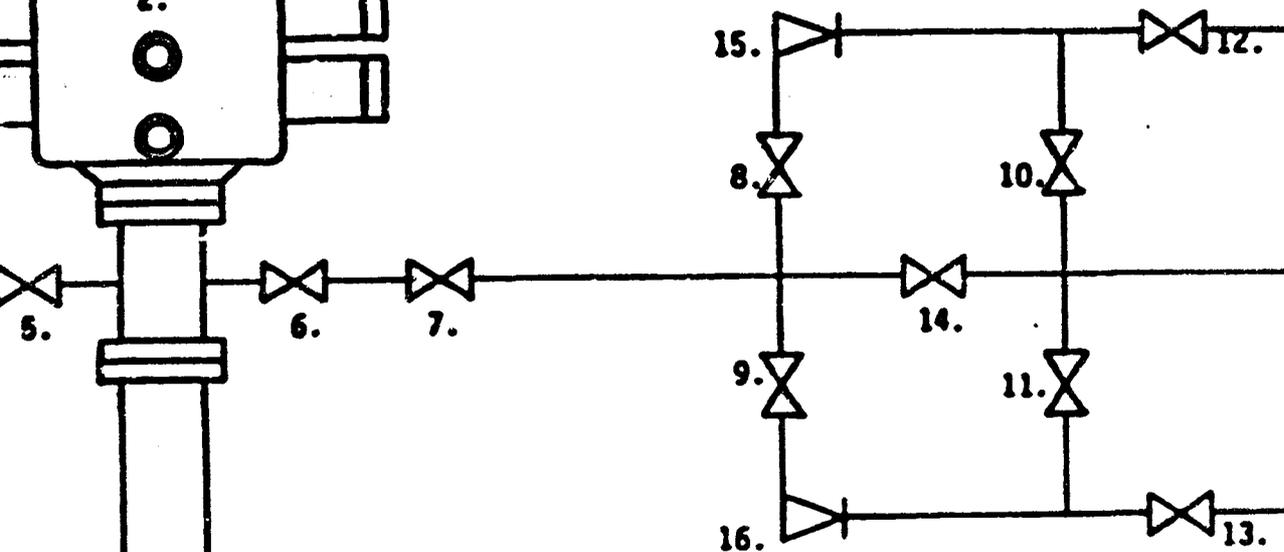
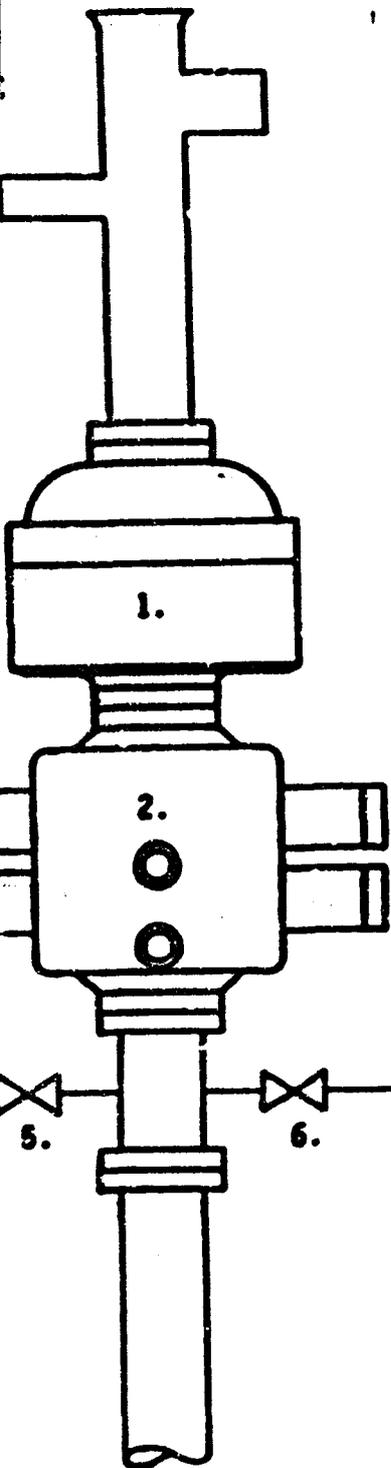
Dear Lisa:

Please find enclosed the plots on the Merlene 2-36A3 well site.

Sincerely

*Debra L. Jones*

1. Hydril GK 13-5/8" x 5000#
2. Shaffer Double 13-5/8" x 5000# pipe and blind
3. Check valve
- 4.-5. Shaffer Type B 3-1/8" x 5000# Gate valves
6. Shaffer Type B 4-1/16" x 5000# Gate valve
- 8.-13. Shaffer Type B 3-1/8" x 5000# Gate valves
14. Shaffer Type B 4-1/16" x 5000# Gate valve
- 15.-16. Positive and Adjustable choke



10/26

OCT 1 6 1989

GRACE DRILLING COMPANY

Western Division

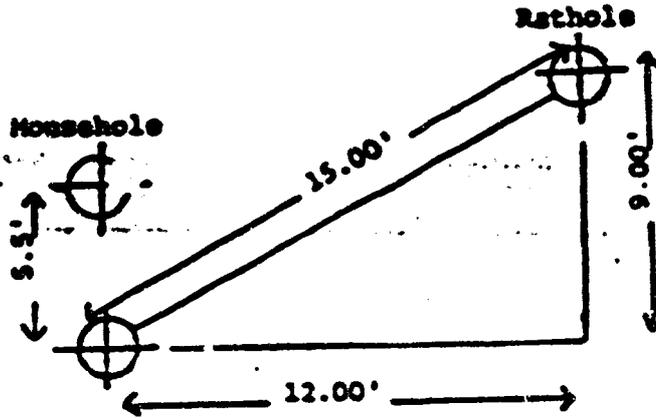
RIG MEASUREMENTS

Rig # 193

Center of Well to:

|               |             |      |                 |
|---------------|-------------|------|-----------------|
| Back          | <u>225'</u> | Back | <u>        </u> |
| Front         | <u>175'</u> |      |                 |
| Pit Side      | <u>55'</u>  |      |                 |
| Doghouse Side | <u>100'</u> |      |                 |

HOUSEHOLE - RATHOLE MEASUREMENTS



OCT 1 6 1989

Field BLUEBELL

Well HERLENE 2-36A3

Location 1040' PSL, 1100' FEL, Section 36, T. 1 S., R. 3 W., USBL M

Drill X Deepen \_\_\_\_\_ Elevation: GR 6259' KB \_\_\_\_\_ Total Depth 14300'

Non-Oper. Interests \_\_\_\_\_

1. Casing Program ( O = Old ( N = New )

|             | <u>Surface</u>         | <u>O/N</u> | <u>Intermediate</u>        | <u>O/N</u> | <u>Oil String/Liner</u> | <u>O/N</u> |
|-------------|------------------------|------------|----------------------------|------------|-------------------------|------------|
| Hole Size   | <u>14 3/4"</u>         | _____      | <u>9 7/8"</u>              | _____      | <u>6 3/4"</u>           | _____      |
| Pipe Size   | <u>10 3/4"</u>         | _____      | <u>7 5/8"</u>              | _____      | <u>5 1/2"</u>           | _____      |
| Grade       | <u>J 55</u>            | <u>N</u>   | <u>N 80 &amp; S 95</u>     | <u>N</u>   | <u>P 110</u>            | <u>N</u>   |
| Weight      | <u>40.5#</u>           | _____      | <u>26.4 # &amp; 29.7 #</u> | _____      | <u>20 #</u>             | _____      |
| Depth       | <u>2000'</u>           | _____      | <u>11,300'</u>             | _____      | <u>14,300'</u>          | _____      |
| Cement      | <u>1100 sks</u>        | _____      | <u>1200 sks</u>            | _____      | <u>700 sks</u>          | _____      |
| Time WOC    | <u>12 hrs</u>          | _____      | <u>24 hrs</u>              | _____      | <u>24 hrs</u>           | _____      |
| Casing Test | <u>3000 PSI</u>        | _____      | <u>5000 PSI</u>            | _____      | <u>5000 PSI</u>         | _____      |
| BCP #1      | <u>1-10 Series 900</u> | _____      | <u>Slafer Doublegate</u>   | _____      | _____                   | _____      |
| Remarks #2  | <u>1-10 Series 900</u> | _____      | <u>Hydrill</u>             | _____      | _____                   | _____      |

2. Mud Program

| <u>Depth Interval</u>    | <u>Type</u>       | <u>Weight</u> | <u>Viscosity</u> | <u>Water Loss</u> |
|--------------------------|-------------------|---------------|------------------|-------------------|
| <u>Surface to 8,000'</u> | <u>Watergel</u>   | <u>8.5 #</u>  | <u>30-35</u>     | <u>-----</u>      |
| <u>8000-11300'</u>       | <u>Low Solids</u> | <u>9.5 #</u>  | <u>32-36</u>     | <u>10-15</u>      |
| <u>11300-14300'</u>      | <u>Low Solids</u> | <u>13.8 #</u> | <u>35-40</u>     | <u>10-12</u>      |

3. Logging Program

Surface/Depth 1 Run NONE

Intermediate Depth 2000' -TD; DIL-SFL; 6000' -TD; Comp. Neu. -For. Den., Full Wave Sonic, Mudlog., Cyberlook.

Oil String Depth \_\_\_\_\_

Total Depth same as above.

4. Mud Logging Unit

FRONTIER LOGGING - LaPoint, Utah

Scales: 5" = 100' to 6000' - TD. to \_\_\_\_\_

5. Coring & Testing Program

Core NONE DST NONE Formation \_\_\_\_\_ Approx. Depth \_\_\_\_\_ Length \_\_\_\_\_

Core NONE LST NONE \_\_\_\_\_

6. Objectives & Significant Tops: Objectives: Primary: Tertiary Wasatch & Wasatch Transition  
Secondary: Tertiary Green River Fm.

| <u>Formation or Zone</u>  | <u>Approx. Depth</u> | <u>Formation or Zone</u>  | <u>Approx. Depth</u> |
|---------------------------|----------------------|---------------------------|----------------------|
| <u>Duchesne River Fm.</u> | <u>surface</u>       | <u>Wasatch Transition</u> | <u>10700'</u>        |
| <u>Uinta Fm.</u>          | <u>4090'</u>         | <u>Wasatch Fm.</u>        | <u>11105'</u>        |
| <u>Green River Fm.</u>    | <u>8250'</u>         | <u>Wasatch "B"</u>        | <u>12690'</u>        |
| <u>Green River "H"</u>    | <u>10025'</u>        | _____                     | _____                |

BOP #1 1-10 Series 900 Stafer Doublegate  
 Remarks #2 1-10 Series 900 Hydrill

2. Mud Program

| <u>Depth Interval</u>    | <u>Type</u>       | <u>Weight</u> | <u>Viscosity</u> | <u>Water Loss</u> |
|--------------------------|-------------------|---------------|------------------|-------------------|
| <u>Surface to 8,000'</u> | <u>Watergel</u>   | <u>8.5 #</u>  | <u>30-35</u>     | <u>-----</u>      |
| <u>8000-11200'</u>       | <u>Low Solids</u> | <u>9.5 #</u>  | <u>32-36</u>     | <u>10-15</u>      |
| <u>11300-14300'</u>      | <u>Low Solids</u> | <u>13.8 #</u> | <u>35-40</u>     | <u>10-12</u>      |

3. Logging Program

Surface/Depth 1 Run NONE  
 Intermediate Depth 2000' -TD; DIL-SFL; 6000' -TD; Comp. Neu. -Por. Den., Full Wave Sonic, MudLog., Cyberlook.  
 Oil String Depth \_\_\_\_\_  
 Total Depth same as above.

4. Mud Logging Unit

Scales: FRONTIER LOGGING - LaPoint, Utah  
5" = 100' to 6000' - TD. to \_\_\_\_\_

5. Coring & Testing Program

Core NONE DST NONE Formation \_\_\_\_\_ Approx. Depth \_\_\_\_\_ Length \_\_\_\_\_  
 Core NONE LST NONE \_\_\_\_\_

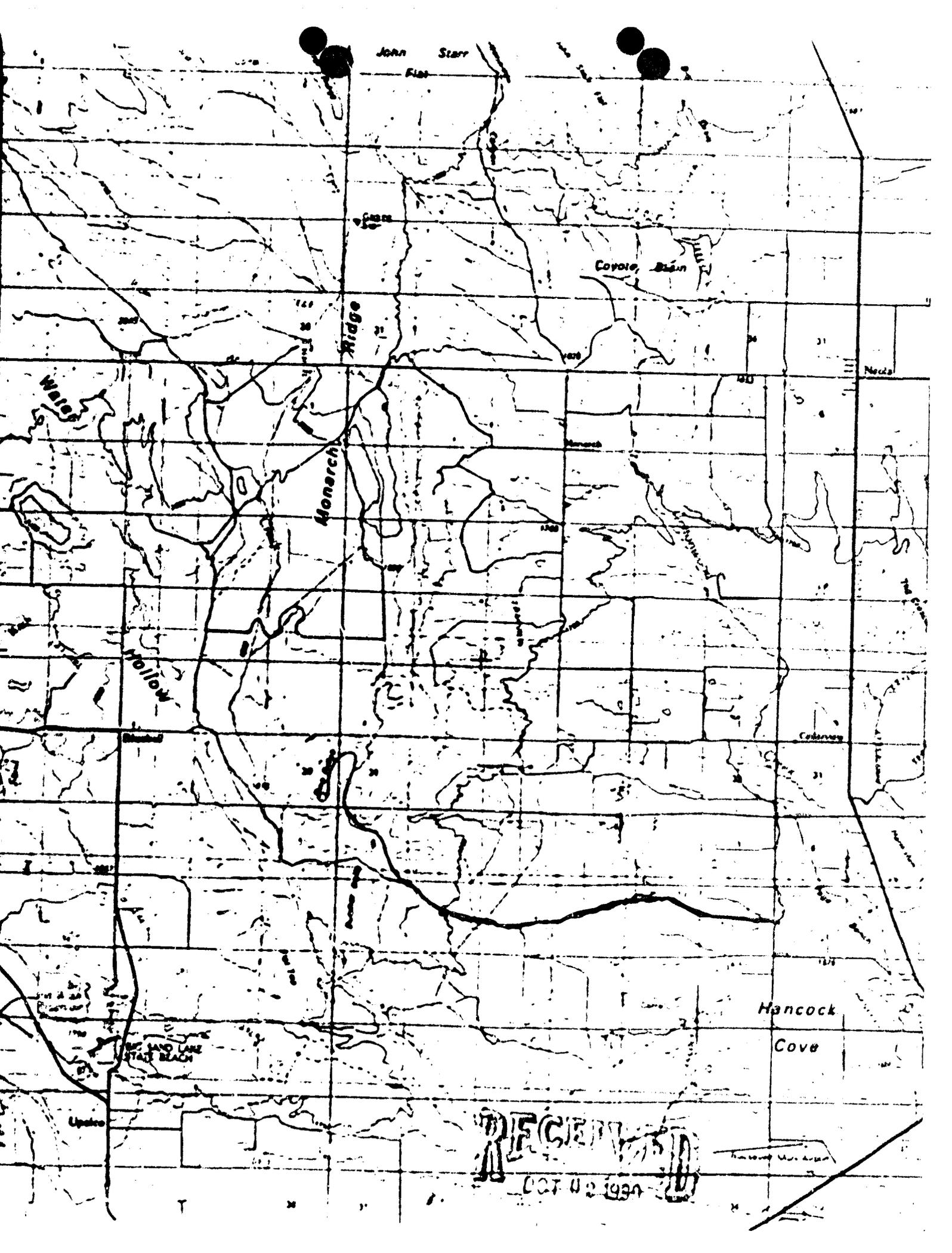
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Secondary: Tertiary Green River Fm.

| <u>Formation or Zone</u>    | <u>Approx. Depth</u> | <u>Formation or Zone</u>  | <u>Approx. Depth</u> |
|-----------------------------|----------------------|---------------------------|----------------------|
| <u>Duchesne River Fm.</u>   | <u>surface</u>       | <u>Wasatch Transition</u> | <u>10700'</u>        |
| <u>Uinta Fm.</u>            | <u>4090'</u>         | <u>Wasatch Fm.</u>        | <u>11105'</u>        |
| <u>Green River Fm.</u>      | <u>8250'</u>         | <u>Wasatch "B"</u>        | <u>12690'</u>        |
| <u>Green River "H"</u>      | <u>10025'</u>        |                           |                      |
| <u>Green River Blk. Sh.</u> | <u>10425'</u>        |                           |                      |

7. Anticipated Bottom Hole Pressure: 6200 #

8. Completion & Remarks: Completion prognosis will be prepared following evaluation of drilling and logging of the Mariene 2-36A3 Test.

Compiled By: [Signature] Approved By: [Signature]  
 CHEMEX ENERGY CORPORATION



John Starr

Flas

Coyote Basin

Ridge

Monarch

Hollow

Cedarvale

Hancock

Cove

SAND LAKE  
STATE BEACH

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OCT 12 1934

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BEFORE THE BOARD OF OIL AND GAS CONSERVATION  
DEPARTMENT OF NATURAL RESOURCES  
IN AND FOR THE STATE OF UTAH

IN THE MATTER OF THE APPLICATION OF )  
CHEVRON OIL COMPANY, WESTERN DIVISION, )  
FOR AN ORDER MODIFYING AND EXTENDING )  
PRIOR ORDERS OF THE BOARD IN CAUSE )  
NO. 131-11, TO COVER ADDITIONAL )  
INTERVALS AND LUNGS WITHIN AND OUTSIDE )  
OF THE BLUEHILL FIELD, DUCHESNE AND )  
UINTAH COUNTIES, UTAH. )

ORDER

CAUSE NO. 131-14

Pursuant to Notice of Hearing dated July 16, 1971, of the Board of Oil and Gas Conservation, Department of Natural Resources of the State of Utah, this Cause came on for hearing before said Board at 11:00 a.m., on Wednesday, August 11, 1971, in the Governor's Board Room, Second Floor - State Capitol Building, Salt Lake City, Utah. The following Board members were present:

Delbert M. Draper, Jr., Esq., Chairman, Presiding

Robert K. Norman

Wesley R. Dickerson

Evert J. Jensen

Also present:

Cleon B. Freight, Esq., Director, Division of Oil and Gas Conservation

Paul V. Burchell, Chief Petroleum Engineer, Division of Oil and Gas Conservation

Paul E. Reimann, Esq., Special Assistant Attorney General

Bernard Moroz, United States Geological Survey, Salt Lake City, Utah

Appearances were made as follows:

For Chevron Oil Company,  
Western Division:

William M. Balkovatz, Esq.  
Denver, Colorado

Richard K. Sager, Esq.  
Salt Lake City, Utah

For Gas Producing Enterprises, Inc.:

Robert G. Pruitt, Esq.  
Salt Lake City, Utah

For Humble Oil & Refining Company:

William S. Livingston, Esq.  
Denver, Colorado

For Diamond Shamrock Oil and  
Gas Company:

Hugh Garner, Esq.  
Salt Lake City, Utah

For Flying Diamond Land and  
Mineral Corporation:

Richard K. Sager, Esq.  
Salt Lake City, Utah

131-14

For Shell Oil Company:

Don J. [redacted], Esq.  
Denver, Colorado

For Mountain Fuel Supply Company:

Glen M. Hatch, Esq.  
Salt Lake City, Utah

For Amerada-Hess Corporation:

S. K. Smith  
Tulsa, Oklahoma

For Mobil Oil Corporation:

Frank Allen  
Oklahoma City, Oklahoma

For himself:

Dave Calder

For the Hansen Family Trust:

Lester Hansen

NOW, THEREFORE, the Board having considered the testimony adduced, and the exhibits received at said hearing and being fully advised in the premises, now makes and enters the following:

#### FINDINGS

1. Due and regular notice of the time, place and purpose of the hearing was given to all interested parties in the form and manner and within the time required by law and the rules and regulations of the Board.
2. The Board has jurisdiction over the matter covered by said Notice and over all parties interested therein and has jurisdiction to make and promulgate the Order hereinafter set forth.
3. That by Order designated Cause No. 131-11, dated February 17, 1971, the Board, in addition to other matters ordered therein, established drilling units comprising each governmental section for the production of oil, gas and associated hydrocarbons from the interval, described in Paragraph 8, hereof, underlying the lands all as more particularly described in said Cause No. 131-11.
4. That further drilling and development operations and the information obtained therefrom, both within and outside of the presently defined boundaries of lands described in said Order entered in Cause No. 131-11, subsequent to the date of said Order, indicate that the existing spaced area as described in said Order should now be enlarged both areally and vertically as follows:
  - (a) That the lands known and believed to be underlain by the common source of supply from which oil, gas and associated hydrocarbons can be produced from the hereinafter designated interval of the Green River-Wasatch formations, situate in Duchesne and Uintah Counties, Utah, include the following described lands which include the lands described in said Cause No. 131-11, to-wit:

Township 1 South, Range 1 West, USM  
All of the Sections included in said  
Township 1 South, Range 1 West.

Township 1 South, Range 2 West, USM  
All of the Sections included in said  
Township 1 South, Range 2 West

Township 1 South, Range 3 West, USM  
Sections 1 and 2: All  
Sections 11 through 14: All  
Sections 23 through 26: All  
Sections 33 and 36: All

Township 2 South, Range 1 West, USM  
All of the Sections included in said  
Township 2 South, Range 1 West

Township 2 South, Range 2 West, USM  
All of the Sections included in said  
Township 2 South, Range 2 West

Township 2 South, Range 3 West, USM  
Sections 1 and 2: All  
Sections 9 through 16: All  
Sections 21 through 28: All  
Sections 33 through 36: All

Township 1 North, Range 1 West, USM  
All of Sections 19 through 36

Township 1 North, Range 2 West, USM  
All of Sections 19 through 36

Township 1 North, Range 3 West, USM  
All of Sections 23, 24, 25, 26, 33 and 36

- (b) The spaced interval underlying the lands described in Paragraph 4(a) above, should be defined as:

That interval below the stratigraphic equivalent of 9,600 feet depth in the "E" Log of the Carter #2 Bluebell well located in the SW¼ of Section 3, Township 1 South, Range 2 West, USM (which equivalence is the depth 9,530 feet of the SP curve, Dual Induction Log, run March 15, 1968, in the Chevron #1 Blanchard well located in the NW¼ of said Section 3), to the base of Green River-Wasatch formations.

5. That one well on a 640-acre tract will efficiently and economically drain the recoverable oil, gas and associated hydrocarbons from the aforesaid described interval underlying the lands described in Paragraph 4(a) above, and that a 640-acre drilling unit is not larger than the maximum area that can be efficiently and economically drained by one well

6. That the Order entered in Cause No. 131-11 which provides for a tolerance of 120 feet from the permitted well locations should be amended to provide, that except for existing wells or deepening or plugging back thereof, that the permitted well location shall be located no closer than 1,320 feet from

the exterior boundary of any governmental section; provided that an exception to said 1,320-foot limitation may be granted administratively without a hearing where a topographical exception is deemed necessary; and further provided that the well located in the SW<sup>1</sup>/<sub>4</sub> of Section 13, Township 1 South, Range 1 West, USN, shall be the permitted well for said Section and that upon abandonment thereof, the permitted well location therein shall be in the approximate center thereof with the tolerance as herein set forth.

7. That any and all Orders of the Board heretofore promulgated concerning the Bluebell Area, Duchesne and Uintah Counties, Utah, which are inconsistent with the Orders hereinafter set forth should be vacated upon the effective date hereinafter set forth.

#### O R D E R

##### IT IS THEREFORE ORDERED:

To prevent waste of oil, gas and associated hydrocarbons, to avoid the drilling of unnecessary wells, to protect correlative rights and to establish drilling units of uniform size and shape for the Bluebell Area, Duchesne and Uintah Counties, Utah, the following Orders are hereby promulgated to govern operations in said area effective August 11, 1971:

- (a) That upon said effective date any and all Orders of the Board heretofore promulgated which are inconsistent with the Orders herein set forth shall be and are hereby vacated.
- (b) That 640-acre drilling units be and the same are hereby established comprising each governmental section or governmental lots corresponding thereto, for the development and production of oil, gas and associated hydrocarbons from the interval described in Paragraph 4(b), above, underlying the lands described in Paragraph 4(a), above.
- (c) That except for existing wells or deepening or plugging back thereof, the permitted well location shall be located no closer than 1,320 feet from the exterior boundary of any governmental section; provided that an exception to said 1,320-foot limitation may be granted administratively without a hearing where a topographical exception is deemed necessary; and further provided that the well located in the SW<sup>1</sup>/<sub>4</sub> of Section 13, Township 1 South, Range 1 West,

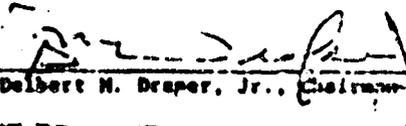
within Provo, Utah, U.S.A.

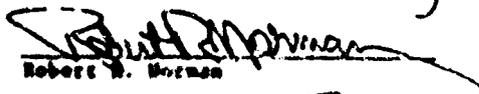
USM. It be the permitted well for said section that upon abandonment thereof, the permitted well location in said Section 13 shall be in the center thereof with the tolerance as herein set forth.

- (d) That this Order is a Temporary Order and the Board, on its own motion, or any interested party may file an application requesting a hearing to present new evidence concerning the matters set forth herein.
- (e) That the Board retains continuing jurisdiction of all matters covered by this Order and all other applicable orders and over all parties affected thereby and particularly that the Board retains and reserves continuing jurisdiction to make further orders as appropriate and authorized by statute and applicable regulations.

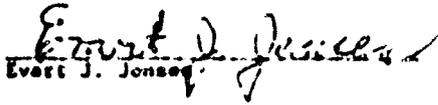
ENTERED this eleventh day of August, 1971. ✓

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF UTAH

  
Delbert N. Draper, Jr., Chairman

  
Robert N. Norman

  
Wesley R. Dickerson

  
Evert J. Jones

STATE OF UTAH

OIL & GAS CONSERVATION COMMISSION

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

**1a. TYPE OF WORK**  
 DRILL  PLUG BACK

**b. TYPE OF WELL**  
 OIL WELL  GAS WELL  MULTIPLE ZONE

**2. NAME OF OPERATOR**  
 QUINEX ENERGY CORPORATION

**3. ADDRESS OF OPERATOR**  
 465 SOUTH 200 WEST, SUITE 300, BOONVILLE, UTAH 84010

**4. LOCATION OF WELL** (Report location clearly and in accordance with the State requirements\*)  
 At surface: 1040' FSL 1100' FEL Sec 36, T1S, R3W, USB & M  
 At proposed prod zone: Same

**5. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\***  
 2.8 miles east & 0.75 miles south of Bluebell, Duchesne Co. UT

**6. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY ON LEASE, FE.** (Also to nearest city, town, etc. if any) 1100'

**7. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FE.**

**8. ELEVATIONS** (Show whether DV, RT, GR, etc.)  
 6259' GR 6280' KB

RECEIVED  
OCT 02 1989

**6. LEASE DESIGNATION AND SERIAL NO.**  
 14-20-H62-4437

**6. IF INDIAN, ALLOTTEE OR TRIBE NAME**  
 Ute Tribal

**7. UNIT AGREEMENT NAME**  
 Ute Tribal

**8. FARM OR LEASE NAME**  
 Merlene

**9. WELL NO.**  
 2-36A3

**10. FIELD AND PUGL OR WILDCAT**  
 Bluebell (065)

**11. SEC. T. R. M. OR B.L. AND STATE OF AREA**  
 NW 1/4 (SE 1/4, SE 1/4)  
 Sec 36 T1S, R3W, USB & M

**12. COUNTY OR PARISH** Duchesne  
**13. STATE** Utah

**14. NO. OF ACRES IN LEASE** 640  
**15. NO. OF ACRES ASSIGNED TO THIS WELL** 640

**16. PROPOSED DEPTH** 14300' Wasatch  
**17. ROTARY OR CABLE TOOLS** Rotary

**18. APPROX. DATE WORK WILL START\***  
 10/01/89

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|--------------------|
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| 9 7/8"       | 7 5/8"         | 26.4 & 29.7#    | 11300'        | 1200 sks           |
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This well is a Green River-Wasatch Test in the Bluebell Field of Duchesne County Utah.

IF ABOVE OFFER DESCRIBES PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED: [Signature] TITLE: [Signature] DATE: 10/2/89

(This space for Federal or State office use)  
 PERMIT NO. 43-013-31247 APPROVAL DATE: 10-19-89  
 APPROVED BY: [Signature] TITLE: [Signature]

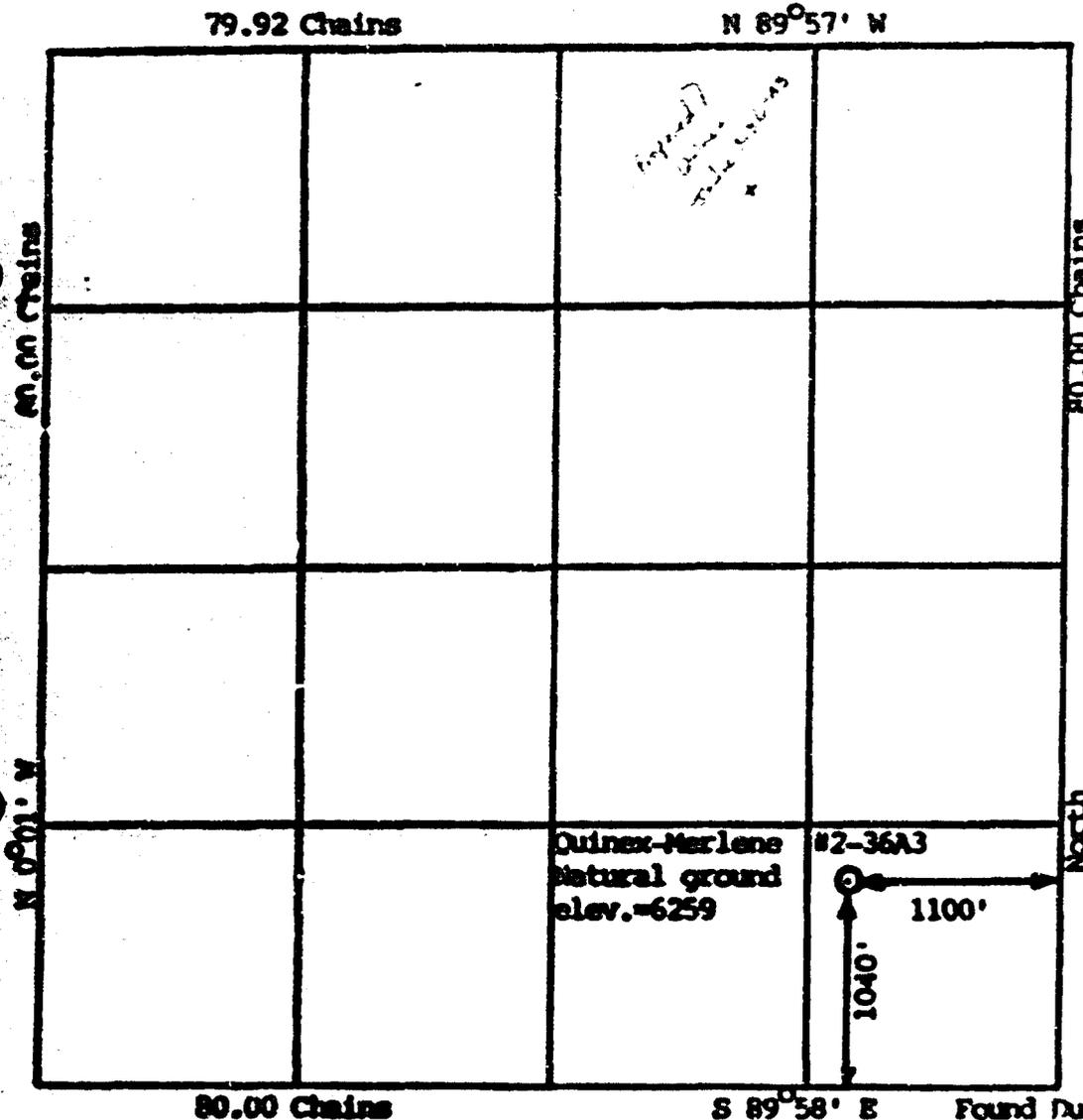
APPROVED BY THE STATE  
 OIL, GAS & MINING  
 10-19-89  
[Signature]

\*See Instructions On Reverse Side

SECTION 36  
 TOWNSHIP 1 SOUTH, RANGE 3 WEST  
 UTAH SPECIAL BASE AND MERIDIAN  
 DUCHESE COUNTY, UTAH

QUINEX ENERGY CO.

WELL LOCATION: S.E. 1/4, S.E. 1/4



RECEIVED  
 OCT 03 1989

DIVISION OF  
 OIL, GAS & MINING



SCALE 1"=1000'

SURVEYOR'S CERTIFICATE

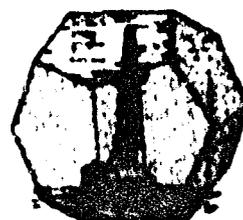
I, Clinton S. Peatross, Duchesne, Utah, do hereby certify that I am a Registered Land Surveyor, and that I hold License No. 4779, as prescribed by the laws of the state of Utah, and that I have made a survey of the oil well location, as shown on this plat.

9/22/89  
 Date

Clinton S. Peatross  
 Clinton S. Peatross  
 License No. 4779 (Utah)



Found Duchesne County Monument  
 Section data obtained from G.L.O. plats.



**QUINEX ENERGY CORPORATION**

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

~~CONFIDENTIAL~~

Division Oil, Gas & Mining  
195 West North Temple  
3 Triad Center, Suite #350  
Salt Lake City, Utah 84180-1203

Attention: Lisha

Re: Merlene #2-36A3  
Sec. 36, T1S, R3W  
Duchesne County, Utah

Quinex Energy Corporation requests an exception to clause on number 131-14 with regard to the above referenced well. OEC controls by lease from the Ute Tribe all of Section 36, hence the proposed wellsite is at least 1040' from any other lease holder.

The first well proposed in Section 36, T. 1 S., R. 3 W. is the Merlene 2 36A3 well. The location of the well was determined by constrictions imposed by the rough terrain in the section. The location is also to conform with the archeology of the mesa tops in the eastern part of the section.

Sincerely,

*DeForrest Smouse*  
DeForrest Smouse, PhD  
V. Pres. Quinex Energy Corp.



**QUINEX ENERGY CORPORATION**

455 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 295-3900 • FAX (801) 295-3333

TELECOPY TRANSMITTAL  
Teletyping Telephone (801) 295-3858

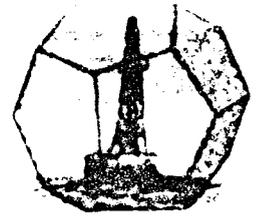
TO: Wesley Powell  
FIRM: Utah Dry Oil Gas & Minerals  
LOCATION: SLC Utah  
DATE: 10 Oct 1989  
TIME: 3:50 PM  
NO. PAGES FOLLOWING 1  
MESSAGE/SUBJECT: Telephone conversation

TRANSMITTAL PERSON: DeForest Samuel

# QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84002-1800

FAX (801) 295-5858



October 6, 1989

Division Oil, Gas & Mining  
355 West North Temple  
3 Triad Center, Suite #350  
Salt Lake City, Utah 84180-1203

RECEIVED  
OCT 10 1989

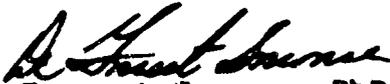
DIVISION OF  
OIL, GAS & MINING

Attention: Lisha

Re: Merlene #2-36A3  
Sec. 36, T1S, R3W  
Duchesne County, Utah

The first well proposed in Section 36, T. 1 S., R. 3 W. is the Merlene 2-36A3 well. The location of the well was determined by constrictions imposed by the rough terrain in the section. The location is also to conform with the archeology of the mesa tops in the eastern part of the section.

Sincerely

  
DeForrest Smouse, PhD  
V. Pres. Quinex Energy Corp.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**RECEIVED**  
NOV 08 1989

Form approved.  
Budget Bureau No. 1004-0136  
Expires August 31, 1985

**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**

1a. TYPE OF WORK  
**DRILL**       **DEEPEN**       **PLUG BACK**

b. TYPE OF WELL  
**OIL WELL**       **GAS WELL**       **OTHER**       **SINGLE TUBE**       **MULTIPLE TUBES**

c. NAME OF OPERATOR  
**QUINEX ENERGY CORPORATION**

d. ADDRESS OF OPERATOR  
**465 SOUTH 200 WEST, SUITE 300, BOUNTIFUL, UTAH 84010**

e. LOCATION OF WELL (Report location clearly and in accordance with any State requirements\*)  
**1040' FSL 1100' FEL Sec 36, T1S, R3W, USB & M**  
 At proposed prod. case **Same**      **API # 43-013-31247**

f. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
**2.8 miles east & 0.75 miles south of Bluebell, Duchesne Co. Utah**

g. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.  
 (Also to nearest city, town, or village, if any.)      **1040'**

h. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
**3600'**

i. SLOTTING (Show whether DP, RT, OR, etc.)  
**6' 59' GR      6280' KB**

2. LEASE IDENTIFICATION AND SERIAL NO.  
**14-20-H62-4437**

3. INDIAN, ALLOTTEE OR TRIBE NAME  
**Ute Tribal**

4. LEASE ASSESSMENT NAME  
**Ute Tribal**

5. NAME OF LEASE OWNER  
**Merlene**

6. WELL NO.  
**2-36A3**

7. FIELD AND FIELD OR WELDCAT  
**Bluebell**

8. SEC., T., R., N., OR S. & DIST. OR AREA  
**N4, SE4, SE4  
 Sec 36 T1S, R3W, USB & M**

9. COUNTY OR PARISH      10. STATE  
**Duchesne      Utah**

11. NO. OF ACCESS ADDED TO THIS WELL  
**640**

12. DIST. OF CABLE TOOLS  
**Rotary**

13. APPROX. DATE WORK WILL START\*  
**10/01/89**

**PROPOSED CASING AND CEMENTING PROGRAM**

| SIZE OF BOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|--------------------|
| 14 3/4"      | 10 3/4"        | 40.5#           | 2500'         | 1100 sks           |
| 9 7/8"       | 7 5/8"         | 26.4 & 29.7 #   | 11300'        | 1200 sks           |
| 6 3/4"       | 5 1/2"         | 20 #            | 14300'        | 700 sks            |

Quinex is bonded by Lumberman's Mutual Casualty Company (Kemper Group) to cover Ute Tribal Lease in Sec 36, T1S, R3W.

The drilling of the Quinex-Merlene 2-36A3 Well will follow the attached drilling prognosis.

This well is a Green River-Wasatch Test in the Bluebell Field of Duchesne County Utah.

\*Changes made as per Telephone conversation with Deborah Emma 10/30/89

**RECEIVED**  
OCT 1989

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive case and proposed new productive case. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED [Signature] TITLE [Signature] DATE 10/2/89

APPROVED BY [Signature] TITLE [Signature] DATE 10/6/89

**NOTICE OF APPROVAL**      CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

\*See Instructions On Reverse Side

BLM  
UTC80-0M01

# memorandum

DATE: November 1, 1989

REPLY TO: *R. L. King*  
ATTN OF: Superintendent, Uintah and Ouray Agency

SUBJECT: Quinex Energy Corporation: Quintex Merlene 2-36A3  
Sec. 26, T.1 S., R.3 W.

TO: Bureau of Land Management, Vernal District Office  
Attention: Mr. Ralph Brown

We (concur with) (recommend) approval of the Application for Permit to Drill on the subject wells.

Based on available information received on October 31, 1989, we have cleared the proposed location in the following areas of environmental impact.

- |     |                                     |    |                          |  |
|-----|-------------------------------------|----|--------------------------|--|
| YES | <input checked="" type="checkbox"/> | NO | <input type="checkbox"/> | Listed threatened or endangered species.   |
| YES | <input checked="" type="checkbox"/> | NO | <input type="checkbox"/> | Critical wildlife habitat.   |
| YES | <input checked="" type="checkbox"/> | NO | <input type="checkbox"/> | Archaeological or cultural resources.  |
| YES | <input type="checkbox"/>            | NO | <input type="checkbox"/> | Air quality aspects (to be used only if Project is in or adjacent to a Class I area of attainment) |
| YES | <input type="checkbox"/>            | NO | <input type="checkbox"/> | Other (if necessary)   |

*Roy J. Crowl*

REMARKS:



CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Company Quinex Energy Corporation Well No. 2-36A3  
Location SESE Sec. 36 T 1S R 3W Lease No. 14-20-H62-4437

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

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

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

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

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

Useable water may be encountered from +200-3200 ft. in the Duchesne River formation. If encountered, the Resource will need to be isolated and/or protected via the cementing program for the surface and intermediate casing strings.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed.

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

### 3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on every fourth joint of casing starting with the shoe joint and up to the bottom of the cellar.

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

### 4. Mud Program and Circulating Medium

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

### 5. Coring, Logging and Testing Program

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

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the Authorized Officer. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the Authorized Officer.

A cement bond log (CBL) shall be utilized to determine the top of cement (TOC) for the intermediate and production casing.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Authorized Officer (AO).

### 6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

The spud date will be reported orally to the AO within 48 hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the following regular work day. The oral report will be followed up with a Sundry Notice.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Pursuant to NTL-2B, with the approval of a District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

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

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.7-4 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form

3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

Pursuant to Onshore Oil and Gas Orders, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian lands.

7. Other Information

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

All site security guidelines identified in Onshore Oil and Gas Order No. 3 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

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

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

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

There will be no deviation from the proposed drilling and/or work-over program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

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

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

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

APD approval is valid for a period of one (1) year from the signature date. An additional one (1) year approval period may be granted, if requested, prior to the expiration of the original approval period.

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

Gerald E. Kenczka  
Petroleum Engineer

(801) 781-1190

Ed Forsman  
Petroleum Engineer

(801) 789-7077

Revised October 1, 1985

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

Company/Operator Quinex Energy Corporation

Well Name & Number 2-36A3

Lease Number 14-20-H62-4437

Location SE 1/4 SE 1/4 Sec. 26 T. 1 S R. 3 W

Surface Ownership Indian

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

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

The length of the proposed access road will be 4,452 feet of new construction, approximately the first half of which generally follows an old jeep trail.

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

Any off-location facilities (gas line, water line, power line, etc., will have to be approved at a later date via a sundry notice.

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

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

The required paint color is Juniper Green.

6. Construction Materials:

If fill materials are needed to construct roads and well sites, proper permits must be obtained from the Surface Management Agency, unless materials are obtained from a private source.

On BIA administered lands:

(If a plastic nylon reinforced liner is used, it shall be torn and perforated after the pit dries and before backfilling of the reserve pit.)

Produced waste water will be confined to a lined pit or a storage tank for a period not to exceed 90 days after first production. During the 90 day period an application for approval of a permanent disposal method and location, along with required water analysis, will be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.

The reserve pit will be lined with liquid bentonite equivalent to 4 lbs/sq. ft. and tested for 7 days for leakage. If the pit leaks, then a 10 ml. liner underlain with straw bedding will be used. At their option, Quinex may proceed with the bedded 10 ml. liner from the outset, without a bentonite test.

9. Well Site Layout (location of):

1. Tank Batteries - NE corner
2. Reserve pit - South side
3. Topsoil stockpile - SW side
4. Flare pit - A minimum of 100 ft. from wellbore, and 30 ft from reserve pit.
5. Access road - Enters from northeast side

All pits will be fenced with a wire mesh fence and topped with at least one strand of barbed wire. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location.

The fence will be constructed as prescribed in the Surface Operating Standards for Oil and Gas Exploration and Development (1989, U.S. Department of the Interior, Bureau of Land Management, and U.S. Department of Agriculture, Forest Service). Alternatives to the prescribed standards shall be submitted to the Surface Management Agency for approval.

Soil compacted earthen berm(s) shall be placed on all side(s) of the location 18" high.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry and all cans, barrels, pipe, etc. will be removed. The reserve pit and that portion of the location and access road not needed for production facilities/operations will be reclaimed.

All seeding will be done from September 15th until the ground freezes.

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

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

On BIA administered lands:

The operator will submit a plan of controlling noxious weeds along rights-of-way for roads, pipelines, well sites or other applicable facilities. A list of noxious weeds can be obtained from the appropriate county extension office.

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

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

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

Road construction will not be allowed within 1,000 feet of any sage grouse strutting ground. The possible presence of sage grouse has been noted near the northern end of the proposed access road and the area will be surveyed for strutting grounds in the spring.

Roadsides and disturbed areas will be re-seeded between October 1 and November 10, of the first year after areas have been disturbed. Detailed seed species will be specified for each location by BIA.

13. Lessee's or Operators Representative and Certification:

The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

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

OPERATOR Quinex Energy Corp. (N9995) DATE 10-4-89

WELL NAME Marlene 2-36A3

SEC SESE 3/6 T 15 R 3W COUNTY Duchasne

43-013-31247  
API NUMBER

Indien  
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD  
115m

POTASH OR OIL SHALE

PROCESSING COMMENTS:

No other wells in sec 3/6. (see proposed well plat)

Need water permit

Need request for exception to Cause No. 13-1-14. / Received 10-12-89

BoP Diagram received 10-16-89.

APPROVAL LETTER:

SPACING:  R615-2-3

N/A  
UNIT

R615-3-2

131-14 8-11-71  
CAUSE NO. & DATE

R615-3-3

*(operator plan to start this well first)*

STIPULATIONS:

1. winter permit



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangert  
Governor

Jim C. Matheson  
Executive Director

Thomas R. McInnes, Ph.D.  
Deputy Director

366 West North Temple  
3 Third Center, Suite 390  
Salt Lake City, Utah 84103-1703  
801-538-5340

October 19, 1989

Quinex Energy Corporation  
465 South 200 West, Suite 300  
Bountiful, Utah 84010

Gentlemen:

Re: Merlene 2-36A3 - SE SE Sec. 36, T. 1S, R. 3W - Duchesne County, Utah  
1040' FSL, 1100' FEL

Approval to drill the referenced well is hereby granted in accordance with the Order of Cause No. 131-14 dated August 11, 1971, subject to the following stipulation:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Chapter 3, Title 73, Utah Code Annotated.

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

1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form 7.
4. Prompt notification if it is necessary to plug and abandon the well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or Jim Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Rule R615-3-20, Gas Flaring or Venting, Oil and Gas Conservation General Rules.

6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 538-6121.
7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-013-31247.

Sincerely,



R. J. Pirth  
Associate Director, Oil & Gas

lcr  
Enclosures  
cc: Bureau of Land Management  
Bureau of Indian Affairs  
D. R. Nielson  
J. L. Thompson  
WE14/1-2

**QUINCY ENERGY CORPORATION**



463 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3500 • FAX (801) 295-5858

TELECOPY TRANSMITTAL  
Telecopier Telephone (801) 295-5858

TO: Santa Fe Energy - Colorado  
FIRM: Utah State Oil Gas & Mining  
LOCATION: Fort Collins CO  
DATE: 9/17/89  
TIME: 11:17  
NO. PAGES FOLLOWING 2  
MESSAGE/SUBJECT: \_\_\_\_\_

Water permit for Boulder Energy  
Mission 2-343

TRANSMITTAL PERSON: Lu. [Signature]

URNUM: 43-8063

APPLICATION/CLAIM NO.: A48158

CERT. NO.:

RECEIVED  
NOV 09 1989

OWNERSHIP

NAME: Western Petroleum  
ADDR: P.O. Box 12  
CITY: Vernal

*Alex Lynn  
Russell*  
STATE: UT ZIP: 84078

OWNER MISC:

INTEREST:

DIVISION OF  
OIL, GAS & MINING

LAND OWNED BY APPLICANT? Yes

DATES, ETC.

Filing: 03/22/1977 Priority: 03/22/1977 Advertise Paper: Date: / / Protested? Appr/Rej: 02/29/1980  
Proof Bus: / / Ext Filed: / / Elec/Proof: E Filed: 03/04/1980 Cert. or WUC Issued: / /  
Lap, Etc.: / /

PO Book No. Type of Right: APPL Status: APP Source of Info: APPL Map: Date Verified: / / Initials:

PO REMARKS REFERENCE -- Name: Interest: Flow: Type of Right: Priority: Source:

LOCATION OF WATER RIGHT

FLOW: 0.06 cfs

SOURCE: Underground Water Well

TRIBUTARY 1:

TRIBUTARY 2:

COUNTY: Duchesne

COMMON DESCRIPTION:

DRAINAGE AREA: Duchesne River

POINT OF DIVERSION -- UNDERGROUND:

(1) S 300 ft E 150 ft from NW cor, Sec 24, T 28, R 24, USBN DIAM: 6 in. DEPTH: 400 to ft. YEAR DRILLED: WELL LOG?

PLACE OF USE OF WATER RIGHT

NORTH-EAST 4  
NE NW SW SE

NORTH-WEST 4  
NE NW SW SE

SOUTH-WEST 4  
NE NW SW SE

SOUTH-EAST 4  
NE NW SW SE

ALL T 15 R 1W USBN  
ALL T 28 R 1W USBN

USES OF WATER RIGHT

CLAIMS USED FOR PURPOSE DESCRIBED: 8063

Referenced To:

Claim Groups:

Type of Reference -- Claims:

Purpose:

Remarks:

NONINDUSTRIAL Oil Refining, Oil field Production

PERIOD OF USE: 01/01 TO 12/31

END OF DATA

*Quincy Well - Marlene 2-36-A3  
Murray Water Service Well haul.*

*SE 1/4 SE 1/4 Sec. 36, T15, R3W*

*USA*

WELN: 43-7723 APPLICATION/CLAIM NO.: A44999 CERT. NO.:

CHANGES: 011537 MUC signed

RECEIVED  
NOV 09 1989  
DIVISION OF  
OIL, GAS & MINING

OWNERSHIP

NAME: ~~Western Petroleum Inc.~~ Alex Dean  
ADDR: P.O. Box AC Roosevelt  
CITY: Vernal STATE: UT ZIP: 84078  
OWNER MISC:  
INTEREST:

LAND OWNED BY APPLICANT? No

DATES, ETC.

Filing: 04/29/1975 Priority: 04/29/1975 Advertise Paper: Date: / / Protested? Appr/Rej: 08/08/1975  
Proof Due: / / Ext Filed: / / Elec/Proof: E Filed: 06/28/1978 Cert. or MUC Issued: 02/20/1985  
Lap, Etc.: / /

PD Book No. Type of Right: APPL Status: MUCS Source of Info: MUC Map: 182d Date Verified: 03/07/1985 Initials: WES

PD REMARKS REFERENCE -- Name: Interest: Flow: Type of Right: Priority: Source:

LOCATION OF WATER RIGHT

FLOW: 0.015 cfs SOURCE: Underground Water Well

TRIBUTARY 1: TRIBUTARY 2:

COUNTY: Duchesne COMMON DESCRIPTION: 3 1/2 Miles West of Roosevelt DRAINAGE AREA: Duchesne River

POINT OF DIVERSION -- UNDERGROUND:  
(1) S 300 ft E 150 ft from NW cor, Sec 24, T 28, R 2W, USBM DIAM: 6 ins. DEPTH: 100 to 500 ft. YEAR DRILLED: WELL LOG?

PLACE OF USE OF WATER RIGHT

|                       | NORTH-EAST 4<br>NE NW SW SE | NORTH-WEST 4<br>NE NW SW SE | SOUTH-WEST 4<br>NE NW SW SE | SOUTH-EAST 4<br>NE NW SW SE |
|-----------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Sec 24 T 28 R 2W S18N | * : X : *                   | * : : : *                   | * : : : *                   | * : : : *                   |

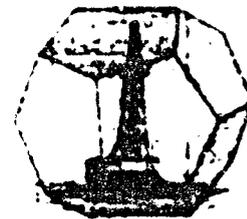
USES OF WATER RIGHT

CLAIMS USED FOR PURPOSE DESCRIBED: 7723  
Referenced to: Claims Groups: Type of Reference -- Claims: Purpose: Remarks:  
NONINDUSTRIAL Used for Industrial Purposes. PERIOD OF USE: 01/01 TO 12/3

OTHER COMMENTS

Land being purchased under contract.

END OF DATA



## QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

November 10, 1989

Certified No: P 755 098 969

Division Oil, Gas & Mining  
355 West North Temple  
3 Triad Center, Suite 350  
S.L.C., Utah 84180-1203

Attn: Lisha Romero

Please find enclosed a copy of water permit of Mr. Dave Murray who will supply water for the Quinex Energy Corp. ~~Manion~~ well, ~~Manion~~. Mr. Murray will haul water to the location by truck.

Sincerely,

QUINEX ENERGY CORPORATION

DeForest Smouse  
Vice President

DPS/sp

Enc

MINN: 43 8063 APPLICATION/CLAIM NO.: 448150 CERT. NO.:

OWNERSHIP

NAME: ~~Missouri~~ Alan Fern OWNER MISC:
ADDR: P.O. Box AC
CITY: Vernal STATE: UT ZIP: 84078 INTEREST:

LAND OWNED BY APPLICANT? Yes

DATES, ETC.

Filing: 03/22/1977 Priority: 03/22/1977 Advertise Paper: Date: / / Protested? Appr/Rej: 02/29/1980
Proof Due: / / Est Filed: / / Elec/Proof: E Filed: 03/04/1980 Cert. of WJC issued: / /
Lap, Etc.: / /

DO BOOK NO. Type of Right: APPL Status: APP Source of info: APPL Map: Date Verified: / / Initials:

DO REMARKS REFERENCE -- Name: Interest: Flow: Type of Right: Priority: Source:

LOCATION OF WATER RIGHT

FLOW: 0.06 cfs SOURCE: Underground water well

TRIBUTARY 1: TRIBUTARY 2:

COUNTY: Duchesne COMMON DESCRIPTION: DRAINAGE AREA: Duchesne River

POINT OF DIVERSION -- UNDERGROUND:
(1) S 300 ft E 150 ft from n4 cor, Sec 24, T 25, R 2d, USBR DIAM: 6 In. LPTH: 600 TO 11. YEAR DRILLED: WELL LOG?

PLACE OF USE OF WATER RIGHT

ALL T 15 R 1W USBR
ALL T 25 R 1W USBR
EAST4 NORTH-WEST4 SOUTH-WEST4 SOUTH-EAST4
NE NW SW SE NE NW SW SE NE NW SW SE

USES OF WATER RIGHT

CLAIMS USED FOR PURPOSE DESCRIBED: 8063
Referred to: Claims Groups: Type of Reference: Claims: Purpose: Remarks:
INDUSTRIAL Oil Refining: all field production PERIOD OF USE: 01/01 TO 12/31

END OF DATA

DIVISION OF OIL, GAS AND MINING

API NO. 43-013-31247

SPUDDING INFORMATION

NAME OF COMPANY: QUINEX ENERGY COMPANY

WELL NAME: MERLENE 2-36A3

SECTION SESE 36 TOWNSHIP 1S RANGE 3W COUNTY DUCHESNE

DRILLING CONTRACTOR GRACE DRILLING

RIG # 193

SPUDDED: DATE 11/18/89

TIME 2:00 a.m.

How ROTARY

DRILLING WILL COMMENCE 11/18/89

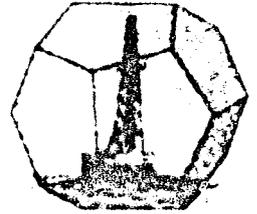
REPORTED BY DR. SMOUSE

TELEPHONE # 292-3800

DATE 11/20/89 SIGNED TAS TAKEN BY: LCR

# QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-1800 • FAX (801) 295-5858



November 10, 1989

Certified No: P 755 098 969

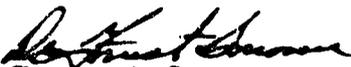
Division Oil, Gas & Mining  
355 West North Temple  
3 Triad Center, Suite 350  
S.L.C., Utah 84180-1203

Attn: Lisha Romero

Please find enclosed a copy of the water permit of Mr. Dave Murray who will supply water for the Quinex Energy Corp. Merlene 2-36A3 well, APD No. 43-013-31247. Mr. Murray will haul water to the location by truck.

Sincerely,

QUINEX ENERGY CORPORATION

  
DeForrest Smouse  
Vice President

DFS/sp

Enc

RECORDED  
NOV 21 1989

DIVISION OF  
OIL, GAS & MINING

WMLN: 43-8063 APPLICATION/CLAIM NO.: A48158 CERT. NO.:

OWNERSHIP.....

NAME: Western Petroleum OWNER MISC:
ADDR: P.O. Box AC
CITY: Vernal STATE: UT ZIP: 84078 INTEREST:

RECEIVED
NOV 21 1989

LAND OWNED BY APPLICANT? Yes

DATES, ETC.....

Filing: 03/22/1977 Priority: 03/22/1977 Advertise Paper: Date: / / Protested? Appr/Rej: 02/29/1980
Proof Due: / / Ext Filed: / / Elec/Proof: E Filed: 03/04/1980 Cert. or WUC Issued: / /
Lap, Etc.: / /

PD Book No. Type of Right: APPL Status: APP Source of Info: APPL Map: Date Verified: / / Initials:

PD REMARKS REFERENCE -- Name: Interest: Flow: Type of Right: Priority: Source:

LOCATION OF WATER RIGHT.....

FLOW: 0.06 cfs SOURCE: Underground Water Well

TRIBUTARY 1: TRIBUTARY 2:

COUNTY: Duchesne COMMON DESCRIPTION: DRAINAGE AREA: Duchesne River

POINT OF DIVERSION -- UNDERGROUND:
(1) S 300 ft E 150 ft from NW cor, Sec 24, T 25, R 2W, USBM DIAM: 6 ins. DEPTH: 400 to ft. YEAR DRILLED: WELL LOG?

PLACE OF USE OF WATER RIGHT.....

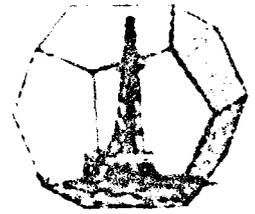
Table with 4 columns: NORTH-EAST 4, NORTH-WEST 4, SOUTH-WEST 4, SOUTH EAST 4. Rows: ALL T 16 R 1W USBM, ALL T 25 R 1W USBM.

USES OF WATER RIGHT.....

CLAIMS USED FOR PURPOSE DESCRIBED: 8063
Referred to: Claims Groups: Type of Reference -- Claims: Purpose: Remarks:
INDUSTRIAL Oil Refining, Oil field Production PERIOD OF USE: 01/01 TO 12/31

\*\*\*\*\* E N D O F D A T A \*\*\*\*\*

RECEIVED  
NOV 21 1989



**QUINEX ENERGY CORPORATION**

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

November 20, 1989

Division Oil, Gas & Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

Attn: Lisha Komero

Re: Quinex-Merlene #2-36A

Dear Lisha:

Enclosed you will find three copies of the Sundry Notice on the above referenced well.

Sincerely,

QUINEX ENERGY CORPORATION

  
Forrest Smure  
Vice President

DFS/sp

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

LEASE NUMBER, WELL AND SERIAL NO.  
14-2 162-4437  
DATE OF WELL ALLOTMENT OR TERM BY AS

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to fill or to deepen or plug back to a closed reservoir. Use "APPLICATION FOR PERMIT" for such proposals.)

|   |   |  |
|---|---|--|
| <input checked="" type="checkbox"/> OIL<br><input type="checkbox"/> GAS<br><input type="checkbox"/> OTHER   | NAME OF OPERATOR<br><b>QUINEX ENERGY CORPORATION</b>                  | 1. WELL ABANDONMENT PLAN<br>Ute Tribal   |
| ADDRESS OF OPERATOR<br><b>465 South 200 West, Suite 300, Bountiful, Utah 84010</b>  | 2. NAME OF LEASE HOLE<br>Marlens                                      | 3. WELL NO.<br>2-36-3  |
| LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)<br><b>1040' FSL 1100' FEL, SAC 36, T1S, R3W, USB&amp;M</b> | 4. PERMITS AND PAUL JO WILDCAT<br>Bluebell                            | 5. SEC. 1, 6, 10, 36 R. 3, 12, 15 AND SURVEY OR AREA<br>MARL, SEC. 36, T1S, R3W, USB&M |
| TELEPHONE NUMBER<br><b>43-013-31247</b>   | 6. LOCATION (Show county of UT, W, S, NE)<br><b>6259' GR 0280" KB</b> | 7. COUNTY OR PARISH IN STATE<br>Juhesne Utah   |

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

| NATURE OF INTEREST OF: |                          | OPERATION TYPE OF:  |                                     |
|------------------------|--------------------------|---|-------------------------------------|
| WATER SUPPLY           | <input type="checkbox"/> | WATER SUPPLY  | <input type="checkbox"/>            |
| PLANTING TREES         | <input type="checkbox"/> | PLANTING TREES  | <input type="checkbox"/>            |
| REPAIR OF ACCESS       | <input type="checkbox"/> | REPAIRING WELL  | <input type="checkbox"/>            |
| SEPARATE WELL          | <input type="checkbox"/> | ALTERING CASING   | <input type="checkbox"/>            |
| (Other)                | <input type="checkbox"/> | ABANDONMENT   | <input checked="" type="checkbox"/> |
| FILL OR ALTER CASING   | <input type="checkbox"/> | (NOTE: Report results of multiple completions or Well Completion or Recommendation Report and Log (Form)) |                                     |
| MULTIPLE COMPLETE      | <input type="checkbox"/> |   |                                     |
| LABORER                | <input type="checkbox"/> |   |                                     |
| CHANGE PLANS           | <input type="checkbox"/> | (Other) Spud Well   | <input checked="" type="checkbox"/> |

17. DESCRIBE PURPOSE OF COMPLETED OPERATIONS (Check) Name all pertinent details and give pertinent data, including estimated date of starting any proposed work. If well is permanently closed, give pertinent location and measure and true vertical depth for all casings and lease partitions to that work.

11-18-89 Spud well using Grace Drilling Rotary Drilling Rig No. 193, at 02:00 AM on Saturday November 18, drilling cut of conductor pipe with 14 3/4" drill bit. Will drill 14 3/4" hole to 2000'.

|                     |           |
|---------------------|-----------|
| OIL AND GAS         |           |
| DATE                |           |
| TIME                |           |
| WELL NO.            | 162-4437  |
| SECTION             | 36        |
| TOWNSHIP            | T1S       |
| RANGE               | R3W       |
| COUNTY              | Juhesne   |
| OPERATOR            | QUINEX    |
| WELL NAME           | Marlens   |
| WELL NO.            | 2-36-3    |
| WELL TYPE           | Spud Well |
| WELL STATUS         | Open      |
| WELL DEPTH          |           |
| WELL DIAMETER       |           |
| WELL CEMENT         |           |
| WELL CASING         |           |
| WELL LOG            |           |
| WELL RECORD         |           |
| WELL SURVEY         |           |
| WELL PERMITS        |           |
| WELL ABANDONMENT    |           |
| WELL REPAIR         |           |
| WELL ALTERATION     |           |
| WELL COMPLETION     |           |
| WELL RECOMMENDATION |           |
| WELL LOG            |           |
| WELL RECORD         |           |
| WELL SURVEY         |           |
| WELL PERMITS        |           |
| WELL ABANDONMENT    |           |
| WELL REPAIR         |           |
| WELL ALTERATION     |           |
| WELL COMPLETION     |           |
| WELL RECOMMENDATION |           |

I hereby certify that the foregoing is true and correct  
 SIGNED [Signature] TITLE Vice President DATE 20 Nov. 1989

(This space for Federal or State office use)  
 APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 CONDITIONS OF APPROVAL, IF ANY:

**UNITED STATES DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY**

**CONFIDENTIAL**

Form approved by **Oil and Gas**  
Bureau of Land Management

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG\***

1. TYPE OF WELL:  OIL WELL  GAS WELL  DRY

2. TYPE OF COMPLETION:  NEW WELL  RECOMPLETION  DEEP EN  FLEW SACK  PIPE CHANGE  Other

3. NAME OF OPERATOR: **QUINEX ENERGY CORPORATION**

4. LEASE DESIGNATION AND SERIAL NO.: **14-20-H62-4437**

5. IF INDIAN, ALLOTTEE OR TRIBE NAME: **Ute Tribal**

6. UNIT AGREEMENT NO.:

7. FARM OR LEASE NAME:

4. ADDRESS OF OPERATOR: **465 South 200 East, Suite 300, Bountiful, Utah 84010**

5. LOCATION OF WELL (Report location correctly and in accordance with any State requirements):

At surface: **1040' ESL, 1100' FEL, Sec. 36, T1S, R2W, USB&M**

At top prod. interval: **SAME**

At total depth: **SAME**

8. WELL NO.: **MERLENE**

9. FIELD AND POOL OR WELDFIELD: **2-36A**

10. SECTION, RANGE, TOWNSHIP, COUNTY AND SURVEY OF AREA: **BLUEBELL**

11. SEC. T. R. S. M. OR BLOCK AND SURVEY OF AREA: **NW 1/4, SE 1/4, SE 1/4, Sec. 36, T. 1 S., R. 3 W., USB&M**

12. PERMIT NO.: **43-013-31247** DATE ISSUED: **19 Oct. 1989** COUNTY OR PARISH: **Duchesne** STATE: **Utah**

13. DATE OF WORK: **18 Nov. 1989** DATE REACHED: **14 Jan. 1990** DATE COMPLETED (Ready to prod.):

14. ELEVATION (and IDP, BDD BY GA, ETC.): **GR - 6259', KB - 6280'** CITY (USING HEAD): **6262'**

15. TOTAL OPTIC. MD & TVD: **13860'** 16. PLUG BACK TVD, MD & TVD: **13860'** 17. IF MULTIPLE COMPLET. HOW MANY?: **27** 18. INTERVALS DRILLED BY: **13860'** 19. START TOOLS: **---** 20. CABLE TOOLS: **---**

21. THIS COMPLETION—TOP, BOTTOM, SAME (MD AND TVD): **11620' TO 13756' See attached sheet.** 22. WAS DIRECTIONAL SURVEY MADE: **NONE**

23. TYPE ELECTRIC AND OTHER LOGS RUN: **Spectral GammaRay, Dual Induction-Guard, Full Wave Sonic, Comp. Neut.-Form. Dens., MudLog**

24. WAS WELL CORDED: **NONE**

**25. CASING RECORD (Report all strings set in well)**

| CASING SIZE | WEIGHT, LB/FT | DEPTH SET (MD) | HOLE SIZE | EMERTING RECORD  | AMOUNT PULLED |
|-------------|---------------|----------------|-----------|------------------|---------------|
| 10 3/4"     | 40.5 #        | 2016'          | 14 3/4"   | 1045 Sks. Cement | ---           |
| 5 7/8"      | 26.4 & 29.7 # | 11,262'        | 9 7/8"    | 1250 Sks. Cement | ---           |
| 5 1/8"      | 20 #          | 13860'         | 6 3/4"    | 610 Sks. Cement  | ---           |

**26. LINER RECORD**

| SIZE   | TOP (MD) | BOTTOM (MD) | BACKS CEMENT* | SCREEN (MD) |
|--------|----------|-------------|---------------|-------------|
| 5 1/2" | 11082'   | 13860'      | 6.0           |             |

**27. TUBING RECORD**

| SIZE   | DEPTH SET (MD) | PACKER SET (MD) |
|--------|----------------|-----------------|
| 2 7/8" | 11395          | 11395           |

28. OPERATING RECORD (Interval, size and number): **SEE ATTACHED SHEET**

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

| DEPTH INTERVAL (MD) | AMOUNT AND KIND OF MATERIAL (EED) |
|---------------------|-----------------------------------|
| 11364-11432'        | SQUEEZE 60 sks. cement            |

**30. PRODUCTION**

| DATE FIRST PRODUCTION | PRODUCTION METHOD (Flowing, gas lift, pumpjack—size and type of pump) | WELL STATUS (Producing or shut-in) |
|-----------------------|---|------------------------------------|
| 28 Feb. 1990          | FLOWING   | Producing                          |

31. DATE OF TEST: **Mar. 1990** HOURS TESTED: **24** CHOKER SIZE: **21/64"** PROD. FOR TEST PERIOD: **214.4** GAS—MCF: **96** WATER—BBL: **29.06** GAS-OIL RATIO: **0.447**

32. FLOWING PRESS. **200** CASING PRESSURE **0** CALCULATED 21 HOUR RATE: **214.4** GAS—MCF: **96** WATER—BBL: **29.06** OIL GRAVITY-API (TEMP. 1): **40.4**

33. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.): **Sold after 6 Apr. 1990 Vented until 6 Apr. 1990**

34. TEST WITNESSED BY: **H.J. Payne, Steve Wells**

35. LIST OF ATTACHMENTS: **Geophysical logs, Perforation sheet, Mud Log**

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

SIGNED: *Steve Wells* TITLE: **VicePresident, Quinex Energy, Inc.**

# INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of wells and leases in either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to well, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal office or State office. See instructions on items 22 and 24, and 25, below regarding separate reports for separate completion jobs.

If and fluid refer to the time this summary record is submitted, copies of all currently available logs (dillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 31.

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

Item 5: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other items on 1 form and in any attachments. Items 22 and 26: If this well is completed for separate production from more than one interval zone (multiple completed hole), so state in item 22, and in item 26 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (logs) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to each interval.

Item 27: "Well's Content": Attach supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool. Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

CONFIDENTIAL

21. SUMMARY OF WELL'S RUNS: SHOW ALL INTERVALS AND COVERTS PRODUCING; CROSS INTERVALS; AND ALL PERMITS, TESTS, REPORTS OF SURVEYS, PRODUCTION TESTS, CHEMICAL LOGS, THIS WELL AREA, PLACING AND SURFACE RECORDS, AND MEASUREMENTS.

| FORMATION       | TOP     | BOTTOM | DESCRIPTION              | CONTENTS | ITEMS           | ITEMS   | ITEMS  |
|-----------------|---------|--------|--------------------------|----------|-----------------|---------|--------|
| Duchesne River  | Surface | 4260'  | Fresh Water sandstones   |          | Duchesne River  | Surface | 6259'  |
| Uinta Formation | 4260'   | 8200'  | Fresh and brackish water |          | Uinta Fm.       | 4260'   | 2020'  |
| Green River Fm. | 8200'   | 11067' | Oil & gas                |          | Green River Fm. | 8200'   | -1920' |
| Wasatch Fm.     | 11067'  | TD     | Oil & gas                |          | Green River H   | 9988'   | -3708' |
|                 |         |        |                          |          | Black Shale     | 10467'  | -4187' |
|                 |         |        |                          |          | Wasatch Trans.  | 10707'  | -4427' |
|                 |         |        |                          |          | Wasatch Fm.     | 11067'  | -4787' |
|                 |         |        |                          |          | Wasatch "B"     | 12668'  | -6388' |

QUINEX ENERGY CORPORATION

MERLENE 2-36A3

PERFORATING SCHEDULE

The following perforations have been selected for the Quinex Energy Corporation, Merlene 2-36A3 well. All perforations were selected and should be correlated to the GammaRay log on the Compensated Neutron-Formation Density Log. Perforations will be 3 holes per foot, except for the zones marked with a \* where 2 shots per foot will be programmed. We will be using a 23 gram shot with a diameter of .39 inches on all shot runs.

The guns will be designed so that each 3 shot per foot gun will have a 120 degree orientation between shots and the 2 shot per foot be oriented 90 degrees between shots.

| <u>ZONE NO.</u> | <u>DEPTH</u>                      | <u>NO. SHOTS</u> |
|-----------------|-----------------------------------|------------------|
| 1               | 13754, 55, 56                     | 9                |
| 2               | 13592, 93, 94                     | 9                |
| 3               | 13514, 15, 16, 17, 18             | 15               |
| 4               | 13081, 082, 083                   | 9                |
| 5               | 12832, 33, 34, 35, 36             | 15               |
| 6               | 12816, 17, 18, 19, 20             | 15               |
| 7               | 12519, 20, 21, 22, 23, 24         | 18               |
| 7A              | 12568, 69, 70, 71, 72             | 15               |
| 8               | 12492, 93, 94, 95, 96             | 15               |
| 9               | 12442, 43, 44, 45, 46, 47, 48, 49 | 24               |
| 10              | 12324, 25, 26, 27, 28, 29         | 18               |
| 11              | 12203, 04, 05, 06, 07             | 15               |
| 12              | 12159, 60, 61, 62, 63             | 15               |
| *13             | 12144, 46, 48, 50, 52             | 10               |
| 14              | 12080, 81, 82, 83, 84, 85         | 18               |
| 15              | 12003, 04, 05, 06, 07, 08, 09, 10 | 24               |
| 16              | 11989, 90, 91                     | 9                |

| <u>ZONE NO.</u> | <u>DEPTH</u>                  | <u>NO. SHOTS</u> |
|-----------------|-------------------------------|------------------|
| 17              | 11978, 79, 80                 | 9                |
| 18              | 11974, 75, 76                 | 9                |
| 19              | 11934, 35, 36                 | 9                |
| 20              | 11924, 25, 26, 27             | 12               |
| 21              | 11916, 17, 18, 19, 20         | 15               |
| 22              | 11882, 83, 94, 85, 86, 87, 88 | 21               |
| 23              | 11794, 95, 96, 97, 98         | 15               |
| 24              | 11722, 23, 24, 25, 26         | 15               |
| 25              | 11706, 07, 08, 09, 10         | 15               |
| 26              | 11663, 64, 65, 66, 67, 68, 69 | 21               |
| 27              | 11620, 21, 22, 23, 24, 25, 26 | 21               |
| 28              | 11432, 34, 35, 36, 37, 38     | 18               |
| *29             | 11364, 66, 68, 70, 72, 74     | 12               |

TOTAL NUMBER OF SHOTS

445

Following perforation zones 28 & 29 were productive of water and were sealed off with a cement squeeze.

OPERATOR QUINEX ENERGY CORPORATION

OPERATOR ACCT. NO. W9995

ADDRESS 465 S. 200 E., SUITE 300

BOUNTIFUL, UTAH 84010

| ACTION CODE  | CURRENT ENTITY NO. | NEW ENTITY NO. | API NUMBER   | WELL NAME      | WELL LOCATION |    |    |    |          | SPUD DATE | EFFECTIVE DATE |
|--|--------------------|----------------|--------------|----------------|---------------|----|----|----|----------|-----------|----------------|
|  |                    |                |              |                | 00            | SC | TP | RS | COUNTY   |           |                |
| A  | 99999              | 11078          | 43-013-31247 | MERLENE 2-36A3 | SESE          | 36 | 1S | 3W | DUCHESNE | 11-18-89  |                |
| <b>WELL 1 COMMENTS:</b> INDIAN-LEASE PROPOSED ZONE & PROD. ZONE-WSTC<br>FIELD-BLUEBELL (NEW ENTITY 11078 ADDED 4-25-90 EFF. 11-18-89)<br>UNIT-NA *WAS UNABLE TO GET ENTITY FORM FROM OPERATOR. |                    |                |              |                |               |    |    |    |          |           |                |
| <b>WELL 2 COMMENTS:</b>  |                    |                |              |                |               |    |    |    |          |           |                |
| <b>CONFIDENTIAL</b>  |                    |                |              |                |               |    |    |    |          |           |                |
| <b>WELL 3 COMMENTS:</b>  |                    |                |              |                |               |    |    |    |          |           |                |
| <b>WELL 4 COMMENTS:</b>  |                    |                |              |                |               |    |    |    |          |           |                |
| <b>WELL 5 COMMENTS:</b>  |                    |                |              |                |               |    |    |    |          |           |                |

**ACTION CODES (See instructions on back of form)**

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

**NOTE:** Use COMMENT section to explain why each Action Code was selected.

LISHA ROMERO (DOGM)

Signature

ADMIN. ANALYST

4-25-90

Title

Date

Phone No. ( )

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

**SUBJECT IN TRIPlicate**  
(Color Instructions on reverse side)

Approved  
Budget Bureau No. 1004-0115  
Expires August 31, 1985

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

OIL WELL  GAS WELL  OTHER

NAME OF OPERATOR

QUINEX ENERGY CORPORATION

ADDRESS OF OPERATOR

465 South 200 West, Suite 300, Bountiful, Utah 84010

LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See instructions on reverse side.)  
At surface

1040' FSL, 1100' FEL, Sec. 36, T1S, R3W, USB&M

LEASE DESIGNATION AND SERIAL NO.  
14-20-H62-4437

IF INDIAN ALLOTTEE OR TRIBE NAME

LEASE TRIBAL UNIT ASSIGNMENT NAME

FARM OR LEASE NAME  
MERLENE

WELL NO.  
2-36A3

FIELD AND POOL OR WILDCAT  
BLUEBELL

SEC., T., R., NE. OR SW. AND SUBST. OR AREA  
N<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub>, Sec. 36

T.1 S., R 3 W., USB&M

COUNTY OR PARISH  
DUCHESNE

STATE  
UTAH

PERMIT NO.  
43-013-31247

ELEVATIONS (Show whether SP, W, or SA.)

GP-6259, KB-6280'

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

NOTICE OF INTENTION TO

SUBSEQUENT CARRY-OUT

TEST WATER SHUT-OFF

WELL OR ALIEN FILING

WATER SHUT-OFF

REPAIRING WELL

FRACING TREATMENT

MULTIPLE COMPLETS

FRACING TREATMENT

ALYSSING CASING

ABANDON OR ABANDONING

ABANDONING

ABANDONING OR ABANDONING

ABANDONMENT

APPROX WELL

FINANCE REPORT

OTHER

(Indefinite)

Note: Report results of multiple completion on Well Completion or Recore Completion Report and Log form.

17. HAS THIS WELL BEEN COMPLETED OR ABANDONED? (Clearly state all pertinent details and give pertinent data, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface headings and measured and true vertical depths for all markers and zones pertinent to this work.)

1 May 1990-Acid-fraced interval from 11,374'-11,364' with 20,000 gallons 15% HCl plus 100 gallons A-2, 100 gallons L-47, 20 gallons L-55, 60 gallons M-38B, 100# 1-58, plus 668 7/8" x 1.1 ball sealers, 2000# KCl with 290,000 scf N<sub>2</sub>. Total fluid 567 barrels. Maximum pressure 10,250#, average pressure 9800#, average rate 10 barrels per minute; with N<sub>2</sub>/ 12.5 barrels per minute. ISP 2200 #.

|                          |          |       |             |
|--------------------------|----------|-------|-------------|
| Flow test: 5-2 to 5-3-90 | 24 hours | Oil   | 685 Barrels |
|                          |          | Water | 70 Barrels  |
|                          |          | Gas   | 750 Barrels |

Flow Pressure 600# on 21/64 choke

Wasatch Formation

|     |     |
|-----|-----|
| Oil | GAS |
|     |     |
|     |     |
|     |     |
|     | SLS |

1-TAS

**CONFIDENTIAL**

**RECEIVED**  
MAY 08 1990

DIVISION OF  
OIL, GAS & MINING

I hereby certify that the foregoing is true and correct

SIGNED *[Signature]*

TITLE Vice Pres. (Quinex Energy)

DATE May 8, 1990

(This space for Federal or State Office use)

APPROVED BY  
CONDITIONS OF APPROVAL IF ANY:

|    |       |
|----|-------|
| 21 | TITLE |
| 3- |       |

DATE

\*See Instructions on Reverse Side







UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Expires August 31, 1985

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

|  |  |   |                   |
|--|--|---|-------------------|
| 1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>   |  | 5. LEASE DESIGNATION AND SERIAL NO.<br>14-20-H62-4437   |                   |
| 2. NAME OF OPERATOR<br>QUINEX ENERGY CORPORATION   |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME<br>Ute Tribal  |                   |
| 3. ADDRESS OF OPERATOR<br>465 South 200 West, Suite 300, Bountiful, UT 84010   |  | 7. UNIT AGREEMENT NAME  |                   |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)<br>At surface<br>1,040' FSL, 1,100' FEL, Sec. 36, T 1 S, R 3 W, U.S. B & M |  | 8. FARM OR LEASE NAME<br>Merlene  |                   |
| 14. PERMIT NO.<br>43-013-31247   |  | 9. WELL NO.<br>2-36A3   |                   |
| 15. ELEVATIONS (Show whether DF, ST, OR, etc.)<br>GR 6,259' KB 6,280'  |  | 10. FIELD AND POOL, OR WILDCAT<br>Bluebell  |                   |
|  |  | 11. SEC. T. R. N. OR BLE. AND SURVEY OR AREA<br>NW 1/4, SE 1/4, SE 1/4, Sec. 36<br>T 1 S, R 3 W. U.S. B & M |                   |
|  |  | 12. COUNTY OR PARISH<br>Duchesne  | 13. STATE<br>Utah |

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

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF   
 FRACTURE TREAT   
 SHOOT OR ACIDIZE   
 REPAIR WELL   
 (Other)

PULL OR ALTER CASING   
 MULTIPLE COMPLETE   
 ABANDON\*   
 CHANGE PLAN\*

WATER SHUT-OFF   
 FRACTURE TREATMENT   
 SHOOTING OR ACIDIZING   
 (Other)

REPAIRING WELL   
 ALTERING CASING   
 ABANDONMENT\*

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

17. UNDERLINE 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.)\*

5-28-91 The Merlene 2-36A3 was re-acidized into perforations from 13,512-16', 13,592-94' and 13,754-56' with 3,000 Gal. 15% HCL with appropriate additives, and 71,000 SCF H<sub>2</sub>, Maximum pressure 7,500 PSI, Average Pressure 6,200 PSI, Average rate 8BBls/min

6-01-01 Set Bridge plug at 13,550'; Packer at 12,430'

6-04-91 Acidize zone 13,512-16' with 2,500 Gal. 15% HCL with appropriate additives. Maximum pressure 7,500 PSI, Average pressure 5,000 PSI, Average rate 7.3 BBLS/min. ISIP 0#.

6-05-01 Set CIBP at 13,480'. Set Packer at 11,602'. Placed well back on pump.

RECORDED  
JUL 19 1991

DIVISION OF  
OIL GAS & MINING

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

SIGNED *Debra Sue* TITLE Vice President, Quinex DATE 7-16-91

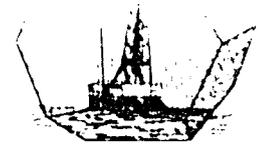
(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side



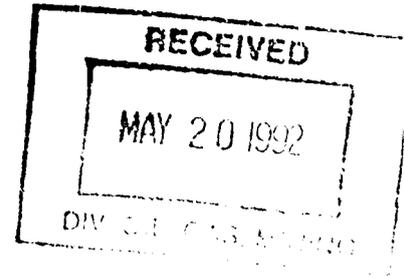
# QUINEX ENERGY CORPORATION



465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

May 19, 1992

Utah Division of Oil, Gas & Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203



Re: Merlene #2-36A3 *43.013-31247*  
Sec 36, T1S, R3W, USB&M  
Duchesne County, Utah

Gentlemen:

In going through the files I found an error on the Sundry Notice dated May 8, 1990 on the above referenced well.

Please note change. Thank you.

Sincerely,

QUINEX ENERGY CORPORATION

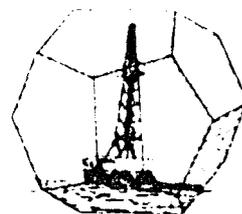
  
DeForrest Smouse  
Vice President

DFS/sp

Enclosure



# QUINEX ENERGY CORPORATION



465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

September 9, 1992

Utah Division of Oil, Gas & Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

Re: Merlene #2-36A3

Well Repair  
7/15/92 to 7/31/92

John #2-7B2

Perforations  
6/09/92

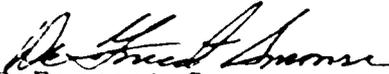
Acidized  
6/15/92

To Whom It May Concern:

Enclosed you will find copies of reports on the above referenced wells and work done.

Sincerely,

QUINEX ENERGY CORPORATION

  
DeForrest Smouse  
Vice President

DFS/sp

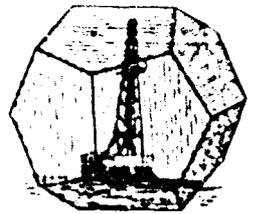
Enclosures

SEP 10 1992

RECEIVED  
SEP 10 1992

# QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858



November 16, 1992

State of Utah  
Division of Oil, Gas & Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

Ref: Quinex Energy Corporation  
Malnar Pike 1-17, API No. 43-047-31714  
Sam Houston 24-4, API No. 43-047-31653  
Leslie Taylor 24-5, API No. 43-047-31828  
CMS 1-13A1, API No. 43-047-31711  
Einerson 1-4B1E, API No. 43-047-31940  
Allred 2-32A1E, API No. 43-047-31889  
JDC Redcap 30-4, API No. 43-047-31591  
Chasel Sprouse 1-18, API No. 43-047-31695  
Merlene 2-36A3, API No. 43-013-31247  
Bowen-Bastian 1-14A1, API No. 43-047-31713  
Uinta-Sam 28-2R, API No. 43-047-30127

RECEIVED

NOV 16 1992

DIVISION OF  
OIL GAS & MINING

Gentlemen:

Quinex Energy Corporation plans to install into the present site of the overflow pit a 400 barrel tank, cut in half longitudinally. The tank will be laid on rock or, if necessary on small concrete walls allowing a check for leakage. The proposed layout of the overflow tank is indicated on the enclosed drawing.

Quinex Energy Corporation expects to have the installation of the overflow tank accomplished by 1 January 1994.

Sincerely,

  
DeForrest Smouse,  
Vice President, Quinex Energy

RECEIVED

NOV 18 1992

DIVISION OF  
OIL GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

MAY 4 1995

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 recomplete a well in a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.

5. Code Designation and Serial No.  
14-20-H62-4437

6. If Indian, Allotment or Tribe Name

Utah Tribal

7. If Unit or CA, Agreement Designation

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well  Gas Well  Other

2. Name of Operator

QUINEX ENERGY CORPORATION

3. Address and Telephone No.

465 South 200 West, Suite #300, Bountiful, Utah 84010

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

1040' FSL, 1100' FEL, Section 36, T1S, R3W, USB&M

8. Well Name and No.

Merlene #2-36A3

9. API Well No.

43-013-31247

10. Field and Pool, or Exploratory Area

Bluebell

11. County or Parish, State

Duchesne

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

TYPE OF SUBMISSION

Notice of Intent  
 Subsequent Report  
 Final Abandonment Notice

TYPE OF ACTION

Abandonment  
 Recompletion  
 Plugging Back  
 Casing Repair  
 Altering Casing  
 Other

Change of Plans  
 New Construction  
 Non-Routine Fracturing  
 Water Shut-Off  
 Conversion to Injection  
 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.)

4/17-27/95

When attempting to pull tubing after equalization of fluid, it was determined that the tubing was stuck in hole. Shot off tubing at packer and just above free point @ 7,065 feet. Jarred tubing free and swedged out collapsed casing 7,065' - 7,100' from 4.5/8" to 6 3/4". Could not catch packer. Pushed packer to bottom of 5 1/2" liner. Replaced packer in hole with eight joints of 2 7/8" tubing as tail pipe below packer. Packer set @ 11,237 feet with pump cavity above packer. Returned well to production.

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

Signed [Signature]

President

Title

Date

5/3/95

(This space for Federal or State office use)

Approved by

Title

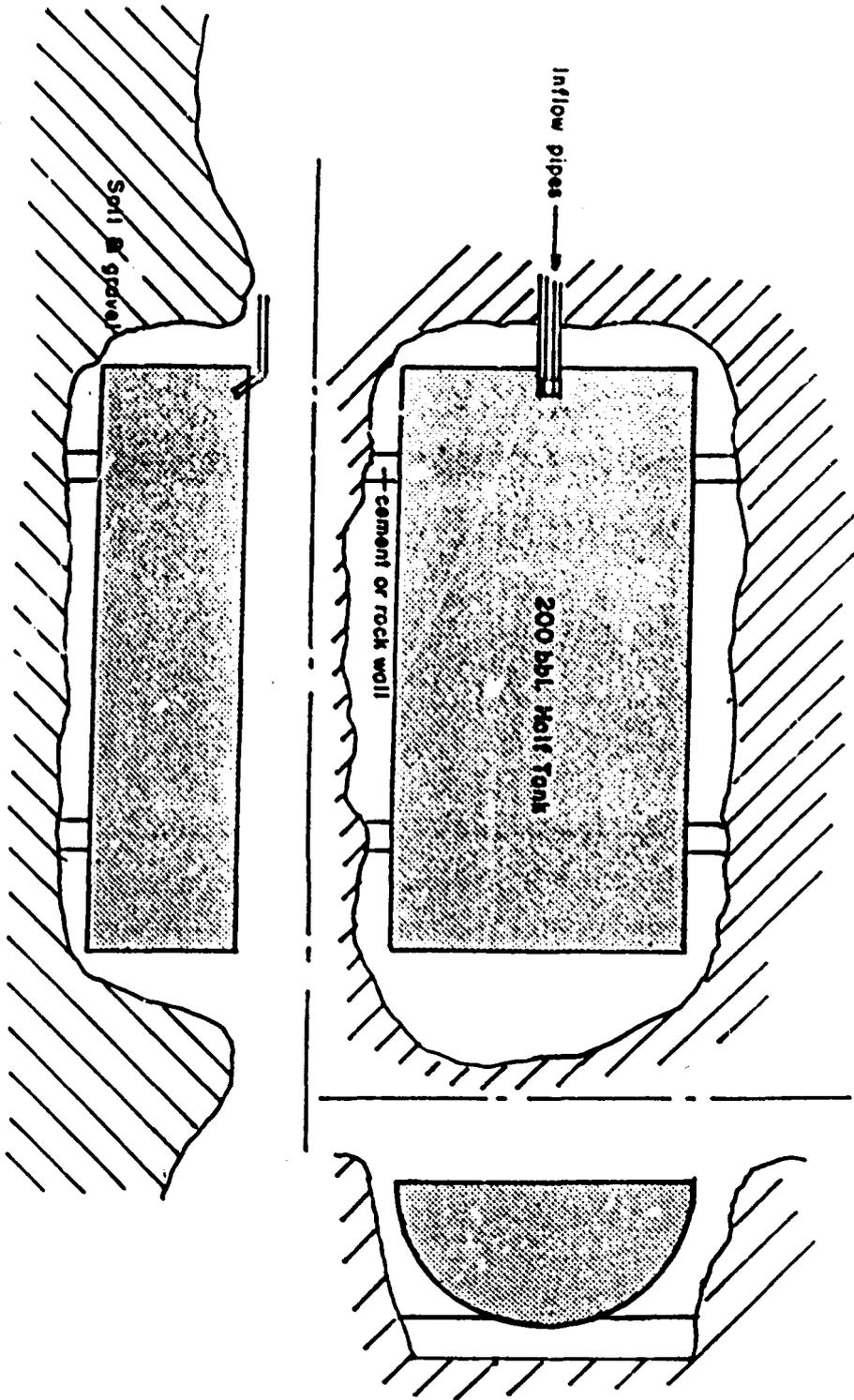
Date

Conditions of approval, if any:

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

\*See instruction on Reverse Side

OVERFLOW TANK PLAN



STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

|  |  |  |
|--|--|--|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b>   |  | 5. Lease Designation and Serial Number:<br><b>14-20-H62-4437</b> |
| Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.<br>Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals. |  | 6. If Indian, Allottee or Tribe Name:<br><b>Ute Tribal</b>       |
| 1. Type of Well: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER: _____   |  | 7. Unit Agreement Name:<br><b>Ute Tribal</b>                     |
| 2. Name of Operator:<br><b>QUINEX ENERGY CORPORATION</b>   |  | 8. Well Name and Number:<br><b>Merlene 2-36A3</b>                |
| 3. Address and Telephone Number:<br><b>435 South 200 West, Bountiful, Utah 84010 292-3800</b>  |  | 9. API Well Number:<br><b>43-013-31247</b>                       |
| 4. Location of Well<br>Footages: <b>1040' FSL 1100' FEL, Sec. 36, T1S, R3W USM</b><br>QQ, Sec., T., R., M.: <b>SE, SE, Sec. 36, T1S, R3W</b>   |  | 10. Field and Pool, or Wildcat:<br><b>BLUEBELL</b>               |
|  |  | County: <b>Duchesne</b><br>State: <b>Utah</b>                    |

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

| NOTICE OF INTENT<br><small>(Submit in Duplicate)</small>  | SUBSEQUENT REPORT<br><small>(Submit Original Form Only)</small>   |
|---|---|
| <input type="checkbox"/> Abandonment<br><input type="checkbox"/> Casing Repair<br><input type="checkbox"/> Change of Plans<br><input type="checkbox"/> Conversion to Injection<br><input type="checkbox"/> Fracture Treat<br><input type="checkbox"/> Multiple Completion<br><input type="checkbox"/> Other _____ | <input type="checkbox"/> Abandonment *<br><input type="checkbox"/> Casing Repair<br><input type="checkbox"/> Change of Plans<br><input type="checkbox"/> Conversion to Injection<br><input type="checkbox"/> Fracture Treat<br><input type="checkbox"/> Other <u>Acid Treatment</u> |
| <input type="checkbox"/> New Construction<br><input type="checkbox"/> Pull or Alter Casing<br><input type="checkbox"/> Recompletion<br><input type="checkbox"/> Shoot or Acidize<br><input type="checkbox"/> Vent or Flare<br><input type="checkbox"/> Water Shut-Off   | <input type="checkbox"/> New Construction<br><input type="checkbox"/> Pull or Alter Casing<br><input type="checkbox"/> Shoot or Acidize<br><input type="checkbox"/> Vent or Flare<br><input type="checkbox"/> Water Shut-Off  |
| Approximate date work will start _____  | Date of work completion <u>22 April 1999</u>  |
|   | Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.<br>* Must be accompanied by a cement verification report.   |

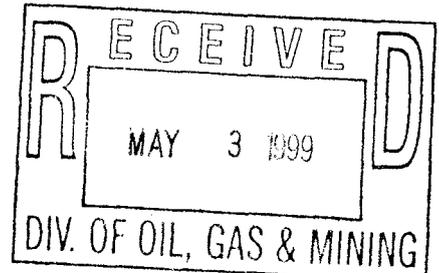
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Pumped 1,000 gal 15% HCL w/ 50 frac balls & selected additives. Max. pressure = 850#, Aver. pres.= 260#. Flushed with 75 bbl productin water.

Rigged up swab rig and swabed back acid water, recovered 55 bbl acid water.

13. Name & Signature: *DeForrest Smouse* DeForrest Smouse Title: President Date: 30 Apr 1999

(This space for State use only)



STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN for such Proposals.

|   |  |
|---|--|
|   | 5. Lease Designation and Serial Number:<br><b>14-20-H62-4437</b> |
|   | 6. If Indian, Allottee or Tribe Name:<br><b>UTE TRIBAL</b>       |
|   | 7. Unit Agreement Name:<br><b>UTE TRIBAL</b>                     |
| 1. Type of Well: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER:  | 8. Well Name and Number:<br><b>MERLENE 2-36A3</b>                |
| 2. Name of Operator:<br><b>QUINEX ENERGY CORPORATION</b>  | 9. AP Well Number:<br><b>43-013-31247</b>                        |
| 3. Address and Telephone Number:<br><b>465 SOUTH 200 WEST, SUITE 300, BOUNTIFUL, UTAH 84010 (801) 292-3800</b>  | 10. Field and Pool, or Wildcat:<br><b>BLUEBELL</b>               |
| 4. Location of Well:<br>Footages: <b>1,040' FSL, 1,100' FEL, Section 36, T. 1 S., R. 3 W., USBM</b><br>QQ, Sec., T., R., M.: <b>NW11/4, SE1/4, SE1/4, Section 36, T. 1 S., R 3 W., USBM</b> | County: <b>DUCHESNE</b><br>State: <b>UTAH</b>                    |

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

| NOTICE OF INTENT<br><small>(Submit in Duplicate)</small>  | SUBSEQUENT REPORT<br><small>(Submit Original Form Only)</small>   |
|---|---|
| <input type="checkbox"/> Abandon<br><input type="checkbox"/> Repair Casing<br><input type="checkbox"/> Change of Plans<br><input type="checkbox"/> Convert to Injection<br><input type="checkbox"/> Fracture Treat or Acidize<br><input type="checkbox"/> Multiple Completion<br><input type="checkbox"/> Other _____ | <input type="checkbox"/> Abandon *<br><input type="checkbox"/> Repair Casing<br><input type="checkbox"/> Change of Plans<br><input type="checkbox"/> Convert to Injection<br><input type="checkbox"/> Fracture Treat or Acidize<br><input checked="" type="checkbox"/> Other <u><b>RUN PRODUCTION LOG, REPLACE PACKER</b></u> |
| <input type="checkbox"/> New Construction<br><input type="checkbox"/> Pull or Alter Casing<br><input type="checkbox"/> Recomplete<br><input type="checkbox"/> Reperforate<br><input type="checkbox"/> Vent or Flare<br><input type="checkbox"/> Water Shut-Off  | <input checked="" type="checkbox"/> New Construction<br><input type="checkbox"/> Pull or Alter Casing<br><input type="checkbox"/> Reperforate<br><input type="checkbox"/> Vent or Flare<br><input type="checkbox"/> Water Shut-Off  |
| Approximate date work will start _____  | Date of work completion <u><b>16 September 2000</b></u><br><br><small>Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.<br/>* Must be accompanied by a cement verification report.</small>   |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Swabed well to run production log and try to located water entry.  
 9/7/2000: Swab well , initial fluid level = surface, swabed down to 6,700'. Recovered 210 bbl fluid.  
 9/8/2000: Swab well. Initial fluid level = 7,000', Final level = 6,900'. Fluid level coming up hole on repeated runs. Made 6 runs. Recovered 100 barrels fluid.  
 9/9/2000: Swab well. Initial fluid level= 5800'. Made 7 swab runs, pulled down to Packer & tried to release standing valve. Not able to release. Swabed making 7 more swab runs with final level 8,200'. Released standing valve.  
 9/12/2000: Swab down well after bleeding down pressure. Ran production log from 12,436' to packer. Water entry @ 11,974-12,010' of 382 bbls/day & 11,794-96' of 24 bbls/day. Two thief zones= 1<sup>st</sup> 11,916-36' of 230 bbl/day 2<sup>nd</sup> 11,663-69' of 242 bbls/day.  
 9/13/2000: Release packer & had paraffin problems trying to pull packer. Ran 4 5/8" scraper from 13,433'  
 9/14/2000: Ran 7 5/8" casing scraper from liner top to surface, tight hole @ 7,186'.  
 9/15/2000: Tried to run CIBP (Cast Iron Bridge Plug) would not go. Change orders & set down CIBP.  
 9/16& 18/2000: Trip in & out of hole with 7 5/8" Casing Scraper. Picked up Modle R double grip packer. Trip in hole drifting tubing. Set packer @ 11,237'. Nipple down BOPs, Nipple up tree.

13. Name & Signature: **DeForrest Smouse** *[Signature]* Title: **President** Date: **25 Sept. 2000**

(This space for State use only)

**From:** "Mike Hebertson" <mike@quinexenergy.com>  
**To:** <CAROLDANIELS@UTAH.GOV>  
**Date:** 8/20/2008 4:03 PM  
**Subject:** Well Information Changes  
**Attachments:** Wells Stat Sheet.xls

The attached spreadsheet contains corrections to Quinex wells that will help update your files

43 013 312A7  
Merlene 2-36A3  
1S 3W 36

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QUINCY ENERGY CORP

| API Well Number | Well Name              | County   | Qtr/Qtr | Sec | T-R     | Ft. NS | NS | Ft. EW | EW | Well Status | Well Type |
|-----------------|------------------------|----------|---------|-----|---------|--------|----|--------|----|-------------|-----------|
| 43-047-31889    | ALLRED 2-32A1E         | Uintah   | SESW    | 32  | 1S-1E   | 660    | S  | 1521   | W  | POW         | Oil Well  |
| 43-047-31713    | BOWEN-BASTIAN 1-14A1   | Uintah   | SESW    | 14  | 1S-1W   | 398    | S  | 2030   | W  | POW         | Oil Well  |
| 43-013-32162    | BRITTANY 4-12A3        | Duchesne | C-NE    | 12  | 1S-3W   | 1320   | N  | 1320   | E  | POW         | Oil Well  |
| 43-047-31695    | CHASEL-SPROUSE 1-18A1E | Uintah   | SWNW    | 18  | 1S-1E   | 1516   | N  | 804    | W  | POW         | Oil Well  |
| 43-047-31711    | CMS 1-13A1             | Uintah   | NENW    | 13  | 1S-1W   | 1300   | N  | 1530   | W  | POW         | Oil Well  |
| 43-047-39983    | D.C. FED 1-11          | Uintah   | NENE    | 11  | 11S-20E | 839    | N  | 650    | E  | Permit      | Gas Well  |
| 43-047-39982    | D.C. FED 2-11          | Uintah   | NENE    | 11  | 11S-20E | 829    | N  | 621    | E  | Permit      | Gas Well  |
| 43-013-32149    | DAVID 3-7B2            | Duchesne | NWSE    | 7   | 2S-2W   | 1547   | S  | 1749   | E  | POW         | Oil Well  |
| 43-047-31874    | DEEP CREEK 2-19A2E     | Uintah   | NWSW    | 19  | 1S-2E   | 2421   | S  | 980    | W  | POW         | Oil Well  |
| 43-013-32787    | DS FED 3-23            | Duchesne | NWSW    | 23  | 9S-17E  | 1986   | N  | 612    | W  | SI          | Oil Well  |
| 43-047-39196    | HELEN FED 1-26         | Uintah   | SWNW    | 26  | 9S-17E  | 1367   | N  | 721    | W  | New Permit  | Oil Well  |
| 43-047-39195    | JANS FED 1-25          | Uintah   | NWNW    | 25  | 9S-17E  | 660    | N  | 660    | W  | Permit      | Oil Well  |
| 43-013-32789    | JDC FED 4-23           | Duchesne | SWSW    | 23  | 9S-17E  | 600    | S  | 661    | W  | SI          | Oil Well  |
| 43-013-31248    | JODIE 3-36A3           | Duchesne | NWNE    | 36  | 1S-3W   | 752    | N  | 1662   | E  | POW         | Oil Well  |
| 43-013-32786    | JODIE FED 1-23         | Duchesne | NWNW    | 23  | 9S-17E  | 563    | N  | 832    | W  | POW         | Oil Well  |
| 43-047-39198    | JOELYN FED 1-27        | Uintah   | CNNW    | 27  | 9S-17E  | 660    | N  | 1320   | W  | New Permit  | Oil Well  |
| 43-013-31216    | JOHN 2-7B2             | Duchesne | NWNW    | 7   | 2S-2W   | 484    | N  | 671    | W  | POW         | Oil Well  |
| 43-013-31882    | JOHN CHASEL 3-6A2      | Duchesne | SWSE    | 6   | 1S-2W   | 660    | S  | 1400   | E  | SI          | Oil Well  |
| 43-013-33617    | JSW FED 2-26           | Duchesne | NWNW    | 26  | 9S-17E  | 660    | N  | 660    | W  | POW         | Oil Well  |
| 43-013-33618    | JW FED 2-27            | Duchesne | NENE    | 27  | 9S-17E  | 656    | N  | 705    | E  | Permit      | Oil Well  |
| 43-047-31828    | LESLIE TAYLOR 24-5     | Uintah   | SWNW    | 24  | 1S-1W   | 2450   | N  | 1260   | W  | POW         | Oil Well  |
| 43-013-32788    | LFW FED 2-23           | Duchesne | SWNW    | 23  | 9S-17E  | 1980   | N  | 661    | W  | POW         | Oil Well  |
| 43-047-31714    | MALNAR-PIKE 1-17A1E    | Uintah   | SWSW    | 17  | 1S-1E   | 660    | S  | 660    | W  | POW         | Oil Well  |
| 43-013-31247    | MERLENE 2-36A3         | Duchesne | SESE    | 36  | 1S-3W   | 1040   | S  | 1100   | E  | SI          | Oil Well  |
| 43-047-31390    | MICHELLE UTE 7-1       | Uintah   | NESW    | 7   | 1S-1E   | 1539   | S  | 2439   | W  | POW         | Oil Well  |
| 43-013-30381    | UTE TRBL 11-6A2        | Duchesne | SENW    | 6   | 1S-2W   | 2227   | N  | 1561   | W  | POW         | Oil Well  |
| 43-047-31591    | REDCAP J D C 30-4-1A   | Uintah   | NWNW    | 30  | 1S-2E   | 876    | N  | 669    | W  | SI          | Oil Well  |
| 43-047-31653    | SAM HOUSTON 24-4       | Uintah   | NWSE    | 24  | 1S-1W   | 1350   | S  | 1400   | E  | POW         | Oil Well  |
| 43-013-32129    | SASHA 4-6A2            | Duchesne | SWSW    | 6   | 1S-2W   | 660    | S  | 660    | W  | SI          | Oil Well  |
| 43-047-31940    | EINERSON 1-4B1E        | Uintah   | SWSW    | 4   | 2S-1E   | 1056   | S  | 795    | W  | POW         | Oil Well  |
| 43-013-32131    | TRISTAN 5-6A2          | Duchesne | NWNW    | 6   | 1S-2W   | 660    | N  | 660    | W  | POW         | Oil Well  |
| 43-047-30127    | UINTAH-SAM 28-2R       | Uintah   | NESW    | 28  | 1N-1E   | 2111   | S  | 1847   | W  | POW         | Oil Well  |
| 43-013-30042    | UTE TRIBAL U 2-12A3    | Duchesne | SWSW    | 12  | 1S-3W   | 1322   | S  | 1325   | W  | SI          | Oil Well  |
| 43-047-33179    | WADE COOK 2-14A1       | Uintah   | NWNW    | 14  | 1S-1W   | 705    | N  | 662    | W  | POW         | Oil Well  |
| 43-047-31845    | MARY R. U. 278         | Uintah   | NWSE    | 13  | 1S-1W   | 1971   | S  | 2072   | E  | POW         | Oil Well  |

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| Field Name        | Surface | Mineral | UTM E  | UTM N   | Elev. GR | Elev. KB | TD    | PBTD  |
|-------------------|---------|---------|--------|---------|----------|----------|-------|-------|
| BLUEBELL          | Fee     | Fee     | 592565 | 4466702 | 5362     | 5383     | 12750 | 12743 |
| BLUEBELL          | Fee     | Fee     | 587831 | 4471387 | 5610     | 5634     | 14055 | 13982 |
| BLUEBELL          | Indian  | Indian  | 570808 | 4473805 | 6532     | 6553     | 15790 | 15782 |
| BLUEBELL          | Fee     | Fee     | 590665 | 4472468 | 5571     | 5595     | 14300 | 14300 |
| BLUEBELL          | Fee     | Fee     | 589279 | 4472503 | 5608     | 5622     | 14200 | 14161 |
| HILL CREEK        | Federal | Federal | 616404 | 4415106 | 5095     |          |       |       |
| HILL CREEK        | Federal | Federal | 616412 | 4415109 | 5087     |          |       |       |
| BLUEBELL          | Fee     | Fee     | 572323 | 4463431 | 5848     | 5869     | 13527 | 13523 |
| BLUEBELL          | Fee     | Fee     | 600377 | 4470560 | 5392     | 5418     | 13900 | 13859 |
| MONUMENT BUTTE    | Federal | Federal | 587015 | 4429669 | 5224     | 5238     | 5800  | 5280  |
| UNDESIGNATED      | Federal | Federal | 587054 | 4428648 | 5290     |          |       |       |
| 8 MILE FLAT NORTH | Federal | Federal | 588644 | 4428882 | 5290     |          |       |       |
| MONUMENT BUTTE    | Federal | Federal | 587029 | 4429265 | 5260     | 5272     | 5700  | 5700  |
| BLUEBELL          | Indian  | Indian  | 570762 | 4467531 | 6302     | 6324     | 14145 | 14019 |
| MONUMENT BUTTE    | Federal | Federal | 587065 | 4430504 | 5192     | 5204     | 6001  | 5967  |
| UNDESIGNATED      | Federal | Federal | 585635 | 4428865 | 5312     |          |       |       |
| BLUEBELL          | Indian  | Indian  | 571502 | 4464416 | 5922     | 5943     | 14030 | 13994 |
| BLUEBELL          | Indian  | Indian  | 572320 | 4474433 | 6455     | 5477     | 15878 | 15877 |
| UNDESIGNATED      | Federal | Federal | 587033 | 4428863 | 5280     | 5298     | 5607  | 5606  |
| UNDESIGNATED      | Federal | Federal | 586617 | 4428863 | 5282     |          |       |       |
| BLUEBELL          | Fee     | Fee     | 589220 | 4470543 | 5497     | 5518     | 14022 | 13990 |
| MONUMENT BUTTE    | Federal | Federal | 587019 | 4430071 | 5226     | 5242     | 5655  | 5419  |
| BLUEBELL          | Fee     | Fee     | 592230 | 4471526 | 5502     | 5523     | 14403 | 13470 |
| BLUEBELL          | Indian  | Indian  | 570933 | 4466471 | 6259     | 6280     | 13860 | 13860 |
| BLUEBELL          | Indian  | Indian  | 591145 | 4473399 | 5617     | 5643     | 14711 | 14638 |
| BLUEBELL          | Indian  | Indian  | 571672 | 4475277 | 6639     | 6663     | 16800 | 13780 |
| BLUEBELL          | Indian  | Indian  | 600302 | 4469555 | 5344     | 5369     | 13550 | 13510 |
| BLUEBELL          | Fee     | Fee     | 590012 | 4470087 | 5460     | 5483     | 13865 | 13826 |
| BLUEBELL          | Indian  | Indian  | 571441 | 4474432 | 6533     | 6554     | 15830 | 15828 |
| BLUEBELL          | Fee     | Fee     | 593962 | 4465212 | 5274     | 5293     | 12833 | 12804 |
| BLUEBELL          | Indian  | Indian  | 571397 | 4475754 | 6646     | 6657     | 16782 | 16747 |
| ROBIDOUX          | Indian  | Indian  | 594136 | 4478438 | 5892     | 5917     | 16000 | 15345 |
| BLUEBELL          | Indian  | Indian  | 570014 | 4473004 | 6467     | 6483     | 15700 | 15693 |
| BLUEBELL          | Fee     | Fee     | 587414 | 4472656 | 5699     | 5720     | 14212 | 14150 |
| BLUEBELL          | Indian  | Indian  | 589788 | 4471891 | 5555     | 5576     | 16998 | 13914 |

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