

Quinn, James, James, James  
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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

SUBMIT IN 1  
(Other instruc s or re-  
verse side)

Form approved.  
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

**ML-2008**

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

7. UNIT AGREEMENT NAME  
**Bluff**

2. NAME OF OPERATOR  
**Continental Oil Company**

8. FARM OR LEASE NAME  
**Bluff State**

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

9. WELL NO.  
**2**

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

10. FIELD AND POOL, OR WILDCAT  
**Desert Creek**

**1980' FWL 1980' FWL**

11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA  
**Sec. 32, T39N, R23E, S1M**

14. PERMIT NO.

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

**5396' OL**

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)

(Other) **Reperforate same zone**

(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 drilled by Three States Natural Gas Co., as operator of the Bluff Unit, and was designated as Well No. 1 Utah State 2008. It was completed April, 1954, at a total depth of 7662'. 5-1/2" casing was set from surface to 7630' and cemented with 200 sacks through the shoe and 250 sacks through a stage collar at 6270'. The well was perforated and tested in the Devonian, Mississippian, Desert Creek and Lacey, and was shut-in as a non-commercial well on 6/4/54.

We propose to re-enter the well, drill out a bridge plug @ 6085', cement squeeze the Desert Creek perforations at 6090' - 6134' and 6148' - 6184', reperforate and acidize the Desert Creek at 6188' - 6193'.

APPROVED BY THE UTAH OIL & GAS  
CONSERVATION BOARD

DATE: July 13, 1967 BY: Paul W. Burchell

**API NO.**

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

SIGNED ORIGINAL SIGNED BY:  
Wm. A. Butterfield

TITLE District Office Manager

DATE 7/13/67

(This space for Federal or State office use)

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

TITLE \_\_\_\_\_

DATE \_\_\_\_\_

\*See Instructions on Reverse Side

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

SUBMIT IN TRIE  
(Other instruction  
verse side)

Form approved.  
Budget Bureau No. 42-R1424.

SUNDRY NOTICES AND REPORTS ON WELLS

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

|   |   |  |
|---|---|--|
| 1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>  |   | 5. LEASE DESIGNATION AND SERIAL NO.<br><b>KL-2008</b>                      |
| 2. NAME OF OPERATOR<br><b>Continental Oil Company</b>   |   | 6. INDIAN, ALLOTTEE OR TRIBE NAME  |
| 3. ADDRESS OF OPERATOR<br><b>P. O. Box 1621, Durango, Colorado</b>  |   | 7. UNIT AGREEMENT NAME<br><b>Bluff</b>                                     |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*<br>See also space 17 below.)<br>At surface<br><b>1980' FWL 1980' FWL</b> |   | 8. FARM OR LEASE NAME<br><b>Bluff State</b>                                |
| 14. PERMIT NO.  | 15. ELEVATIONS (Show whether DF, RT, GR, etc.)<br><b>5396' GL</b> | 9. WELL NO.<br><b>2</b>  |
|   |   | 10. FIELD AND POOL, OR WILDCAT<br><b>Desert Creek</b>                      |
|   |   | 11. SEC. T. R. M. OR BLK. AND SURVEY OR AREA<br><b>Sec. 32, T39N, R23E</b> |
|   |   | 12. COUNTY OR PARISH<br><b>San Juan</b>                                    |
|   |   | 13. STATE<br><b>Utah</b>   |

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) <b>Reperforate same zone</b>  | <input checked="" type="checkbox"/>      |
| (Other) <input type="checkbox"/>             |   | (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) |  |

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

Well was drilled by Three States Natural Gas Company as their Utah State 2008 Well No. 1. Well was completed in April 1954 and shut-in as non-commercial on 6-4-54.

On 7-13-67, cement and bridge plugs were drilled out to 6087' (below Desert Creek). Attempted to acidize below packer at 6075'. Found communications between Ismay and Desert Creek perforations. Squeezed Ismay and Desert Creek perfs with 250 sacks cement in 3 stages. Drilled out cement to 6228'. Ran cement bond logs. Perforated 2 holes at 6148' and 6180'. Squeezed with 80 sacks cement. Drilled out to 6228'. Perforated Desert Creek 6161-70' and 6188-93'. Attempted to acidize. Only Ismay broke down. Sandrill perforated 6165' and 6191' with 3500# ad. Set packer at 6145'. Swabbed 80 bbl. load water. Good show oil and gas on last runs. Acidized with 1000 gal. 28%. Picked up packer to above Ismay. Swabbed 20 bbl. load and acid water. Swabbed and flowed 60 bbl. fluid in 3 hours, oil cut increased from 40% to 70%. Swabbed 125 EO and 10 bbl load water in 10 hrs. Set packer at 5900'. Acidized with 5000 gal. 15%. Swabbed 110 EO and 134 bbl. load water in 10 hrs., 112 EO and 28 BLW in 7 hrs. Set pumping unit. On 8-7-67 pumped 87 EO and 20 BLW in 12 hrs. on 8-10-67 pumped 22 EOPD, no gas. Pumped 150 BW with "Adomail" additive down casing on vacuum. On 8-14-67 pumped 8 EO, 9 BLW in 24 hrs. Ran radioactive tracer survey, indicating Ismay perfs open and behind pipe communications in Ismay. On 8-29-67 pumped 10 EO in 24 hrs.

Well pumping pending further study. ✓

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

SIGNED H. D. HALEY TITLE Division Manager DATE 9-6-67

(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 TR. (CATE)\*  
(Other instructions on re-  
verse side)

Form approved.  
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

**ML-2008**

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

7. UNIT AGREEMENT NAME

**Bluff**

2. NAME OF OPERATOR

**Continental Oil Company**

8. FARM OR LEASE NAME

**Bluff State**

3. ADDRESS OF OPERATOR

**P. O. Box 1621, Durango, Colorado**

9. WELL NO.

**2**

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

**1980' FWL, 1980' FWL**

10. FIELD AND POOL, OR WILDCAT

**Desert Creek & Loney**

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

**Sec. 32-T39E-R23E SLM**

14. PERMIT NO.

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

**5396' GL**

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

PULL OR ALTER CASING

FRACTURE TREAT

MULTIPLE COMPLETE

SHOOT OR ACIDIZE

ABANDON\*

REPAIR WELL

CHANGE PLANS

(Other)

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

REPAIRING WELL

FRACTURE TREATMENT

ALTERING CASING

SHOOTING OR ACIDIZING

ABANDONMENT\*

(Other)

**Reperforated Same Zone**

(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 from Loney and Desert Creek perforations 6014'-6052', 6161'-6170', 6189'-6193'.**

**On 9-16-67 well tested 16 HD, no water in 24 hours, pumping.**

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

Original Signed By:

SIGNED

**H. D. HALEY**

TITLE

**Division Manager**

DATE

**10-3-67**

(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) USGCCC(2) Tennaco Shell(2) RJE HDE**

1588 West North Temple  
Salt Lake City, Utah 84116  
September 6, 1968  
328-5771

CONTINENTAL OIL COMPANY  
P. O. Box 1621  
Durango, Colorado

Re: Well No. Bluff State # 2,  
Sec. 32, T. 39 S., R. 23 E.,  
San Juan County, Utah

Gentlemen:

This letter is to advise you that the "Well Completion or Recompletion Report and Log" and electric and/or radioactivity logs for the above mentioned well are due and have not been filed with this office as required by our rules and regulations.

Please complete the enclosed Forms OGC-3, "Well Completion or Recompletion Report and Log", in duplicate and forward them to this office as soon as possible. If electric and/or radioactivity logs were not run, please make a statement to this effect in order for us to keep our records accurate and complete.

Your cooperation in this matter will be greatly appreciated.

Very truly yours,

DIVISION OF OIL & GAS CONSERVATION

SHARON CAMERON  
RECORDS CLERK

/sr

sc

Enclosure: Forms OGC-3

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE\*

(See other instructions on reverse side)

Form approved.  
Budget Bureau No. 42-R35

WELL COMPLETION OR RECOMPLETION REPORT AND LOG\*

1a. 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  
200 North Wolcott, Casper, Wyoming 82601

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*  
At surface 1980' FNL, 1980' FWL  
At top prod. interval reported below  
At total depth Same

14. PERMIT NO. DATE ISSUED

5. LEASE DESIGNATION AND SERIAL NO.  
ML-2008

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME  
Bluff

8. FARM OR LEASE NAME  
Bluff State

9. WELL NO.  
2

10. FIELD AND POOL, OR WILDCAT  
Desert Creek & Ismay

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA  
Sec 32, T39S, R23E SLM

12. COUNTY OR PARISH  
San Juan

13. STATE  
Utah

15. DATE SPUNDED 16. DATE T.D. REACHED 17. DATE COMPL. (Ready to prod.) 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)\* 19. ELEV. CASINGHEAD  
Drilled in 1954 by Three States Natural Gas Co. Workover Comp. 8-2-67 5396' Gr.

20. TOTAL DEPTH, MD & TVD 21. PLUG, BACK T.D., MD & TVD 22. IF MULTIPLE COMPL., HOW MANY\* 23. INTERVALS DRILLED BY ROTARY TOOLS CABLE TOOLS  
7662' 6228'

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\*  
Ismay & Desert Creek

25. WAS DIRECTIONAL SURVEY MADE

26. TYPE ELECTRIC AND OTHER LOGS RUN  
No electric or radioactive logs run.

27. WAS WELL CORED

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

| CASING SIZE | WEIGHT, LB./FT. | DEPTH SET (MD) | HOLE SIZE                | CEMENTING RECORD | AMOUNT PULLED |
|-------------|-----------------|----------------|--------------------------|------------------|---------------|
| 5 1/2"      |                 | 7630'          | Original 1954 completion |                  |               |

29. LINER RECORD 30. TUBING RECORD

| SIZE | TOP (MD) | BOTTOM (MD) | SACKS CEMENT* | SCREEN (MD) | SIZE   | DEPTH SET (MD) | PACKER SET (MD) |
|------|----------|-------------|---------------|-------------|--------|----------------|-----------------|
|      |          |             |               |             | 2 7/8" | 5752'          |                 |

31. PERFORATION RECORD (Interval, size and number)  
6160-6170, 6188-6193  
6165-6191 (Sandrill)

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

| DEPTH INTERVAL (MD) | AMOUNT AND KIND OF MATERIAL USED |
|---------------------|----------------------------------|
| 6160'-6193'         | 1000 gal. 28% HCl acid           |
| 6160'-6193'         | 5000 gal. 15% HCl acid           |

33.\* PRODUCTION

DATE FIRST PRODUCTION 8-10-67 PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Pumping WELL STATUS (Producing or shut-in) Producing

DATE OF TEST 9-16-67 HOURS TESTED 24 CHOKER SIZE PROD'N. FOR TEST PERIOD OIL—BBL. GAS—MCF. WATER—BBL. GAS-OIL RATIO

FLOW, TUBING PRESS. CASING PRESSURE CALCULATED 24-HOUR RATE OIL—BBL. GAS—MCF. WATER—BBL. OIL GRAVITY-API (CORR.)

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) TEST WITNESSED BY

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: L. A. UBBEN  
SIGNED TITLE Administrative Section Chief DATE 9-13-68

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

STOW

|        |        |             |             |
|--------|--------|-------------|-------------|
|        | SALES  | VALUE REC'D |             |
| OIL    | .....  | \$ ..... \$ |             |
| GAS    | .....  | \$ ..... \$ |             |
|        | INDIAN | US. GOV'T.  | STATE       |
| OIL \$ | .....  | \$ ..... \$ | \$ ..... \$ |
| GAS \$ | .....  | \$ ..... \$ | \$ ..... \$ |

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL AND GAS CONSERVATION  
MONTHLY OIL AND GAS CONSERVATION LEVY REPORT

FORM OGC-5

Oil and Gas Report for the month of: September, 19 70 Report of: Continental Oil Company  
(Name of Individual or Company)  
Name of Lease or Unit: Bluff State 2 Address: Ponca City, Oklahoma  
Field or Pool: Bluff County: San Juan Phone No: 762-3456

| (1)<br>Product         | (2)<br>Sales in<br>Barrels or<br>MCF | (3)<br>Market Value<br>per barrel<br>or MCF | (4)<br>Gross<br>Market<br>Value | (5)<br>Royalties Due or Paid |       |        | (6)<br>Amount used in pro-<br>ducing, Reprcssur-<br>ing or Recycling<br>operations (\$) | (7)<br>Total Amount<br>Assessable<br>(Col. 4 less<br>Col. 5 & 6) | (8)<br>Levy 1 1/2<br>Mills on<br>\$ Value | (9)<br>Amount Due<br>DOGC |
|------------------------|--------------------------------------|---|---------------------------------|------------------------------|-------|--------|---|--|---|---------------------------|
|                        |                                      |   |                                 | U.S.Gov't                    | State | Indian |   |  |   |                           |
| GAS                    |                                      |   |                                 |                              |       |        |   |  | X\$.0015                                  | \$                        |
| CRUDE OIL              | None                                 |   | None                            |                              |       |        |   | None   | X\$.0015                                  | \$ None                   |
| Other Hydro<br>carbons |                                      |   |                                 |                              |       |        |   |  | X\$.0015                                  | \$                        |

TOTAL AMOUNT DUE THE DIVISION OF OIL AND GAS CONSERVATION.....\$

\*Other Hydrocarbons Produced at Well in Liquid Form

*Shut in all year*

By..... H. P. Oelley .....  
Asst. Dir. Prod. and P.L. Acctg.....  
(title)  
... October 29, 1970 .....  
(Date)

INSTRUCTIONS: Complete this form in triplicate and mail 2 copies to the Division of Oil and Gas Conservation, 1588 West North Temple, Salt Lake City, Utah, 84116, together with your check, which should be made payable to the Division of Oil and Gas Conservation.

CONTINENTAL OIL COMPANY  
 152 NORTH DURBIN  
 CASPER WYOM 82601

LESSEE'S MONTHLY REPORT OF OPERATIONS  
 (IN LIEU OF USGS FORM 9-329 OR 9-329A)  
 FOR MONTH OF DECEMBER, 1970

STATE- UTAH  
 COUNTY- SAN JUAN  
 FIELD- BLUFF  
 POOL- PARADOX

LAND OFFICE OR TRIBE-  
 LEASE NUMBER- ML-2008  
 LEASE OR UNIT NAME- BLUFF STATE

PAGE NO. 62

THE FOLLOWING IS A CORRECT REPORT OF PRODUCTION SUBMITTED BY W C BLACKBURN

| -----LOCATION-----  | WELL | DAYS | PROD | BARRELS OF OIL |            | BARRELS OF WATER |            | M.C.F. OF GAS |            | G.O.R. |
|---------------------|------|------|------|----------------|------------|------------------|------------|---------------|------------|--------|
| OR OR SEC TWP RGE   | NO.  | PROD | METH | MONTH          | CUMULATIVE | MONTH            | CUMULATIVE | MONTH         | CUMULATIVE |        |
| NW 32 39S 23E       | 2    | 0    | S.I. | 0              | 1578       | 0                | 50         | 0             | 0          |        |
| TOTAL BLUFF STATE   |      |      |      | 0              | 1578       | 0                | 50         | 0             | 0          |        |
| DAILY AVERAGE       |      |      |      | 0              |            | 0                |            | 0             |            |        |
| PURCHASER           |      |      |      |                | GATHERER   | ATLANTIC         |            |               |            |        |
| TOTAL PIPELINE RUNS |      | 0    |      |                |            |                  |            |               |            |        |
| GAS FUEL            |      | 0    |      |                |            |                  |            |               |            |        |
| GAS FLARED          |      | 0    |      |                |            |                  |            |               |            |        |
| GAS SALES           |      | 0    |      |                |            |                  |            |               |            |        |
| GASOLINE SALES      |      |      |      |                |            |                  |            |               |            |        |
| TOTAL PARADOX       |      |      |      | 2901           | 460656     | 0                | 7848       | 10960         | 952330     |        |
| DAILY AVERAGE       |      |      |      | 94             |            | 0                |            | 354           |            |        |
| TOTAL BLUFF         |      |      |      | 2901           | 460656     | 0                | 7848       | 10960         | 952330     |        |
| DAILY AVERAGE       |      |      |      | 94             |            | 0                |            | 354           |            |        |

*Shur In 1970*

*EL*

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

SUBMIT IN TRIPLI TE  
(Other instruction. re  
verse side)

Form approved.  
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

ML-2008  
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.)

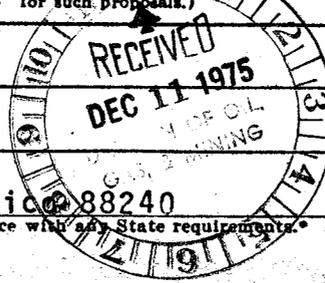
1. OIL WELL  GAS WELL  OTHER

2. NAME OF OPERATOR  
Continental Oil Company

3. ADDRESS OF OPERATOR  
P. O. Box 460, Hobbs, New Mexico 88240

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

1780 FWL & 1980 FWL



7. UNIT AGREEMENT NAME

Bluff  
8. FARM OR LEASE NAME  
BLUFF STATE

9. WELL NO.  
2

10. FIELD AND POOL, OR WILDCAT  
Desert Creek

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

See 32, R 39S, R. 23 E

14. PERMIT NO.

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

5396 GR

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)  *Shut-in*

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.)\*

Status of Well: *Shut-in*  
Approximate date that temp. aban. commenced: *7-1-68*  
Reason for temp. aban.: *Hold for study*  
Future plans for well: *EVALUATE DEEPER ZONE*

Approximate date of future W. O. or plugging: *Indefinite*

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

SIGNED *B. Sullivan*

TITLE *Sr Staff Asst*

DATE *12-1-75*

(This space for Federal or State office use)

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

TITLE \_\_\_\_\_ DATE \_\_\_\_\_

USGS (5) FILE *40600(6)*

\*See Instructions on Reverse Side

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

SUBMIT IN  
(Other Inst  
verse side)

PLICATE\*  
on re-

Form approved.  
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

ML-2008

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

NAVAJO

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

BLUFF STATE

9. WELL NO.

2

10. FIELD AND POOL, OR WILDCAT

DESERT CREEK

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

Sec. 32 T-395 R-23E

12. COUNTY OR PARISH

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  
Box 462, HOBBS, N.M. 88240

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

1980' FNL & 1980' FNL of Sec. 32

14. PERMIT NO.

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

5396' GR

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)

Indefinitely Shut-in

REPAIRING WELL

ALTERING CASING

ABANDONMENT\*

Indefinitely Shut-in

(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.)\*

As required by Rule C-22, Utah Oil & Gas Conservation Commission, Para (3), the well named above is being reported as indefinitely shut-in for the reason indicated below:

REASON

Holding for Study

DATE SHUT-IN

7-1-68

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

SIGNED [Signature]

TITLE SR. ANALYST

DATE 1-14-75

(This space for Federal or State office use)

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

TITLE \_\_\_\_\_

DATE \_\_\_\_\_

1165-d (Farmington), UO6CC-2 File

\*See Instructions on Reverse Side

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 18 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

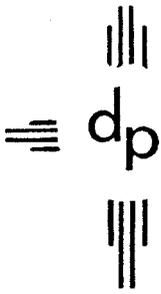
This letter is in reply to your request dated August 11, 1976, for water quality analyses taken on wells in the State of Utah since July, 1972. Continental Oil Company's Casper Production office has no wells in the State of Utah under its jurisdiction and it is believed that our Hobbs, New Mexico office 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 State #2*

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

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  
change Sec  
and Unit,  
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

November 26, 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 17, 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. Henricks

Robert A. Henricks  
Chief, Branch of Fluid Minerals

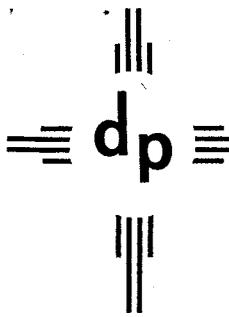
Enclosure

cc: Dugan Production Corp. w/enclosure

~~bcc: Mr. Noah, w/enclosure~~  
Bluff Unit File w/enclosure  
Agr. Sec. Chron.  
Fluid Chron  
MCoulthard:jw:11/23/90  
0128V

cc: SJR  
AKS

*Wm Linko*



# 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)

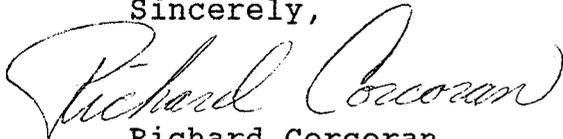
|              |                          |                     |
|--------------|--------------------------|---------------------|
| 43-037-15864 | Bluff Unit Well No. 3    | NW NW 4, T40S, R23E |
| 43-037-15865 | Bluff Unit Well No. 24-5 | SE SW 5, T40S, R23E |
| 43-037-15867 | Bluff Unit Well No. 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")**

DEPARTMENT OF  
LAND & MINING

STATE OF UTAH  
COUNTY OF SAN JUAN

§  
§ KNOWN ALL MEN BY THESE PRESENTS:  
§

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.

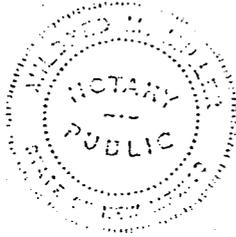


Mildred M. Miller  
Notary Public, State of New Mexico  
Printed Name: MILDRED M. MILLER  
Commission Expires: 1-30-93

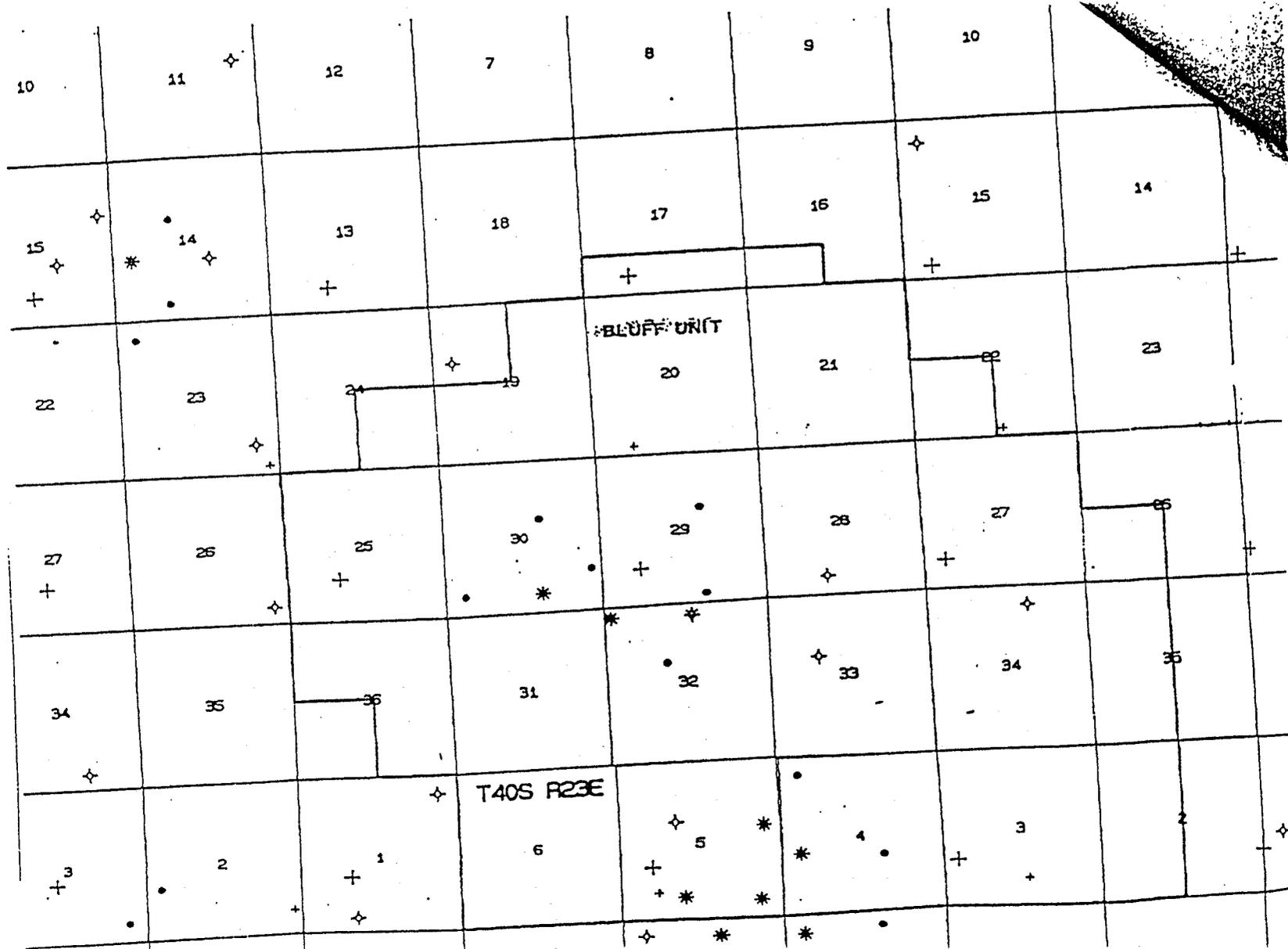
STATE OF NEW MEXICO §  
§  
COUNTY OF SAN JUAN §

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<br>Sec. 22: SW/4<br>Sec. 26: SW/4<br>Sec. 27: All   | 860.00  |
| ML-4858      | Township 39 South, Range 23 East<br>Sec. 16: S/2 SW/4  | 80.00   |
| SL-067669-A  | Township 39 South, Range 23 East<br>Sec. 17: S/2 SE/4  | 80.00   |
| SL-067700-A  | Township 39 South, Range 23 East<br>Sec. 17: S/2 SW/4<br>Sec. 19: Lots 3, 4, E/2 SW/4, E/2<br>Sec. 20: All<br>Sec. 21: N/2, SW/4 | 1876.13 |
| SL-067691-A  | Township 39 South, Range 22 East<br>Sec. 24: SE/4  | 180.00  |
| SL-067692-A  | Township 39 South, Range 22 East<br>Sec. 25: S/2, NW/4, S/2 NE/4,<br>NW/4 NE/4   | 600.00  |
| ML-2004      | Township 39 South, Range 22 East<br>Sec. 25: NE/4 NE/4   | 40.00   |
| SL-067701    | Township 39 South, Range 23 East<br>Sec. 21: SE/4<br>Sec. 28: All<br>Sec. 29: All<br>Sec. 30: All<br>Sec. 31: N/2, SW/4          | 2547.48 |
| ML-4857      | Township 39 South, Range 22 East<br>Sec. 36: N/2, SE/4   | 480.00  |
| SL-067710-A  | Township 39 South, Range 23 East<br>Sec. 31: SE/4<br>Sec. 33: E/2, W/2 NW/4, SW/4<br>Sec. 34: All<br>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<br>Sec. 33: E/2 NW/4   | 80.00           |
| ML-2008      | Township 39 South, Range 23 East<br>Sec. 32: SE/4 SE/4 SE/4   | 10.00           |
| ML-2008-A    | Township 39 South, Range 23 East<br>Sec. 32: N/2, SW/4, W/2 SE/4, NE/4 SE/4,<br>N/2 SE/4 SE/4, SW/4 SE/4 SE/4 | 630.00          |
| SL-071404-A  | Township 40 South, Range 23 East<br>Sec. 6: All   | 636.44          |
| SL-071403-A  | Township 40 South, Range 23 East<br>Sec. 3: All<br>Sec. 4: All<br>Sec. 5: All                                 | 1920.00         |
| ML-2780      | Township 40 South, Range 23 East<br>Sec. 2: W/2   | 320.00          |
|              | <b>TOTAL</b>  | <b>11900.05</b> |

\*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.

First Party:

DUGAN PRODUCTION CORP.

By: Thomas A. Dugan

Title: President

Second Party:

SUNFIELD ENERGY COMPANY

By: Wanell P. Neelan

Title: Executive Vice President

WITNESS my hand and seal

this 17th of October, 1991.

Melred M. Miller  
Notary Public

My commission expires  
1-30-93

WITNESS my hand and seal

this 17th day of October, 1991.

Melred M. Miller  
Notary Public

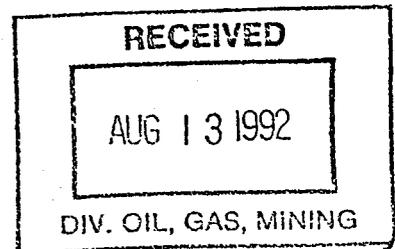
My commission expires  
1-30-93

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           | SWSE | 30  | 39S | 23E | PGW         | UTSL067701  | DUGAN PROD CORP   |

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.

ML-2008

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

Bluff Unit

8. Well Name and No.

Bluff State #2

9. API Well No.

43-037-16538

10. Field and Pool, or Exploratory Area

Desert Creek

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

Dugan Production Corp.

3. Address and Telephone No.

P.O. Box 420, Farmington, NM 87499

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

Section 32-T39S, R23E  
1980' FNL & 1980' FWL

RECEIVED

OCT 01 1992

DIVISION OF  
OIL GAS & MINING

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 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 separate 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 Sunfield Energy Company has assumed Operatorship from Dugan Production Company of the above referenced well.

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

Signed [Signature]

Title [Signature]

Date 9-21-92

(This space for Federal or State office use)

Approved by \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Conditions of approval, if any:

Speed Letter

To Ed Bonner  
State Lands

From Don Staley  
Oil, Gas and Mining

Subject Operator Change

MESSAGE

Date 12/16 1992

Ed,  
For your information, attached are copies of documents regarding an operator change on a state lease(s). These companies have complied with our requirements. Our records have been updated. Bonding should be reviewed by State Lands ASAP.

Former Operator: DUGAN PRODUCTION CORP. (N. 2140)

New Operator: JUN FIELD ENERGY COMPANY (N. 1760)

| Well:        | API:         | Entity: | S-T-R:     |
|--------------|--------------|---------|------------|
| Bluff V ST 1 | 43-037-20236 | 00625   | 32-395-23E |
| Bluff ST 2   | 43-037-16538 | 00629   | 32-395-23E |
|              |              |         | (ML-2008)  |

CC: Operator File

Signed Don Staley

REPLY

Date \_\_\_\_\_ 19\_\_

Signed

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

|          |         |
|----------|---------|
| Routing: |         |
| 1- LCR   | 7-10/91 |
| 2- DPTS  |         |
| 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 Bm 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                      1992. If yes, division response was made by letter dated                      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                      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 Benner 12/14/92*

MICROFILMING

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

FILED

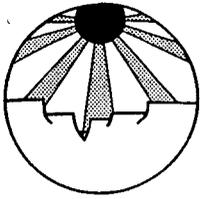
1. Copies of all attachments to this form have been filed in each well file.
2. The original of this form and the original attachments have been filed in the Operator Change file.

REMARKS

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

920821 B/m / 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)



# 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 - EXCEPTIVE **JAN 06 1999**  
*Rachelle Whiteman*  
U.S. DEPARTMENT OF THE INTERIOR  
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

*NOGM*



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.

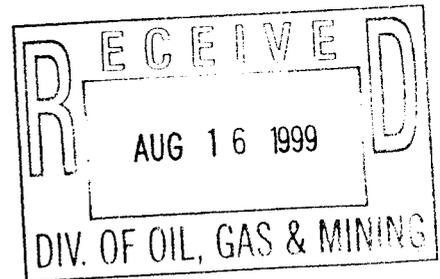
|  |   |
|--|---|
| <p>1. Type of Well: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER: _____</p> <p>2. Name of Operator:<br/>Sunfield Energy Company</p> <p>3. Address and Telephone Number:<br/>16285 Park Ten Place, Suite 600, Houston, Texas 77084</p> <p>4. Location of Well<br/>Footages: 1780' FNL &amp; 1980' FWL<br/>QQ, Sec.,T.,R.,M.: Section 32-39S-23E</p> | <p>5. Lease Designation and Serial Number:<br/>ML 2008</p> <p>6. If Indian, Allottee or Tribe Name: _____</p> <p>7. Unit Agreement Name:<br/>Bluff</p> <p>8. Well Name and Number:<br/>Bluff #2</p> <p>9. API Well Number:<br/>N/A 43-037-16538</p> <p>10. Field and Pool, or Wildcat:<br/>Desert Creek</p> <p>County: San Juan<br/>State: Utah</p> |
|--|---|

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

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

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 17<sup>th</sup> 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,

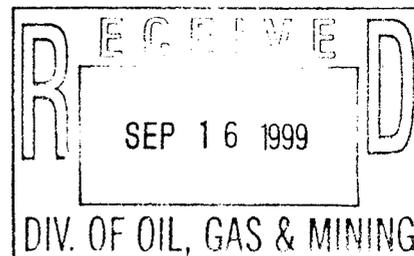
/s/ Robert A. Henricks

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

5. Lease Designation and Serial No.  
**ML 2008**

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

7. If Unit or CA, Agreement Designation  
**Bluff**

8. Well Name and No.  
**Bluff #2**

9. API Well No.

10. Field and Pool, or Exploratory Area  
**Desert Creek**

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

**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)  
**1780' FNL & 1980' FWL  
Section 32-T39S-R23E**

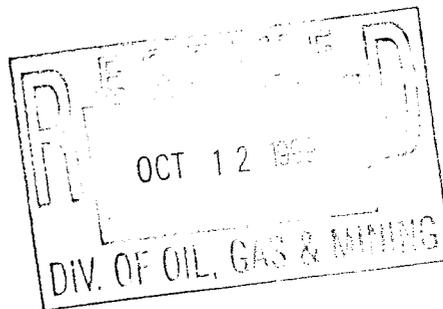
12. **CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

| 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 Terry L. Hoffman  
(This space for Federal or State office use)

Title Engineering Technician

Date 10/7/99

Approved by \_\_\_\_\_  
Conditions of approval, if any:

Title \_\_\_\_\_

Date \_\_\_\_\_

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 <input checked="" type="checkbox"/> | 6-KAS <input checked="" type="checkbox"/>  |
| 2-GLH <input checked="" type="checkbox"/> | 7-SJ <input checked="" type="checkbox"/>   |
| 3-JRB <input checked="" type="checkbox"/> | 8-FILE <input checked="" type="checkbox"/> |
| 4-CDW <input checked="" type="checkbox"/> |  |
| 5-KDR <input checked="" type="checkbox"/> |  |

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

|                           |                                  |                             |                                |
|---------------------------|----------------------------------|-----------------------------|--------------------------------|
| <b>TO:</b> (new operator) | <u>BASIN EXPLORATION INC.</u>    | <b>FROM:</b> (old operator) | <u>SUNFIELD ENERGY COMPANY</u> |
| (address)                 | <u>370 17TH STREET STE. 1800</u> | (address)                   | <u>16285 PARK TEN PL #600</u>  |
|                           | <u>DENVER, CO 80202</u>          |                             | <u>HOUSTON, TX 77084</u>       |
|                           |                                  |                             | <u>CAROLYN BRYANT</u>          |
| Phone:                    | <u>(303) 685-8000</u>            | Phone:                      | <u>(281) 717-1305</u>          |
| Account no.               | <u>N5070</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 | <u>30</u> | T | <u>39S</u> | R | <u>23E</u> | Lease: | <u>SL-067701</u> |
| Name: | <u>BLUFF U ST #1 (SOW)</u> | API: | <u>43-037-20236</u> | Entity: | <u>00625</u> | S | <u>32</u> | T | <u>39S</u> | R | <u>23E</u> | Lease: | <u>ML-2008</u>   |
| Name: | <u>BLUFF U #14 (POW)</u>   | API: | <u>43-037-30533</u> | Entity: | <u>00625</u> | S | <u>30</u> | T | <u>39S</u> | R | <u>23E</u> | Lease: | <u>SL-067701</u> |
| Name: | <u>BLUFF 10 (SOW)</u>      | API: | <u>43-037-15328</u> | Entity: | <u>00627</u> | S | <u>30</u> | T | <u>39S</u> | R | <u>23E</u> | Lease: | <u>SL-067701</u> |
| Name: | <u>BLUFF STATE 2 (SOW)</u> | API: | <u>43-037-16538</u> | Entity: | <u>00629</u> | S | <u>32</u> | T | <u>39S</u> | R | <u>23E</u> | Lease: | <u>ML-2008</u>   |
| Name: | <u>BLUFF 16 (POW)</u>      | API: | <u>43-037-30989</u> | Entity: | <u>00632</u> | S | <u>29</u> | T | <u>39S</u> | R | <u>23E</u> | 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: \_\_\_\_\_
- DR 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)*
- DR 5. Changes have been entered in the **Oil and Gas Information System** (3270) for each well listed above. *(12.10.99)*
- DR 6. **Cardex** file has been updated for each well listed above.
- HA 7. Well **file labels** have been updated for each well listed above. *\*new filing system*
- DR 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)*
- DR 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**

- KDR 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.
- KDR 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) no, as of today's date 10/27/99. If yes, division response was made to this request by letter dated 10/27/99.

**LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY**

- KDR 1. Copies of documents have been sent on 10/27/99 <sup>email sent</sup> 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 10/27/99 19 99, 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 Delaware  
*Office of the Secretary of State*      PAGE 1

---

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.**

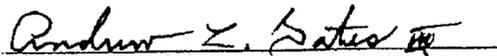
By: Andrew L. Gates, III  
Andrew L. Gates, III  
Attorney In Fact

**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:

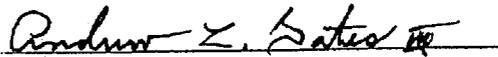
1209 Orange Street  
Wilmington, Delaware 19801

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 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<br>OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____ |  | 5. LEASE DESIGNATION AND SERIAL NUMBER: |
| 2. NAME OF OPERATOR:   |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:   |
| 3. ADDRESS OF OPERATOR:<br>CITY _____ STATE _____ ZIP _____  |  | 7. UNIT or CA AGREEMENT NAME:           |
| PHONE NUMBER: _____  |  | 8. WELL NAME and NUMBER:                |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE: _____  |  | 9. API NUMBER:                          |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____   |  | 10. FIELD AND POOL, OR WILDCAT:         |
|  |  | STATE: <b>UTAH</b>                      |

**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<br>(Submit in Duplicate)<br>Approximate date work will start:<br>_____          | <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 checked="" type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>Date of work completion:<br>_____ | <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 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:

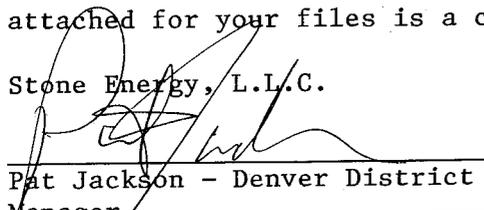
Stone Energy, L.L.C.  
1670 Broadway, Suite 2800  
Denver, CO 80202

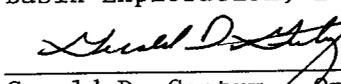
Blanket Bond #RLB0002054

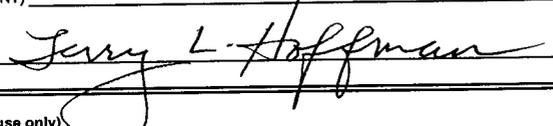
Attached is the list of wells that will be effected in the State of Utah. Also attached for your files is a copy of the merger documentation.

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  | DATE <u>2/1/01</u>                  |

(This space for State use only)

**RECEIVED**

MAR 05 2001

DIVISION OF  
OIL, GAS AND MINING

| <b>Lease #</b>       | <b>Well Name &amp; Number</b>     | <b>API Number</b>     | <b>Field</b>       | <b>Legal Location</b>         | <b>County</b>       |
|----------------------|-----------------------------------|-----------------------|--------------------|-------------------------------|---------------------|
| <del>UTU 75140</del> | <del>Bicostat #21-13</del> /11-13 | <del>4303731700</del> | <del>Wildcat</del> | <del>NE NW 13-T40S-R22E</del> | <del>San Juan</del> |
| 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

cc: MMS-Reference Dr. Branch, MS 3130, Box 5860, Denver, CO 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

EXHIBIT A  
LEASES AFFECTED BY NAME CHANGE

|           |                       |                            |
|-----------|-----------------------|----------------------------|
| SL-067701 | SL-067710A            | SL-071403A                 |
| U-01058   | U-01890               | U-056794                   |
| U-23147   | U-37841               | UTU-72671                  |
| UTU-73064 | UTU-73734             | UTU-74461                  |
| UTU-75000 | UTU-75013             | UTU-75140                  |
| UTU-75501 | UTU-76062             | UTU-76303                  |
| UTU-76304 | UTU-76728             | UTU-76865                  |
| UTU-76957 | UTU-77288             | UTU-77289                  |
| UTU-77299 | UTU-77528             | UTU-77529                  |
| UTU-77536 | UTU-78027             | UTU-78226                  |
| UTU-78227 | UTU-78230             | UTU-78441                  |
| UTU-78522 | UTU-78730             | UTU-79006                  |
| UTU-79007 | UTU-79008             | UTU-79009                  |
| UTU-79131 | UTU-79182             | UTU-79183                  |
| UTU-79148 | U-63011X (Bluff Unit) | U-63020X (Recapture Creek) |

**OPERATOR CHANGE WORKSHEET**

**ROUTING**

|          |  |                    |
|----------|--|--------------------|
| 1. GLH   |  | 4-KAS ✓            |
| 2. CDW ✓ |  | 5- <del>JD</del> ✓ |
| 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**

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

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

**CA No.**

**Unit:**

**WELL(S)**

| NAME                    | API NO.      | ENTITY NO. | SEC. TWN RNG | LEASE TYPE | WELL TYPE | WELL STATUS |
|-------------------------|--------------|------------|--------------|------------|-----------|-------------|
| BLUFF 16                | 43-037-30989 | 632        | 29-39S-23E   | FEDERAL    | OW        | P           |
| BLUFF 10                | 43-037-15328 | 627        | 30-39S-23E   | FEDERAL    | OW        | TA          |
| BLUFF 2                 | 43-037-16538 | 629        | 32-39S-23E   | STATE      | OW        | S           |
| TORREYS FEDERAL 43-12   | 43-037-31807 | 99999      | 12-40S-22E   | FEDERAL    | OW        | APD         |
| BIERSTADT FEDERAL 11-13 | 43-037-31793 | 99999      | 13-40S-22E   | FEDERAL    | OW        | APD         |
| RECAPTURE CREEK 2       | 43-037-30727 | 6255       | 21-40S-23E   | FEDERAL    | OW        | P           |
| RECAPTURE CREEK 3       | 43-037-30926 | 8450       | 21-40S-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

8. **Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: N/A

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

---

**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 03/29/2001
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 03/29/2001
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

---

**STATE BOND VERIFICATION:**

1. State well(s) covered by Bond No.: N/A

---

**FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed has furnished a bond No: N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A  
The Division sent response by letter on: N/A
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

---

**FILMING:**

1. All attachments to this form have been **MICROFILMED** on: APR. 25 2001

---

**FILING:**

1. **ORIGINALS/COPIES** of all attachments pertaining to each individual well have been filed in each well file on: \_\_\_\_\_

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**COMMENTS:**

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State of Utah

Department of  
Natural Resources

Division of  
Oil, Gas & Mining

ROBERT L. MORGAN  
*Executive Director*

LOWELL P. BRAXTON  
*Division Director*

MICHAEL O. LEAVITT  
*Governor*

OLENE S. WALKER  
*Lieutenant Governor*

March 19, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 6488

Julie Whalen  
Stone Energy, LLC  
1801 Broadway, Suite 700  
Denver, Colorado 80202

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases.

Dear Ms. Whalen:

Stone Energy LLC, as of March 2004, has two (2) State Lease Wells (see attachment A) that are currently in non-compliance for extended shut-in or temporary abandonment status. Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Page 2  
Julie Whalen  
March 19, 2004

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

jc  
cc: John Baza  
Well File  
SITLA

|   | <b>Well Name</b> | <b>API</b>   | <b>Lease Type</b> | <b>Years Inactive</b> |
|---|------------------|--------------|-------------------|-----------------------|
| 1 | Bluff ST 2       | 43-037-16538 | State             | 10 Years 11 Months    |
| 2 | Bluff U ST 1     | 43-037-20236 | State             | 1 Year 2 Months       |

Attachment A



State of Utah

Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

Division of  
Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

September 14, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 6075

Mr. Larry Lathrop  
Matrix Production Company  
5725 Commonwealth Boulevard  
Sugar Land, Texas 77479

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases dated March 19, 2004.

395 238 32  
43-037-16538

Dear Mr. Lathrop:

The Division of Oil, Gas and Mining (the "Division") is in receipt of your letter dated September 8, 2004 in regards to the two (2) shut-in wells operated by Matrix Production Company (Matrix). It is the Division's understanding Matrix recently acquired these properties and requests additional time to evaluate the economic potential of these wells. The Division grants Matrix extended shut-in and temporary abandonment for the Bluff U St 1 and Bluff St 2 until November 9, 2004, allowing Matrix adequate time to evaluate and submit a plan of action for these wells.

For reference, Attachment A lists the wells subject to this request. If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

Dustin Doucet  
Petroleum Engineer

CLD:jc

cc: SITLA  
well file

|   | <b>Well Name</b> | <b>API</b>   | <b>Lease Type</b> | <b>Years Inactive</b> |
|---|------------------|--------------|-------------------|-----------------------|
| 1 | Bluff State 2    | 43-037-16538 | State             | 10 Years 11 Months    |
| 2 | Bluff U ST 1     | 43-037-20236 | State             | 1 Year 2 Months       |

Attachment A

**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.

|  |  |   |
|--|--|---|
| <b>1. TYPE OF WELL</b><br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____ |  | <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b><br>ML-2008 |
| <b>2. NAME OF OPERATOR:</b><br>Stone Energy, L.L.C. <u>N1555</u>   |  | <b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b><br>N/A       |
| <b>3. ADDRESS OF OPERATOR:</b><br>1801 Broadway, St. 700 CITY Denver STATE CO ZIP 80202                              |  | <b>7. UNIT or CA AGREEMENT NAME:</b><br>N/A               |
| <b>4. LOCATION OF WELL</b><br>FOOTAGES AT SURFACE: 1980 FEL, 1980 FWL  |  | <b>8. WELL NAME and NUMBER:</b><br>Bluff State #2         |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 32 39S 23E   |  | <b>9. API NUMBER:</b><br>4303716538                       |
| COUNTY: San Juan   |  | <b>10. FIELD AND POOL, OR WILDCAT:</b><br>Bluff           |
| STATE: UTAH  |  |   |

**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<br>(Submit in Duplicate)<br>Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE                        | <input type="checkbox"/> DEEPEN                           | <input type="checkbox"/> REPERFORATE CURRENT FORMATION                  |
| <input type="checkbox"/> SUBSEQUENT REPORT<br>(Submit Original Form Only)<br>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: <u>Transfer of Interest/</u> |
|  | <input type="checkbox"/> CONVERT WELL TYPE              | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | <u>Operations</u>   |

**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. Special. ty Insurance Company Bond No. B001183 for \$120,000.00 (2) State of Utah Trust lands, U.S. Special. ty Insurance Company Bond No. B001043 for \$10,000.00 and (3) BLM lands U.S. Special. ty 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) <u>Michael E. Cuba</u> | TITLE <u>Denver District Manager</u> |
| SIGNATURE <u>[Signature]</u>               | DATE <u>6/30/2004</u>                |

(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)

(5/2000)

**RECEIVED**  
**OCT 04 2004**  
DIV. OF OIL, GAS & MINING

**OPERATOR CHANGE WORKSHEET**

|                |
|----------------|
| <b>ROUTING</b> |
| 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

|  |   |
|--|---|
| <b>FROM: (Old Operator):</b><br>N1555-Stone Energy, LLC<br>1801 Broadway, Suite 700<br>Denver, CO 80202<br>Phone: 1-(303) 685-8000 | <b>TO: ( New Operator):</b><br>N2660-Matrix Production Company<br>5725 Commonwealth Blvd<br>Sugar Land, TX 77479<br>Phone: 1-(281) 265-1212 |
|--|---|

**CA No.** \_\_\_\_\_ **Unit:** \_\_\_\_\_

**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           |
| <b>RECAPTURE UNIT</b> |     |      |      |            |           |            |           |             |
| RECAPTURE CREEK 1     | 21  | 400S | 230E | 4303715871 | 6265      | Federal    | OW        | S           |
| <b>BLUFF UNIT</b>     |     |      |      |            |           |            |           |             |
| 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

16

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:**

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State of Utah

Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

Division of  
Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

November 30, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 5948

Mr. Larry Lathrop  
Matrix Production Company  
5725 Commonwealth Boulevard  
Sugar Land, Texas 77479

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases dated March 19, 2004.

Dear Mr. Lathrop:

The Division of Oil, Gas and Mining (the "Division") is in receipt of your letter dated November 4, 2004 (received by the Division 11/9/2004) in regards to the two (2) shut-in wells operated by Matrix Production Company ("Matrix"). It is the Division's understanding Matrix plans are to immediately attempt reestablishing production at the Bluff State 2 (43-037-16538) and Bluff Unit State 1 (43-037-20236) and if not economical the well(s) will be plugged and abandoned.

395 23E 32

Based on the submitted plan of action the Division grants Matrix extended shut-in and temporary abandonment for the Bluff State 2 and Bluff Unit State 1. This extension is valid through February 9, 2005 allowing Matrix adequate time to perform the proposed work. If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

Dustin Doucet  
Petroleum Engineer

CLD:jc

cc: SITLA  
Well File



**MATRIX**  
PRODUCTION  
COMPANY

5725 Commonwealth Boulevard  
Sugar Land, Texas 77479  
Phone 281-265-1212  
Fax 281-265-1778

February 1, 2005

Mr. Dustin Doucet  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas & Mining  
PO Box 154801  
Salt Lake City, Utah 84114-5801

Re: Status Update - Shut-in Wells  
Bluff Unit State #1 (43-037-20236)  
Bluff State #2 (43-037-16538)

*T 395 R 23E S-32*

RECEIVED

FEB 0 / 2005

Dear Mr. Doucet:

DIV OF OIL, GAS & MINING

By letter dated November 4, 2004 Matrix Production Company requested an extension of time to evaluate and return to production the above captioned shut-in wells. By letter dated November 30, 2004, the Division granted this request through February 9, 2004. At present, Matrix has a workover rig working near the Bluff field area, but has been delayed from reworking the above captioned wells due to a protracted workover on our Recapture Creek #1 well (a 4 week workover to repair failed casing and perforate additional pay). Due to very wet conditions in the field, and the remote nature of the Bluff State wells, upon completion of work on our Recapture Creek #1 well (expected early next week), Matrix intends to move its rig to our Recapture Creek #3 well, an immediate offset that is also shut-in with a hole in the casing (Sundry notices for both Recapture Creek wells have been filed with the BLM and the Division). Barring unforeseen difficulties on the Recapture Creek #3, or additional inclement weather, we anticipate commencing operations on the Bluff Unit State #1 in late February. Upon completion of work on this well, Matrix will file the required Sundry Notice with the Division indicating that the well has been returned to producing status.

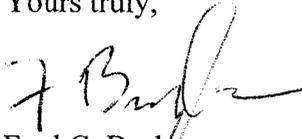
With respect to the Bluff State #2, our records indicate that this well, initially known as the No. 1 Utah State 2008, was drilled by Three States Natural Gas Company in 1954 and cased to a depth of 7630'. By Sundry Notice filed February 8, 1954, Three States reported a production test of 6 million cu. ft CO<sub>2</sub> with minor distillate from Mississippian perms 7505-7559 (see sundry attached). This zone was squeezed and the well was ultimately completed as a poor producer from the Desert Creek.

February 1, 2005  
Page Two

Given the resource potential of the Mississippian zone as demonstrated by the attached Sundry Notice, Matrix does not wish to plug the Bluff State #2 well at this time. However, based on our recent experience with wells of this age in the area, Matrix expects that it will be necessary to clean out the well to TD and cement a new 4 1/2' flush joint liner from TD to surface prior to undertaking any well testing or production operations. Given the expense of this operation, and the fact that Matrix does not own 100% of the operating rights below the Paradox formation, Matrix requests an additional 120 days to complete land work necessary to consolidate ownership and/or seek partner approval to undertake this work. Once the required working interest approvals are obtained, Matrix will submit a Sundry Notice with the Division detailing the nature of the well work to be undertaken.

Please let me know if you have any questions concerning the above.

Yours truly,

A handwritten signature in black ink, appearing to read "Fred C. Bryla", with a long horizontal flourish extending to the right.

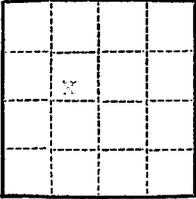
Fred C. Bryla  
Vice President

enclosure

Form 9-381a  
(Feb. 1951)

(SUBMIT IN TRIPLICATE)

Land Office Salt Lake  
Lease No. 2000--Utah State  
Unit Bluff Unit ✓



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

|  |  |   |
|--|--|---|
| NOTICE OF INTENTION TO DRILL                   | SUBSEQUENT REPORT OF WATER SHUT-OFF        |   |
| NOTICE OF INTENTION TO CHANGE PLANS            | SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING | X |
| NOTICE OF INTENTION TO TEST WATER SHUT-OFF     | SUBSEQUENT REPORT OF ALTERING CASING       |   |
| NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL | SUBSEQUENT REPORT OF RE-DRILLING OR REPAIR |   |
| NOTICE OF INTENTION TO SHOOT OR ACIDIZE        | SUBSEQUENT REPORT OF ABANDONMENT           |   |
| NOTICE OF INTENTION TO PULL OR ALTER CASING    | SUPPLEMENTARY WELL HISTORY                 |   |
| NOTICE OF INTENTION TO ABANDON WELL            |  |   |

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

February 1, 1954, 19

Well No. 1 is located 1300 ft. from N line and 1980 ft. from E line of sec. 32

39E NW Sec. 32 39E 23E 61A  
(¼ Sec. and Sec. No.) (Twp.) (Range) (Meridian)  
Wildcat San Juan Utah  
(Field) (County or Subdivision) (State or Territory)

The elevation of the derrick floor above sea level is 5372 ft. or.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

Perforated 5 1/2" O.D. 17# casing from 7505-7559' with 162 jet and 162 bullet shots.  
Acidized with 1000 gal. acid, Gauged 6 million cu.ft. CO2 and small amount of distillate  
Perforated 7565-7593' with 51 jet and 52 bullet shots. Gauged 5,500 MCF CO2, 12 bbls.  
fluid per 24 hrs. 90% salt water, 10% distillate.  
Set 10700 squeeze packer @ 7485' and Lane Wells Bridge plug @ 6230', squeezed off  
perforations with 50 sacks cement.  
Perforated 6011-6038' with 72 jet and 72 bullet shots.  
Testing.

RECEIVED

FEB 3 1954

JOSEPH C. GORDON

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company Three States Natural Gas Company

Address P.O. Box 67

Farmington, New Mexico

By John Carothers  
John Carothers  
Title Agent



State of Utah

Department of Natural Resources

MICHAEL R. STYLER  
Executive Director

Division of Oil, Gas & Mining

MARY ANN WRIGHT  
Acting Division Director

JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

February 14, 2005

Mr. Larry Lathrop  
Matrix Production Company  
5725 Commonwealth Boulevard  
Sugar Land, Texas 77479

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases dated March 19, 2004.

Dear Mr. Lathrop:

The Division of Oil, Gas and Mining (the "Division") is in receipt of your letter dated February 1, 2005 (received by the Division 2/07/2005) in regards to the two (2) shut-in wells operated by Matrix Production Company ("Matrix"). It is the Division's understanding that Matrix's plans are to attempt re-establishing production from the Bluff Unit State 1 well (43-037-20236) upon finishing recompletion of the Recapture Creek # 3 well and also to do remedial work on the Bluff State 2 well (43-037-16538) in order to put this well into production as a CO<sub>2</sub> producer once ownership issues are cleared up.

Based on the submitted plan of action and justification for delay, the Division grants Matrix extended shut-in and temporary abandonment status for the Bluff State 2 and Bluff Unit State 1 wells. The extension for the Bluff Unit State 1 well is valid through April 1, 2005. The extension for the Bluff State 2 well is valid through June 9, 2005. If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

Dustin Doucet  
Petroleum Engineer

DKD:jc  
cc: SITLA  
Well File



State of Utah

Department of  
Natural Resources

MICHAEL R. STYLER  
Executive Director

Division of  
Oil, Gas & Mining

JOHN R. BAZA  
Division Director

JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

T 395 R 23E S-32  
43-037-16538

February 14, 2005

Mr. Fred C. Bryla  
Matrix Production Company  
5725 Commonwealth Boulevard  
Sugar Land, Texas 77479

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases dated February 14, 2005.

Dear Mr. Bryla:

The Division of Oil, Gas and Mining (the "Division") is in receipt of your letter dated June 10, 2005 (received by the Division 06/13/2005) in regards to the two (2) shut-in wells operated by Matrix Production Company ("Matrix"). The Division understands that Matrix has reestablished production from the Bluff Unit State 1 well (43-037-20236). Matrix also plans to do remedial work on the Bluff State 2 well (43-037-16538) in order to put this well into production as a CO2 producer once ownership issues are cleared up. An agreement has not yet been finalized. Matrix requests extended SI/TA approval to allow for finalization of an agreement. Matrix has supplied evidence of returning several other wells to production in the area.

Based on the submitted plan of action and justification for delay, the Division grants Matrix extended shut-in and temporarily abandoned status for the Bluff State 2 well. The extension for the Bluff State 2 well is valid through September 1, 2005. If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

Dustin Doucet  
Petroleum Engineer

DKD:jc  
cc: SITLA  
Well File



**MATRIX**  
PRODUCTION  
COMPANY

5725 Commonwealth Boulevard  
Sugar Land, Texas 77479  
Phone 281-265-1212  
Fax 281-265-1778

June 10, 2005

Mr. Dustin Doucet  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas & Mining  
PO Box 154801  
Salt Lake City, Utah 84114-5801

Re: Status Update - Shut-in Wells  
Bluff Unit State #1 (43-037-20236)  
Bluff State #2 (43-037-16538)

Dear Mr. Doucet:

By letter dated February 1, 2005 Matrix Production Company requested an extension of time to evaluate and return to production the above captioned shut-in wells. By letter dated February 14, 2005, the Division granted this request for the Bluff State #2 through June 9, 2005 (the Bluff State #1 well has been returned to production along with a number of other wells recently acquired by Matrix – see attached Sundry Notices).

As you may recall, the Bluff State #2 (initially known as the No. 1 Utah State 2008) tested 6 million cu. ft CO<sub>2</sub> with minor distillate from Mississippian perms 7505-7559 in 1954. This zone was squeezed and was never produced. Matrix has been working with ConocoPhillips over the past several months toward an assignment of operating rights below the base of the Paradox covering this and other wells in the Bluff field area (Matrix does not presently own 100% of these rights). While we believe we have reached an agreement in principal with ConocoPhillips regarding said rights, we have not yet finalized a formal agreement.

Given we have been unable to finalize an agreements with ConocoPhillips, Matrix respectfully requests an additional extension of time to complete land work necessary prior to undertaking a significant workover of this well. Once the required rights are obtained, Matrix will submit a Sundry Notice with the Division detailing the nature of the well work to be undertaken for your approval.

RECEIVED

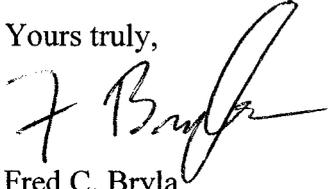
JUN 13 2005

DIVISION OF OIL, GAS & MINING

June 10, 2005  
Page Two

Please let me know if you have any questions concerning the above.

Yours truly,

A handwritten signature in black ink, appearing to read "Fred C. Bryla". The signature is fluid and cursive, with a large, sweeping initial "F" and a long, horizontal tail stroke.

Fred C. Bryla  
Vice President

Enclosures, Sundry Notices

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)

**1980' FNL & 1980' FWL Sec 32-T39S-R23E**

5. Lease Serial No.  
**ML-2008**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**Bluff State #2**

9. API Well No.  
**43-037-16538**

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 checked="" 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 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 checked="" type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input checked="" 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.)

**Bluff State #2 (No. 1 Utah State 2008) was drilled and completed by Three States Natural Gas Co in 1954. 5-1/2" casing was set from surface to 7630' and cemented. The well was initially completed in Mississippian perfs 7505'-7559', 7565'-7583' and tested 6 MMcf/d of CO2 with condensate. This zone was squeezed with 50 sx cement under a squeeze packer set at 7485'.**

**Operator proposes to clean out well to +/- 7600', test casing integrity, and squeeze existing Desert Creek and Ismay perfs 6030-6193 OA. If casing integrity can not be confirmed, Operator proposes to run a 4 1/2" flush joint J-55 10.5# csg liner from surface to +/- 7600' and cmt to surface thereby squeezing behind pipe existing Ismay and Desert Creek perfs. Upon completion of cementing, Operator proposes to re-perforate Mississippian pay from 7505'-7559' acidize and test under a packer.**

*Not approved because operator cancelled work see Sundry Dated 4/24/06  
Question about 4 1/2" liner as adequate casing repair/ zonal isolation. D-2-03*

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

**Fred C. Bryla**

Title **Vice President**

Signature



Date

**4-12-06**

**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)

10 OCT 2006  
2-10-06  
CHD

**RECEIVED**

**APR 13 2006**

DIV. OF OIL, GAS & MINING



**MATRIX**  
PRODUCTION  
COMPANY

5725 Commonwealth Boulevard  
Sugar Land, Texas 77479  
Phone 281-265-1212  
Fax 281-265-1778

Via FedEx

June 10, 2005

Mr. Dustin Doucet  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84116

Re: Sundry Notice  
Bluff State #2 (43-037-16538)  
Sec 32-T39S-R23E  
San Juan County, Utah

Dear Dustin:

Please find enclosed for your review and approval three original copies of a Sundry Notice for the above captioned well we discussed this morning.

Please let me know if you have any questions concerning the enclosed. You may reach me at (281) 265-1212 or by email at [fbryla@matrix-companies.com](mailto:fbryla@matrix-companies.com)

Yours truly,

Fred C. Bryla  
Vice President

cc: Mr. Eric Jones  
BLM, Moab District

**RECEIVED**  
**APR 13 2006**  
DIV. OF OIL, GAS & MINING

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)  
**1980' FNL & 1980' FWL Sec 32-T39S-R23E**

5. Lease Serial No.  
**ML-2008**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**Bluff State #2**

9. API Well No.  
**43-037-16538**

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 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 checked="" 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.)

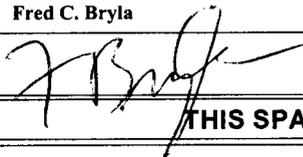
**Operator cleaned out well to +/- 6230' and flowed/swab tested a total of 197 bbls oil with 10 bbls water from existing Desert Creek and Ismay perms 6030-6193 OA over an approximate 27 hour test period. Operator intends to place well on pump and return to production from existing Desert Creek and Ismay perms canceling plans to test Mississippian perms at this time.**

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

**Fred C. Bryla**

Title **Vice President**

Signature



Date

**4-24-06**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by \_\_\_\_\_

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.

Title

Date

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)

**APR 28 2006**



**MATRIX**  
PRODUCTION  
COMPANY

5725 Commonwealth Boulevard  
Sugar Land, Texas 77479  
Phone 281-265-1212  
Fax 281-265-1778

April 24, 2006

Mr. Dustin Doucet  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84116

Re: Sundry Notice  
Bluff State #2 (43-037-16538)  
Sec 32-T39S-R23E  
San Juan County, Utah

Dear Dustin:

Please find enclosed for your further handling three original copies of a Subsequent Report for the above captioned well we discussed this morning.

Please let me know if you have any questions concerning the enclosed. You may reach me at (281) 265-1212 or by email at [fbryla@matrix-companies.com](mailto:fbryla@matrix-companies.com)

Yours truly,

Fred C. Bryla  
Vice President

RECEIVED

APR 28 2006

STATE OF UTAH

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<br><input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other |  | 5. Lease Serial No.<br><b>ML-2008</b>                       |
| 2. Name of Operator<br><b>Matrix Production Company</b>  |  | 6. If Indian, Allottee or Tribe Name                        |
| 3a. Address<br><b>5725 Commonwealth, Sugar Land, TX 77479</b>  | 3b. Phone No. (include area code)<br><b>281-265-1212</b> | 7. If Unit or CA/Agreement, Name and/or No.<br><b>Bluff</b> |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br><b>1980' FNL &amp; 1980' FWL Sec 32-T39S-R23E</b>      |  | 8. Well Name and No.<br><b>Bluff State #2</b>               |
|  |  | 9. API Well No.<br><b>43-037-16538</b>                      |
|  |  | 10. Field and Pool, or Exploratory Area<br><b>Bluff</b>     |
|  |  | 11. County or Parish, State<br><b>San Juan, UT</b>          |

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

| TYPE OF SUBMISSION                                   | TYPE OF ACTION                                |   |  |   |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input checked="" type="checkbox"/> Acidize   | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input 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 checked="" 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 recomplete 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.)

**Operator proposes to squeeze cement existing Desert Creek and Ismay perms 6030'-6193' OA and clean out existing 5-1/2" casing to +/- 7600'. Upon completion of clean out, Operator proposes to perforate Mississippian pay from 7505'-7559' acidize and test under a packer. Current production from Desert Creek and Ismay has declined to +/- 2 bopd.**

COPY SENT TO OPERATOR  
Date: 8-22-06  
Initials: CHO

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

|  |                                |
|--|--------------------------------|
| Name (Printed/Typed)<br><b>Fred C. Bryla</b> | Title<br><b>Vice President</b> |
| Signature<br>                                | Date<br><b>7-7-06</b>          |

**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 or to knowingly and willfully to omit material information from any such statement or representation.

(Instructions on page 2)

APPROVED BY \_\_\_\_\_  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING  
DATE: 7/13/06  
BY: D. S. [Signature]

RECEIVED

JUL 10 2006

DIV. OF OIL, GAS & MINING



MATRIX  
PRODUCTION  
COMPANY

5725 Commonwealth Boulevard  
Sugar Land, Texas 77479  
Phone 281-265-1212  
Fax 281-265-1778

July 7, 2006

Mr. Dustin Doucet  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84116

Re: Sundry Notice  
Bluff State #2 (43-037-16538)  
Sec 32-T39S-R23E  
San Juan County, Utah

Dear Dustin:

Please find enclosed for your further handling three original copies of a Notice of Intent for the above captioned well.

Please let me know if you have any questions concerning the enclosed. You may reach me at (281) 265-1212 or by email at [fbryla@matrix-companies.com](mailto:fbryla@matrix-companies.com)

Yours truly,

Fred C. Bryla  
Vice President

Enclosures

RECEIVED

JUL 10 2006

DIV. OF OIL, GAS & MINING

Form 3160-5  
(April 2004)

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.*

5. Lease Serial No.  
**ML-2008**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**Bluff State #2**

9. API Well No.  
**43-037-16538**

10. Field and Pool, or Exploratory Area  
**Bluff**

11. County or Parish, State  
**San Juan, UT**

**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)  
**1980' FNL & 1980' FWL Sec 32-T39S-R23E**

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

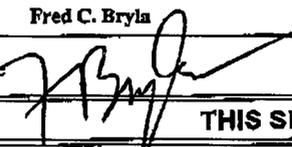
| TYPE OF SUBMISSION                                    | TYPE OF ACTION                                   |   |  |   |
|---|--|---|--|---|
| <input type="checkbox"/> Notice of Intent             | <input type="checkbox"/> Acidize                 | <input type="checkbox"/> Deepen           | <input type="checkbox"/> 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 checked="" type="checkbox"/> Recomplete     | <input type="checkbox"/> Other _____    |
|   | <input checked="" 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 recomplete 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/BLA. 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.)

**Operator squeeze cemented existing Ismay and Desert Creek perfs 6030-6193 OA. Attempted to clean out existing 5-1/2" casing, but was unable to reach target depth due to junk in hole and/or collapsed casing at 6355'. Set CIBP at 6180' and re-perf Desert Creek 6161.5-6179, return well to production from Desert Creek as of October 12, 2006.**

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

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

Signature  Date **10-20-08**

**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)

**RECEIVED**  
**OCT 20 2008**  
DIV. OF OIL, GAS & MINING



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

February 2, 2016

CERTIFIED MAIL NO. 7014 2870 0001 4232 4894

Mr. Fred Bryla  
Matrix Production Company  
5725 Commonwealth Blvd  
Sugarland, TX 77479

43 037 16538  
Bluff St. 2  
32 395 23E

Subject: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases

Dear Mr. Bryla:

As of January 2016, Matrix Production Company has one (1) State Lease Well (see attachment A) that is currently in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status.

Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Please note that the Divisions preferred method for showing well integrity is by MIT.



Page 2  
Matrix Production Company  
February 2, 2016

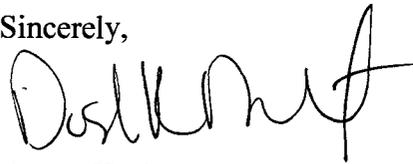
Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

**All Submittals should be sent via ePermit**

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

DKD/DD/js

cc: LaVonne Garrison, SITLA  
Compliance File  
Well File

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

# ATTACHMENT A

|   | <b>Well Name</b> | <b>API</b>   | <b>LEASE</b> | <b>Years Inactive</b> |
|---|------------------|--------------|--------------|-----------------------|
| 1 | Bluff ST 2       | 43-037-16538 | ML-2008      | 1 year 6 months       |



|  |   |
|--|---|
| <b>STATE OF UTAH</b><br>DEPARTMENT OF NATURAL RESOURCES<br>DIVISION OF OIL, GAS, AND MINING  | <b>FORM 9</b>   |
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br><br>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | 5. LEASE DESIGNATION AND SERIAL NUMBER:<br>ML-2008<br><br>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:<br><br>7. UNIT or CA AGREEMENT NAME:<br>BLUFF |
| 1. TYPE OF WELL<br>Oil Well  | 8. WELL NAME and NUMBER:<br>BLUFF ST 2  |
| 2. NAME OF OPERATOR:<br>MATRIX PRODUCTION COMPANY  | 9. API NUMBER:<br>43037165380000  |
| 3. ADDRESS OF OPERATOR:<br>5725 Commonwealth Blvd , Sugar Land, TX, 77479  | PHONE NUMBER:<br>281 265-1212 Ext<br><br>9. FIELD and POOL or WILDCAT:<br>BLUFF   |
| 4. LOCATION OF WELL<br>FOOTAGES AT SURFACE:<br>1980 FNL 1980 FWL<br>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:<br>Qtr/Qtr: SENW Section: 32 Township: 39.0S Range: 23.0E Meridian: S   | COUNTY:<br>SAN JUAN<br><br>STATE:<br>UTAH   |

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

| TYPE OF SUBMISSION   | TYPE OF ACTION   |   |   |
|--|--|---|---|
| <input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b><br>Approximate date work will start:<br>1/1/2017 | <input type="checkbox"/> ACIDIZE                       | <input type="checkbox"/> ALTER CASING                       | <input type="checkbox"/> CASING REPAIR                  |
| <input type="checkbox"/> <b>SUBSEQUENT REPORT</b><br>Date of Work Completion:                                | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS      | <input type="checkbox"/> CHANGE TUBING                      | <input type="checkbox"/> CHANGE WELL NAME               |
| <input type="checkbox"/> <b>SPUD REPORT</b><br>Date of Spud:   | <input type="checkbox"/> CHANGE WELL STATUS            | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS     | <input type="checkbox"/> CONVERT WELL TYPE              |
| <input type="checkbox"/> <b>DRILLING REPORT</b><br>Report Date:  | <input type="checkbox"/> DEEPEN                        | <input type="checkbox"/> FRACTURE TREAT                     | <input type="checkbox"/> NEW CONSTRUCTION               |
|  | <input type="checkbox"/> OPERATOR CHANGE               | <input checked="" type="checkbox"/> <b>PLUG AND ABANDON</b> | <input type="checkbox"/> PLUG BACK                      |
|  | <input type="checkbox"/> PRODUCTION START OR RESUME    | <input type="checkbox"/> RECLAMATION OF WELL SITE           | <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION |
|  | <input type="checkbox"/> REPERFORATE CURRENT FORMATION | <input type="checkbox"/> SIDETRACK TO REPAIR WELL           | <input type="checkbox"/> TEMPORARY ABANDON              |
|  | <input type="checkbox"/> TUBING REPAIR                 | <input type="checkbox"/> VENT OR FLARE                      | <input type="checkbox"/> WATER DISPOSAL                 |
|  | <input type="checkbox"/> WATER SHUTOFF                 | <input type="checkbox"/> SI TA STATUS EXTENSION             | <input type="checkbox"/> APD EXTENSION                  |
|  | <input type="checkbox"/> WILDCAT WELL DETERMINATION    | <input type="checkbox"/> OTHER                              | OTHER: <input style="width: 100px;" type="text"/>       |

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

Operator intends to P&A subject well according to procedure attached.

**Approved by the Utah Division of Oil, Gas and Mining**

Date: January 04, 2017

By: *David K. Vig*

Please Review Attached Conditions of Approval

|  |                                     |  |
|--|-------------------------------------|--|
| <b>NAME (PLEASE PRINT)</b><br>David Vige | <b>PHONE NUMBER</b><br>281 265-1212 | <b>TITLE</b><br>Production Engineering Manager |
| <b>SIGNATURE</b><br>N/A                  | <b>DATE</b><br>11/8/2016            |  |



**The Utah Division of Oil, Gas, and Mining**

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Sundry Conditions of Approval Well Number 43037165380000**

- 1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.**
- 2. Amend Plug #1: In addition to the 50 sx pumped below the CICR, a 200' cement plug ( $\pm 25$  sx) shall be spotted on the CICR @ 6110' from  $\pm 6110'$  to 5900'. This will isolate the squeezed perfs in the Desert Creek formation as required by R649-3-24-3.2.**
- 3. Add Plug #2: A 200' plug (25 sx) shall be placed from 4600' to 4400' to isolate the Hermosa formation. If TOC on the production string annulus is not above 4600', this plug shall be an inside/outside plug. RIH and perforate 5 1/2" @ 4600'. Establish acceptable injection rate into perfs. RIH with CICR and set at 4550'. Sting into CICR and establish circulation down the 5 1/2" casing back up the 5 1/2" x 10 3/4" annulus. M&P 70 sx cement, sting into CICR pump 52sx, sting out and dump 18 sx on top of CICR. IF injection into perfs cannot be established, spot 25 sx from 4650' to 4450'.**
- 4. Amend Plug #3: CICR shall be set at 1450'.**
- 5. Amend Plug #4: CICR shall be set at 520'. Sting into CICR and establish circulation down the 5 1/2" casing back up the 5 1/2" x 10 3/4" annulus. M&P 40 sx cement, sting into CICR pump 36sx, sting out and dump 6 sx on top of CICR.**
- 6. Amend Plug #5: All annuli shall be cemented from 100' back to surface ( $\pm 35$  sx).**
- 7. All balanced plugs shall be tagged to ensure that they are at the depth specified.**
- 8. The interval between plugs shall be filled with noncorrosive fluid of adequate density to prevent migration of formation water into or through the well bore (R649-3-24-3.5).**
- 9. Surface reclamation shall be done in accordance with R649-3-34 - Well Site Restoration.**
- 10. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.**
- 11. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (of c) or 801-733-0983 (home) prior to continuing with the procedure.**
- 12. All other requirements for notice and reporting in the Oil and Gas Conservation general rules shall apply.**

1/4/2017

# Wellbore Diagram

r263

API Well No: 43-037-16538-00-00 Permit No: Well Name/No: BLUFF ST 2

Company Name: MATRIX PRODUCTION COMPANY

Location: Sec: 32 T: 39S R: 23E Spot: SENW

Coordinates: X: 640364 Y: 4135388

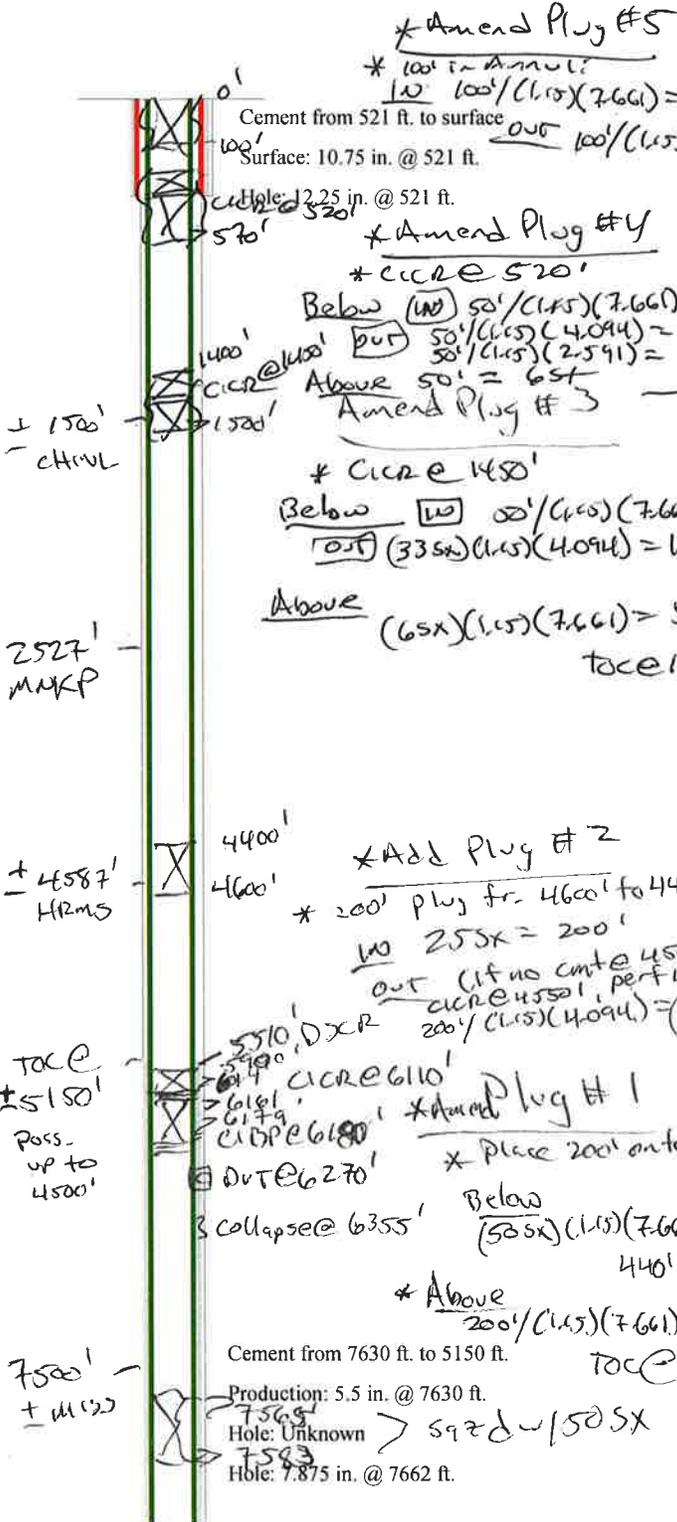
Field Name: BLUFF

County Name: SAN JUAN

### String Information

| String | Bottom (ft sub) | Diameter (inches) | Weight (lb/ft) | Length (ft) | Capacity (cf/cf) |
|--------|-----------------|-------------------|----------------|-------------|------------------|
| HOL1   | 521             | 12.25             |                |             |                  |
| SURF   | 521             | 10.75             | 40.5           |             |                  |
| HOL2   | 7662            | 7.875             |                |             |                  |
| PROD   | 7630            | 5.5               | 17             |             | 7.661            |

Capacity (cf/cf)



\* Amend Plug #5  
 \* 100' in Annuli  
 $100' / (1.15) (7.661) = 125x$   
 Cement from 521 ft. to surface  
 Surface: 10.75 in. @ 521 ft.  
 $100' / (1.15) (2.591) = 345x$

$10\frac{3}{4}" \times 5\frac{1}{2}" \rightarrow 2.591$   
 $7\frac{7}{8}" \times 5\frac{1}{2}" (108) \rightarrow 4.094$   
 465x total

\* Amend Plug #4  
 \* CCR @ 520'  
 Below  $100' / (1.15) (7.661) = 63x$   
 Out  $50' / (1.15) (4.094) = 115x$   
 $50' / (1.15) (2.591) = 175x$

465x total (365x below, 65x on top)

### Cement Information

| String | BOC (ft sub) | TOC (ft sub) | Class | Sacks |
|--------|--------------|--------------|-------|-------|
| PROD   | 7630         | 5150         | G     | 250   |
| PROD   | 7630         | 5150         | UK    | 250   |
| SURF   | 521          | 0            |       |       |

\* CCR @ 1450'  
 Below  $100' / (1.15) (7.661) = 63x$   
 Out  $335x / (1.15) (4.094) = 117'$   
 Above  $(65x) (1.15) (7.661) = 52'$   
 to @ 1400' ✓

### Perforation Information

| Top (ft sub) | Bottom (ft sub) | Shts/Ft | No Shts | Dt Squeeze |
|--------------|-----------------|---------|---------|------------|
| 6014         | 6193            |         |         | Sqzd       |
| 7505         | 7583            |         |         | Sqzd       |
| 6161         | 6179            |         |         |            |

\* Add Plug #2  
 \* 200' plug fr. 4600' to 4400'  
 $100' / 255x = 200'$   
 out (if no cmt @ 4500')  
 CCR @ 4550', perf 4600'  
 $200' / (1.15) (4.094) = 455x$

### Formation Information

| Formation     | Depth |
|---------------|-------|
| CHIN          | 1500  |
| SRMP          | 2448  |
| 440' max MNKP | 2527  |
| CCSD          | 2777  |
| HRMS          | 4587  |
| DSCR          | 5510  |
| MSSP          | 7500  |

\* Amend Plug #1  
 \* Place 200' on top  
 Below  $(505x) (1.15) (7.661) = 440'$   
 440' max MNKP  
 \* Above  $200' / (1.15) (7.661) = 255x$

Cement from 7630 ft. to 5150 ft.  
 Production: 5.5 in. @ 7630 ft.  
 Hole: Unknown  
 Hole: 7.875 in. @ 7662 ft.

TD: 7662 TVD: PBTD:

Well Data

Bluff St 2

API 43-037-16538

Location- Sec. 32 T39S R23E

Elevation- 5396' GL, 5409' KB

PBTD- 6180'

Surface Casing- 10 3/4" 40.5# set @ 521' cemented to surface

Casing- 5 1/2" 17# from surface to 7630' and cemented w/ 450 sx; TOC @ 5150'

Tubing- 2 7/8"

Perforations: Desert Creek 6161.5'-6179'

Procedure

1. Test anchors, MIRU puling unit, ND wellhead & NU BOP
2. POOH w/ rods & pump. Lay down rods & pump
3. POOH w/ tubing
4. RIH (tally tubing) w/ bit & scraper to PBTD at  $\pm$  6180'. POOH
5. TIH w/ cmt retainer and set at  $\pm$  6110'.
6. Establish rate and pressure through retainer into perfs. Mix and pump 50 sx of class G cement. Squeeze perfs under retainer, unsting and spot 50' on top of retainer.
7. POOH 6 stands and reverse clean. POOH w/ tbg
8. RU perforators and perf at 1500' and 570'.
9. RIH w/ tbg to  $\pm$  and set CICR @  $\pm$  1360'. Sting into retainer and pump 39 sx cement. Sting out and dump 6 sx on top of CICR.
10. POOH to  $\pm$  365' and spot a 100' balanced plug inside and outside of csg.
11. Set 100' plug at surface.
12. Top off cement at surface if necessary.
13. Cut off casing below GL and install a dry-hole marker.
14. Reclaim location.