



**gordon
engineering** INC.

P.O. Box 3525, ~~Waltz Federal Plaza~~, Grand Junction, Co. 81502
Office (303) 245-1958 Residence (303) 243-9599

RECEIVED

June 19, 1984

JUN 25 1984

DIVISION OF OIL
GAS & MINING

Utah Division of Oil, Gas and Mining
4241 State Office Building
Salt Lake City, Utah 84114

Re: Sage Energy Company, Federal 31-31, Section 31, T16S, R25E,
Grand County, Utah

Gentlemen:

We are enclosing an application for a permit to drill the above referenced well. Together with a copy of the Federal Well Control Plan and the Multi-Point Surface Use and Operations Plan. Our anticipated starting date is July 1, 1984 and a communitization agreement will be submitted prior to any production.

Water is to be obtained from Frank Spadafora from his existing permit on Westwater Creek. Approximately $\frac{1}{4}$ of an acre-foot of water will be used.

Should you have any questions or need additional information, please contact our office.

Very truly yours,

Mr. John Gordon
President

lg

cc: Mr. Paul Gayer-Sage Energy Company

Encl.

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

5. Lease Designation and Serial No.

G-34217 and U-28574

6. If Indian, Allottee or Tribe Name

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

DRILL

DEEPEN

PLUG BACK

b. Type of Well

Oil Well

Gas Well

Other

Single Zone

Multiple Zone

2. Name of Operator

Sage Energy Company

3. Address of Operator

600 17th St., Suite 2005-S, Denver, Colorado 80202

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface

80 $\frac{1}{2}$.8 FNL, 2027.2 FEL

At proposed prod. zone

7. Unit Agreement Name

8. Farm or Lease Name

Sage Federal

9. Well No.

31-31

10. Field and Pool, or Wildcat

Bryson Ridge

San Arroyo
~~UNDESIGNATED~~

11. Sec., T., R., M., or Blk. and Survey or Area

Sec. 31, T16S, R25E

14. Distance in miles and direction from nearest town or post office*

30 miles NW of Mack Colorado

12. County or Parrish 13. State

Grand

Utah

15. Distance from proposed* location to nearest property or lease line, ft.

612.8

(Also to nearest drlg. line, if any)

16. No. of acres in lease

240

17. No. of acres assigned to this well

320

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

None

19. Proposed depth

6650

20. Rotary or cable tools

Rotary

21. Elevations (Show whether DF, RT, GR, etc.)

6981 G.R.

22. Approx. date work will start*

July 1, 1984

23. PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
12 $\frac{1}{4}$ "	9-5/8"	36# K-55	0-150	100 CLG w/3% CaCl2
8-3/4"	7"	20# K-55	0-2600	150 CLG w/1% CaCl2
6-1/4"	4-1/2"	11.6# N-80	0-6650	RFC, quantity to be determined by logs

RECEIVED

Lease Description:

JUN 25 1984

T16S, R25E:

Sec. 31: N $\frac{1}{2}$ NE $\frac{1}{2}$, SW $\frac{1}{2}$ NE $\frac{1}{2}$, NW $\frac{1}{2}$ SE $\frac{1}{2}$, S $\frac{1}{2}$ SE $\frac{1}{2}$

DIVISION OF OIL
GAS & MINING

We propose to rig up and drill a test through the Salt Wash member of the Morrison formation. Production is anticipated in the Dakota and Morrison formations. Any significant shows of gas or oil will be evaluated.

Communitization agreement is being obtained and will be submitted upon approval. Water has been purchased from Frank Spadaford under his existing permit.

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

24.

Signed

Pam C. Guy

Title

ENGINEER

Date June 11, 1984

(This space for Federal or State office use)

Permit No.

Approval Date

Approved by

Title

Conditions of approval, if any:

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

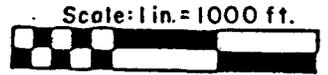
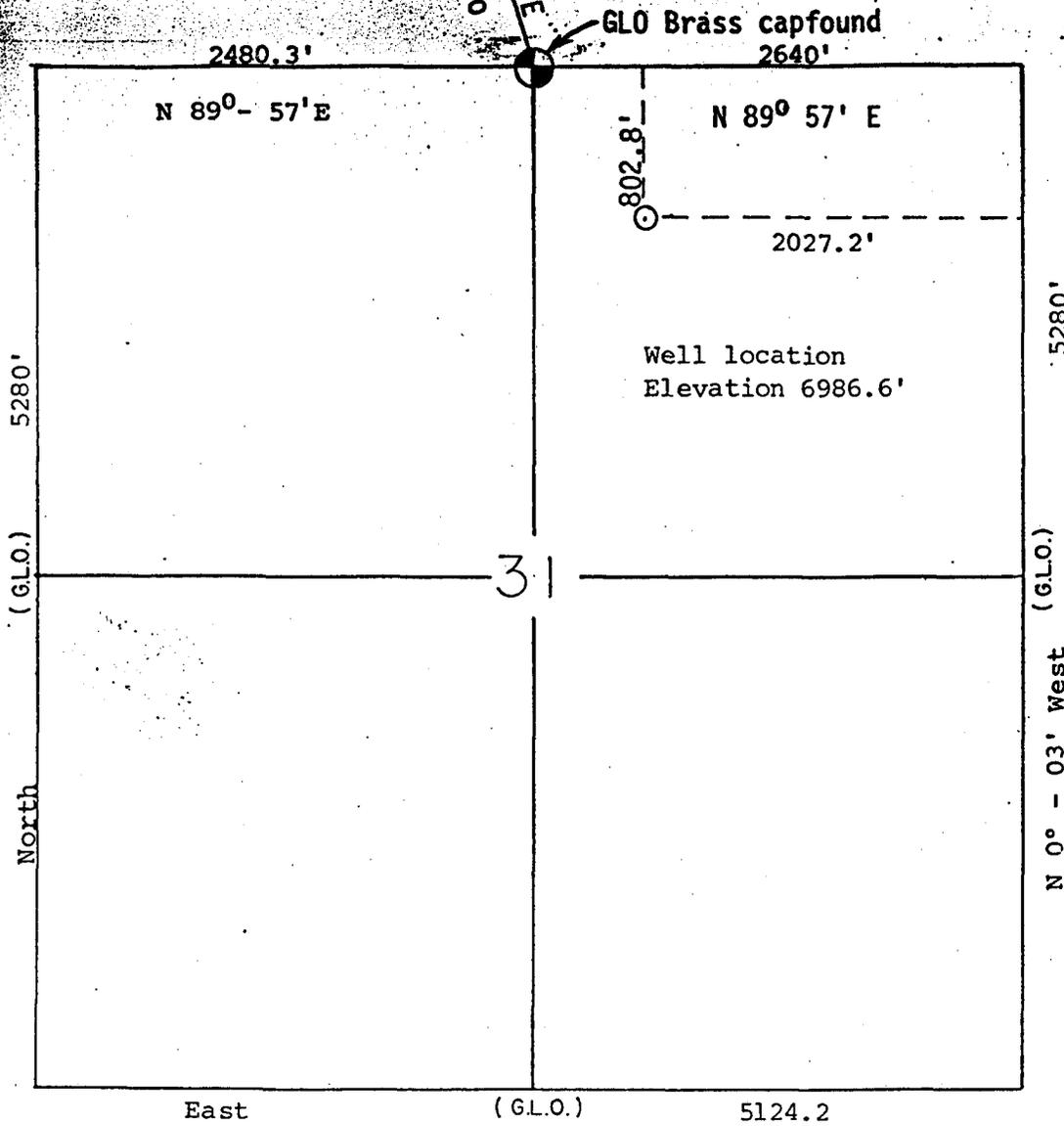
DATE: 6/27/84

BY: *John R. Bay*

*See Instructions On Reverse Side

(Basis of Bearing)

Solar observation 5/14/84
Point 'A' to North 1/4 Sec.31



WELL LOCATION

802.2' S.N.L., 2027.2' W.E.L.
Section 31, T16S, R25E, S.L.B. & M.
Grand County, Utah

CERTIFICATION

I, Edward F. Carpenter, do hereby certify that this survey was made under my direct supervision and that this plat represents said survey.

Edward F. Carpenter
 Edward F. Carpenter, Utah L.S. #5812

GORDON ENGINEERING, INC. ENGINEERING - SURVEYING	
Date May 29, 1984	SAGE ENERGY COMPANY
Drawn by J. Bell	FEDERAL 31-31
Checked by	Sheet 1 of 3
Survey date 5-14-84	Job #

SAGE ENERGY COMPANY

SAGE FEDERAL 31-31

GRAND COUNTY, UTAH

DRILLING PROGRAM

1. Surface Formation and Estimated Formation Tops:

Mesaverde	Surface
Castlegate	2340'
Mancos	2558'
Mancos "B"	3078'
Frontier	4579'
Dakota Silt	5855'
Dakota	6000'
Morrison	6253'
TD	6650'

2. Estimated Depth at Which Oil, Gas, Water, or Other Mineral-Bearing Zones Are Expected to Be Encountered:

	<u>Formation</u>	<u>Depth</u>
Expected oil zones:	None	
Expected gas zones:	Castlegate	2340'
	Dakota	6000'
	Morrison	6253'
Expected water zones:	None	
Expected mineral zones:	Anchor Mine	2065' Coal

Any shallow water sands will be cased off and cemented. Any other water bearing zones or coal deposits will be protected by inter-mediated casing and the coal deposit will be cemented. All lower potential gas productive intervals will be cased and cemented.

3. Pressure Control Equipment:

A diagram illustrating the pressure control equipment is attached. BOP equipment will consist of a flanged 10"-series 900 Hydraulically actuated double gate system complete with blind rams and 3½" pipe rams. Remote controls for the system will be operational and hand wheels installed. A 10" series 900 rotating head will be installed. Blow out preventors and the choke manifold will be installed after running and cementing surface casing. This equipment will be used continuously until the well is abandoned or production casing run and cemented for completion. Surface casing, the blind rams, and

pipe rams will be pressure tested to 1000 psig prior to drilling the plug. After setting intermediate casing, this procedure will be repeated. During drilling, the operation of this equipment will be inspected daily and the pipe rams checked for operation. The blind rams will be closed every trip when the drill string has been removed. All inspections, operations, and tests of this equipment will be recorded daily on the drilling report and the Grand Resource Area will be notified 24 hours in advance of any pressure tests.

Other:

Auxiliary equipment will include a float at the bit, kelly cock, and a full opening pipe valve on the floor. A mud pump and a mud tank will be on location with a sufficient volume of mud to control or kill the well should an emergency arise.

4. Casing Program and Auxiliary Equipment:

Surface casing will be new 9 5/8" outside diameter, 36#/ft, J-55 or K-55 Grade, Range 3 casing 8 ft from 0-150 ft. It will be cemented to surface with a sufficient quantity of regular cement to circulate cement from the bottom to top.

Intermediate casing will be new 7" outside diameter, 20#/ft or 23#/ft, J-55 or K-55 Grade, range 3 casing set from 0-2600 ft. It will be cemented across the interval 1500'-2600' or approximately 1100 ft of fill up. Cement type will be regular class G or class H.

Production casing will be new 4 1/2" outside diameter, 11.6#/ft, N-80 grade, range 3 casing set from 0-6650 ft. It will be cemented with regular class G or class H cement and will have approximately 1050 ft of fill up.

Wellhead equipment will be a 2000# working pressure screwed braden-head for the 7" intermediate casing and the 9 5/8" surface casing. Another similar type of wellhead will be placed on the 7" intermediate and the 4 1/2" production casing. The tubing head will be a '3000# working pressure flanged system with a 3000# working pressure screwed christmas tree. Production tubing will be 2 3/8" EUE, 4.7#/ft, J-55.

5. Mud Program and Circulating Medium:

Air and air-mist will be used to drill the hole. Should it be required, then the system will be switched to a low-solids KCL mud system. Water will be injected into the bleed line for fugitive dust mitigation.

6. Coring, Testing, and Logging Program:

No cores or DST's are anticipated. Open hole logs will be run from the base of the surface pipe to TD. Proposed logs are:

Dual induction-SLF with gamma ray	150' to 6,650'
Compensated density with sidewall neutron	5650' to 6,650'

NOTE: A compensated neutron log will be substituted for the sidewall neutron if the hole is filled with fluid.

7. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards:

Maximum pressure anticipated is 1,500 psig in the Dakota-Morrison formations and should not require more than normal mud weight for control. No abnormal temperatures or hydrogen sulphide are anticipated.

8. Anticipated Starting Dates and Notifications of Operations:

Anticipated starting date is July 1, 1984 and it is expected that the duration of operations will be up to 120 days for drilling and completion. Connection of the well to a sales line is indeterminate at this time.

The operator will contact the Grand Resource Area at (801)259-8193, forty-eight (48) hours prior to beginning any dirt work on this location.

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 District Manager. If operations are to be suspended, prior approval of the District Manager will be obtained and notification given before resumption of operations.

The spud date will be reported orally to the Area Manager within a minimum of twenty-four (24) hours prior to spudding. Written notification in the form of a Sundry Notice (form 3160-5) will be submitted to the District office within twenty-four (24) hours after spudding. If the spudding occurs on a weekend or holiday, the written report will be submitted on the following regular work day.

In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 9-329, "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed directly with the BLM District Office, P.O. Box 970, Moab, Utah 84532.

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

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 District Manager, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergency situations, verbal approval to bring on a replacement rig will be approved by the District Petroleum Engineer.

Should the well be successfully completed for production, the District Manager 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) business days following the date on which the well is placed on production.

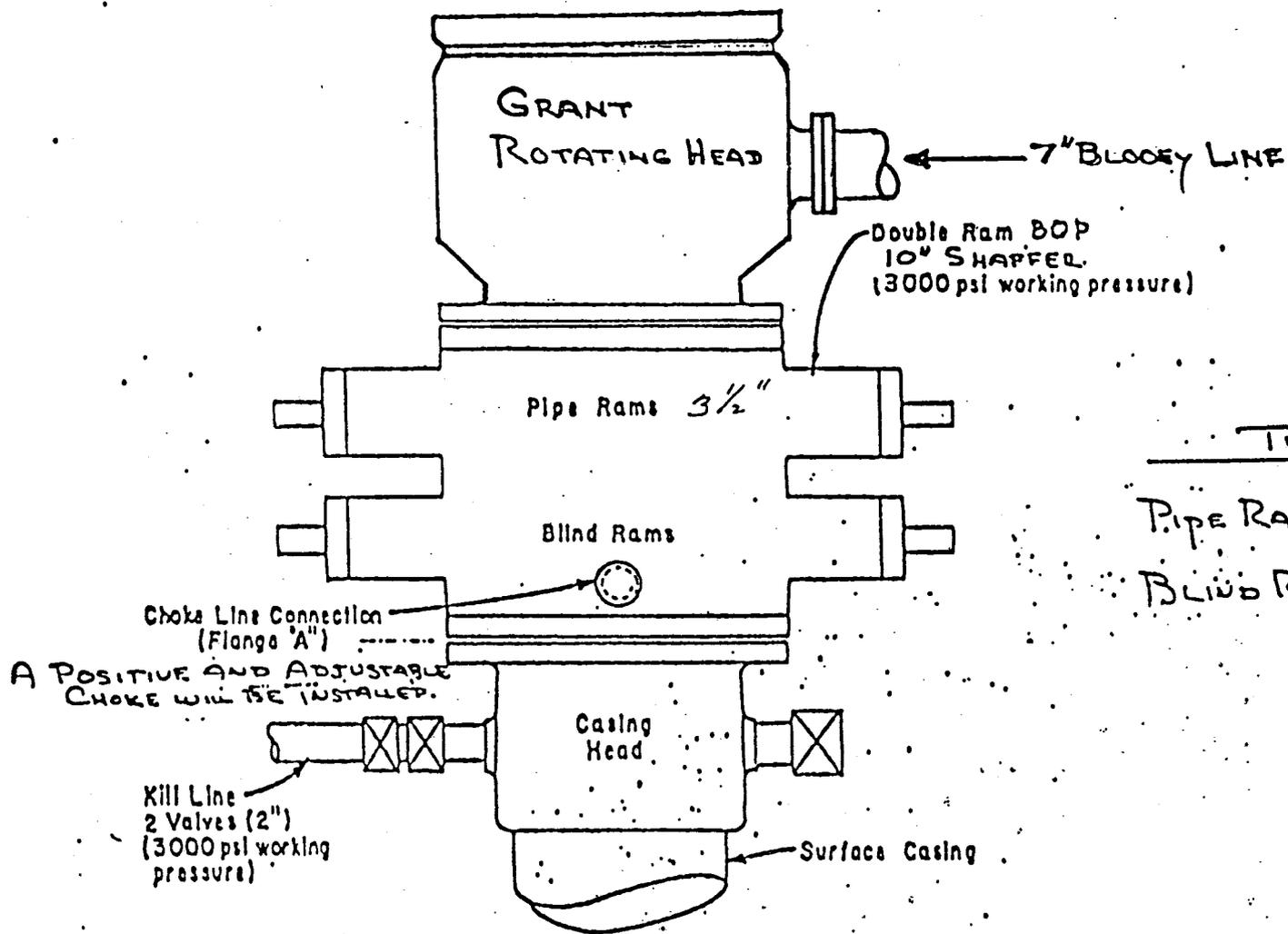
A first production conference will be scheduled within fifteen (15) days after receipt of the first production report. The Resource Area Office will coordinate the field conference.

No well abandonment operations will be commenced without the prior approval of the District Manager. In the case of newly-drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the District Petroleum Engineer. A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the District Manager within thirty (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 notice has been completed to the satisfaction of the Area Manager or his representative, or the appropriate surface managing agency.

Approval to vent/flare gas during initial well evaluation will be obtained from the District office. This preliminary approval will not exceed 30 days or 50 MMCF gas. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The marker will be constructed after contouring. The top of the marker will be closed or capped and the following minimum information will be permanently placed on the marker with a plate, cap or beaded-on with a welding torch:

"Fed" or "Ind", as applicable, "Well number, location by $\frac{1}{2}$ section, township and range". "Lease number".



TESTING FREQUENCY

PIPE RAMS: DAILY
BLIND RAMS: EVERY TRIP.

Sage Energy Co.
Federal 31-31
Grand County, Utah
Lease: #U-34217

Multi-Point Surface Use and Operations Plan

1. Existing Roads: See Plat #1 for existing roads surrounding the location. From Mack, Colorado, proceed westerly on I-70 for 15 miles to Westwater exit. Take U.S. Highway 6 northeasterly for 2.4 miles to a county road. Turn left on the county road and follow for 13.6 miles to Hay Canyon, Middle Canyon and East Canyon forks. Turn right onto East Canyon fork and follow main traveled road in bottom of canyon for 10.5 miles to turnoff on BLM road as shown by Plat #1. Turn right on BLM road and travel as shown for approximately 3½ miles to the Wall Federal Well No. 1 which is operated by TXO Production Co.. Grand County maintains the majority of the road into the well with the exception of the BLM portion of the road. The present road is in fairly good condition and will require grading of the surface prior to moving the rig. Two areas of the road as illustrated have partially slumped down the hill and will require additional widening of the road bed. Future maintenance of the road will consist of periodic grading as required to keep the road in the same or better condition with the costs to be shared with all the other operators.
2. Planned Access Roads: Plat #1 illustrates the proposed centerline of approximately 7200 ft. of new access to be constructed. As shown, the first leg of approximately 2200 ft. is to be constructed to BLM Class 2 standards with the remaining 5000 ft. to be constructed to BLM Class 3 standards.
 - A. The maximum disturbed width will be 35 feet on the Class II road and 30 feet on the Class III road.
 - B. Maximum Grades: Two areas with a pitch grade of 15% for about 300 feet are shown on Plat I. The remainder of the road will require grades of 12% or less.
 - C. No turnouts are required.
 - D. The centerline of the road has been flagged.
 - E. Natural drainage will be utilized. One 24" culvert will be installed as shown on Plat I. All other drainage crossings will be dry water crossings and the road will be ditched on the upslope side for drainage control. Water bars and dips will be constructed pursuant to BLM standards and the cuts will be backsloped where possible.
 - F. No surfacing materials will be required.
 - G. In the event of a dry hole the above road will not be rehabilitated. Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional area needed will be approved by the area Manager in advance.
 - H. Timber: Any Douglas fir will be timbered. Pinyons and Junipers will be removed with a dozer and scattered along the lower side of the road.

3. Location of Existing Wells: Plat # 2 illustrates the location of all wells drilling and producing within a mile radius of the proposed well.
4. Location of Tank Batteries and Production Facilities: All permanent (onsite for six (6) months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective, earth tone color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Interagency Committee. All facilities will be painted within six (6) months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded. Colors will be determined when the production facilities are submitted.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain $1\frac{1}{2}$ times the storage capacity of the battery.

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

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

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

All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

Gas meter runs for each well will be located within five hundred (500) feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and downstream for the remainder of the pad. 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 (3) months on new meter installations and at least quarterly thereafter. The Area Manager 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 Resource Area Office. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

5. Location and Type of Water Supply: Water for drilling and completion purposes in the amount of $\frac{1}{4}$ acre/foot has been purchased from Frank Spadafora. It will be obtained from Westwater Creek at the mouth of East Canyon. The term of use will be from July 1, 1984 to November 1, 1984.
6. Source of Construction Materials: None required.

7. Methods of Handling Waste Disposal: The reserve pit will be lined if it is determined to be necessary by the area managers representative on a later inspection. It will be fenced with four strands of barbed wire if produced fluids warrant it and will be kept in good repair while the pit is drying.

Produced waste water will be confined to Pit for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to Onshore Oil and Gas order #3 (NTL-2B).

Plat #4 illustrates the rig layout and the position of the trash cage and reserve pit.

- A. Cuttings: These will be contained on the location in the Reserve Pit.
- B. Drilling Fluids, Chemicals, and Salts: These will be contained in the Reserve Pit.
- C. Sewage: Chemical toilets will be used.
- D. Garbage and Other Waste Materials: These will be placed in the trash cage. Periodically the location will be cleaned and all trash placed in the container. No trash will be thrown in the reserve pit.

If burning is required, a permit will be obtained from the State Fire Warden, contact: Paul Pratt at (801)259-6316.

8. Ancillary Facilities: None.
9. Well Site Layout: Plat #4 shows the rig layout. Plat #5 shows the pad layout. Plat #6 illustrates the cuts and fills.

The Reserve Pit will be located on the eastern edge of the location and will not be lined unless it is determined to be necessary by a later inspection.

The top 3 inches of top soil will be removed from the location and stockpiled separately on the south central end of the location. Wood and vegetative remains will be stockpiled separately next to the top soil. Topsoil along the access road will be reserved in place adjacent to the road.

Access to the road will be from the north end of the location.

The trash cage will be located on the south side of the location as shown in Plat #4.

10. Plans for Restoration of Surface:

A. Immediately upon completion of drilling, the location and surrounding area will be cleared of all remaining debres, materials, trash and junk not required for production and hauled to the near legal landfill.

B. Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

C. The operator or his contractor will notify the Grand Resource Area at (801)259-8193, forty-eight (48) hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.

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

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

F. Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

G. Seed will be broadcast or drilled at a time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

H. The following seed mixture will be used:

	<u>Seed Concentration</u>
<u>Grasses</u>	<u>lb/acre</u>
Salina wildrye	1
Indian ricegrass	1
Crested wheatgrass (Fairway crested wheatgrass)	1
<u>Forbs</u>	
Yellow sweetclover	1
Scarlet globenallow	.5
<u>Shrubs</u>	
Utah serviceberry	1
Fourwing saltbush (White greasewood)	1
Mexican cliffrose	1

*Broadcast seed will be applied at double the above rate.

The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed.

11. Surface and Mineral Ownership: The surface and minerals are owned by the Federal Government.

12. Other Information: A right-of-way grant is required and the application has been submitted.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the District Manager. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.2.

"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 3164.

The dirt contractor will be provided with an approved copy of the surface use plan.

A cultural resource clearance will be required before any construction begins. If any cultural resources are found during construction, all work will stop and the Area Manager will be notified.

This permit will be valid for a period of one (1) year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

13. Lessee's or Operator's Representative and Certification

Representative: Gordon Engineering, Inc.
P.O. Box 3525
Grand Junction, Colorado 81502
Phone No. : (303)245-1958

Mr. Paul Gayer
Sage Energy Company
600 17th Street, Suite 2005-S
Denver, Colorado 80202
Phone No. : (303) 573-5454

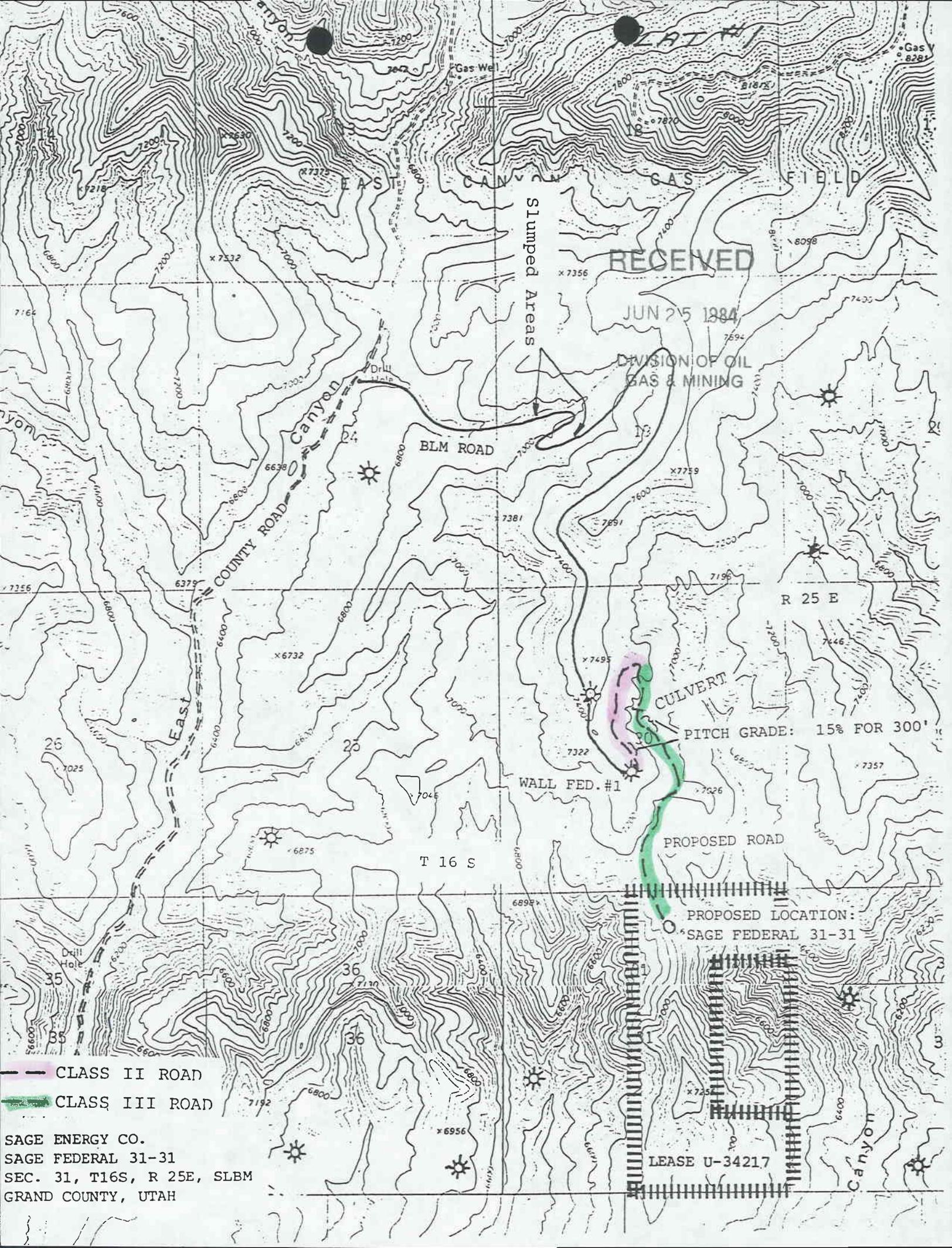
Certification

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

6/21/84

Date

Paul T. Gump ENGINEER,
Name and Title SAGE ENERGY CO



RECEIVED

JUN 25 1984

DIVISION OF OIL
GAS & MINING

Slumped Areas

East Canyon
COUNTY ROAD

BLM ROAD

CULVERT

PITCH GRADE: 15% FOR 300'

WALL FED. #1

PROPOSED ROAD

PROPOSED LOCATION:
SAGE FEDERAL 31-31

LEASE U-34217

— CLASS II ROAD
— CLASS III ROAD

SAGE ENERGY CO.
SAGE FEDERAL 31-31
SEC. 31, T16S, R 25E, SLBM
GRAND COUNTY, UTAH

CANYON MTN.F. 9051

POPE 1000

BELCO 8022

8419

HORSE POINT

EAST CANYON

OVERLOOK

SAN ARROYO

3108

UNDERWOOD 7205

7291

8289

6300

UNDERWOOD 6604

6505

SINCLAIR 4950

7007.0

6118

PROPOSED LOCATION:
SAGE FEDERAL 31-31

SHAMROCK 6030

SINCL. 4519

WESTWATER

BRYSON CANYON

BAR "X"

HANCOCK 3607

5676

TREND 5240

STATELINE

INT. DRLG. 260VT. 161

1147

5706

EL PASO 5530

AMER. FRONTIER 3783

SELCO 5533

PEASE 2774

W. BAR "X"

2726

SW. BAR "X"

3278

HANCOCK 4287

GIBSON 1772

MARK

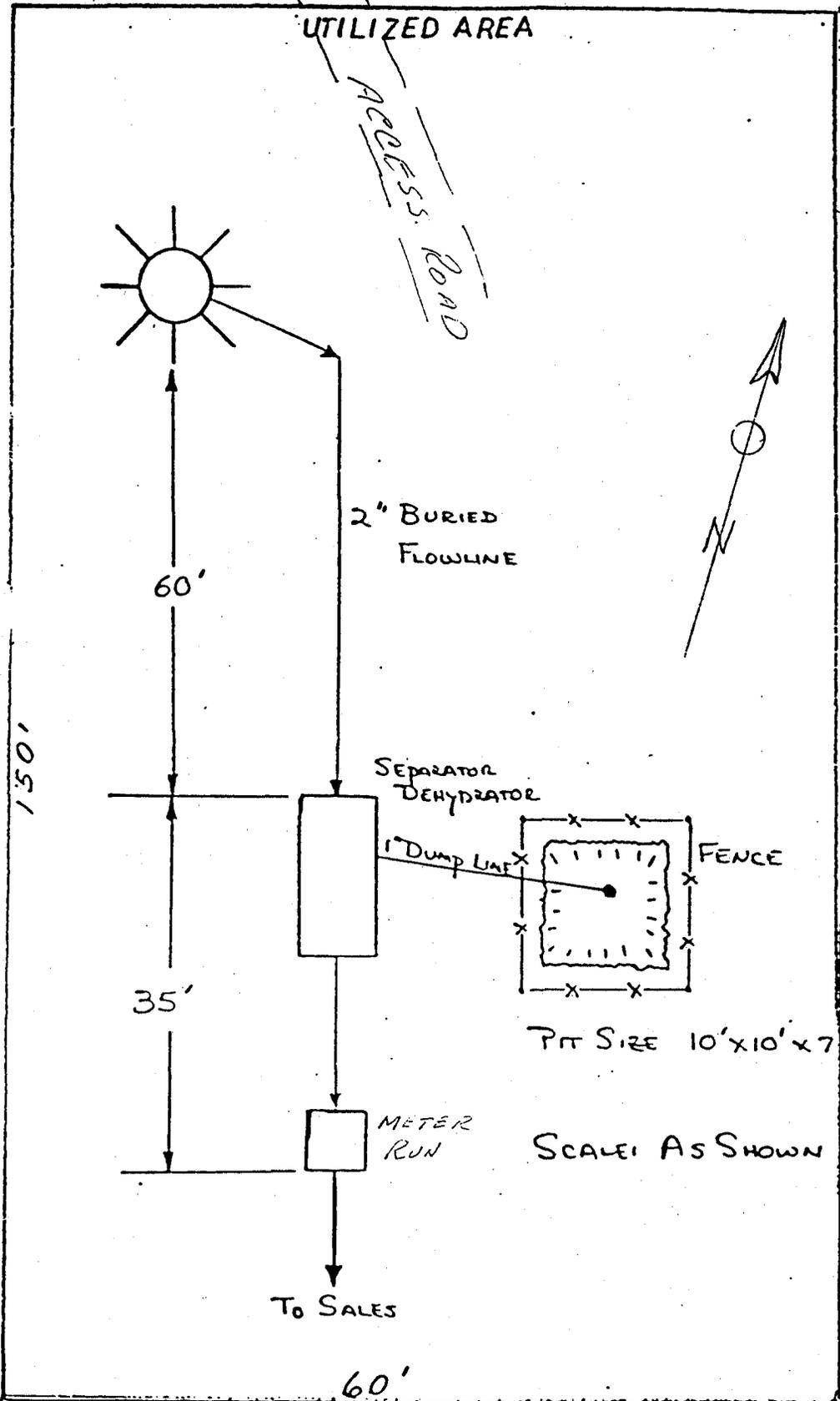
QUINTA 128

SAGE FEDERAL 31-31

159A

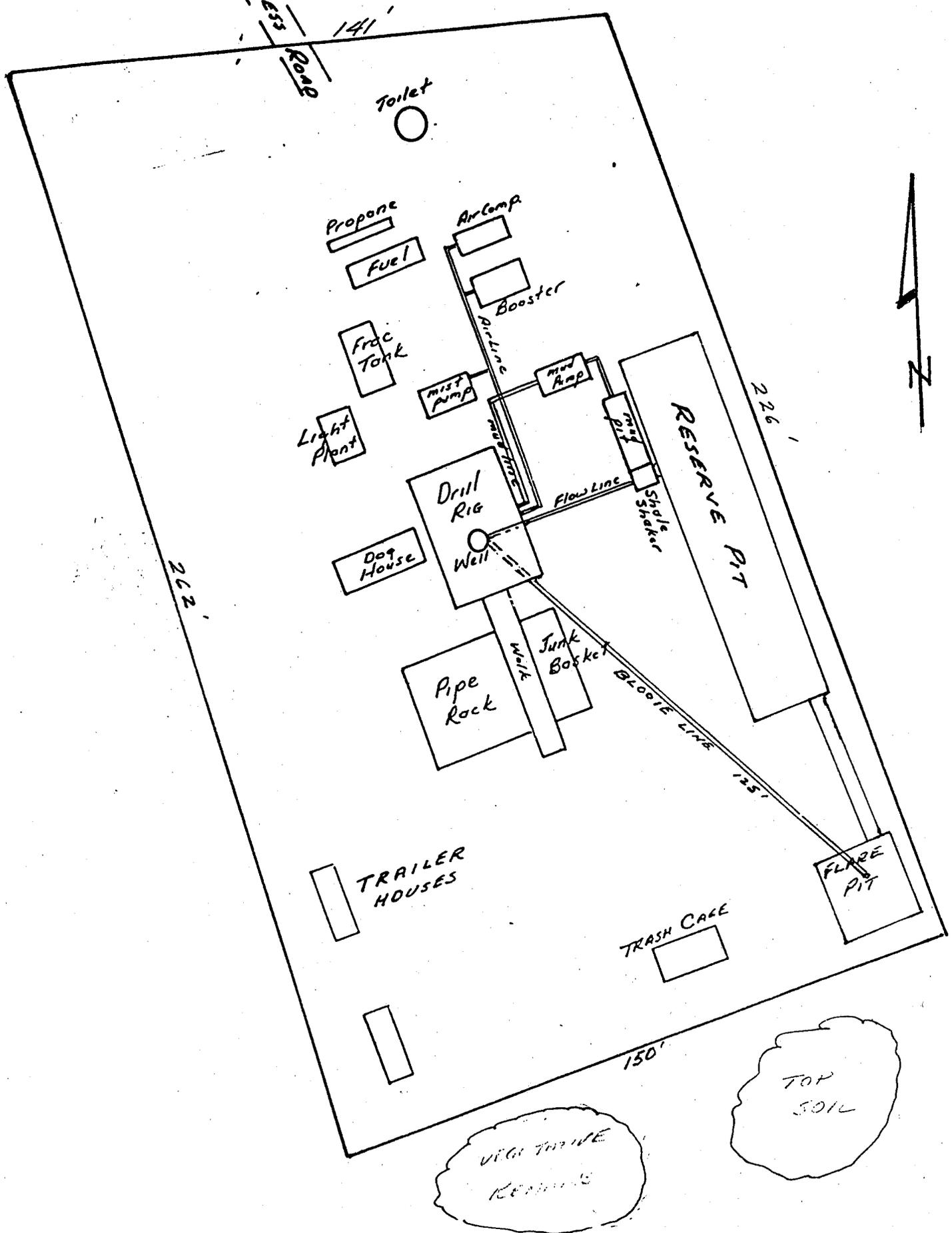
PLAT No. 3

TYPICAL PRODUCTION EQUIPMENT

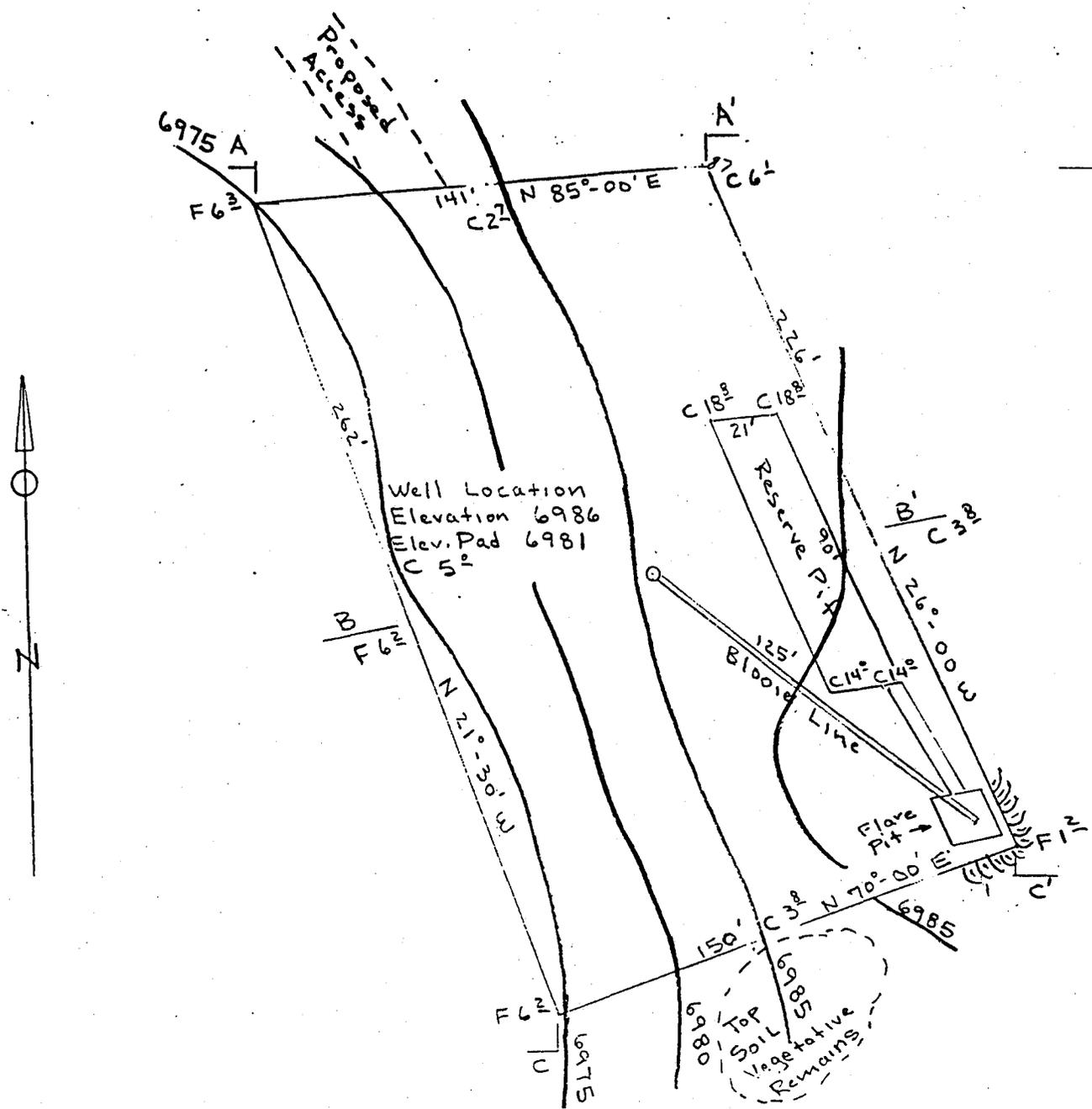


Access Road

141'



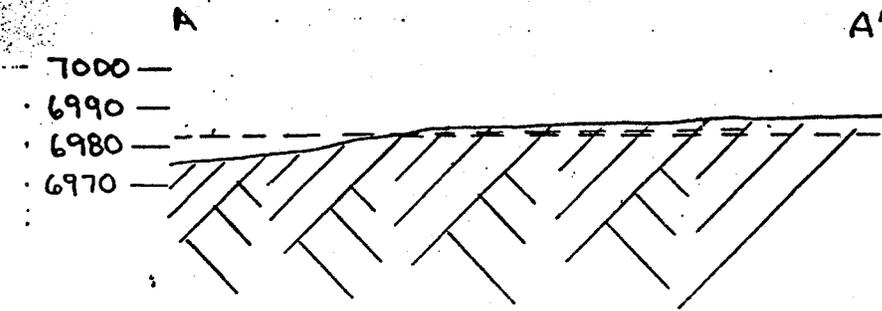
PLAT #5



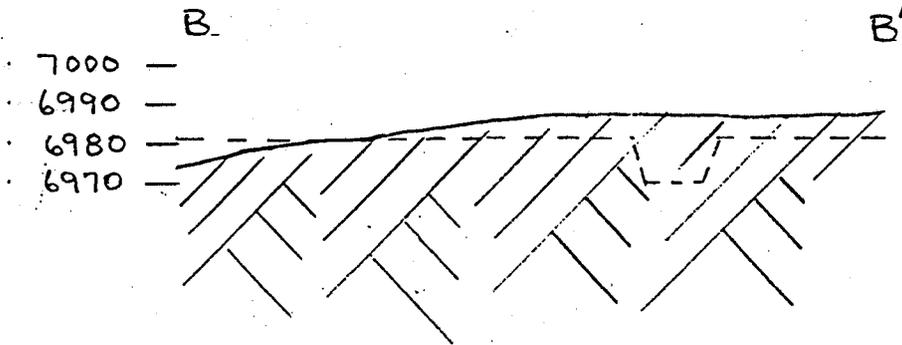
Reference points set 200 ft north & 100 ft west
Cuts on reserve pit to bottom 10 ft deep
Scale: 1 inch = 50 ft

Section A-A'

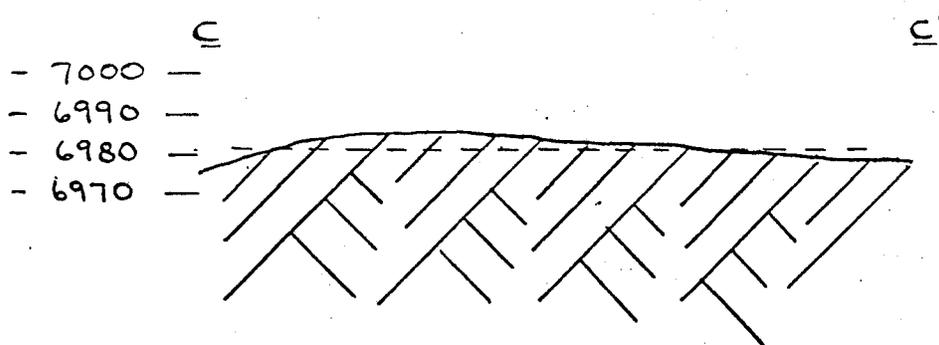
PLAT #6



Section B-B'



Section C-C'



Scale: 1"=50' Horizontal & Vertical

OPERATOR

Sage Energy Co.

DATE

6-27-84

WELL NAME

Sage Fed #31-31

SEC

NW NE 31

T

165

R

25E

COUNTY

Grand

43-019-31167

API NUMBER

Fed.

TYPE OF LEASE

POSTING CHECK OFF:

INDEX

HL

NID

PI

MAP

PROCESSING COMMENTS:

Cause #165-7 (well in NW SW drilling unit)

Food Water permit & (Water Rights - Price)

APPROVAL LETTER:

SPACING:

A-3

UNIT

c-3-a

165-7 9/24/81
CAUSE NO. & DATE

c-3-b

c-3-c

SPECIAL LANGUAGE:

~~Food Water~~

RECONCILE WELL NAME AND LOCATION ON APD AGAINST SAME DATA ON PLAT MAP.

AUTHENTICATE LEASE AND OPERATOR INFORMATION

VERIFY ADEQUATE AND PROPER BONDING

AUTHENTICATE IF SITE IS IN A NAMED FIELD, ETC.

APPLY SPACING CONSIDERATION

ORDER 165-7 9/24/81

UNIT _____

c-3-b

c-3-c

CHECK DISTANCE TO NEAREST WELL.

CHECK OUTSTANDING OR OVERDUE REPORTS FOR OPERATOR'S OTHER WELLS.

IF POTASH DESIGNATED AREA, SPECIAL LANGUAGE ON APPROVAL LETTER

IF IN OIL SHALE DESIGNATED AREA, SPECIAL APPROVAL LANGUAGE.

June 27, 1984

Sage Energy Company
600 - 17th Street, Suite 2005-S
Denver, Colorado 80202

RE: Well No. Sage Federal #31-31
H&M Sec. 31, T. 16S, R. 25E
803' FNL, 2027' FEL
Grand County, Utah

Gentlemen:

Approval to drill the above referenced gas well is hereby granted in accordance with Order of Cause No. 165-7 dated September 24, 1981. subject to the following stipulations:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water.

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

1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 533-5771, (Home) 298-7695 or R. J. Firth, Associate Director, (Home) 571-6068.
4. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-019-31167.

Sincerely,


R. J. Firth
Associate Director, Oil & Gas

RJF/as
cc: Branch of Fluid Minerals
Enclosures



**gordon
engineering** INC.

P.O. Box 3525, ~~Price, Utah 84501~~, Grand Junction, Co. 81502
Office (303) 245-1958 Residence (303) 243-9599

RECEIVED

JUL 2 1984

STATE ENGINEER
PRICE, UTAH

June 25, 1984

Mr. Mark P. Page, Area Engineer
Utah State Water Rights Division
P.O. Box 718
Price, Utah 84501

*WATER RIGHT
84-01-15*

Re: Water Permit, Sage Energy Co., Federal 31-31, Sec. 31, T16S,
R25E, Grand County, Utah.

Dear Mr. Page:

Sage Energy Co. plans to drill the above referenced well beginning on or about July 15, 1984. We have contacted Mr. Frank Spadafora pertaining to the use of water for drilling and completion of the well under his existing permit.

Operations of the well should be complete within six months and approximately $\frac{1}{4}$ of one acre-foot of water will be used. For your records, a copy of the lease is attached. Rial Oil Company is the forerunner of Sage Energy Co. and Sage is the record-title owner of the lease.

The Application for a Permit to Drill this well has been submitted to the State of Utah and we expect approval soon. As soon as the Federal permit is obtained, construction of the road and location will commence.

If you have any questions or need additional information, please contact our office.

Very truly yours,

Mr. John Gordon
President

lg

cc: Mr. Paul Gayer, w/o attachments

Encl.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 41-R1599

Serial No. **U-34217**

ASSIGNMENT AFFECTING RECORD TITLE
TO OIL AND GAS LEASE
PART I

LAND OFFICE USE ONLY
New Serial No.

Howell Spear
P O Box 4246
Gulfport, Mississippi 39501

RECEIVED

JUL 2 1984

STATE ENGINEER
PRICE, UTAH

The undersigned, as owner of **100.** percent of record title of the above-designated oil and gas lease issued effective (date) **Sept. 1, 1976**, hereby transfers and assigns to the assignee shown above, the record title interest in and to such lease as specified below.

2. Describe the lands affected by this assignment (43 CFR 3101 2-3) **Grand County, Utah**

Township 16 South, Range 25 East,

Sec. 31: NE $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ E $\frac{1}{2}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$, containing 240 acres.

3. What part of assignor(s) record title interest is being conveyed to assignee? (Give percentage or share) **100%**

4. What part of the record title interest is being retained by assignor(s)? **NONE**

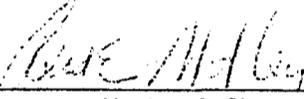
5a. What overriding royalty or production payments is the assignor reserving herein? (See Item 4 of General Instructions; specify percentage.) **1% overriding royalty**

b. What overriding royalties or production payments, if any, were previously reserved or conveyed? (Percentage only) **NONE**

It is agreed that the obligation to pay any overriding royalties or payments out of production of oil created herein, which, when added to overriding royalties or payments out of production previously created and to the royalty payable to the United States, aggregate in excess of 17½ percent, shall be suspended when the average production of oil per well per day averaged on the monthly basis is 15 barrels or less.

I CERTIFY That the statements made herein are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this **30th** day of **March**, 1978


(Assignor's Signature)

1030 5th Ave., SE
(Assignor's Address)

Reid E. Motley

Cedar Rapids, Iowa 52403
(City) (State) (Zip Code)

Wife of Reid E. Motley

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.

THE UNITED STATES OF AMERICA

Assignment approved as to the lands described below: **SAME LAND AS ABOVE**

Assignment approved effective **MAY 1 1978**

By 
(Authorized Officer)

CHIEF, MINERALS SECTION
(Title)

APR 14 1978
(Date)

ASSIGNEE'S REQUEST FOR APPROVAL OF ASSIGNMENT

A. ASSIGNEE CERTIFIES THAT

- 1. Assignee is over 21 years of age
2. Assignee is a citizen of the United States
3. Assignee is Individual Municipality Association Corporation
4. Assignee is the sole party in interest in this assignment
5. Filing fee of \$10 is attached
6. Assignee's interests, direct and indirect, do not exceed 200,000 acres in oil and gas options, or 246,080 chargeable acres in options and leases in the same state, or 300,000 chargeable acres in leases and options in each leasing district in Alaska.

B. ASSIGNEE AGREES to be bound by the terms and provisions of the lease described here, provided the assignment is approved by the Authorized Officer of the Bureau of Land Management.

C. IT IS HEREBY CERTIFIED That the statements made herein are true, complete, and correct to the best of under- signed's knowledge and belief and are made in good faith.

Executed this 10th day of April, 1978

Handwritten signature of Howell Spear

(Assignee's Signature)

Howell Spear
Box 4246
Gulfport, Miss 39501

with acknowledgment added

This form is submitted in lieu of official Form 3106-5 (February 1971) and contains all of the provisions thereof as of the date of filing of this Assignment, plus the acknowledgment below which is the only addition to Official Form 3106-5 (February 1971).

(Address, include zip code)

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.

GENERAL INSTRUCTIONS

- 1. Use of form - Use only for assignment of record title interest in oil and gas leases. Do not use for assignments of working or royalty interests, operating agreements, or subleases.
2. Filing and number of copies - File three (3) completed and manually signed copies in appropriate land office.
3. Effective date of assignment - Assignment, if approved, takes effect on the first day of the month following the date of filing of all required papers.
4. Overriding royalties or payments out of production - Describe in an accompanying statement any overriding royalties or payments out of production created by assignment but not set out therein.
5. Effect of Assignment - Approval of assignment of a definitely described portion of the leased lands creates separate leases.

terms and conditions, including timely payment of annual rental and maintenance of any required bond; except in the case of assignment of undivided interests, royalties, and operating agreements.

- 6. A copy of the executed lease, out of which this assignment is made, should be made available to assignee by assignor.

SPECIFIC INSTRUCTIONS

PART I

Item 1 - Type or print plainly, in ink, between and below heavy dots, the assignee's full name and mailing address, including zip code.

PART II

A. Certification of assignee
3. If assignee is an association or partnership, assignee must furnish a certified copy of its articles of association or partnership, with a statement that (a) it is authorized to hold oil and gas leases; (b) that the person executing the assignment is authorized to act on behalf of the organization in such matters; and (c) names and addresses of members controlling more than 10% interest.

If assignee is a corporation, it must submit a statement containing the following information: (a) State in which it was incorporated; (b) that it is authorized to hold oil and gas

leases; (c) that officer executing assignment is authorized to act on behalf of the corporation in such matters; and (d) percentage of voting stock and percentage of all stock owned by aliens or those having addresses outside the United States. If 10 percent or more of the stock of any class is owned or controlled by or on behalf of any one stockholder, a separate showing of his citizenship and holdings must be furnished.

If evidence of qualifications and ownership has previously been furnished as required by the above, reference by serial number of record in which it was filed together with a statement as to any amendments. Qualifications of assignee must be in full compliance with the regulations (43 CFR 3102).

4. Statement of interests - Assignee must indicate whether or not he is the sole party in interest in the assignment; if not, assignee must submit, at time assignment is filed, a signed statement giving the names of other interested parties. If there are other parties interested in the assignment, a separate statement must be signed by each and assignee giving the nature and extent of the interest of each, the nature of agreement between them, if oral; and a copy of agreement, if written. All interested parties must furnish evidence of their qualifications to hold such lease interests. Separate statements and written agreements, if any, must be filed no later than fifteen (15) days after filing assignment.

KINTZEL PRINTING CO.
134 N. Center
Casper, Wyoming
Form 3106-5 (February 1971)

State of Iowa
County of Linn

ACKNOWLEDGMENT

On this 30th day of March, A. D. 1978 before me personally appeared Reid E. Motley and Gurtine W. Motley, wife of Reid E. Motley, known, who, being by me duly sworn, did say that they executed the foregoing instrument

and that the said instrument is the corporate act of said corporation and that the said instrument is the corporate act of said corporation.

they acknowledged said instrument to be their free act and deed of said corporation.

Witness my hand and seal this 30th day of March, A. D. 1978

(SEAL)

My Commission expires

Notary Public signature

RECEIVED JUN 25 1984

Form 3106-5
(August 1977)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 42-R1599
Serial No. <u>10017</u>
New Serial No.

ASSIGNMENT AFFECTING RECORD TITLE
TO OIL AND GAS LEASE
PART I

Midland Oil Company
P. O. Box 5068
Midland, Texas 79702

RECEIVED

JUL 2 1984

STATE ENGINEER
PRICE, UTAH

The undersigned, as owner of 100 percent of record title of the above-designated oil and gas lease issued effective (date) September 1, 1976, hereby transfers and assigns to the assignee shown above, the record title interest in and to such lease as specified below.

2. Describe the lands affected by this assignment (43 CFR 3101.2-3) Grand County, Utah

Township 16 South, Range 25 East
Section 21: NE1/4, NW1/4, SE1/4

Containing 240 acres

3. What part of assignor(s) record title interest is being conveyed to assignee? (Give percentage or share) 100%

4. What part of the record title interest is being retained by assignor(s)? None

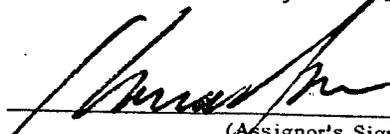
5a. What overriding royalty or production payments is the assignor reserving herein? (See Item 4 of General Instructions; specify percentage.) 2% of 8/8ths overriding royalty

b. What overriding royalties or production payments, if any, were previously reserved or conveyed? (Percentage only) None

It is agreed that the obligation to pay any overriding royalties or payments out of production of oil created herein, which, when added to overriding royalties or payments out of production previously created and to the royalty payable to the United States, aggregate in excess of 17 1/2 percent, shall be suspended when the average production of oil per well per day averaged on the monthly basis is 15 barrels or less.

I CERTIFY That the statements made herein are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

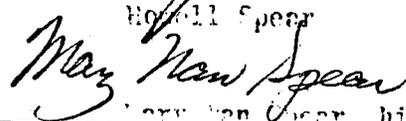
Executed this 20th day of March, 1979



(Assignor's Signature)
Howell Spear

Box 4246

(Assignor's Address)



Mary Ann Spear, his wife

Gulfport, Mississippi 39501

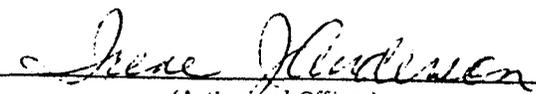
(City) (State) (Zip Code)

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.

THE UNITED STATES OF AMERICA

Assignment approved as to the lands described below:

Assignment approved effective _____

By 

(Authorized Officer)

Acting

(Title) (Date)

NOTE: This form may be reproduced provided that copies are exact reproductions on one sheet of both sides of this form.

PART II

ASSIGNEE'S REQUEST FOR APPROVAL OF ASSIGNMENT

A. ASSIGNEE CERTIFIES THAT

1. Assignee is over the age of majority
2. Assignee is a citizen of the United States
3. Assignee is Individual Municipality Association Corporation
4. Assignee is the sole party in interest in this assignment (*information as to interests of other parties in this assignment must be furnished as prescribed in Specific Instructions*)
5. Filing fee of \$25 is attached (*see Item 2 of General Instructions*)
6. Assignee's interests, direct and indirect, do not exceed 200,000 acres in oil and gas options, or 246,080 chargeable acres in options and leases in the same state, or 300,000 chargeable acres in leases and options in each leasing district in Alaska.

B. ASSIGNEE AGREES to be bound by the terms and provisions of the lease described here, provided the assignment is approved by the Authorized Officer of the Bureau of Land Management.

C. IT IS HEREBY CERTIFIED That the statements made herein are true, complete, and correct to the best of undersigned's knowledge and belief and are made in good faith.

Executed this ^{73RD} day of

April

, 1979

James M. Hollrah

(Assignee's Signature)

(Address, include zip code)

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.

GENERAL INSTRUCTIONS

1. *Use of form* - Use only for assignment of record title interest in oil and gas leases. Do not use for assignments of working or royalty interests, operating agreements, or subleases. An assignment of record title may only cover lands in one lease. If more than one assignment is made out of a lease, file a separate instrument of transfer with each assignment.
2. *Filing and number of copies* - File three (3) completed and manually signed copies in appropriate BLM office. A \$25 nonrefundable filing fee must accompany assignment. File assignment within ninety (90) days after date of final execution.
3. *Effective date of assignment* - Assignment, if approved, takes effect on the first day of the month following the date of filing of all required papers.
4. *Overriding royalties or payments out of production* - Describe in an accompanying statement any overriding royalties or payments out of production created by assignment but not set out therein. If payments out of production are reserved by assignor, outline in detail the amount, method of payment, and other pertinent terms.
5. *Effect of Assignment* - Approval of assignment of a definitely described portion of the leased lands creates separate leases. Assignee, upon approval of assignment, becomes lessee of the Government as to the assigned interest and is responsible for complying with all lease terms and conditions, including timely payment of annual rental and maintenance of any required bond; except in the case of assignment of undivided interests, royalties, and operating agreements.
6. A copy of the executed lease, out of which this assignment is made, should be made available to assignee by assignor.

SPECIFIC INSTRUCTIONS

(Items not specified are self-explanatory)

PART I

Item 1 - Type or print plainly, in ink, between and below heavy dots, the assignee's full name and mailing address, including zip code.

PART II

A. Certification of assignee

3. If assignee is an association or partnership, assignee must furnish a certified copy of its articles of association or partnership, with a statement that (a) it is authorized to hold oil and gas leases; (b) that the person executing the assignment is authorized to act on behalf of the organization in such matters; and (c) names and addresses of members controlling more than 10% interest.

If assignee is a corporation, it must submit a statement containing the following information: (a) State in which it was incorporated; (b) that it is authorized to hold oil and gas leases; (c) that officer executing assignment is authorized to act on behalf of the corporation in such matters; and (d) percentage of voting stock and percentage of all stock owned by

aliens or those having addresses outside the United States. If 10 percent or more of the stock of any class is owned or controlled by or on behalf of any one stockholder, a separate showing of his citizenship and holdings must be furnished.

If evidence of qualifications and ownership has previously been furnished as required by the above, reference by serial number of record in which it was filed together with a statement as to any amendments. Qualifications of assignee must be in full compliance with the regulations (43 CFR 3102)

4. *Statement of interests* - Assignee must indicate whether or not he is the sole party in interest in the assignment; if not, assignee must submit, at time assignment is filed, a signed statement giving the names of other interested parties. If there are other parties interested in the assignment, a separate statement must be signed by each and assignee giving the nature and extent of the interest of each, the nature of agreement between them, if oral; and a copy of agreement, if written. All interested parties must furnish evidence of their qualifications to hold such lease interests. Separate statements and written agreements, if any, must be filed no later than fifteen (15) days after filing assignment.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

LEASE FOR OIL AND GAS
(Sec. 17 Noncompetitive Public Domain Lease)
Act of February 25, 1920 (41 Stat. 437), as amended (30 U.S.C. 181-263)

JUL 2 1984

STATE ENGINEER
PRICE, UTAH

Name
Street
City
State
Zip Code

Reid E. Morley
1030 5th Avenue SE
Cedar Rapids, IA 52403

U-34217
(Serial Number)

This oil and gas lease is issued for a period of ten (10) years to the above-named lessee pursuant and subject to the provisions of the Mineral Leasing Act and subject to all rules and regulations of the Secretary of the Interior now or hereafter in force, when not inconsistent with any express and specific provisions herein, which are made a part hereof.

Lands included in the lease: State: Utah County: Grand

T. 16 S., R. 25 E., S11
Sec. 31, NE $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ W $\frac{1}{2}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$.

Containing a total of	240.00	acres	Annual Rental	\$ 120.00
-----------------------	--------	-------	-------------------------	-----------

This lease is issued to the successful drawee pursuant to his "Simultaneous Oil and Gas Entry Card" application filed under 43 CFR 3123.9, and is subject to the provisions of that application and those specified on the reverse side hereof.

Effective date of lease: September 1, 1976

THE UNITED STATES OF AMERICA

By *L. Pallik*
(Signature of Signing Officer)

Chief, Minerals Section
(Title)

AUG 31 1976
(Date)

CLEARED BY GS

RECEIVED

JUL 2 1984

Oil and Gas Lease - Surface Disturbance Stipulations
Surface Management Agencies

STATE ENGINEER
PRICE, UTAH

- () Cedar City District Office, Bureau of Land Management, 1579 North Main,
P.O. Box 729, Cedar City, Utah 84720 -- Telephone: 801-586-9443
- (✓) Moab District Office, Bureau of Land Management, 125 West 2nd South,
P.O. Box 970, Moab, Utah 84532 -- Telephone: 801-259-7106
- () Richfield District Office, Bureau of Land Management, 850 North Main,
P.O. Box 392, Richfield, Utah 84701 -- Telephone: 801-896-2237
- () Salt Lake District Office, Bureau of Land Management, 2370 South 2300 West
Salt Lake City, Utah 84119 -- Telephone: 801-524-5348
- () Vernal District Office, Bureau of Land Management, 91 West Main,
P.O. Box F, Vernal, Utah 84078 -- Telephone: 801-789-1362
- () Forest Supervisor, Ashley National Forest, 437 East Main, Vernal
Utah 84078
- () Forest Supervisor, Dixie National Forest, 500 South Main Street,
Cedar City, Utah 84720
- () Forest Supervisor, Fishlake National Forest, 170 North Main,
Richfield, Utah 84701
- () Forest Supervisor, Uinta National Forest, 88 West 100 North,
P.O. Box 1428, Provo, Utah 84601
- () Forest Supervisor, Manti-LaSal National Forest, 350 East Main,
Price, Utah 84501
- () Forest Supervisor, Wasatch National Forest, 4438 Federal Building,
125 South State Street, Salt Lake City, Utah 84111
- () Regional Director, Bureau of Reclamation, P.O. Box 11568,
Salt Lake City, Utah 84147
- () Regional Director, Bureau of Reclamation, Boulder City, Nevada 89005
- () Superintendent, Uintah & Ouray Agency, Bureau of Indian Affairs,
Fort Duchesne, Utah 84026
- () Navajo Area Office, Bureau of Indian Affairs, P.O. Box 128,
Window Rock, Arizona 86515

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SURFACE DISTURBANCE STIPULATIONS

Area Oil and Gas Supervisor or
District Engineer (Address, include zip code)

See below

Management Agency (name)

See reverse side.

Address (include zip code)

See reverse side.

1. Notwithstanding any provision of this lease to the contrary, any drilling, construction, or other operation on the leased lands that will disturb the surface thereof or otherwise affect the environment, hereinafter called "surface disturbing operation," conducted by lessee shall be subject, as set forth in this stipulation, to prior approval of such operation by the Area Oil and Gas Supervisor in consultation with appropriate surface management agency and to such reasonable conditions, not inconsistent with the purposes for which this lease is issued, as the Supervisor may require to protect the surface of the leased lands and the environment.

2. Prior to entry upon the land or the disturbance of the surface thereof for drilling or other purposes, lessee shall submit for approval two (2) copies of a map and explanation of the nature of the anticipated activity and surface disturbance to the District Engineer or Area Oil and Gas Supervisor, as appropriate, and will also furnish the appropriate surface management agency named above, with a copy of such map and explanation.

An environmental analysis will be made by the Geological Survey in consultation with the appropriate surface management agency for the purpose of assuring proper protection of the surface, the natural resources, the environment, existing improvements, and for assuring timely reclamation of disturbed lands.

3. Upon completion of said environmental analysis, the District Engineer or Area Oil and Gas Supervisor, as appropriate, shall notify lessee of the conditions, if any, to which the proposed surface disturbing operations will be subject.

Said conditions may relate to any of the following:

- (a) Location of drilling or other exploratory or developmental operations or the manner in which they are to be conducted;
- (b) Types of vehicles that may be used and areas in which they may be used; and
- (c) Manner or location in which improvements such as roads, buildings, pipelines, or other improvements are to be constructed.

For all counties in Utah except San Juan County: Area Oil and Gas Supervisor,
Geological Survey,
P. O. Box 2859,
Casper, Wyoming 82601

For San Juan County:

Area Oil and Gas Supervisor,
Geological Survey,
P. O. Box 1857,
Roswell, New Mexico 88201

Form 1370-20
(November 1967)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

No. 66575

DATE
U 34217
PARENT SERIAL NUMBER

OG

APPLICANT:

Reid E Hotley
1030 5th Ave SE
Cedar Rapids, IA 52403

REMITTER IF DIFFERENT THAN APPLICANT: SUBJECT

PURPOSE	INFORMATION IN THIS COLUMN IS FOR OFFICE USE ONLY.	AMOUNT	
FILING FEE EARNED			
ADVANCE FILING FEE AND/OR RENTAL			

019

REFER TO THE ABOVE CASE SERIAL NUMBER IN ALL CORRESPONDENCE.

PLEASE INFORM THIS OFFICE OF ANY CHANGE IN ADDRESS

NOTE: This notice is a receipt for monies paid the United States. If these monies are for required fees in connection with your application to lease, purchase, enter, or otherwise acquire an interest in public lands or resources, this receipt is not an authorization to utilize the land applied for and it does not convey any right, title, or interest in the land for which application is made.

RECEIPT

NONCOMPETITIVE OFFER TO LEASE FOR OIL & GAS

Undersigned offers to lease for oil and gas all or any portion of the identified parcel of land which may be available for noncompetitive leasing, and certifies: (1) applicant is a citizen of the United States, an association of such citizens, a partnership, a corporation, or a municipality organized under the laws of the United States or any State thereof; (2) applicant's interests in oil and gas offers to lease, leases, and options do not exceed the limitation provided by 30 U.S.C. 184(d); (3) applicant has not filed

any other entry card for the parcel involved; and (4) applicant is the sole party in interest in this offer and the lease if issued, or if not the sole party in interest, that the names and addresses of all other interested parties are set forth below. The undersigned agrees that the successful drawing of this card will bind applicant to a lease, on Forms 3110-2 or 3110-3, and the appropriate regulations as provided in 43 CFR 3109.4-2 and the posted

Signature of Applicant

Kenn Miller

Date

7/22/76

Signature of Applicant

Date

INSTRUCTIONS

This card must be fully completed, signed, and sent to the appropriate Office of the Bureau of Land Management. It *must* be accompanied by a \$10 filing fee. Compliance *must* also be made with the provisions of 43 CFR 3102. If qualifications of association or corporation have been filed previously, identify serial record involved.

If you are successful in the drawing, you will be required to pay the first year's rental of 50¢ per acre or fraction thereof at the time of issuance of lease.

Other parties in interest - All interested parties must provide evidence of their qualifications to hold such lease. See 43 CFR 3102.7.

Other parties in interest

U 34217

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.

IF YOU FILE MORE THAN ONE CARD FOR THE SAME PARCEL, YOU ARE AUTOMATICALLY DISQUALIFIED

Map #8

RECEIVED

JUL 2 1984

T 15 1/2 S

UTAH STATION LINE

UTAH COLORADO

ENGINEER PRICE UTAH

R-25-E

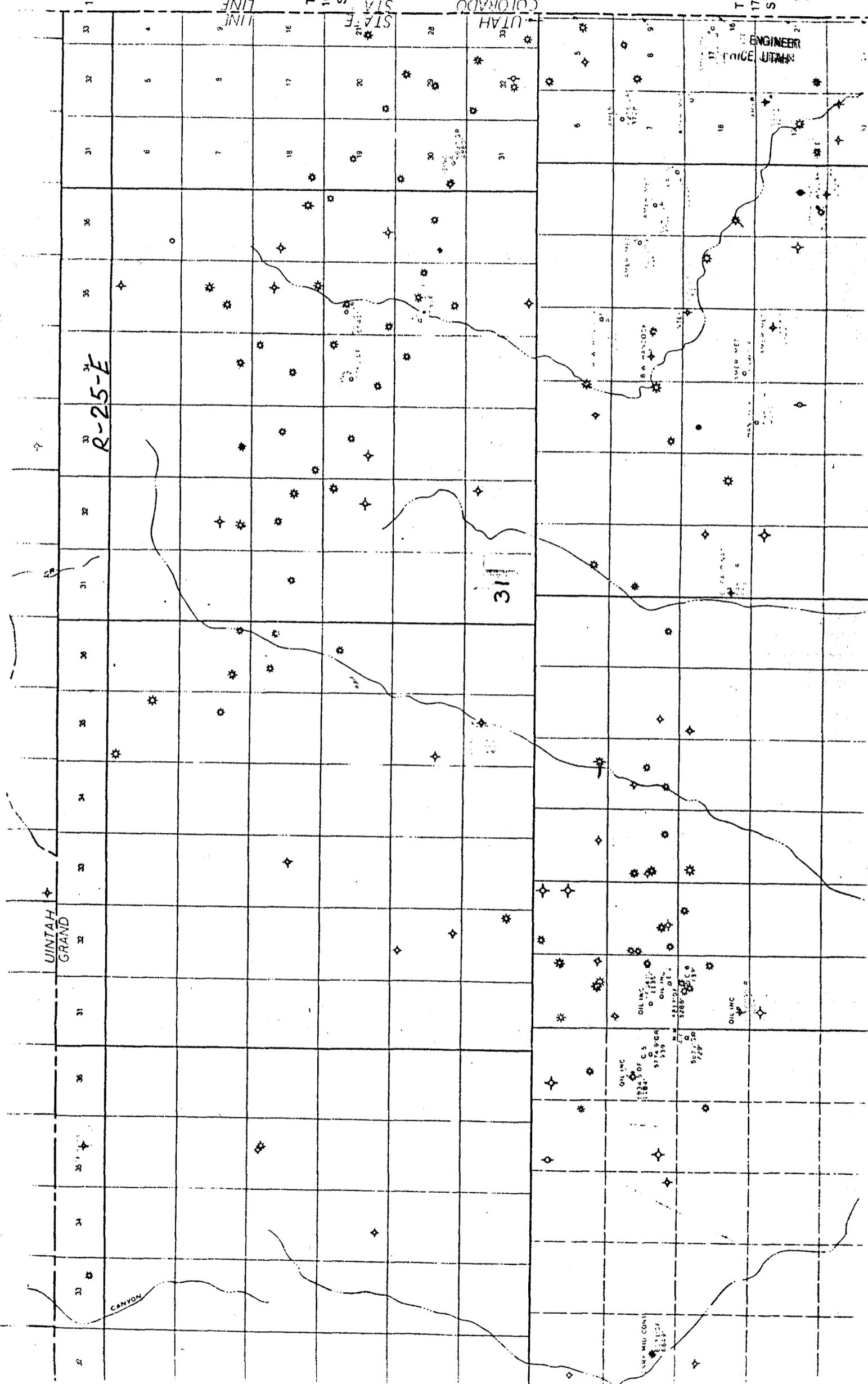
31

UINTAH GRAND

CANYON

OIL INC
5225 OF CS
1824
974,968
535
OIL INC
51777 OF
2886
5277 TR
729

NEW MAU CONE
52107
52107



REC'D MDO JUN 28 1984

Form 9-321 C (May 1963)

SUBMIT IN TRIPLICATE (Other instructions on reverse side)

Form approved Budget Bureau No. 42-R1425.

UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK: DRILL [X] DEEPEN [] PLUG BACK []
b. TYPE OF WELL: OIL WELL [] GAS WELL [X] OTHER [] SINGLE ZONE [] MULTIPLE ZONE []
2. NAME OF OPERATOR: Sage Energy Company
3. ADDRESS OF OPERATOR: 600 17th Street, Suite 2005-S, Denver, Colorado 80202
4. LOCATION OF WELL: 802.8 FNL, 2027.2 FEL
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 30 miles NW of Mack, Colorado
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.: 612.8
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: None
21. ELEVATIONS (Show whether DF, RT, GR, etc.): 6,981 GR

5. LEASE DESIGNATION AND SERIAL NO.: U-34217 and U-28574
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME: Sage Federal
9. WELL NO.: 31-31
10. FIELD AND POOL, OR WILDCAT: Bryson Ridge
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 31, T16S, R25E
12. COUNTY OR PARISH: Grand 13. STATE: Utah

RECEIVED JUL 16 1984

DIVISION OF OIL GAS & MINING 240 6650

17. NO. OF ACRES ASSIGNED TO THIS WELL: 320
20. ROTARY OR CABLE TOOLS: Rotary
22. APPROX. DATE WORK WILL START: 7/1/84

PROPOSED CASING AND CEMENTING PROGRAM

Table with 5 columns: SIZE OF HOLE, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Rows include 12 1/2", 8-3/4", and 6-1/4" hole sizes with corresponding casing and cement details.

We propose to rig up and drill a test through the Salt Wash member of the Morrison formation. Production is anticipated in the Dakota and Morrison formations. Any significant shows of gas or oil will be evaluated.

Operations are anticipated to be complete within 120 days after spudding of the well except for connection of the gas sales line which is indeterminate at this time.

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

24. SIGNED: Paul T. Green TITLE: ENGINEER DATE: June 11, 1984

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE APPROVED BY: /s/ GENE NODINE TITLE: DISTRICT MANAGER DATE: 13 JUL 1984

SUBJECT TO RIGHT OF WAY APPROVAL CONDITIONS OF APPROVAL ATTACHED

FLARING OR VENTING OF GAS IS SUBJECT OF NTL 4-A DATED 1/1/80

DOG-M



STATE OF UTAH
NATURAL RESOURCES
Water Rights

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dee C. Hansen, State Engineer

74 West Main Street • P.O. Box 718 • Price, UT 84501 • 801-637-1303

RECEIVED

JUL 13 1984

DIVISION OF OIL
GAS & MINING

July 11, 1984

SAGE ENERGY

Division of Oil, Gas and Mining
Attn: Arlene Sollis
4241 State Office Building
Salt Lake City, Utah 84114

Re: Temporary Change No. 84-01-15

Dear Ms. Sollis:

Enclosed please find a copy of a letter received from Gordon Engineering of Grand Junction, Colorado pertaining to the above referenced Temporary Change Application. A copy of the approved Change was sent out to you from our office on July 2, 1984.

Please contact me if you have any questions.

Sincerely,

Mark

Mark P. Page
Area Engineer

Enclosures

MPP/mjk

cc: Stan Green, Div. of Water Rights

REC'D MDO JUL 02 1984

Conditions of Approval for Permit to Drill

Sage Energy Company
Well: 31-31
Sec. 31, T.16 S., R.25 E.
Lease No.: U-34217
Inspection date: May 30, 1984

- 1) A fire lane will be constructed around the flare pit (item 9, 13 pt. plan).
- 2) Other than the two pitch grades, the maximum grade on the remainder of the road will be 10% (item 2 B; 13 pt. plan), as stated in the Class II & III standards.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

API #43-019-31167

NAME OF COMPANY: Sage Energy

WELL NAME: Sage Federal 31-31

SECTION NWNE 31 TOWNSHIP 16S RANGE 25E COUNTY Grand

DRILLING CONTRACTOR Veco

RIG # 1

SPUDED: DATE 8-10-84

TIME 4:00 AM

HOW Rotary

DRILLING WILL COMMENCE immediately

REPORTED BY Barbara (Gordon Engineering)

TELEPHONE # 303-245-1958

DATE 8-10-84 SIGNED CJ

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

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil well gas well other

2. NAME OF OPERATOR
Sage Energy Company

3. ADDRESS OF OPERATOR 80202
600 17th St., Suite 2005-S, Denver, CO

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 802.8 NFL, 2027.2 FEL
AT TOP PROD. INTERVAL:
AT TOTAL DEPTH:

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

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

5. LEASE
U-34217

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Sage Federal

9. WELL NO.
31-31

10. FIELD OR WILDCAT NAME
Bryson Ridge

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 31, T16S, R25E

12. COUNTY OR PARISH
Grand

13. STATE
Utah

14. API NO.

15. ELEVATIONS (SHOW DF, KDB, AND WD)
6,981 G.R.

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

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

We propose to change the drilling program as follows: Logging program will be changed to run a gamma ray-neutron cased hole log from 150' to intermediate casing at approximately 2,600'.

The dual induction-SFL, which was to be logged across this interval will be dropped.

Verbal approval given by Jeff Robbins on 8/13/84

Subsurface Safety Valve: Manu. and Type _____ Set @ _____ Ft.

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

SIGNED Pan C. J... TITLE ENGR DATE 8/21/84

(This space for Federal or State office use)

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

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

DATE: 8/28/84
BY: [Signature]

Instructions on Reverse Side

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

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 type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER		5. LEASE DESIGNATION AND SERIAL NO. U-34217
2. NAME OF OPERATOR Sage Energy Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR 600 17th Street, Suite 2005-S, Denver, CO 80202		7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 802.8' FNL, 2,027.2' FEL		8. FARM OR LEASE NAME Sage Federal
14. PERMIT NO.	15. ELEVATIONS (Show whether DF, RT, GR, etc.) 6,981' G.R.	9. WELL NO. 31-31
		10. FIELD AND POOL, OR WILDCAT Bryson Ridge
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec.31, T16S, R25E
		12. COUNTY OR PARISH Grand
		13. STATE Utah

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	

(Other) Spud report

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

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

This well was spudded at 4:00 AM on 8/10/84.

RECEIVED

AUG 23 1

DIVISION OF OIL
GAS & MINING

18. I hereby certify that the foregoing is true and correct
SIGNED Paul T. Gray TITLE ENGR DATE 8/21/84

(This space for Federal or State office use)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT

RECEIVED

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____
 b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESRV. Other _____

OCT 31 1984

2. NAME OF OPERATOR
Sage Energy Company

DIVISION OF OIL GAS & MINING

3. ADDRESS OF OPERATOR
600 Seventeenth Street, #2005-S, Denver CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 802.8' FNL & 2027.2 FEL
At top prod. interval reported below
At total depth same

NW NE

14. PERMIT NO. 43-019-31167
DATE ISSUED 6-27-84
7/13/84

5. LEASE DESIGNATION AND SERIAL NO.
U-34217

6. INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Sage Federal

9. WELL NO.
31-31

10. FIELD AND POOL, OR WILDCAT
San Arroyo Bryson Ridge

11. SEC. T. R. M., OR BLOCK AND SURVEY OR AREA
Sec. 31, T16S, R25E

12. COUNTY OR PARISH
Grand

13. STATE
Utah

15. DATE SPUDDED 8/10/84
16. DATE T.D. REACHED 8/24/84
17. DATE COMPL. (Ready to prod.) 9/18/84
18. ELEVATIONS (DF, RKB, RT, CR, ETC.)* 6981 GR
19. ELEV. CASINGHEAD 6997.4

20. TOTAL DEPTH, MD & TVD 6563'
21. PLUG, BACK T.D., MD & TVD 6523'
22. IF MULTIPLE COMPL., HOW MANY*
23. INTERVALS DRILLED BY
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
6268-6281' Morrison

25. WAS DIRECTIONAL SURVEY MADE
No

26. TYPE ELECTRIC AND OTHER LOGS RUN
FDC-CNL-GR-SP-DIL-SFL

27. WAS WELL CORED
No

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9 5/8"	36#	158'	12 1/4"	185 sx.	-
7"	23#	2636'	8 3/4"	120 sx.	-
4 1/2"	11.6#	6563'	6 1/4"	165 sx.	-

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
		N/R			2 3/8"	6257'	

31. PERFORATION RECORD (Interval, size and number)
6268-81' w/14 holes (1 JSPF, 0.32" dia.)

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
6268-81'	Breakdown w/1000 gal. 4% KCl and ball sealers. Foam Frac w/24,585 gal. foam, avg. 2600 psi @ 12 BPM. Used 3,000# 100 M Sd.

33.* PRODUCTION & 19,250# 20/40 M Sd & 360,365 SCF N₂

DATE FIRST PRODUCTION None
PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)
WELL STATUS (Producing or shut-in) Shut In (WOPL)

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
10/09/84	24	1/4"	→	-0-	1284	-0-	-

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
Shut In - Awaiting pipeline connection

TEST WITNESSED BY
John Gordon

35. LIST OF ATTACHMENTS

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

SIGNED Paul I. Gaver TITLE Engineer DATE 10/24/84

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

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
				Castlegate	2290'	
				Mancos Fm.	2508'	
				Mancos B	3028'	
				Frontier	4519'	
				Dakota Silt	5805'	
				Morrison	6203'	
				Entrada	6671'	



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dianne R. Nielson, Ph.D., Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

December 21, 1984

Sage Energy Company
600 Seventeenth Street #2005 S
Denver, Colorado 80202

Gentlemen:

Re: Well No. Sage Federal 31-31 - Sec. 31, T. 16S., R. 25E.
Grand County, Utah - API #43-019-31167

According to our records, a "Well Completion Report" filed with this office October 17, 1984 on the above referred to well, indicates the following electric logs were run: FDC - CNL - GR - SP - DIL - SFL. This office has not yet received these logs.

Please take care of this matter as soon as possible, but not later than January 21, 1985.

Thank you for your prompt attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Claudia L. Jones".

Claudia L. Jones
Well Records Specialist

cc: Dianne R. Nielson
Ronald J. Firth
John R. Baza
File

12201984/11

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil well gas well other

2. NAME OF OPERATOR
Sage Energy Company

3. ADDRESS OF OPERATOR
600 17th Street, Suite 2005S, Denver, CO 80202

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 802.8' FNL, 2027.2 FEL
AT TOP PROD. INTERVAL: 763.22' FNL, 1873.48' FEL
AT TOTAL DEPTH: 739.1' FNL 1843.7' FEL

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

5. LEASE
U-34217

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
CA-UT060P49-84C720

8. FARM OR LEASE NAME
Sage Federal

9. WELL NO. 31-31

10. FIELD OR WILDCAT NAME
San Arroyo

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 31, R16S, R25E

12. COUNTY OR PARISH | 13. STATE
Grand | Utah

14. API NO.
43-019-31167

15. ELEVATIONS (SHOW DF, KDB, AND WD)

REQUEST FOR APPROVAL TO:

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

SUBSEQUENT REPORT OF:

-
-
-
-
-
-
-
-
-
-

RECEIVED

SEP 30 1985

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

DIVISION OF OIL
GAS & MINING

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

We propose to perforate and fracture treat another zone between 6033' and 6094' as originally approved. The work done will be as per attached procedure and the downhole well configuration will remain essentially the same with the new zone of production. Also, road work requested earlier will be done at this time.

not received.

Subsurface Safety Valve: Manu. and Type _____ Set @ _____ Ft.

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

SIGNED J. R. G. G. TITLE Consulting Engineer DATE September 19, 1985

(This space for Federal or State office use)

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

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

SUBMIT **TRIPPLICATE***
(Other instructions on reverse side)

100909 P

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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 type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER		5. LEASE DESIGNATION AND SERIAL NO. U-34217
2. NAME OF OPERATOR Sage Energy Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR 10101 Reunion Place Suite 800, San Antonio, Texas 78216		7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 802.8' FNL, 2027.2' FEL		8. FARM OR LEASE NAME Sage Federal
14. PERMIT NO. 43-019-31167	15. ELEVATIONS (Show whether DF, RT, GR, etc.) 6981' G.R.	9. WELL NO. 31-31
		10. FIELD AND POOL, OR WILDCAT San Arroyo
		11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA Sec. 31, T16S, R25E
		12. COUNTY OR PARISH Grand
		13. STATE Utah

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input checked="" type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	

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

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Completion report on abandonment and plug procedure attached.

Five (5) plugs set as follows:

- #1 6340-5900' 40 sacks regular cement
- #2 5425-5325' 35 sacks regular cement
- #3 2696-2546' 35 sacks regular cement
- #4 1530-1430' 35 sacks regular cement
- #5 200- 100; 50 sacks regular cement

Regulation surface marker set with 10 sacks regular cement.

11.6# N-80 4½" casing cut off at 5460' and pulled 133 joints.

23# N-80 7" casing cut off at 1550' and pulled 33 joints.

All production and surface pipeline removed from location.

Reclamation and re-seeding of location to be accomplished by October 1, 1986.

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

SIGNED John J. Gordon TITLE Engineer DATE 9/29/86

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ ACCEPTED BY THE STATE

CONDITIONS OF APPROVAL, IF ANY:

OF UTAH DIVISION OF OIL, GAS, AND MINING

*See Instructions on Reverse Side

DATE: 10-6-86
BY: John R. Boy

Sage Energy Company
Plug and Abandonment
Federal Well #31-31

08-07-86 Move in workover rig and rig up. Ship 162.25 barrels condensate, 64°API @ 70°F. Set flat tank and pump. Mix 150 barrels of 35-38 viscosity mud and blow down well. Circulate down to retrievable bridge plug at 6165'. Tubing was at 6027'. Used 110 barrels of mud and did not have returns. Casing volume 85 barrels. Latched onto bridge plug and released. Pulled 36 stands of tubing and shut down for night.

Daily cost: 5442 Cumulative: 5442

08-08-86 Finish trip and lay down retrievable bridge plug. Run in hole with 2-3/8" tubing and land at 6268'. All of tubing on location. Rig up BJ Titan and set cement plug 6340-5900' with 40 sacks of regular cement. POOH with tubing and lay down 23 joints. Strip off wellhead and prepare to pull casing. Crew will begin removing pipeline today.

Daily cost: 6466 Cumulative: 11,908

08-09-86 Run free point, load hole with mud, and cut off 4-1/2" casing at 5460'. Pull and lay down 133 joints of 4-1/2" 11.6# N-80 casing. Tagged cement plug with wireline at approximately 5500'. Run in hole with 2-3/8" tubing to set plug #2. Unable to get inside cut off casing. Cemented between 5325' and 5425' with 35 sacks regular cement. Pull and stand back 42 stands. Set plug #3 from 2546'-2696', with 35 sacks cement. Pull 5 stands of 2-3/8" tubing and lay down 73 joints of tubing. Strip off wellhead and prepare to cut off 7" casing. Rained hard and washed out road.

Daily cost: 4558 Cumulative: 16,466

08-10-86 Run free point and tag cement plug at 2560' with wireline. Cut off 7" casing at 1550'. Pull and lay down 33 joints of 7" 23# N-80 casing. Run in hole with 24 stands of tubing and could not get down to top of 7" casing. Set 35 sacks plug at 1530-1430'. Pull 7 stands and lay down 37 joints of 2-3/8" tubing. Run and lay down 10 more joints. Set 50 sacks cement plug 100-200' and lay down last 6 joints of tubing. Remove Bradenhead. Plan to rig down and move out.

Daily cost: 4500 Cumulative cost: 20,966

Sage Energy Company
Plug and Abandonment
Federal Well #31-31
Page 2.

08-11-86 Clean flat tank, rig down and move out. Pipeline 25% removed.
Daily cost: 1876 Cumulative cost: 22,842.



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

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

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

November 12, 1986

Sage Energy Company
10101 Reunion Place #800
San Antonio, Texas 78216

Gentlemen:

Re: Well No. Sage Federal #31-31 - T. 16S., R. 25E.,
Grand County, Utah - API #43-019-31167

Thank you for commenting on the August 1986 production report that the referenced well has been plugged and abandoned. A subsequent sundry notice (or a copy of the federal sundry which may have been submitted) describing the plugging procedure should now be provided to properly document the well file. An effort to provide the requested sundry by December 1, 1986 would be appreciated.

Respectfully,

A handwritten signature in black ink, appearing to read "Norman C. Stout".

Norman C. Stout
Administrative Assistant

pk
cc: Dianne R. Nielson
Ronald J. Firth
John R. Baza
File

0431/2