

FILE NOTATIONS

Entered in NID File ✓
 Entered On S R Sheet _____
 Location Map Pinned ✓
 Card Indexed ✓
 IWR for State or Fee Land _____

Checked by Chief RMB
 Copy NID to Field Office _____
 Approval Letter submit
 Disapproval Letter _____

COMPLETION DATA:

Date Well Completed 12-3-65 Location Inspected _____
 OW ✓ WW _____ TA _____ Bond released _____
 GW _____ OS _____ PA _____ State of Fee Land _____

LOGS FILED

Driller's Log _____
 Electric Logs (No.) 3
 E _____ I _____ E-I ✓ GR _____ GR-N _____ Micro ✓
 Lat _____ Mi-L _____ Sonic MR ✓ Others _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER
 SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Continental Oil Company

3. ADDRESS OF OPERATOR
F. O. Box 1621, Durango, Colorado

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface **660' PNL, 1980' PNL** C SW, SE
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) **1980'**

16. NO. OF ACRES IN LEASE **2388**

17. NO. OF ACRES ASSIGNED TO THIS WELL **80**

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. **None**

19. PROPOSED DEPTH **5700'**

20. ROTARY OR CABLE TOOLS **Rotary**

21. ELEVATIONS (Show whether DF, RT, GR, etc.) **4810' GR, ungraded**

22. APPROX. DATE WORK WILL START* **9-13-65**

5. LEASE DESIGNATION AND SERIAL NO.
SL-067701

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
Bluff Unit

8. FARM OR LEASE NAME

9. WELL NO.
9

10. FIELD AND POOL, OR WILDCAT
Paradox

11. SEC., T. R., M., OR BLK. AND SURVEY OR AREA
Sec. 30, T39S, R23E-51M

12. COUNTY OR PARISH **San Juan** 13. STATE **Utah**

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	200'	100 sacks regular
7 7/8"	4 1/2"	10.5#	5700'	200 sacks

We propose to drill Bluff Unit No. 9 to an estimated depth of 5700' to evaluate and develop the Desert Creek, Johnson Creek and Lamy intervals of the Paradox Formation. Samples will be taken at 10' intervals and the well will be cored. If shows are indicated, drillstem tests will be run. If commercial production is encountered, a string of production casing will be run and the well completed.

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. ORIGINAL SIGNED BY
 SIGNED **FRED VAN MATRE** TITLE **District Engineer** DATE **9-8-65**

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

COMPANY CONTINENTAL OIL COMPANY

Well Name & No. BLUFF UNIT No. 9

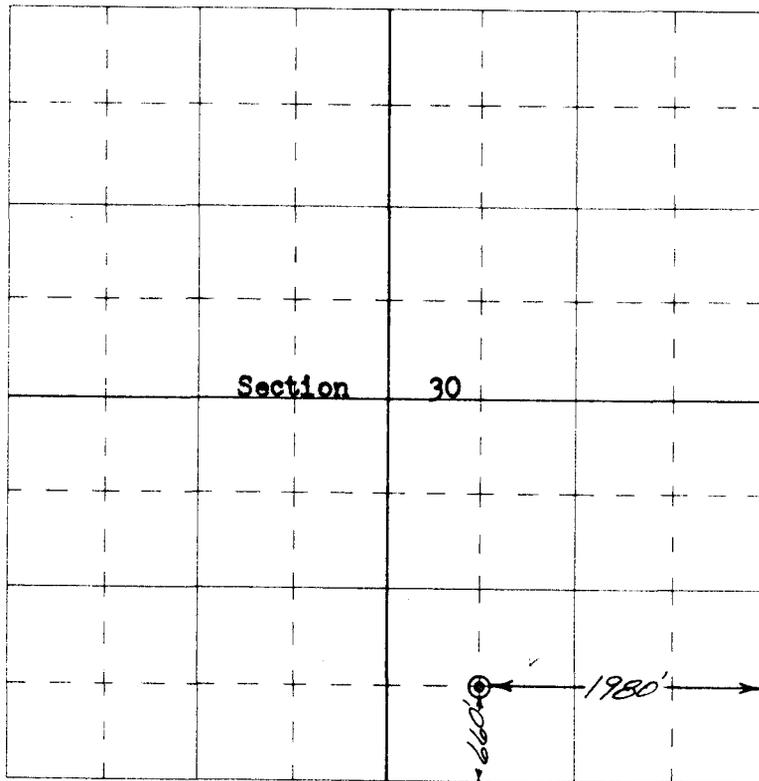
Lease No. _____

Location 660' FROM THE SOUTH LINE & 1980' FROM THE EAST LINE

Being in Center SW SE

Sec. 30, T. 39S, R. 23 East, S.L.M., San Juan County, Utah

Ground Elevation 4810' ungraded



Scale -- 4 inches equals 1 mile

Surveyed 28 August 1965

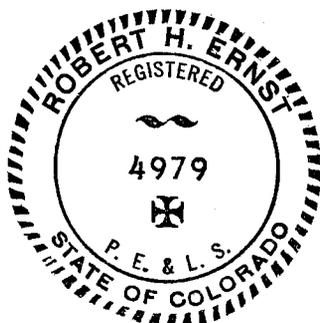
, 19____

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Registered Professional
Engineer and Land Surveyor.
Robert H. Ernst
Colo. PE & LS 4979
N. Mex. PE & IS 2463

Seal:

ERNST ENGINEERING CO.
Durango, Colorado



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

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

SL-067701

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

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 GAS WELL OTHER

2. NAME OF OPERATOR
Continental Oil Company

3. ADDRESS OF OPERATOR
P. O. Box 1621, Durango, Colorado

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

660' FSL, 1980' FEL

7. UNIT AGREEMENT NAME

Bluff Unit

8. FARM OR LEASE NAME

9. WELL NO.

9

10. FIELD AND POOL, OR WILDCAT

Paradox

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

Sec. 30, T39S, R23E-SLM

14. PERMIT NO.

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

4810' GE, 4821' DF

12. COUNTY OR PARISH

San Juan

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

PULL OR ALTER CASING

WATER SHUT-OFF

REPAIRING WELL

FRACTURE TREAT

MULTIPLE COMPLETE

FRACTURE TREATMENT

ALTERING CASING

SHOOT OR ACIDIZE

ABANDON*

SHOOTING OR ACIDIZING

ABANDONMENT*

REPAIR WELL

CHANGE PLANS

(Other) **Set surface casing**

(Other)

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

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

Spudded 9/15/65. Drilled 12 1/4" hole to 230'. Ran 8 5/8", 24# casing, set at 230' & cemented with 175 sacks regular. Drilling at 4103' in sand and shale 9/24/65.

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

SIGNED Original Signed By
BEN W. SMITH

TITLE Asst. District Manager

DATE 9/24/65

(This space for Federal or State office use)

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____

DATE _____

*See Instructions on Reverse Side

USGS-Dgo(3)-UO&GCC(2)-DRB-Tenneco-Shell-HDH

CONTINENTAL OIL COMPANY

P. O. Box 1621
Durango, Colorado
October 15, 1965

Mr. Jerry Long
U. S. Geological Survey
P. O. Box 1809
Durango, Colorado

Re: Bluff Unit Well No. 9

Dear Sir:

Bluff Unit Well No. 9, located in the SW/4 SE/4 Section 30, T39S, R25E, San Juan County, Utah, is now in the process of being completed in the Desert Creek Formation. As preliminary tests indicate that the well is capable of producing a significant volume of oil and associated solution gas, Continental Oil Company requests permission to flare the gas from this well for a fifteen-day test period. For your information, a summary of the completion procedure and test results to date follows.

The well was drilled to 5700' and logged with an induction-electric log, gamma ray-sonic-caliper and micro-log. After drilling to 5715', 4 1/2" O.D., 10.5#, J-55 casing was run to total depth and cemented with 100 sacks of regular cement with one cubic foot Strato-crete per sack followed by 100 sacks of regular. After WOC twenty-four hours, a gamma-ray correlation log was run and the well was perforated from 5638' to 5650' KB in the Desert Creek Subzone II mound development and from 5658' to 5664' KB in the Desert Creek Subzone III chalky dolomite zone. The Subzone III section (5658'-5664' KB) was treated with 13,000 gallons of acid and swabbed in. After flowing to the pit for approximately four hours to clean up the acid water, the well was tested in a tank, averaging 48 barrels of oil per hour and cut 0.3% BS&W with a GOR of 450 on a three hour & twenty-five minute test. This test was not choked and the minimum tubing pressure during the test was 180 psi. The well is now shut-in while a battery is being constructed.

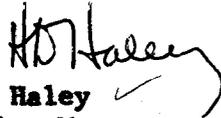
Jerry Long
Page Two

The present producing zone, Desert Creek Subzone III is a chalky dolomite that normally has good porosity and oil saturation, but generally has no effective permeability and is almost always non-productive. Judging from the treating pressures and log data, it appears that the dolomite may be fractured in this zone, and while the apparent potential is quite high, the reserves picture for this zone remains a question. In order to more effectively evaluate this zone, Continental would like to produce the zone for a minimum of fifteen days and requests your permission to flare the associated solution gas for this period. ✓

We are now actively investigating all possibilities to obtain a gas sales connection as rapidly as possible. Our present information shows that the nearest connecting point with the El Paso gas gathering system is approximately four miles away at the Shell Bluff Unit battery. ✓ We will keep you informed of the progress in this matter.

If you desire any additional information, please contact this office. ✓

Very truly yours,



H. D. Haley ✓
District Manager
Durango District
Production Department

RKO/ca

cc: Mr. Paul Burchell ✓
State of Utah
Salt Lake City, Utah

RECEIVED BY UTAH OIL AND GAS
CONSERVATION COMMISSION

DATE: 10-22-65 by Paul A. Burchell
Chief Petroleum Engineer

CONTINENTAL OIL COMPANY

P. O. Box 1621
Durango, Colorado
October 26, 1965

United States Geological Survey (2)
P. O. Box 1809
Durango, Colorado

Attn: Jerry Long

Dear Sir:

Reference is made to our recently completed Bluff No. 9 located in the SE/4 of Section 30, T39S, R23E, San Juan County, Utah on SI-067701 lease. Recently you approved an order to flare the gas from this well for 15 days. Production tests since that time indicate that the well has a potential of 560 BOPD on a 25/64 choke with a GOR of 300. Total gas being produced by the well currently amounts to 168 MCFD. We have investigated the possibility of a pipe line for a connection with El Paso to sell the gas. Estimated cost of this pipe line is \$22,000 and we do not feel that we have developed sufficient reserves at this time to warrant this expenditure. El Paso is not willing to construct a pipe line for our known reserves. We are completing construction of a battery and the treater in this battery will require approximately 50 MCFD for operation. If pressure tests now being conducted indicate substantial reserves it is planned to develop the lease, and a rotary rig will probably require 80 to 100 MCFD gas for rig use. It now appears that most of the gas produced by Bluff No. 9 is needed for lease use and there will be very little flaring.

U.S.G.S.
Page Two

May we have your approval to indefinitely flare gas produced not needed for lease use until such time that gas produced is of sufficient quantity to warrant the construction of 4½ miles of pipe line to the El Paso Gas System.

Very truly yours,



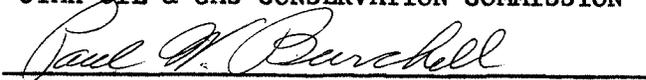
H. D. Haley
District Manager
Durango District
Production Department

HDH/sf

cc: E. A. Austin, Continental Oil Company, Denver, Colorado
Tenneco Oil Company, P. O. Box 1714, Durango, Colorado
Utah Oil & Gas Conservation Commission, Salt Lake City, Utah(2)

UTAH OIL & GAS CONSERVATION COMMISSION

APPROVED



Chief Petroleum Engineer

Date: 10-29-65

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

SL-067701

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

Bluff Unit

8. FARM OR LEASE NAME

9. WELL NO.

9

10. FIELD AND POOL, OR WILDCAT

Paradox

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

Sec. 30, T39S, R23E - S1M

12. COUNTY OR PARISH 13. STATE

San Juan

Utah

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 GAS WELL OTHER

2. NAME OF OPERATOR
Continental Oil Company

3. ADDRESS OF OPERATOR
P. O. Box 1621, Durango, Colorado

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface
660' FSL, 1980' FEL

14. PERMIT NO. 15. ELEVATIONS (Show whether DF, RT, GR, etc.)
4810' GR 4821' DF

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) Supp. Well History <input checked="" 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.)*

Drilled to T.D. 5715'. Cores at 5445-5543', 5565-85' and 5585-5645' had no shows. A DST at 5590-5700' recovered 189' of drilling mud followed by 90' of oil and gas cut mud, est. 15% oil. Ran 179 jts. 4 1/2" casing, landed at 5715' and cemented with 300 sacks cement. Released rig 10/8/65. Acidized perfis 5658-64' with a total of 13,000 gals. acid. Ran tubing. Swabbed well. Unloaded acid water. Flowing oil. Shut-in for pressure survey 10/26/65.

18. I hereby certify that the foregoing is true and correct
ORIGINAL SIGNED BY
SIGNED **FRED VAN MATRE** TITLE **District Engineer** DATE **10-28-65**

(This space for Federal or State office use)

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

*See Instructions on Reverse Side

STATE OF UTAH
OIL & GAS CONSERVATION COMMISSION
348 EAST SOUTH TEMPLE
SUITE 301
SALT LAKE CITY, UTAH

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well Name & Number: Bluff Unit No. 9

Operator Continental Oil Company Address Durango, Colo. Phone 247-2580

Contractor Loffland Brothers Address Farmington, N. M. Phone _____

Location SW 1/4 SE 1/4 Sec. 30 T. 39 N R. 23 E San Juan County, Utah.
S W

Water Sands:

<u>Depth</u>		<u>Volume</u>	<u>Quality</u>
From	To	Flow Rate or Head	Fresh or Salty
1. 275	460	<i>Formation Top</i>	
2. 673	1105		
3. 1275	1630		
4. 2713	2780		
5.			

(Continued on reverse side if necessary)

Formation Tops: Entrada 275, Navajo 673, Wingate 1275, Chinle 1650, Moenkapi 2510, Coconino 2713, Organ Rock 2785, Hermosa 4560, Ismay 5375, Desert Creek 5578

Remarks: No water flows known to have been encountered while drilling this test.

- NOTE:
- (a) Upon diminishing supply of forms, please inform the Commission.
 - (b) Report on this form as provided for in Rule C-20, General Rules and Regulations and Rules of Practice and Procedure, (See back of form).
 - (c) If a water analysis has been made of the above reported zone, please forward a copy along with this form.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____

b. TYPE OF COMPLETION:
NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR. Other _____

2. NAME OF OPERATOR
Continental Oil Company

3. ADDRESS OF OPERATOR
Box 1621, Durango, Colorado

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface **660' FSL, 1980' FEL**

At top prod. interval reported below

At total depth

14. PERMIT NO. _____ DATE ISSUED _____

5. LEASE DESIGNATION AND SERIAL NO.
SL-067701

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
Bluff Unit

8. FARM OR LEASE NAME

9. WELL NO.
9

10. FIELD AND POOL, OR WILDCAT
Paradox-Desert Creek

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

Sec. 30, T39S, R23E-S1M

12. COUNTY OR PARISH
San Juan

13. STATE
Utah

15. DATE SPUNDED **9/15/65** 16. DATE T.D. REACHED **10/7/65** 17. DATE COMPL. (Ready to prod.) **10/29/65** 18. ELEVATIONS (DF, REB, RT, GR, ETC.)* **4810' GR 4821' DF** 19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD **5715'** 21. PLUG, BACK T.D., MD & TVD **5678'** 22. IF MULTIPLE COMPL., HOW MANY* _____ 23. INTERVALS DRILLED BY **0-5715'** ROTARY TOOLS _____ CABLE TOOLS _____

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
5658'-64' Desert Creek

25. WAS DIRECTIONAL SURVEY MADE
No

26. TYPE ELECTRIC AND OTHER LOGS RUN
IHS, GR-Sonic-Caliper, Microlog

27. WAS WELL CORED
Yes

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24#	230'	12 1/4"	175 sacks	None
4 1/2"	10.5#	5715'	7 7/8"	300 sacks	None

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	5654'	5654'

31. PERFORATION RECORD (Interval, size and number)
5638'-50'; 5658'-64' - 4 shots per foot

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5658'-64'	500 gals 15% acid, 500 gals water w/"ADOMALL" additive
5658'-64'	2500 gals retarded, 10,000 gals 7 1/2% HCl

33.* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)					
10/18/65	Flowing	Producing					
DATE OF TEST	HOURS TESTED	CHOKER SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
10/29/65	24	25/64"	→	590	182		308:1
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
330#		→	590	182		43°	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
Vented, lease fuel and drilling Bluff No. 10

TEST WITNESSED BY
G. L. Holloway

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
ORIGINAL SIGNED BY:
SIGNED **BEN W. SMITH** TITLE **Assistant District Manager** DATE **11-30-65**

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

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to 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 local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, 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 35.

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

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments. **Items 22 and 24:** If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 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 (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached 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.)

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

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Paradox Desert Crk. Mem.)	5578	5686	Cored 5565-5585', Rec 20' Shale. Cored 5585-5645', Rec 53': 5' Dolo, 9' Anhydrite, 4' Bolo Shale, 35' Dolo Limestone DST #1 5590-5700', Rec 189' Drilg Mud & 90' OCM. IHP 2860#, FHP 2860#, ISIP 2120# (30 Min) 1460# (60 Min), FP 340-280# (90 Min). Temp 123°.

38.

GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
Entrada	322	
Navajo	673	
Wingate	1273	
Ghinnie	1650	
Moenkapi	2510	
Coconino	2712	
Organ Rock	2786	
Hermosa	4560	
Ismay	5376	
Desert Creek	5578	

DEC 3 1965

December 7, 1965

Continental Oil Company
P. O. Box 1621
Durango, Colorado

Re: Well No. Bluff Unit #9,
Sec. 30, T. 39 S., R. 23 E.,
San Juan County, Utah.

Water Encountered During Drilling.

Gentlemen:

We are in receipt of your "Well Completion or Recompletion Report and Log" for the above mentioned well. However, upon checking this information, we note that the above information was omitted from this report.

Please submit to this office said information as soon as possible.

Thank you.

Very truly yours,

OIL & GAS CONSERVATION COMMISSION

ANNETTE R. HANSEN
RECORDS CLERK

arh

Enclosures: Form OGCC-8-X



CONTINENTAL OIL COMPANY

P. O. Box 1621
Durango, Colorado
December 9, 1965

State of Utah
Oil & Gas Conservation Commission
348 East South Temple
Salt Lake City, Utah 84111

Re: BLUFF UNIT WELL NO. 9
SECTION 30, T39S, R23E
SAN JUAN COUNTY, UTAH

WATER ENCOUNTERED DURING DRILLING

Gentlemen:

Attached find the "Report of Water Encountered During Drilling" for the Bluff Unit Well No. 9, San Juan County, Utah.

As we are anticipating an expanded drilling program in San Juan County, Utah, could you please furnish additional forms No. OGCC-8-X to this office. We will attach these forms on all future "Well Completion or Recompletion Report and Log" forms completed in this office.

Very truly yours,

A handwritten signature in cursive script that reads "Ben W. Smith".

Ben W. Smith
Assistant District Manager
Durango District
Production Department

RKO/sf

Att.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPLE COPY*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

SL-067701

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

Bluff Unit

8. FARM OR LEASE NAME

9. WELL NO.

9

10. FIELD AND POOL, OR WILDCAT

Paradox

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

Sec. 30, T39N, R23E-S1M

1.

OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR

Continental Oil Company

3. ADDRESS OF OPERATOR

P. O. Box 1621, Durango, Colorado

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

660' FSL, 1980' FKL

14. PERMIT NO.

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

4810' GR

4821' DF

12. COUNTY OR PARISH

San Juan

13. STATE

Utah

16.

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

Well completion

(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.)*

Completed well 10/29/65 from Desert Creek perms 5658-64' for an IP flowing of 590 BOPD on 25/64" choke, TP 330#, Oil transporter: Rock Island Oil & Refining Company.

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

SIGNED **Original Signed By:**

H. D. HALEY

TITLE **District Manager**

DATE **12-16-65**

(This space for Federal or State office use)

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____

DATE _____

*See Instructions on Reverse Side

USGS-Dgo(3) UO&CCC(2) DRB JRN Tenneco Shell HDH

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

8L-067701

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

Bluff Unit

8. FARM OR LEASE NAME

9. WELL NO.

9

10. FIELD AND POOL, OR WILDCAT

Paradox

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

Sec. 30, T39S, R23E-S1M

12. COUNTY OR PARISH 13. STATE

San Juan

Utah

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
Continental Oil Company

3. ADDRESS OF OPERATOR
P. O. Box 1621, Durango, Colorado

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

660' FSL, 1980' FEL

14. PERMIT NO.

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

4810' GR

4821' DF

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

SUBSEQUENT REPORT OF:

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. 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.)*

Well was completed 10/29/65 from perforations 5658'-5664' in the lower (Zone III Desert Creek) Paradox for an IPV of 590 BOPD. Cumulative production from the well to 3/1/67 is 154,741 barrels of oil. Production has declined to about 150 BOPD.

To increase production, we propose to:

- (1) Acidize perforations 5658'-5664' with 1,000 gals. 15% acid.
- (2) Acidize existing perforations 5638'-5650' with 4,000 gals. 15% acid. This interval in Zone II of the Desert Creek was perforated when the well was completed but was never acidized nor produced. Since completion, it has been above a packer.

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

SIGNED Original Signed By:
H. D. HALEY

TITLE **District Manager**

DATE **4/19/67**

(This space for Federal or State office use)

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

*See Instructions on Reverse Side

USGS-Dgo(3) UOLGCC(2) DRB RJE Tennaco Shell HDH

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIP DATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

SL-067701

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

Bluff Unit

8. FARM OR LEASE NAME

9. WELL NO.

9

10. FIELD AND POOL, OR WILDCAT

Desert Creek

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

Sec. 30, T39S, R23E - SLM

14. PERMIT NO.

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

4810' GR

4821' DF

12. COUNTY OR PARISH

San Juan

13. STATE

Utah

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

SUBSEQUENT REPORT OF:

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. 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.)*

Set full bore packer at 5654' and retrievable plug on bottom. Acidized Subzone III perfs 5658-64' with 1000 gals. 15% HCl acid. Set retrievable bridge plug at 5652' and packer at 5618'. Acidized with 4000 gals. acid, zone II 5638-50'. Swabbed back load water. Tested well 4/23/67; flowed 501 BO in 24 hours, TP fluctuates from 60# to 120# as well flows by heads. Well returned to producing status.

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

SIGNED Original Signed By: H. D. HALEY TITLE District Manager DATE 4/26/67

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

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

SUBMIT IN TRIPlicate*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

SL-067701

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

Bluff Unit

8. FARM OR LEASE NAME

9. WELL NO.

9

10. FIELD AND POOL, OR WILDCAT

Desert Creek

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

Sec. 30, T39S, R23E - S1M

12. COUNTY OR PARISH

San Juan

13. STATE

Utah

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
Continental Oil Company

3. ADDRESS OF OPERATOR
P. O. Box 1621, Durango, Colorado 81301

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface
660' PSL, 1980' FEL

14. PERMIT NO.

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

4810' GR 4821' DF

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF	<input type="checkbox"/>	PULL OR ALTER CASING	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	MULTIPLE COMPLETE	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	ABANDON*	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>
(Other)			

SUBSEQUENT REPORT OF:

WATER SHUT-OFF	<input type="checkbox"/>	REPAIRING WELL	<input type="checkbox"/>
FRACTURE TREATMENT	<input checked="" type="checkbox"/>	ALTERING CASING	<input type="checkbox"/>
SHOOTING OR ACIDIZING	<input type="checkbox"/>	ABANDONMENT*	<input type="checkbox"/>
(Other)			

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

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

Set full bore packer at 5654' and retrievable plug on bottom. Acidized Subzone III perfs 5658-64' with 1000 gals. 15% HCl acid. Set retrievable bridge plug at 5652' and packer at 5618'. Acidized with 4000 gals. acid, zone II 5638-50'. Swabbed back load water. Tested well 4/23/67; flowed 501 BO in 24 hours, TP fluctuates from 60# to 120# as well flows by heads. Well returned to producing status.

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

SIGNED H. D. HARRY TITLE District Manager DATE 4/26/67

(This space for Federal or State office use)

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

*See Instructions on Reverse Side

CONTINENTAL PIPE LINE COMPANY

RUN TICKET

Cont. Oil Co.

OPERATOR

Ne Hayes #1 Dakota

LEASE NAME

MO.	DAY	YEAR	DISTRICT NO.	TICKET NO.
<i>1</i>	<i>24</i>	<i>70</i>	<i>Casper</i>	<i>62</i>
TANK NO.			LEASE NO.	
<i>10169</i>			<i>6090710</i>	
OFFICE CODES				

TANK SIZE				Gauge			OIL LEVEL			TEMP.	CALCULATIONS
<i>400</i>							FT.	IN.	1/4 IN.		
Gauge	FT.	IN.	1/4 IN.	1ST	<i>3</i>	<i>9</i>	<i>14</i>			<i>75.39</i>	
HEIGHT OF CONNECTION				2ND	<i>0</i>	<i>0</i>	<i>14</i>				
B. S. & W. LEVEL				OBSERVED GTY. & TEMP.			TRUE GTY.				
1ST			<i>14</i>	POWER	B. S. & W.						
2ND			<i>14</i>	TRUCK				<i>%</i>			

OIL MOVED BY		TO (NAME OF LINE OR STATION)		CODE
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<i>Bluff #9</i>	
POWER FURNISHED BY OR TRUCKED BY				CODE
<input type="checkbox"/>	<input type="checkbox"/>	<i>Bearley Hot Shot</i>		
TURNED ON				

GAUGER	TIME
	<i>M</i>
OPERATOR'S WITNESS (OR WAIVER NO.)	OFF SEAL

SHUT OFF	
GAUGER	TIME DATE
<i>Robert Stueben</i>	<i>M</i>
OPERATOR'S WITNESS (OR WAIVER NO.)	ON SEAL

REMARKS

This ticket covers all claims for allowance. The oil represented by this ticket was received and run as the property of Continental Oil Company.

STATE OF WYOMING

COUNTY OF NATRONA

~~XXXXXXXX~~

*File in
well file*

AFFIDAVIT OF OWNERSHIP OF OIL

TO Continental Oil Company, (hereinafter called "Gatherer").

C. H. Gaukel, of lawful age, being first duly sworn, deposes and states that he is

Senior Analyst and agent of Continental Oil Company, a Delaware Corporation, (here-

inafter called "Producer"), with offices located at Casper, in the

State of Wyoming, and is duly authorized to make this affidavit, and fully cognizant of the facts

herein set out, and that during the month of April, 1970, Producer sold to Gatherer a

total of 75.39 () net barrels of degree gravity recovered oil which had previously been

() purchased from

(X) produced from N. E. Haynes "B" Dakota No. 1, 6090740 Pool, described

as Section 9, Township 24N, Range 5W, Block L, Survey (or

other legal description)

Rio Arriba ~~Parish~~ County, State of New Mexico and proper

well royalty and tax have been or will be paid thereon as production from such lease.

Bluff Unit-Hermosa
Penn. No. 9

Such oil was transferred to and used for development and/or operating purposes on the

well lease, 583800 Pool, described as Section 30, Township 39S, Range 23E, Block

SE/4, Survey, (or other legal description)

San Juan ~~Parish~~ County, State of Utah. Such oil sold to Gatherer has now

been (X) recovered and is ready for pipe line acceptance.

() recovered and returned to the first named lease and is ready for pipe line acceptance.

WHEREFORE, please take notice that such oil has been used only for development and/or operating purposes, it is not production from the last named lease, and 100% payment for the amount of oil stated should be directly to Producer without deductions for the full value of said oil so purchased and Producer will indemnify Gatherer of, from and against any and all claims which may be asserted by others as a result of such payment by Gatherer to Producer.

[Signature]
Signature

Subscribed and sworn to before me this 5th day of May, 1970.

[Signature]
Notary Public

My Commission Expires Dec. 20, 1971

My Commission Expires:

~~XXXXXXXX~~
Natrona County, Wyoming

W. C. Blackburn
Division Manager
Production Department
Western Hemisphere Petroleum Division

Continental Oil Company
152 North Durbin
Pacific Western Life Building
Casper, Wyoming 82601
(307) 234-7311

August 13, 1976

AUG 13 1976

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1588 West North Temple
Salt Lake City, Utah 84116

Gentlemen:

Water Quality Analyses
File: DM-535.11-CF

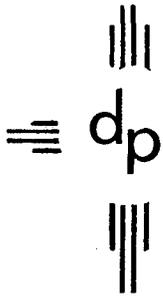
This letter is in reply to your request dated August 11, 1976, for water quality analyses taken on wells in the State of Utah since July, 1972. Continental Oil Company's Casper Production office has no wells in the State of Utah under its jurisdiction and it is believed that our Hobbs, New Mexico office will forward any requested data that is applicable.

Very truly yours,

W. C. Blackburn

jf

cc: Mr. L. P. Thompson
Continental Oil Company
Box 460
Hobbs, New Mexico 88240



dugan production corp.

January 4, 1979

Cleon D. Feight, Director
Division of Oil, Gas & Mining
1588 West North Temple
Salt Lake City, UT 84116

RE: Bluff Unit
San Juan County, Utah

*Bluff Unit #9
Hermosa Penn A #9*

Dear Mr. Feight:

Effective October 1, 1978 Dugan Production Corp. succeeded to the interests of the Continental Oil Company in the captioned unit.

Enclosed is a list of the wells and their locations for which Dugan Production Corp. is now the Operator.

Please advise if you need further information or assistance.

Sincerely,

Richard Tully
RT/sak

Enclosure

cc: Alton J. Carroll
Continental Oil Company
Box 2197
Houston, TX 77001



BLUFF UNIT
SAN JUAN COUNTY, UTAH

Dugan Production Corp.-Operator

<u>Name of Well</u>	<u>Location</u>
Bluff Unit #8	<u>T-39-5, R-23-E</u> Section 29: SW/4 NE/4
Bluff Unit #12	<u>T-39-5, R-23-E</u> Section 30: SW/4 NE/4
Underwood Bluff Unit #1	<u>T-39-5, R-23-E</u> Section 33: SE/4 NW/4
Hermosa Penn A #1	<u>T-39-5, R-23-E</u> Section 32: NW/4 NW/4
<u>Hermosa Penn A #9</u>	<u>T-39-5, R-23-E</u> Section 30: SW/4 SE/4
Bluff State #2	<u>T-39-5, R-23-E</u> Section 32: SE/4 NW/4
Bluff Unit #10	<u>T-39-5, R-23-E</u> Section 30: SW/4 NE/4

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. <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER		5. LEASE DESIGNATION AND SERIAL NO. SL-067701
2. NAME OF OPERATOR Dugan Production Corp.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR P.O. Box 420, Farmington, NM 87499-0420		7. UNIT AGREEMENT NAME Bluff
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 660' FSL - 1980' FEL		8. FARM OR LEASE NAME Bluff Unit
14. PERMIT NO. 43-037-15327		9. WELL NO. 9
15. ELEVATIONS (Show whether or not, dr. etc.) 4810' GL		10. FIELD AND POOL, OR WILDCAT Hermosa Penn P.A. "A"
DIVISION OF OIL, GAS & MINING RECEIVED JUN 29 1989		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 30, T39S, R23E, SLM
		12. COUNTY OR PARISH 13. STATE SAN JUAN

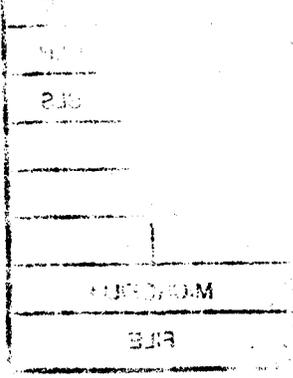
16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

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) Returned to production <input checked="" 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.)*

The Bluff #9 was returned to production on May 25, 1989



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

SIGNED Bud Crane TITLE Production Superintendent DATE 6-23-89

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

November 25, 1990

Sterling Energy Corp
1801 Broadway, Suite 600
Denver, Colorado 80202

Re: ~~Sub-Operating Agreement, Bluff Unit,~~
Hermosa PA, San Juan County, Utah
8920007820

Gentlemen:

We have received a copy of "Sub-Operating Agreement" executed by Dugan Production Corporation, unit operator of the Bluff Unit Agreement, San Juan County, Utah, and by Sterling Energy Corp., dated ~~October 1, 1990. The agreement makes Sterling Energy Corp. the sub-operator as to the Desert Creek Formation for the lands described therein.~~

Inasmuch as it appears that operations conducted under the terms of this sub-operating agreement will be conducted subject to the terms of the Bluff Unit and unit operating agreements, the sub-operating agreement is accepted for the record and is being distributed to the appropriate Federal offices. However, it is expressly understood and agreed that nothing in the sub-operating agreement shall be construed or shall operate to relieve Dugan Production as unit operator from it's obligations and responsibilities under the Bluff Unit Agreement. To the extent that the "Sub-Operating Agreement" is inconsistent with terms and conditions of the Bluff Unit Agreement, such terms and conditions of said unit agreement shall prevail.

The sub-operating agreement shall remain in affect so long as the sub-operating zone remains part of the unit area or it is terminated in accordance with Section 9 of the said agreement. In such case, it is expressly understood that the agreement is effective until notification of its termination is received by this office.

Pursuant to regulations issued and effective June 17, 1988, all operations within the "sub-operating zone" will be covered by your nationwide oil and gas bond No. 000944.

Sincerely,
(Orig. Sgd.) R. A. Hendricks

Robert A. Hendricks
Chief, Branch of Fluid Minerals

Enclosure

cc: Dugan Production Corp. w/enclosure

~~bcc: Utah No. 1 w/enclosure~~
Bluff Unit File w/enclosure
Agr. Sec. Chron.
Fluid Chron

MCoulthard:jw:11/23/90
0128V

cc: SJRA
AKS

None 12/1/90

P.

Bureau of Land Management
Branch of Fluid Minerals (U-922)
324 South State Street
Salt Lake City, Utah 84111-2303

January 3, 1992

Chuska Energy Company
Attn: Nell Lindenmeyer
3315 Bloomfield Highway
Farmington, New Mexico 87401

Re: Successor of Unit Operator
Bluff Unit
San Juan County, Utah

*Wait for
approval to
Charles S. ...
and ...
VR
1/7/92*

Gentlemen:

We received your letter advising us that Dugan Production Corp. resigned as Unit Operator and that Sunfield Energy Company was nominated as the successor of unit operator for the Bluff Unit. We are returning the proposed change of unit operator unapproved.

The enclosed indenture must be executed by the required percentage of working interest owners within the unit agreement before approval can be granted (Section 6, Unit Agreement).

Please be advised effective June 17, 1988, regulations at 43 CFR 3104.2 were changed to state, "The Operator on the ground shall be covered by a bond in his/her own name as principal, or a bond in the name of the lessee or sublessee, provided that a consent of the surety or the obliger in the case of a personal bond, to include the operator under the coverage of the bond is furnished to the Bureau office maintaining the bond." (emphasis added).

If you have any questions, please contact Teresa Thompson of this office at (801) 539-4047.

Sincerely,

(Orig. Sgd.) R. A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

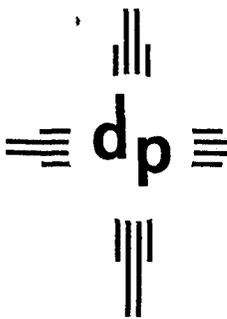
Enclosure

bcc: File - Bluff Unit
DM - Moab
Agr. Sec. Chron.
Fluid Chron.

RECEIVED

FEB 07 1992

DIVISION OF
OIL GAS & MINING



dugan production corp.

RECEIVED

FEB 27 1992

DIVISION OF
OIL, GAS & MINING

February 24, 1992

Division of Oil, Gas and Mining
3 Triad Center, Suite 350
Salt Lake City, UT 87180-1203

Attn: Lisha Romero

RE: Assignment of Wells and Leases
Bluff Unit
T39 & 40S- R22 & 23E
San Juan County, Utah

Dear Ms. Romero:

Pursuant to your phone call of February 21, 1992, this is to advise that Dugan Production Corp. (DPC) sold all of its interest in the wells and leases within the captioned unit in accordance with the enclosed assignment.

The wells DPC operated within said unit consisted of the following:

Hermosa Penn "A" Participating Area

43-037-20236	Bluff Unit - State Well No. 1	NW NW 32, T39S, R23E
43-037-15327	Bluff Unit - Well No. 9	SW SE 30, T39S, R23E
43-037-30523	Bluff Unit - Well No. 14 (Tenneco)	NE SE 30, T39S, R23E

Wells outside P. A. - Operated on Lease Basis

43-037-11079	Bluff Unit - Underwood Well #1	SE NW 33, T39S, R23E
43-037-20989	Bluff Unit - Well No. 16	SW SE 29, T39S, R23E
43-037-15328	Bluff Unit Well No. 10*	SW SW 30, T39S, R23E
43-037-16538	BLUFF STATE #2	SE NW 32, T39S, R23E

*Not currently capable of producing

Division of Oil, Gas and Mining
Page 2
February 24, 1992

Additional wells within the Unit operated by Sterling Energy Corporation:

Hermosa Penn Participating Area (Hickman Bluff)

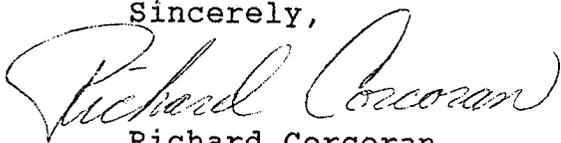
43-037-15864	Bluff Unit Well No. 3	NW NW 4, T40S, R23E
43-037-15865	Bluff Unit Well No. 24-5	SE SW 5, T40S, R23E
43-037-15867	Bluff Unit Well No. 44-5	SE SE 5, T40S, R23E
43-037-30726	Bluff Unit Well No. 13-4	NW SW 4, T40S, R23E
43-037-30866	Bluff Unit Well No. 42-5	SE NE 5, T40S, R23E

DPC submitted a Change in Unit Operator Agreement to the BLM (copy attached) which has not been approved, as the working interest owners have not elected a successor operator yet. Sterling Energy Corporation had been designated the operator for the Hermosa Penn Participating Area wells under an agreement previously approved by the BLM and Sunfield Energy Company is acting as a Sub-Operator for the remaining wells within the Unit until a Successor Operator is formally approved.

As soon as a Successor Operator has been approved, that operator will submit the necessary sundries.

Thank you for your cooperation with this matter and if there should be any questions, please contact me.

Sincerely,



Richard Corcoran
Land Manager

RC/mmm

Enclosures

FEB 27 1992

BILL OF SALE AND ASSIGNMENT:
CONVEYANCE OF OIL, GAS AND MINERAL INTERESTS
("Bill of Sale and Assignment")

STATE OF UTAH §
 § KNOWN ALL MEN BY THESE PRESENTS:
COUNTY OF SAN JUAN §

- A. That Dugan Production Corp., (a/k/a Dugan Production Corporation) a New Mexico corporation, ("Assignor") whose business address is 709 East Murray Drive, P.O. Box 420, Farmington, New Mexico 87499-0420, for and in consideration of the sum of TEN AND NO/100 (\$10.00) DOLLARS in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has GRANTED, BARGAINED, SOLD, CONVEYED, ASSIGNED, TRANSFERRED, SET OVER and DELIVERED, and by these presents does GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER and DELIVER effective as of September 1, 1991, unto Sunfield Energy Company, a Nevada corporation ("Assignee"), whose address is 112 East Pecan St., Suite 800, San Antonio, Texas 78205, the following:
1. All of Assignor's rights, titles and interests in, to and under the Bluff Federal Unit in Utah (the "Unit", which is drawn on the map attached hereto and incorporated herein by reference as Exhibit A) and all oil, gas and/or mineral leases comprising or forming part of same, as more particularly described on Exhibit B attached hereto and incorporated herein by reference (the "Leases"). This conveyance includes, without limitation, all of Assignor's rights, titles and interests in, to and under all gas, oil, petroleum, other hydrocarbons and other minerals produced from the Unit and/or the Leases (together with the proceeds therefrom) and all wells located thereon, as well as all working, net revenue, royalty, and overriding royalty interests owned by Assignor (Assignor's share of such Unit, Leases, minerals, wells and interests collectively is referred to as the "Mineral Interests").
 2. All of Assignor's rights, titles and interests in and to all equipment, casing and improvements on the Unit and/or the Leases, including without limitation the following:
 - (i) All buildings, roads, fences, gas plants, and other improvements located thereon;
 - (ii) All other rights, titles and interests of Assignor of whatever kind or character (whether now owned or hereafter acquired by operation of law or otherwise), if any, in and to the lands, rights and interests described in Exhibit A and/or Exhibit B, even though such interests of Assignor may be incorrectly described in or omitted from such Exhibits, but only to the extent that such encompasses, covers or affects the Unit and/or the Leases;
 3. All of Assignor's interest, if any, in and rights under (including, but not limited to, rights to operate) all operating agreements, gas purchase contracts, residue gas sales contracts, oil sales contracts, letter agreements, gas products sales contracts, exchange and/or processing agreements, transportation agreements, easements, servitudes, rights-of-way, surface leases, other surface

- rights agreements and other real estate interests and any other contracts and/or agreements which cover, affect or otherwise relate to the Unit and/or the Leases, as well as any renewals, extensions or amendments thereof or thereto, but only to the extent: 1) that such encompass, affect or cover the Unit and/or the Leases or the Mineral Interests; or 2) that such relate to or affect the exploration, drilling or operating of the Unit and/or the Leases or the Mineral Interests, or the treating, handling, storing, transporting or marketing of oil, gas or other minerals produced from (or allocated to) such Unit and/or Leases (all of such rights and agreements collectively the "Contract Rights");
4. All of Assignor's rights, titles and interests, if any, in and to all equipment (whether downhole or surface), machinery, appliances, materials, supplies, pumping units, pump jacks, tubing wellheads, pump tees, electric motors, electric boxes and lines, fittings, valves, pipelines, flow lines, gathering lines, buildings, casing, injection facilities, salt water disposal facilities, and all other personal property or fixtures used or held for use in or located on or otherwise used in connection with the exploration, drilling, handling, producing or marketing of oil and gas from, on, or through the Unit and/or the Mineral Interests or the Contract Rights (the "Equipment"), except that Dugan is not transferring that certain horizontal duplex gaso power pump, 2-1/2" - 5" x 10", serial no. 21306 with its gas Ajax 8-1/2" x 10" Model CMA horizontal single cylinder engine, serial no. 58625;
 5. All of Assignor's rights, titles and interests in the contents of all tanks, barrels, pipelines and other similar containers or receptacles located on the Unit and/or the Leases or used in conjunction with mineral production from the Unit and/or the Leases, including, without limitation, all oil, gas, casinghead gas, drip gasoline, natural gasoline, condensate, and other liquid or gaseous hydrocarbons produced from the Unit and/or the Leases or purchased by or for the benefit of Assignor subsequent to the Effective Date as hereafter defined (the "Residue").
 6. All of Assignor's rights, titles and interests in and to the Aneth Gas Plant located in Aneth, Utah, operated by Texaco, and to all associated pipelines, real property interests, fixtures, equipment, and personal property, including, but not limited to, easements and rights-of-way (all of the foregoing collectively, the "Aneth Gas Plant Interests").
 7. Copies of and co-ownership rights in all of Assignor's logs, DST's, other test results and raw geological and geophysical data (but in no event any of Dugan's interpretations of such data) related to the Mineral Interests, the Leases and/or the Unit (the "Data");
 8. Copies or originals of all contracts, agreements, run tickets, and other materials and files in Dugan's possession relating to the Mineral Interests, the Leases and/or the Unit.
- B. Assignor agrees to execute, acknowledge and deliver to Assignee all such other additional instruments, notices, division orders, transfer orders, letters in lieu of transfer orders and other documents, and to do all such other and further acts and things as may be necessary, to more fully and effectively grant, convey and assign the interests conveyed hereby to Assignee. Assignee shall not attempt to use this

Paragraph B to subsequently cause Assignor to convey interests not intended to be purchased by Assignee pursuant to this Bill of Sale and Assignment or the Agreement to Purchase and Sell between Assignor and Assignee dated September 16, 1991.

- C. This Bill of Sale and Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns to the fullest applicable extent.
- D. The rights assigned to Assignee hereunder are subject to the terms of the Leases and all contracts, assignments, rights-of-way, encumbrances, agreements, and other lease burdens of record which affect the interests in the Mineral Interests and Leases assigned herein; provided, however, that this Paragraph D. shall not reduce or impair the enforceability and validity of Assignor's representations and warranties about the Leases, the Mineral Interests, and such contracts, assignments, rights-of-way, and other matters contained in the Agreement to Purchase and Sell between Assignor and Assignee dated September 16, 1991.
- E. Assignee, in consideration of the Mineral Interests and other interests herein conveyed, by acceptance hereof, agrees to be responsible for and perform, at the sole expense of Assignee, all of the liabilities, obligations, and covenants of Assignor arising from or contained in the Leases and any and all other agreements hereby assigned or from operations thereunder, to the extent accruing after the date hereof; to plug and abandon any and all wells heretofore or hereafter drilled on the mineral interests with respect to which said Leases are assigned in accordance with all applicable laws, rules, and regulations; and to hold Assignor, its successors and assigns, harmless of and from any and all claims, demands, loss, cost, risk, or expense of whatsoever kind, including reasonable attorney's fees, resulting from (i) the performance of or failure to perform the plugging and abandonment obligations and covenants aforesaid, or (ii) any and all further operations by Assignee after the date hereof on or under the Leases so assigned or in the Mineral Interests, including but not limited to (to the extent on or after the date hereof) operations for or in connection with the production of oil and gas, the transportation, containment, or disposal of salt water or other deleterious substance across, thereon, therein, or therefrom, the abandonment or plugging of any well or wells thereon or the repair or removal of any material or equipment therefrom, from and after the effective date hereof.

THIS BILL OF SALE AND ASSIGNMENT IS MADE WITHOUT WARRANTY OF TITLE EXPRESS OR IMPLIED, AND THE CONVEYANCE OF WELLS, PERSONAL PROPERTY, AND EQUIPMENT MADE HEREIN IS MADE "AS IS, WHERE IS", WITHOUT WARRANTY AS TO KIND, QUANTITY OR CONDITIONS (EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THE AGREEMENT TO PURCHASE AND SELL BETWEEN ASSIGNOR AND ASSIGNEE DATED SEPTEMBER 16, 1991). ASSIGNOR MAKES NO WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE PERSONAL PROPERTY AND FIXTURES, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE (EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THE AGREEMENT TO PURCHASE AND SELL BETWEEN ASSIGNOR AND ASSIGNEE DATED SEPTEMBER 16, 1991).

TO HAVE AND TO HOLD THE MINERAL INTERESTS, THE EQUIPMENT, THE CONTRACT RIGHTS, THE RESIDUE, THE ANETH GAS PLANT INTERESTS, THE DATA, AND ALL OTHER PROPERTY ASSIGNED HEREIN, FOREVER.

This Bill of Sale and Assignment instrument is executed on October 17, 1991, but effective as of September 1, 1991 (the "Effective Date").



Sherman E. Dugan
Sherman E. Dugan, Asst. Sec.

ASSIGNOR:
DUGAN PRODUCTION CORP. (a/k/a DUGAN PRODUCTION CORPORATION)

BY: *Thomas A. Dugan*
Thomas A. Dugan
President

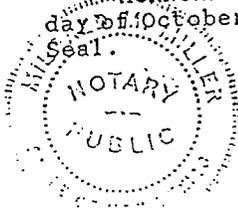
ASSIGNEE:
SUNFIELD ENERGY COMPANY

BY: *Daniel P. Neelon*
Daniel P. Neelon
Executive Vice President

STATE OF NEW MEXICO §
COUNTY OF SAN JUAN §

BEFORE ME, the undersigned authority, personally appeared THOMAS A. DUGAN, President of DUGAN PRODUCTION CORP., a New Mexico corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, who acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the fully authorized, official act and deed of said DUGAN PRODUCTION CORP.

ACKNOWLEDGED, SUBSCRIBED AND SWORN to before me on this 17th day of October, 1991, to certify which witness my hand and official Seal.

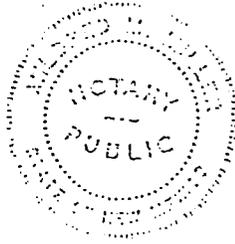


Mildred M. Miller
Notary Public, State of New Mexico
Printed Name: MILDRED M. MILLER
Commission Expires: 1-30-93

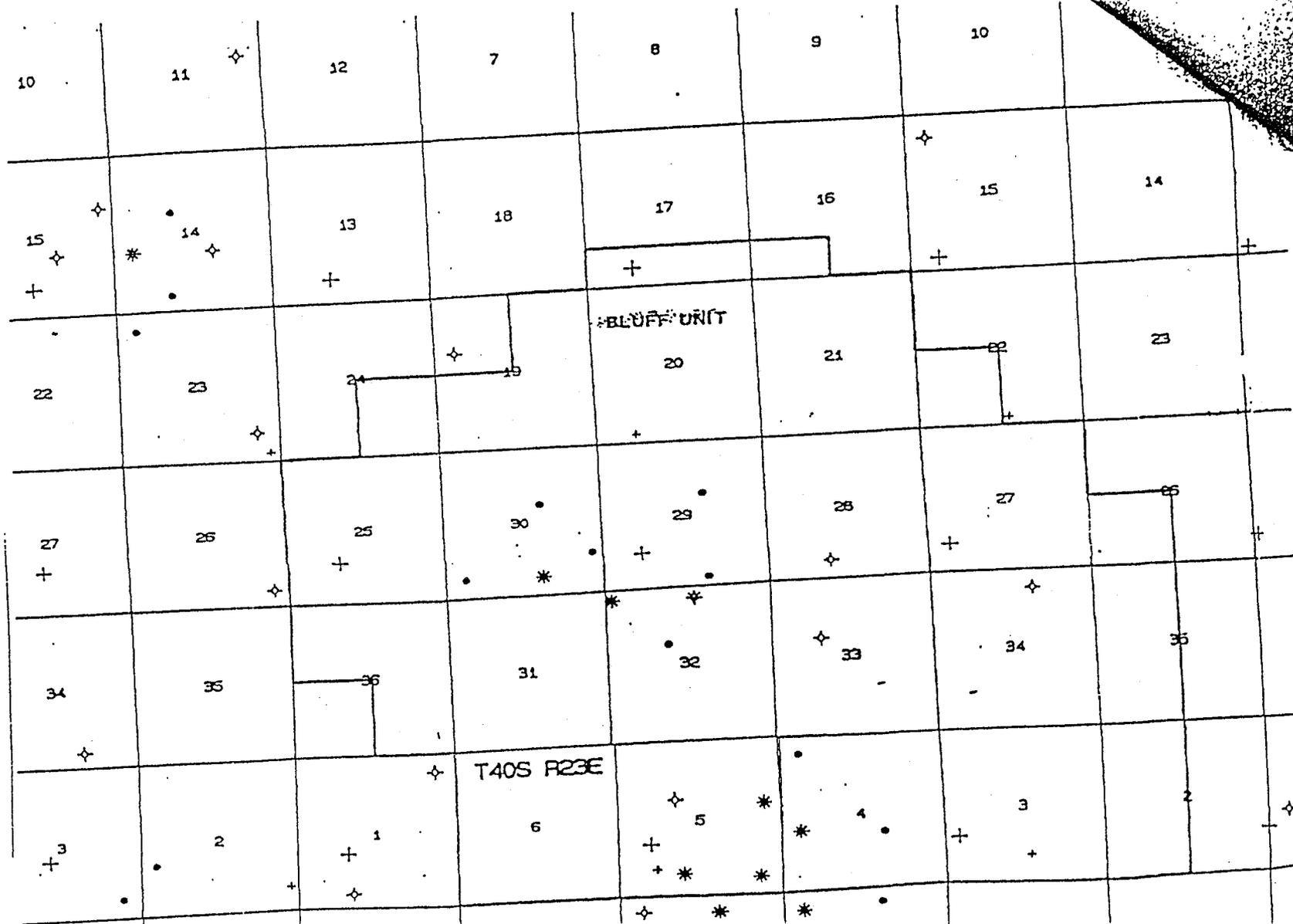
STATE OF NEW MEXICO §
COUNTY OF SAN JUAN §

BEFORE ME, the undersigned authority, personally appeared Daniel P. Neelon, Executive Vice President of SUNFIELD ENERGY COMPANY, a Nevada corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, who acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the fully authorized, official act and deed of said SUNFIELD ENERGY COMPANY.

ACKNOWLEDGED, SUBSCRIBED AND SWORN to before me on this 17th day of October, 1991, to certify which witness my hand and official Seal.



Mildred M. Miller
Notary Public, State of New Mexico
Printed Name: MILDRED M. MILLER
Commission Expires: 1-30-93



Bluff Federal Unit
San Juan County, Utah

LEASE NUMBER	DESCRIPTION	ACRES *
SL-067706-A	Township 39 South, Range 23 East Sec. 22: SW/4 Sec. 26: SW/4 Sec. 27: All	860.00
ML-4858	Township 39 South, Range 23 East Sec. 16: S/2 SW/4	80.00
SL-067699-A	Township 39 South, Range 23 East Sec. 17: S/2 SE/4	80.00
SL-067700-A	Township 39 South, Range 23 East Sec. 17: S/2 SW/4 Sec. 19: Lots 3, 4, E/2 SW/4, E/2 Sec. 20: All Sec. 21: N/2, SW/4	1676.13
SL-067691-A	Township 39 South, Range 22 East Sec. 24: SE/4	180.00
SL-067692-A	Township 39 South, Range 22 East Sec. 26: S/2, NW/4, S/2 NE/4, N/4 NE/4	600.00
ML-2004	Township 39 South, Range 22 East Sec. 25: NE/4 NE/4	40.00
SL-067701	Township 39 South, Range 23 East Sec. 21: SE/4 Sec. 28: All Sec. 29: All Sec. 30: All Sec. 31: N/2, SW/4	2547.48
ML-4857	Township 39 South, Range 22 East Sec. 38: N/2, SE/4	480.00
SL-067710-A	Township 39 South, Range 23 East Sec. 31: SE/4 Sec. 33: E/2, W/2 NW/4, SW/4 Sec. 34: All Sec. 35: W/2	1680.00

*More or Less

*More or Less

LEASE NUMBER	DESCRIPTION	ACRES *
SL-067710-C	Township 39 South, Range 23 East Sec. 33: E/2 NW/4	80.00
ML-2008	Township 39 South, Range 23 East Sec. 32: SE/4 SE/4 SE/4	10.00
ML-2008-A	Township 39 South, Range 23 East Sec. 32: N/2, SW/4, W/2 SE/4, NE/4 SE/4, N/2 SE/4 SE/4, SW/4 SE/4 SE/4	630.00
SL-071404-A	Township 40 South, Range 23 East Sec. 8: All	636.44
SL-071403-A	Township 40 South, Range 23 East Sec. 3: All Sec. 4: All Sec. 5: All	1920.00
ML-2780	Township 40 South, Range 23 East Sec. 2: W/2	320.00
	TOTAL	11900.05

*More or Less

CHANGE IN UNIT OPERATOR

Bluff Unit Area
County Of San Juan
State of Utah
No. 782

This indenture, dated as of the 14th day of October, 1991, by and between Dugan Production Corp., hereinafter designated as "First Party", and Sunfield Energy Company, hereinafter designated as "Second Party".

WITNESSETH:

Whereas under the provisions of the Act of February 25, 1920, 41 Stat. 437 30 U.S.C. secs. 181, et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, the Secretary of the Interior, on the 17th day of May, 1951, approved a Unit Agreement for the Bluff Unit Area, wherein the First Party is designated as Unit Operator; and

Whereas the First Party desires to transfer, assign, release, and quitclaim, and the Second Party desires to assume all the rights, duties and obligations of Unit Operator under the Unit Agreement; and

Whereas for sufficient and valuable consideration, the receipt whereof is hereby acknowledged, the First Party has transferred, conveyed, and assigned all its rights under certain operating agreements involving lands within the area set forth in said unit agreement unto the Second Party;

Now, therefore, in consideration of the premises hereinabove set forth, the First Party does hereby transfer, assign, release, and quitclaim unto Second Party all of First Party's rights, duties, and obligations as Unit Operator under said unit agreement; and

Second Party hereby accepts this assignment and hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under and pursuant to all the terms of said unit agreement to the full extent set forth in this assignment, effective upon approval of this indenture by the Chief, Branch of Fluid Minerals, Bureau of Land Management, Robert A. Henricks; said Unit Agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said Unit Agreement were expressly set forth in this instrument.

In witness whereof, the parties hereto have executed this instrument as of the date hereinabove set forth.

WITNESS my hand and seal
this 17th of October, 1991.
Mildred M. Miller
Notary Public
My commission expires
1-30-93

First Party:
DUGAN PRODUCTION CORP.
By: Thomas A. Dugan
Title: President

WITNESS my hand and seal
this 17th day of October, 1991.
Mildred M. Miller
Notary Public
My commission expires
1-30-93

Second Party:
SUNFIELD ENERGY COMPANY
By: Daniel P. Neelan
Title: Executive Vice President

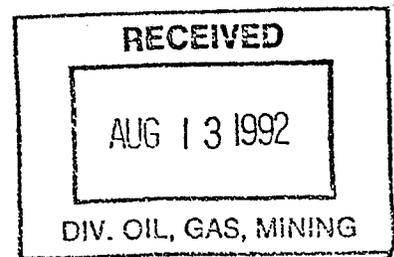
=====

I hereby approve the foregoing indenture designating Sunfield Energy Company as Unit Operator under the Unit Agreement for the Bluff Unit Area, this _____ day of _____, 1991.

Authorized officer of the Bureau of Land Management:

Robert A. Henricks
Chief, Branch of Fluid Minerals

Bureau of Land Management
Branch of Fluid Minerals (U-92)
324 South State Street
Salt Lake City, Utah 84111-2303



COPY

August 11, 1992

Sunfield Energy Company
1775 Sherman, Suite 1800
Denver, Colorado 80203

RE: Bluff Unit
San Juan County, Utah

Gentlemen:

On August 11, 1992, we received an indenture whereby Dugan Production Corporation resigned as Unit Operator and Sunfield Energy Company was designated as Successor Unit Operator for the Bluff Unit, San Juan County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby accepted effective August 11, 1992. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Bluff Unit Agreement.

Your statewide (Utah) oil and gas bond No. 0888 will be used to cover all operations within the Bluff Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate Federal offices, with one copy returned herewith.

Sincerely,

(ORIG. SGD.) GEORGE DIWACHAK

for Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: District Manager - Moab (w/enclosure)
Division of Oil, Gas & Mining
Division of Lands and Mineral Operations U-942
File - Bluff Unit (w/enclosure)
MMS - Reference Data Branch
Agr. Sec. Chron
Fluid Chron.

U-922:TAThompson:tt:08-11-92

WELL STATUS REPORTS
UTAH STATE OFFICE

INSPECTION ITEM	API NO.	WELL NUMBER	QTQT	SEC	TWN	RNG	WELL STATUS	LEASE NAME	OPERATOR
** INSPECTION ITEM 8920007820									
8920007820	430373072600S1	13-4	NWSW	4	40S	23E	POW	UTSL071403A	STERLING ENE CORP
8920007820	430371586500S1	24-5	SESW	5	40S	23E	POW	UTSL071403A	STERLING ENE CORP
8920007820	430371586400S1	3	NWNW	4	40S	23E	POW	UTSL071403A	STERLING ENE CORP
8920007820	430373086600S1	42-5	SENE	5	40S	23E	POW	UTSL071403A	STERLING ENE CORP
8920007820	430371586700S1	44-5	SESE	5	40S	23E	POW	UTSL071403A	STERLING ENE CORP
** INSPECTION ITEM 892000782A									
892000782A	430372023600S1	1	NWNW	32	39S	23E	POW	STATE	DUGAN PROD CORP
892000782A	430373053300S1	14	NESE	30	39S	23E	POW	UTSL067701	DUGAN PROD CORP
892000782A	430371532700S1	9	SWSW	30	39S	23E	PGW	UTSL067701	DUGAN PROD CORP

Routing:	
1- LCR	7- LCR
2- DTS/TS	
3- VLC	
4- RJF	
5- RWM	
6- ADA	

Attach all documentation received by the division regarding this change.
 Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold) Designation of Agent
 Designation of Operator Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 9-01-91)

TO (new operator) <u>SUNFIELD ENERGY COMPANY</u>	FROM (former operator) <u>DUGAN PRODUCTION CORP.</u>
(address) <u>3315 BLOOMFIELD HWY</u>	(address) <u>709 E MURRAY DRIVE</u>
<u>FARMINGTON, NM 87401</u>	<u>PO BOX 420</u>
	<u>FARMINGTON, NM 87499-0420</u>
phone <u>(505) 326-5525</u>	phone <u>(505) 325-1821</u>
account no. <u>N 1760</u>	account no. <u>N 2140</u>

Well(s) (attach additional page if needed):

***BLUFF UNIT (SUB-OPERATOR "STERLING ENERGY/HRMS P.A.")**

Name: <u>BLUFF U ST #1/DSCR</u>	API: <u>43-037-20236</u>	Entity: <u>625</u>	Sec <u>32</u> Twp <u>39S</u> Rng <u>23E</u>	Lease Type: <u>ML-2008</u>
Name: <u>BLUFF U #9/DSCR</u>	API: <u>43-037-15327</u>	Entity: <u>625</u>	Sec <u>30</u> Twp <u>39S</u> Rng <u>23E</u>	Lease Type: <u>SL067701</u>
Name: <u>BLUFF U #14/DSCR</u>	API: <u>43-037-30533</u>	Entity: <u>625</u>	Sec <u>30</u> Twp <u>39S</u> Rng <u>23E</u>	Lease Type: <u>SL067701</u>
Name: <u>BLUFF ST #2/IS-DC</u>	API: <u>43-037-16538</u>	Entity: <u>629</u>	Sec <u>32</u> Twp <u>39S</u> Rng <u>23E</u>	Lease Type: <u>ML-2008</u>
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____

OPERATOR CHANGE DOCUMENTATION

1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). *(Rec'd 2-27-92)*
- * 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). *See Btm approval & Bill of Sale*
3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) ____ If yes, show company file number: #154740.
4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of Federal and Indian well operator changes should take place prior to completion of steps 5 through 9 below.
5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. *(8-24-92)*
6. Cardex file has been updated for each well listed above. *(8-24-92)*
7. Well file labels have been updated for each well listed above. *(8-24-92)*
8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. *(8-24-92)*
9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- 1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) (no) (If entity assignments were changed, attach copies of Form 6, Entity Action Form).
- 2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

BOND VERIFICATION (Fee wells only)

- 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
- 2. A copy of this form has been placed in the new and former operators' bond files.
- 3. The former operator has requested a release of liability from their bond (yes/no) no. Today's date 12/14/92 1992. If yes, division response was made by letter dated 12/14/92 1992.

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

- 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated 12/14/92 1992, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
- 2. Copies of documents have been sent to State Lands for changes involving State leases. *To Ed Bonner 12/14/92*

MICROFILMING

- 1. All attachments to this form have been microfilmed. Date: Dec 18 1992.

FILED

- 1. Copies of all attachments to this form have been filed in each well file.
- 2. The original of this form and the original attachments have been filed in the Operator Change file.

REMARKS

920302 Bfm / S.Y. Not approved as of yet. (see Bfm letter to Chaska dated 1-3-92)

920821 Bfm / S.Y. Approved 8-11-92. (Bluff St. #1, #9 & #14) HRms "A" P.A. (#2 Non P.A.)

* Other lease wells have not been changed. Will be handled on separate change.

(Includes Bluff #1, #16 & #10)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial No.
892000782

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation
Bluff

8. Well Name and No.
Bluff #9

9. API Well No.
43-037-15327

10. Field and Pool, or Exploratory Area

11. County or Parish, State
San Juan, Utah

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Sunfield Energy Company

3. Address and Telephone No.
P. O. Drawer 612007, Dallas, Tx 75261 (214) 753-6900

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 30-39S-23E 660' FSL & 1980' FEL

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other <u>Return to Production</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

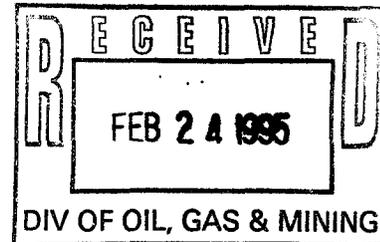
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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.)*

The pump was replaced on the Bluff Unit #9 and the well was returned to production, with production test as follows:

	OIL
12/22/94	9.59
12/23/94	13.4
12/24/94	* 9.46
12/25/94	* 9.46
12/26/94	* 9.46
12/27/94	1.66
12/28/94	5.85
12/29/94	3.76
12/30/94	6.69

* Avg 3 days production



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

Signed [Signature]
(This space for Federal or State office use)

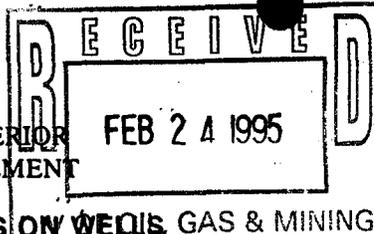
Title **Production Administrator**

Date 2/7/95

Approved by _____
Conditions of approval, if any:

Title _____ Date _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



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

SUNDRY NOTICES AND REPORTS ON WELLS, GAS & MINING

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

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 Sunfield Energy Company

3. Address and Telephone No.
 P. O. Drawer 612007, Dallas, TX 75261-2007 (214) 753-6900

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 Sec. 30-39S-23E 660' FSL & 1980' FEL

5. Lease Designation and Serial No.
 892000782A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation
 Bluff

8. Well Name and No.
 Bluff #9

9. API Well No.
 43-037-15327

10. Field and Pool, or Exploratory Area

11. County or Parish, State
 San Juan, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> 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.)*

The Bluff #1 & #9 have both been recently placed back on production. While work was being performed test tanks were on location to separate production. Seven days of production resulted in the following:

Date	Bluff #1	Bluff #9	TOTAL VOL	% #1	% #9
12/22/94	12.94	9.59	22.53	0.57	0.43
12/23/94	24.23	13.40	37.63	0.64	0.36
12/26/94 *	45.92	28.39	74.31	0.62	0.38
12/27/94	15.86	1.66	17.52	0.91	0.09
12/28/94	18.79	5.85	24.64	0.76	0.24
12/29/94	10.86	3.76	14.62	0.74	0.26
12/30/94	12.94	6.69	19.63	0.66	0.34
SUM TST	141.54	69.34	210.88	0.67	0.33

* 3 days production

Due to the low volume produced from both wells, Sunfield will produced to a common battery and allocate production back based on the above numbers (percentages). The combination of production will allow for economic and regular pick-up volumes by the purchaser.

CC: State of Utah

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

Signed Rachelle Putnamery Title Production Administrator Date 2/23/95

(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

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial No.

892000782A

6. If Indian, Allottee or Tribe Name

Navajo

7. If Unit or CA, Agreement Designation

Bluff Unit

8. Well Name and No.

Bluff #9

9. API Well No.

43-037-15327

10. Field and Pool, or Exploratory Area

Bluff

11. County or Parish, State

San Juan County, UT

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Harken Southwest Corporation

3. Address and Telephone No.

P.O. Box 612007 Dallas, Texas 75261-2007 (972) 753-6900

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

660' FSL & 1980' FEL
NE/SE Section 30-39S-23E

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Incompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Status Change</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

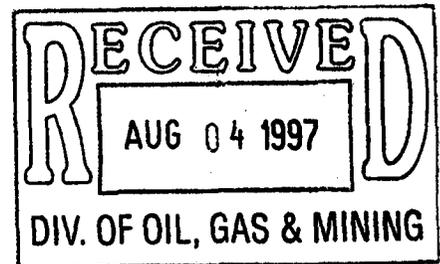
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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.)*

The subject well experienced pump failure; endeavors for economic pump repair has not been successful to date.

Therefore, the well is currently shut-in.

CC: State of Utah
Navajo Nation - Minerals Dept
BIA - Gallup, NM.



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

Signed

Rachel Montgomery

Title Production Administrator

Date 08/01/97

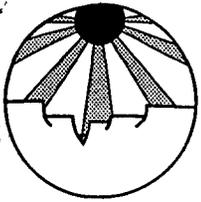
(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:



SUNFIELD ENERGY COMPANY

A subsidiary of Harken Energy Corporation

December 28, 1998

Bureau of Land Management
Utah State Office
Branch of Fluid Minerals
324 South State, Suite 310
Salt Lake City, UT 84111-2303

APPROVED - EFFECTIVE JAN 06 1999
Rachelle Whiteman
OFFICE BRANCH OF FLUID MINERALS
BUREAU OF LAND MANAGEMENT

RE: Bluff Unit - 1997/1998 Plan of Development
Agreement No. 1 - Section 782
San Juan County, Utah

Gentlemen:

On March 3, 1998, Sunfield Energy Company submitted its proposed Plan of Development for the Bluff Unit. However, due to the continued decline of oil prices during 1998 the Bluff #10 remains in a Temporarily Abandoned status and has not been permanently abandoned.

Sunfield Energy will permanently abandon the Bluff #10 wellbore located in Section 30-39S-23E, San Juan County, Utah, but wishes to postpone said plugging until such time that product prices rise above current levels. Therefore, Sunfield respectfully request an exception to the original Plan of Development as filed in March of 1998.

Sunfield Energy will address future proposals/plans for the Bluff Unit with the filing of the 1998/1999 Plan of Development.

Very truly yours,

SUNFIELD ENERGY COMPANY

Rachelle Whiteman
Ms. Rachelle Whiteman
Production Administrator

CC: Bruce Huff
Mike Childers
R. O. Cottle
Steve Mansur

MacArthur Center II / 5605 N. MacArthur Blvd., Suite 400 / Irving, Texas 75038

P.O. Drawer 612007 / Dallas, Texas 75261

214-753-6900

RAM

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 form for such proposals.

5. Lease Designation and Serial Number:

892000782A

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

Bluff Unit

8. Well Name and Number:

Bluff #9

9. API Well Number:

43-037-15327

10. Field and Pool, or Wildcat:

Desert Creek

1. Type of Well: OIL GAS OTHER:

2. Name of Operator:

Sunfield Energy Company

3. Address and Telephone Number:

16285 Park Ten Place, Suite 600, Houston, Texas 77084

4. Location of Well

Footages: 660' FSL & 1980' FEL

QQ, Sec., T., R., M.: NE/SE Section 30-39S-23E

County: San Juan

State: Utah

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

NOTICE OF INTENT

(Submit in Duplicate)

- Abandonment
- Casing Repair
- Change of Plans
- Conversion to Injection
- Fracture Treat
- Multiple Completion
- Other Change of Operator
- New Construction
- Pull or Alter Casing
- Recompletion
- Shoot or Acidize
- Vent or Flare
- Water Shut-Off

Approximate date work will start _____

SUBSEQUENT REPORT

(Submit Original Form Only)

- Abandonment *
- Casing Repair
- Change of Plans
- Conversion to Injection
- Fracture Treat
- Other _____
- New Construction
- Pull or Alter Casing
- Shoot or Acidize
- Vent or Flare
- Water Shut-Off

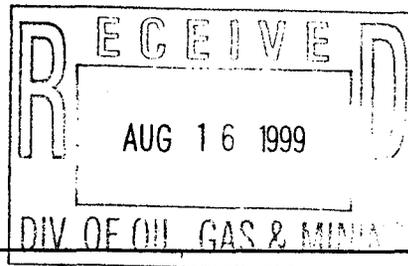
Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

* 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.)

Change of operator from Sunfield Energy Company to Basin Exploration, Inc. with effective date of transfer of operations being August 16, 1999



13.

Name & Signature:

Carolyn Bryant Carolyn Bryant

Title:

Regulatory Coordinator

Date:

8-13-99

(This space for State use only)



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

IN REPLY REFER TO
UT-931

September 15, 1999

Basin Exploration, Inc.
370 17th Street, Suite 3400
Denver, Colorado 80202

Re: Bluff Unit
San Juan County, Utah

Gentlemen:

On September 10, 1999, we received an indenture dated August 13, 1999, whereby Sunfield Energy Company resigned as Unit Operator and Basin Exploration, Inc. was designated as Successor Unit Operator for the Bluff Unit, San Juan County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective September 15, 1999. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Bluff Unit Agreement.

Your nationwide (Wyoming) oil and gas bond No. 3181 will be used to cover all operations within the Bluff Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

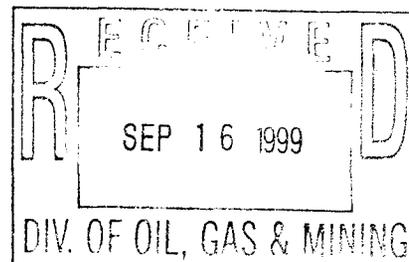
/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Moab (w/enclosure)
Division of Oil, Gas & Mining
Minerals Adjudication Group U-932
File - Bluff Unit (w/enclosure)
MMS - Data Management Division
Agr. Sec. Chron
Fluid Chron

UT931:TAThompson:tt:9/15/99



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Basin Exploration Incorporated

3. Address and Telephone No.
370 17th St., Suite 3400 - Denver, Colorado 80202

4. Location of Well (Footage, Sec., T., R., m., or Survey Description)
**660' FSL & 1980' FEL
NE SE Section 30-T39S-R23E**

5. Lease Designation and Serial No.
892000782A

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA, Agreement Designation
Bluff

8. Well Name and No.
Bluff #9

9. API Well No.
4303715327

10. Field and Pool, or Exploratory Area
Desert Creek

11. County or Parish, State
San Juan Co., Utah

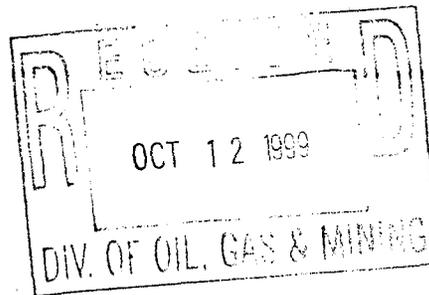
12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Change of Operator</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> 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.)*

Please be advised that effective August 16, 1999 Basin Exploration, Inc. assumed operatorship of the referenced well. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Basin Exploration, Incorporated under their Nationwide bond, BLM Bond Number WY3181. They will be responsible for compliance under the lease terms and conditions for that portion of the lease associated with this notice.



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

Signed Ferry L. Hoffman Title Engineering Technician Date 10/7/99

(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**

OPERATOR CHANGE WORKSHEET

Routing:	
1-KDR <i>DP</i>	6-KAS <i>✓</i>
2-GLH	7-RT
3-JRB	8-FILE
4-CDW	
5-KDR <i>✓</i>	

Attach all documentation received by the division regarding this change.
Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold) Designation of Agent
- Designation of Operator Operator Name Change Only

The operator of the well(s) listed below has changed, effective: 8-16-99

TO: (new operator) <u>BASIN EXPLORATION INC.</u> (address) <u>370 17TH STREET STE. 1800</u> <u>DENVER, CO 80202</u> Phone: <u>(303) 685-8000</u> Account no. <u>N5070</u>	FROM: (old operator) <u>SUNFIELD ENERGY COMPANY</u> (address) <u>16285 PARK TEN PL #600</u> <u>HOUSTON, TX 77084</u> <u>CAROLYN BRYANT</u> Phone: <u>(281) 717-1305</u> Account no. <u>N1760</u>	
--	--	--

WELL(S) attach additional page if needed: ***BLUFF UNIT**

Name: <u>BLUFF U #9 (SOW)</u>	API: <u>43-037-15327</u>	Entity: <u>00625</u>	S	30	T	39S	R	23E	Lease: <u>SL-067701</u>
Name: <u>BLUFF U ST #1 (SOW)</u>	API: <u>43-037-20236</u>	Entity: <u>00625</u>	S	32	T	39S	R	23E	Lease: <u>ML-2008</u>
Name: <u>BLUFF U #14 (POW)</u>	API: <u>43-037-30533</u>	Entity: <u>00625</u>	S	30	T	39S	R	23E	Lease: <u>SL-067701</u>
Name: <u>BLUFF 10 (SOW)</u>	API: <u>43-037-15328</u>	Entity: <u>00627</u>	S	30	T	39S	R	23E	Lease: <u>SL-067701</u>
Name: <u>BLUFF STATE 2 (SOW)</u>	API: <u>43-037-16538</u>	Entity: <u>00629</u>	S	32	T	39S	R	23E	Lease: <u>ML-2008</u>
Name: <u>BLUFF 16 (POW)</u>	API: <u>43-037-30989</u>	Entity: <u>00632</u>	S	29	T	39S	R	23E	Lease: <u>SL-067701</u>
Name: _____	API: _____	Entity: _____	S	_____	T	_____	R	_____	Lease: _____

OPERATOR CHANGE DOCUMENTATION

- KDR* 1. (r649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator (attach to this form). *(Rec'd 8.16.99)*
- KDR* 2. (r649-8-10) Sundry or other legal documentation has been received from the **NEW** operator (Attach to this form). *(Rec'd 10.12.99)*
- N/A* 3. The **Department of Commerce** has been contacted if the new operator above is not currently operating any wells in Utah. Is the company registered with the state? (yes/no) _____ If yes, show company file number: _____
- KDR* 4. **FOR INDIAN AND FEDERAL WELLS ONLY.** The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of **Federal** and **Indian** well operator changes should ordinarily take place prior to the division's approval, and before the completion of steps 5 through 9 below. *(Rec'd 9.16.99)*
- KDR* 5. Changes have been entered in the **Oil and Gas Information System** (3270) for each well listed above. *(12.10.99)*
- KDR* 6. **Cardex** file has been updated for each well listed above.
- JHA* 7. Well **file labels** have been updated for each well listed above. **new filing system*
- KDR* 8. Changes have been included on the monthly "Operator, Address, and Account Changes" **memo** for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc. *(12.10.99)*
- KDR* 9. A folder has been set up for the **Operator Change file**, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- KDP 1. (r649-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) no If entity assignments were changed, attach copies of Form 6, Entity Action Form.
- KDP 2. Trust Lands, Sovereign Lands, Tax Commission, etc., have been notified through normal procedures of entity changes.

BOND VERIFICATION - (FEE WELLS ONLY)

- N/A 1. (r649-3-1) The NEW operator of any fee lease well listed above has furnished a proper bond.
- + 2. A copy of this form has been placed in the new and former operator's bond files.
- + 3. The FORMER operator has requested a release of liability from their bond (yes/no) _____, as of today's date _____. If yes, division response was made to this request by letter dated _____.

LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY

- KDP 1. Copies of documents have been sent on email sent 10-27-99 to Ed Bonner at Trust Lands for changes involving State leases, in order to remind that agency of their responsibility to review for proper bonding.
- N/A 2. (r649-2-10) The former operator of any fee lease wells listed above has been contacted and informed by letter dated _____ 19 ____, of their responsibility to notify all interest owners of this change.

FILMING

- ✓ 1. All attachments to this form have been microfilmed. Today's date: APR 13 2000

FILING

- + 1. Copies of all attachments to this form have been filed in each well file.
- + 2. The original of this form, and the original attachments are now being filed in the Operator Change file.

COMMENTS

991004 called Basin Expl. regarding Sundries from them. (left message)
991008 rec'd fax from Terry Hoffman including Sundries fr. Basin Exploration.
991008 Sent e-mail to Ed Bonner to check for bonding.

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR:		8. WELL NAME and NUMBER:
3. ADDRESS OF OPERATOR:		9. API NUMBER:
CITY	STATE	ZIP
4. LOCATION OF WELL		10. FIELD AND POOL, OR WILDCAT:
FOOTAGES AT SURFACE: _____		COUNTY: _____
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Effective 2/1/01 Basin Exploration, Incorporated merged with Stone Energy. The new name is as follows:

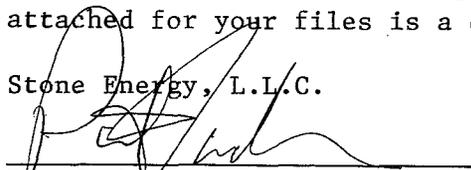
Stone Energy, L.L.C.
1670 Broadway, Suite 2800
Denver, CO 80202

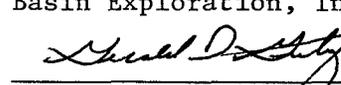
Blanket Bond #RLB0002054

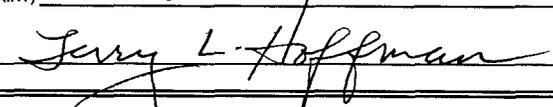
Attached is the list of wells that will be effected in the State of Utah. Also attached for your files is a copy of the merger documentation.

Stone Energy, L.L.C.

Basin Exploration, Inc.


Pat Jackson - Denver District
Manager


Gerald D. Gentry Operations Manager

NAME (PLEASE PRINT) <u>Terry L. Hoffman</u>	TITLE <u>Engineering Technician</u>
SIGNATURE <u></u>	DATE <u>2/1/01</u>

(This space for State use only)

RECEIVED

MAR 05 2001

DIVISION OF
OIL, GAS AND MINING

Lease #	Well Name & Number	API Number	Field	Legal Location	County
UTU 75140	Bicostat #21-13	4303734703	Wildcat	NE NW 13-T40S-R22E	San Juan
SL 067701	Bluff #10	4303715328	Desert Creek	SW SW 30-T39S-R23E	San Juan
SL 071403A	Bluff #13-4	4303730726	Bluff	NW SE 4-T40S-R23E	San Juan
SL 067701	Bluff #16	4303730989	Desert Creek	SW SE 29-T39S-R23E	San Juan
ML 2008	Bluff #2	4303716538	Desert Creek	SE NW 32-T39S-R23E	San Juan
SL 071403A	Bluff #42-5	4303730866	Desert Creek	SE NE 5-T40S-R23E	San Juan
SL 071403A	Bluff #44-5	4303715867	Bluff	SE SE 5-T40S-R23E	San Juan
892000782A	Bluff #9	4303715327	Desert Creek	NE SE 30-T-39S-T23E	San Juan
892000782A	Bluff State #1	4303720236	Desert Creek	NW NW 32-T39S-R23E	San Juan
SL 067701	Bluff Unit #14	4303730533	Desert Creek	NE SE 30-T-39S-T23E	San Juan
1420603248	Desert Creek #11-35	4303731806	Wildcat	NW NE 35-T41S-R23E	San Juan
1420603248	Desert Creek #2	4303715868	Desert Creek	SE SE 35-T41S-R23E	San Juan
1420603270	Navajo Tribal #23-1	4303710535	Tohonadla	NE NE 2-T42S-21E	San Juan
U-01890	Recapture Creek #1	4303715871	Recapture Creek	SE SE 21-T40S-R23E	San Juan
U-01890	Recapture Creek #2	4303730727	Recapture Creek	NW SW 21-T40S-R23E	San Juan
U-01890	Recapture Creek #3	4303730926	Recapture Creek	NW SE 21-T40S-R23E	San Juan
1420603229	Tohonadla #1	4303715872	Tohonadla	SW SE 35-T41S-R21E	San Juan
1420603229	Tohonadla #23-35	4303715874	Tohonadla	NE SW 35-T41S-R21E	San Juan
1420603229	Tohonadla #2-35	4303731568	Tohonadla	N2 S2 35-T41S-R21E	San Juan



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

In Reply Refer To:
3100
SL-067701 et al
(UT-932)

MAR 23 2001

NOTICE

Stone Energy, L.L.C. : Oil and Gas Leases
1670 Broadway, #2800 :
Denver, CO 80202 :

Name Change Recognized

Acceptable evidence has been received in this office concerning the change of name of Basin Exploration, Inc. to Stone Energy, L.L.C. on Federal oil and gas leases.

The oil and gas lease files identified on the enclosed exhibit have been noted as to the name change. The exhibit was compiled from a list of leases obtained from our automated records system. We have not abstracted the lease files to determine if the entity affected by the name change holds an interest in the leases identified nor have we attempted to identify leases where the entity is the operator on the ground maintaining no vested record title or operating rights interests. We are notifying the Minerals Management Service and all applicable Bureau of Land Management offices of the name change by a copy of this notice. If additional documentation for changes of operator are required by our Field Offices, you will be contacted by them.

Due to the name change, the name of the principal on oil and gas bond WY3181 is required to be changed from Basin Exploration, Inc. to Stone Energy, L.L.C. You may accomplish this change either by consent of the surety on the original bond or by a rider to the original bond. The rider should be submitted to the Wyoming State Office.

ROBERT LOPEZ

Robert Lopez
Chief, Branch of
Minerals Adjudication

Enclosure
Exhibit of Leases

RECEIVED

MAR 27 2001

DIVISION OF
OIL, GAS AND MINING

EXHIBIT A
LEASES AFFECTED BY NAME CHANGE

SL-067701
U-01058
U-23147
UTU-73064
UTU-75000
UTU-75501
UTU-76304
UTU-76957
UTU-77299
UTU-77536
UTU-78227
UTU-78522
UTU-79007
UTU-79131
UTU-79148

SL-067710A
U-01890
U-37841
UTU-73734
UTU-75013
UTU-76062
UTU-76728
UTU-77288
UTU-77528
UTU-78027
UTU-78230
UTU-78730
UTU-79008
UTU-79182
U-63011X (Bluff Unit)

SL-071403A
U-056794
UTU-72671
UTU-74461
UTU-75140
UTU-76303
UTU-76865
UTU-77289
UTU-77529
UTU-78226
UTU-78441
UTU-79006
UTU-79009
UTU-79183
U-63020X (Recapture Creek)

cc: MMS-Reference D Branch, MS 3130, Box 5860, Denver, 80217
State of Utah, DOGM, Attn: Jim Thompson (Ste. 1210), Box 145801, SLC, UT 84114-5801
Teresa Thompson (UT-931)
Rhonda Flynn/Angela Williams (UT-942)
Vernal Field Office
Moab Field Office
Price Field Office
San Juan Field Office

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF CONVERSION OF "BASIN EXPLORATION, INC.", CHANGING ITS NAME FROM "BASIN EXPLORATION, INC." TO "STONE ENERGY, L.L.C.", FILED IN THIS OFFICE ON THE FIRST DAY OF FEBRUARY, A.D. 2001, AT 3:30 O'CLOCK P.M.



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

2289801 8100

AUTHENTICATION: 0958659

010060875

DATE: 02-06-01

CERTIFICATE OF CONVERSION
OF
BASIN EXPLORATION, INC.
INTO
STONE ENERGY, L.L.C.

February 1, 2001

UNDER SECTION 266 OF THE GENERAL CORPORATION LAW
OF THE STATE OF DELAWARE AND SECTION 18-214 OF THE
DELAWARE LIMITED LIABILITY COMPANY ACT

Basin Exploration, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Company"), DOES HEREBY CERTIFY THAT:

1. *Name of Corporation to be Converted.* The name of the Company immediately prior to conversion is Basin Exploration, Inc. and the name under which the Company was originally incorporated was Basin Exploration, Inc.
2. *Original Date and Jurisdiction of Incorporation.* The original certificate of incorporation of the Company was filed on March 2, 1992 with the Secretary of the State of Delaware.
3. *Name of Limited Liability Company.* The name of the limited liability company into which the Company will be converted is Stone Energy, L.L.C.
4. *Approval of Conversion.* This conversion has been approved in accordance with the provisions of Section 266 of the General Corporation Law of Delaware and Section 18-214 of the Delaware Limited Liability Company Act.
5. *Effective Time.* The effective time of the conversion of the Company to a limited liability company contemplated hereby shall be February 1, 2001.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Conversion as of the date first written above.

BASIN EXPLORATION, INC.

By: Andrew L. Gates, III
Andrew L. Gates, III
Attorney In Fact

CERTIFICATE OF FORMATION
OF
STONE ENERGY, L.L.C.

This Certificate of Formation, dated February 1, 2001, has been duly executed and is filed pursuant to Section 18-201 of the Delaware Limited Liability Company Act (the "Act") to form a limited liability company (the "Company") under the Act.

1. **Name.** The name of the Company is "Stone Energy, L.L.C."
2. **Registered Office; Registered Agent.** The address of the registered office required to be maintained by Section 18-104 of the Act is:

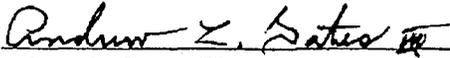
1209 Orange Street
Wilmington, Delaware 19801

The name and address of the registered agent for service of process required to be maintained by Section 18-104 of the Act are:

The Corporation Trust Company
1209 Orange Street
Wilmington, Delaware 19801

3. **Effective Time.** The effective time of the formation of the Company contemplated hereby is February 1, 2001.

EXECUTED as of the date first written above.



Andrew L. Gates, III
Authorized Person

State of Delaware
Office of the Secretary of State

PAGE 2

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "STONE ENERGY, L.L.C." FILED IN THIS OFFICE ON THE FIRST DAY OF FEBRUARY, A.D. 2001, AT 3:30 O'CLOCK P.M.



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

2289801 8100V

AUTHENTICATION: 0950237

010053850

DATE: 02-01-01

CERTIFICATE OF FORMATION
OF
STONE ENERGY, L.L.C.

This Certificate of Formation, dated February 1, 2001, has been duly executed and is filed pursuant to Section 18-201 of the Delaware Limited Liability Company Act (the "Act") to form a limited liability company (the "Company") under the Act.

1. **Name.** The name of the Company is "Stone Energy, L.L.C."
2. **Registered Office; Registered Agent.** The address of the registered office required to be maintained by Section 18-104 of the Act is:

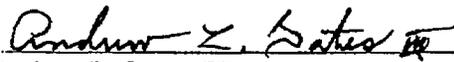
1209 Orange Street
Wilmington, Delaware 19801

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The Corporation Trust Company
1209 Orange Street
Wilmington, Delaware 19801

3. **Effective Time.** The effective time of the formation of the Company contemplated hereby is February 1, 2001.

EXECUTED as of the date first written above.


Andrew L. Gates, III
Authorized Person

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH		4-KAS ✓
2. CDW		5-SP ✓
3. JLT		6-FILE

Enter date after each listed item is completed

Change of Operator (Well Sold)

Designation of Agent

X Operator Name Change (Only)

Merger

The operator of the well(s) listed below has changed, effective: **2/1/2001**

FROM: (Old Operator):
BASIN EXPLORATION INC
Address: 1670 BROADWAY, STE 2800
DENVER, CO 80202
Phone: 1-(303)-685-8000
Account No. N5070

TO: (New Operator):
STONE ENERGY LLC
Address: 1670 BROADWAY, STE 2800
DENVER, CO 80202
Phone: 1-(303)-685-8000
Account No. N1555

CA No.

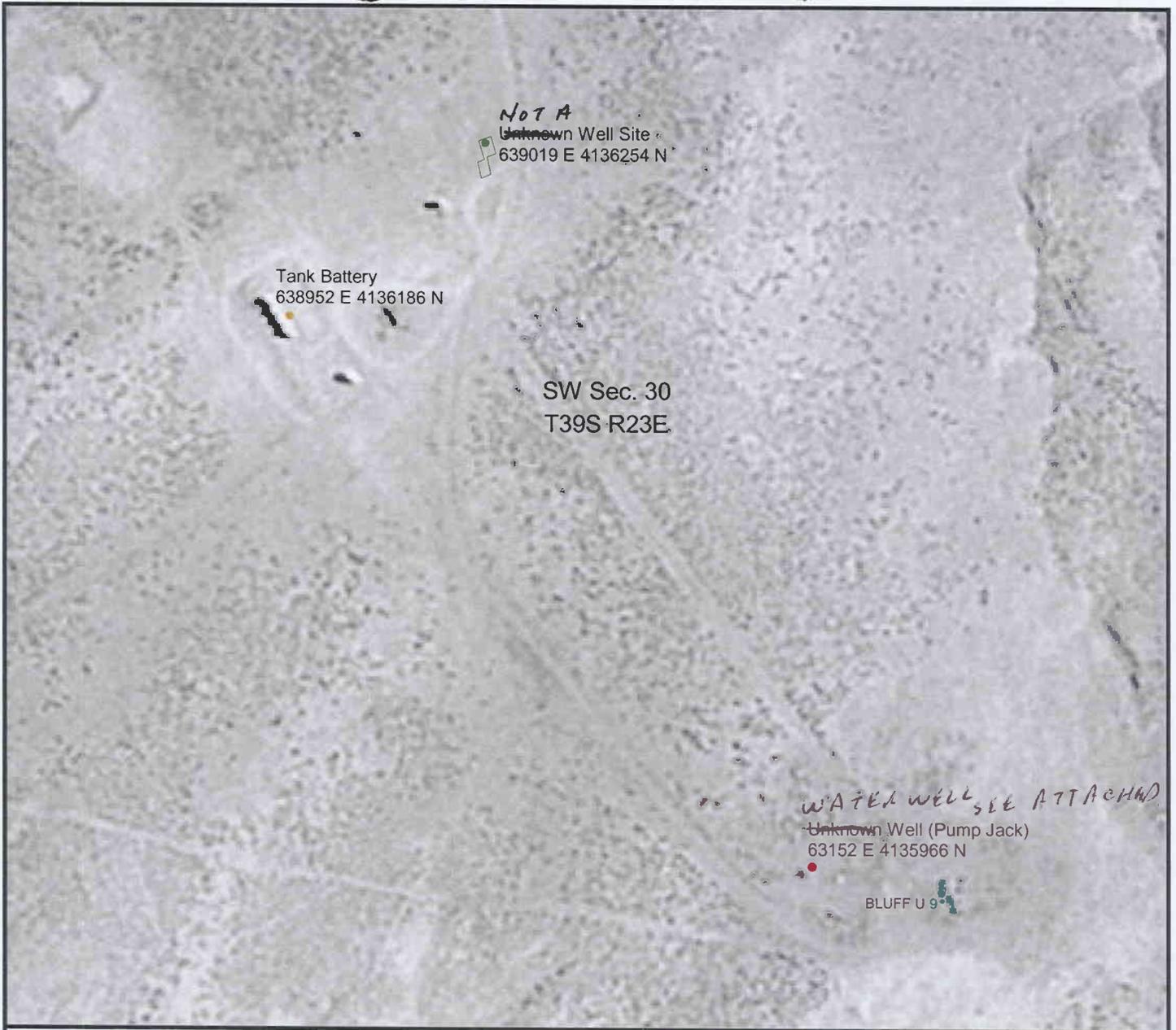
Unit: BLUFF

WELL(S)

NAME	API NO.	ENTITY NO.	SEC. TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
BLUFF 9	43-037-15327	625	30-39S-23E	FEDERAL	OW	S
BLUFF 14	43-037-30533	625	30-39S-23E	FEDERAL	OW	P
BLUFF STATE 1	43-037-20236	625	32-39S-23E	STATE	OW	S
BLUFF 13-4	43-037-30726	11146	04-40S-23E	FEDERAL	OW	P
BLUFF 42-5	43-037-30866	11146	05-40S-23E	FEDERAL	OW	P
BLUFF 44-5	43-037-15867	11146	05-40S-23E	FEDERAL	OW	S

OPERATOR CHANGES DOCUMENTATION

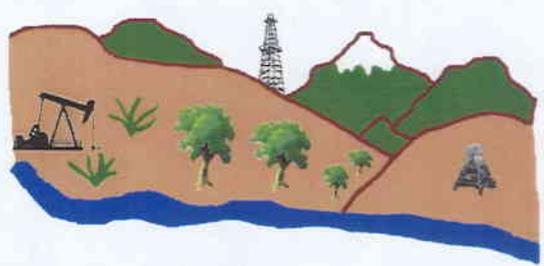
- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 03/05/2001
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 03/05/2001
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 03/28/2001
- Is the new operator registered in the State of Utah: YES Business Number: 4874937-0161
- If **NO**, the operator was contacted on: N/A
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 03/23/2001
- Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: 03/23/2001



FILE WITH
43-037-15327

LEGEND

- | | |
|---------------------|---------------------|
| Well Status | County Boundary |
| GAS INJECTION | Sections |
| GAS STORAGE WELL | Township |
| LOCATION ABANDONED | Field Status |
| NEW LOCATION | ABANDONED |
| PLUGGED & ABANDONED | ACTIVE |
| PRODUCING GAS | COMBINED |
| PRODUCING OIL | INACTIVE |
| SHUT-IN GAS | PROPOSED |
| SHUT-IN OIL | STORAGE |
| TEMP. ABANDONED | TERMINATED |
| TEST WELL | |
| WATER INJECTION | |
| WATER SUPPLY | |
| WATER DISPOSAL | |



Utah Oil Gas and Mining



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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: SL067701
2. NAME OF OPERATOR: Stone Energy, L.L.C. <i>N1555</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 1801 Broadway, St. 700 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: N/A <i>BLUFF</i>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <i>660 FSL and 1980 FEL</i>		8. WELL NAME and NUMBER: Bluff Unit #9
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <i>NESE 30 39S 23E</i>		9. API NUMBER: 4303715327
COUNTY: <i>San Juan</i>		10. FIELD AND POOL, OR WILDCAT: Bluff
STATE: <i>UTAH</i>		

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

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

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

Effective June 1, 2004, Stone Energy, L.L.C. is transferring title interest and operations of this well to Matrix Production Company, whose address is 5725 Commonwealth Blvd., Sugar Land, Texas 77479, Tele: 281-265-1212. The Matrix bonding is as follows: (1) BIA lands *U.S. Speciality* Insurance Company Bond No. *B 001183* for \$ *120,000.00* (2) State of Utah Trust lands, *U.S. Speciality* Insurance Company Bond No. *B001043* for \$ *10,000.00* and (3) BLM lands *U.S. Speciality* Insurance Company Bond No. *B001041* for \$ *25,000.00*.

MATRIX PRODUCTION COMPANY *N2660*

By: *[Signature]*
(Signature)
Name: Larry W. Lathrop

Title: Vice President
Date: 6/30/2004

NAME (PLEASE PRINT) Michael E. Cuba
SIGNATURE *[Signature]*

TITLE Denver District Manager
DATE 6/30/2004

(This space for State use only)

APPROVED *10/27/04*
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED
OCT 04 2004

DIV. OF OIL, GAS & MINING

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH
2. CDW
3. FILE

X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective:

6/1/2004

FROM: (Old Operator):
 N1555-Stone Energy, LLC
 1801 Broadway, Suite 700
 Denver, CO 80202
 Phone: 1-(303) 685-8000

TO: (New Operator):
 N2660-Matrix Production Company
 5725 Commonwealth Blvd
 Sugar Land, TX 77479
 Phone: 1-(281) 265-1212

CA No.

Unit:

see below

WELL(S)

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
BLUFF 16	29	390S	230E	4303730989	632	Federal	OW	P
BLUFF ST 2	32	390S	230E	4303716538	629	State	OW	S
RECAPTURE CREEK 2	21	400S	230E	4303730727	6255	Federal	OW	P
RECAPTURE CREEK 3	21	400S	230E	4303730926	8450	Federal	OW	S
TOHONADLA 1	35	410S	210E	4303715872	11202	Indian	OW	P
TOHONADLA 23-35	35	410S	210E	4303715874	11202	Indian	OW	P
TOHONADLA 2-35	35	410S	210E	4303731568	11202	Indian	OW	P
DESERT CREEK 2	35	410S	230E	4303715868	6270	Indian	OW	P
NAVAJO TR 23-1	02	420S	210E	4303715540	6230	Indian	OW	P
RECAPTURE UNIT								
RECAPTURE CREEK 1	21	400S	230E	4303715871	6265	Federal	OW	S
BLUFF UNIT								
BLUFF U 9	30	390S	230E	4303715327	625	Federal	OW	S
BLUFF U 14	30	390S	230E	4303730533	625	Federal	OW	P
BLUFF U ST 1	32	390S	230E	4303720236	625	State	OW	S
BLUFF 13-4	04	400S	230E	4303730726	11146	Federal	OW	P
BLUFF 44-5	05	400S	230E	4303715867	11146	Federal	OW	P
BLUFF 42-5	05	400S	230E	4303730866	11146	Federal	OW	P

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 10/4/2004
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 10/4/2004
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 8/26/2004
- Is the new operator registered in the State of Utah: YES Business Number: 5681279-0143
- If **NO**, the operator was contacted on: _____
- (R649-9-2) Waste Management Plan has been received on: _____
- Inspections of LA PA state/fee well sites complete on: n/a

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA not yet

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: not yet

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- Changes entered in the Oil and Gas Database on: 10/27/2004
- Changes have been entered on the Monthly Operator Change Spread Sheet on: 10/27/2004
- Bond information entered in RBDMS on: 10/27/2004
- Fee/State wells attached to bond in RBDMS on: 10/27/2004
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: B001041

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: B001183

FEE & STATE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The NEW operator of any fee well(s) listed covered by Bond Number B001044 and B001045

2. The FORMER operator has requested a release of liability from their bond on: held at TLA
The Division sent response by letter on: n/a

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Matrix Production Company

3a. Address
5725 Commonwealth, Sugar Land, TX 77479

3b. Phone No. (include area code)
281-265-1212

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL & 1980' FEL Sec 30-T39S-R23E

5. Lease Serial No.
892000782A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
Bluff

8. Well Name and No.
Bluff #9

9. API Well No.
43-037-15327

10. Field and Pool, or Exploratory Area
Bluff

11. County or Parish, State
San Juan, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input checked="" type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

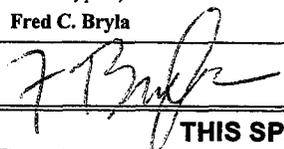
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Repair previously TA'd well. Clean out to PBSD of 5670'. Acidize existing perms 5638-5664' OA w/ 1500 gal 20% Hcl. Return to production.

RECEIVED
JUN 13 2005
DIV. OF OIL, GAS & MINING

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

Name (Printed/Typed) **Fred C. Bryla** Title **Vice President**

Signature  Date **6-10-05**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice 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. Office _____

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

(Instructions on page 2)