

State Wide Plugging Band.
on file with the Utah State
Land Board. *Se.*

FILE NOTATIONS

Entered in N I D File

Checked by Chief

PMB

Entered On S R Sheet

.....

Copy N I D to Field Office

.....

Location Map Pinned

Approval Letter

Card Indexed

Disapproval Letter

.....

I W R for State or Fee Land

.....

COMPLETION DATA:

Date Well Completed

7-13-67

Location Inspected

.....

OW

WW

TA

Bond released

.....

GW

OS

PA

State of Fee Land

.....

LOGS FILED

Driller's Log

8-31-67

Electric Logs (No.)

4

E

I

E-I

GR

GR-N

Micro

Lat

Mi-L

Sonic

Others



CONTINENTAL OIL COMPANY

P. O. Box 1621
Durango, Colorado 81301
May 19, 1967

State of Utah
Oil & Gas Conservation Commission
348 East South Temple - Suite 301
Salt Lake City, Utah

Attention of Mr. Cleon B. Feight - Executive Director

Dear Mr. Feight:

Attached is an Intention to Drill Continental Oil Company's Bluff State No. 1, to be located 350' FNL, 200' FWL, Sec. 32, T39S, R23E, San Juan County, Utah. Since this well is closer than 500 feet from the offsetting lease lines in which the interests are not the same, an exemption is required from Rule C-3 which states that wells cannot be drilled closer than 500 feet from the lease line. The land on which the subject well will be drilled has a working interest of 50% Continental Oil Company and 50% Tenneco Oil Company. The royalty is held by the State of Utah. The offsetting lands in Sections 29, 30, and 31 have a Federal royalty, and the working interest is 81.043% for Continental and 18.957% for Tenneco. All lands are located within the Bluff Unit of which Continental is the operator. The U.S.G.S. has designated the SE/4 of Section 30 as a participating area for the Bluff No. 9 well. The other wells located within the Unit are considered non-commercial and are not in the participating area. If the subject well is commercial it is anticipated that the participating area for Bluff No. 9 will be extended to include the subject well. If this occurs, royalty and working interest will be adjusted in accordance with the Unit Agreement. ✓

It was necessary to move the location of Bluff State No. 1 due to severe topographic conditions. ✓ A location that was more than 500 feet from the present lease lines would fall on the side of McCracken Mesa which has a vertical wall of Dakota sandstone that varies in height from 200-500 feet. ✓ The proposed location is on a ridge about one-quarter way up the side of the mesa and is accessible. It would be impossible to get to any location that is more than 500

feet from the lease line without spending thousands of dollars to prepare location. Tenneco, who is the other working interest owner, has approved of this location as indicated by their approval at the end of this letter.

Your cooperation in granting an exception would be appreciated. If any other information is required please advise.

Very truly yours,



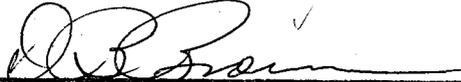
H. D. Haley
District Manager
Durango District
Production Department

HDR/ae

cc: U.S.G.S., Durango, Colo. ✓
Tenneco Oil Co., Durango, Colo.
Shell Oil Co., Farmington, N.M.

APPROVED:

Tenneco Oil Company

By: 

Title: District Exploration Superintendent

Date: May 19, 1967

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY **Conoco Les. No. 141850**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
Continental Oil Company

3. ADDRESS OF OPERATOR
P. O. Box 1421, Durango, Colorado 81301

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface **350' FWL, 200' FWL**
 At proposed prod. zone **NEW NEW NEW**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
8 miles NE of Bluff, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
300'

16. NO. OF ACRES IN LEASE
640

17. NO. OF ACRES ASSIGNED TO THIS WELL
160

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
2450' from dry hole

19. PROPOSED DEPTH
3950'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
4834' GR ungraded

22. APPROX. DATE WORK WILL START*
6-1-67

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4	8-3/8"		300'	To surface-200 sacks
7-7/8	5-1/2"	140	3950'	150 sacks reg. + 150 extra +100 more

We propose to drill this well to continue development of the Desert Creek reservoir. The well will test the Coconino and the Desert Creek interval of the Pennsylvanian Foraker formation. Samples will be taken. If commercial production is encountered production casing will be run and the well completed.

Plan of Development is being forwarded to U.S.G.S. office in Roswell.

APPROVED BY UTAH OIL AND GAS CONSERVATION COMMISSION
 DATE: 5-23-67 by Clem Feight EXECUTIVE DIRECTOR

43-037-20256

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

24. ORIGINAL SIGNED BY: Wm. A. Butterfield TITLE Office District Manager DATE 5-22-67

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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

*See Instructions On Reverse Side

COMPANY CONTINENTAL OIL COMPANY

Well Name & No. BLUFF STATE No. 1

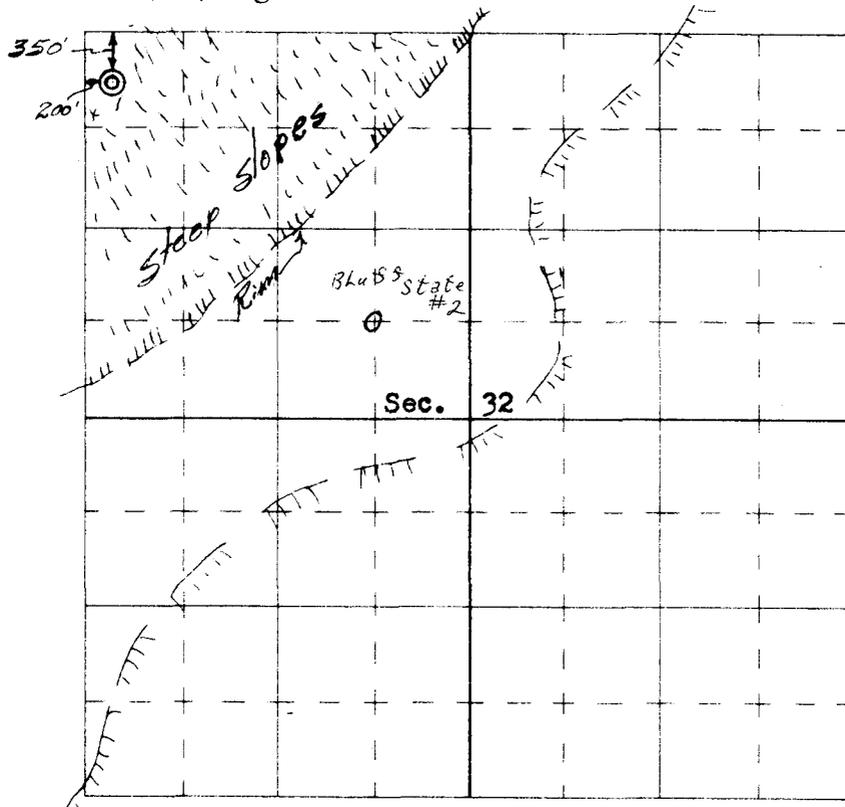
Lease No. _____

Location 350 FEET FROM THE NORTH LINE & 200 FEET FROM THE WEST LINE

Being in NW NW NW

Sec. 32, T 39S, R 23 E, S.L.M., San Juan County, Utah

Ground Elevation 4884' ungraded



Scale -- 4 inches equals 1 mile

Surveyed 18 May 1967

, 19 _____

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

Seal:

Ernst Engineering Co.
Durango, Colorado



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

May 24, 1967

Continental Oil Company
P. O. Box 1621
Durango, Colorado 81301

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

Gentlemen:

This letter is to confirm verbal approval given by Cleon B. Feight Executive Director to Mr. Wm. A. Butterfield on May 24, 1967 in accordance with Rule C-3(c).

Should you determine that it will be necessary to plug and abandon this well, you are hereby requested to immediately notify the following:

PAUL W. BURCHELL, Chief Petroleum Engineer
HOME: 277-2890 - Salt Lake City, Utah
OFFICE: 328-5771 - 328-5772 - 328-5773

This approval terminates within 90 days if the well has not been spudded-in within said period.

Enclosed please find Form OGCC-8-X, which is to be completed whether or not water sands (aquifers) are encountered while drilling. Your cooperation with respect to completing this form will be greatly appreciated.

Continental Oil Company

-2-

May 24, 1967

The API number assigned to this well is 43-037-20236 (see Bulletin D12 published by the American Petroleum Institute).

Very truly yours,

OIL & GAS CONSERVATION COMMISSION

GLEON B. FIEGHT
EXECUTIVE DIRECTOR

CBF: sc

cc: State Land Board
105 State Capitol Building
Salt Lake City, Utah

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY **Conoco Lee #161850**

SUBMIT IN DUPLICATE*
(See other instructions on reverse side)

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

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
P. O. Box 1621, Durango, Colorado

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
 At surface **350' FWL, 200' FWL**
 At top prod. interval reported below
 At total depth

14. PERMIT NO. _____ DATE ISSUED _____

5. LEASE DESIGNATION AND SERIAL NO.

ML-2098

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

Bluff

8. FARM OR LEASE NAME

Bluff State

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Desert Creek

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

Sec. 32, T39S-R23E, S1M

12. COUNTY OR PARISH

San Juan

13. STATE

Utah

15. DATE SPUNDED **6-6-67** 16. DATE T.D. REACHED **6-27-67** 17. DATE COMPL. (Ready to prod.) **7-13-67** 18. ELEVATIONS (DF, RKB, BT, GR, ETC.)* **4870' GR 4883' KB*** 19. ELEV. CASINGHEAD **4870'**

20. TOTAL DEPTH, MD & TVD **3640** 21. PLUG, BACK T.D., MD & TVD **3622' PBTD** 22. IF MULTIPLE COMPL., HOW MANY* _____ 23. INTERVALS DRILLED BY _____ ROTARY TOOLS **0-3640** CABLE TOOLS _____

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
3568-3576 & 3598-3604 Paradox-Desert Creek 25. WAS DIRECTIONAL SURVEY MADE
No

26. TYPE ELECTRIC AND OTHER LOGS RUN
IHS, Gamma Ray-Neutron, Sonic, Microlog 27. WAS WELL CORED
Yes

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24	315	12-1/4	200 sx 2% CaCl 2% gel	None
5-1/2"	14	3640	7-7/8	150 sx class "C", 150 cu ft stratocrete, 2% gel, salt saturated	None

29. LINER RECORD

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

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-7/8	3548	3548

31. PERFORATION RECORD (Interval, size and number)
3568-3576 & 3598-3604 1/2" jets, 2 holes per foot

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3568-3576	Acidized 2500 gal 15% ND acid
3598-3604	Acidized 2500 gal 15% ND acid

33.* PRODUCTION

DATE FIRST PRODUCTION **7-3-67** PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) **Flow** WELL STATUS (Producing or shut-in) **Producing**

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
7-18-67	23	1/2"	→	254	1672	0	6583

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
460	Phr	→	265 ✓	1745	0	42.4

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
SOLD - El Paso Natural Gas Company 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: **H. D. HALEY** TITLE **District Manager** DATE **7-28-67**

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

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see Item 36.

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

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments. **Items 22 and 24:** If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

1961 16 100

37. SUMMARY OF POROUS ZONES:
SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF: CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL-OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	GEOLOGIC MARKERS				
			Shinarump 2448' Moenkopi 2527' Cocomaio 2777' Organ Rock 2849' Morrison 4587' Johnson Creek 5320' J-1 5450' Desert Creek 5519' Chimney Rock 5613'						
					<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">MEAS. DEPTH</td> <td style="width: 50%;">TRUE VERT. DEPTH</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>	MEAS. DEPTH	TRUE VERT. DEPTH		
MEAS. DEPTH	TRUE VERT. DEPTH								

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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

Form approved.
Budget Bureau No. 42-R1424.

3. LEASE DESIGNATION AND SERIAL NO.

ML-2008

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

Bluff Unit Hermosa Penn "A"

8. FARM OR LEASE NAME

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Desert Creek

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

Sec. 32, T39S, R23E

12. COUNTY OR PARISH

San Juan

13. STATE

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
152 North Durbin, Casper, Wyo. 82601

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

350' FNL, 200' FWL

14. PERMIT NO.

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

4870' Gr., 4883' KB

10. 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) **Additional perforating**

(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.)*

TD 5640', PBTD 5622'. 5 1/2" Casing 5640'.
Perforated 5568-5576' and 5598-5604'.

It is proposed to acidize perforations with 8,000 gallons acid. Run Gamma Ray log with collar locator from 5470 to 5300'. Perforate Lower Ismay 5450-5454' with 2 super jets per foot. Acidize perforations 5450-5454' with 1,500 gallons acid. Return well to production.

USGS-Durango(3) UO&GCC(2) Tenneco File

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

SIGNED

J. A. McQueen

TITLE Administrative Section Chief

DATE

1-22-70

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 42-B1424.

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
152 North Durbin, Casper, Wyo. 82601

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface
350' FNL, 200' FWL

7. UNIT AGREEMENT NAME

Bluff Unit Hermosa Penn "A"

8. FARM OR LEASE NAME

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Desert Creek

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

Sec. 32, T39S, R23E

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, GR, etc.)
4870' Gr., 4883' KB

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
FRACTURE TREAT
SHOOT OR ACIDIZE
REPAIR WELL
(Other)

PULL OR ALTER CASING
MULTIPLE COMPLETE
ABANDON*
CHANGE PLANS

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

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.)*

TD 5640', PBD 5622'. 5 1/2" casing at 5640'.

Work Done: Acidized perforations 5568-5576' and 5598-5604' with 6000 gals. 28% acid. Perforated 5450-5454' with 2 shots per foot. Acidized perfs 5450-5454' with 1500 gals. 28% acid. Work completed 4-10-70.

Production test before on 12-2-69: 41 BOPD and 126 MCFGPD
Production test after on 4-14-70: 70 BOPD and 235 MCFGPD

USGS-Durango(3) UO&GCC(2) Tenneco File

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

SIGNED J. A. Ubben

TITLE Administrative Section Chief DATE June 11, 1970

(This space for Federal or State office use)

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____

DATE _____

BLUFF UNIT
SAN JUAN COUNTY, UTAH

Dugan Production Corp.-Operator

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

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

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

August 13, 1976

AUG 13 1976

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

Gentlemen:

Water Quality Analyses
File: DM-535.11-CF

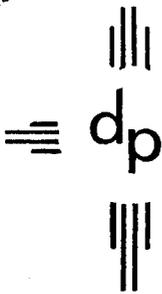
This letter is in reply to your request dated August 11, 1976, for water quality analyses taken on wells in the State of Utah since July, 1972. Continental Oil Company's Casper Production office has no wells in the State of Utah under its jurisdiction and it is believed that our Hobbs, New Mexico office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

Very truly yours,

W. C. Blackburn

jf

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



dugan production corp.

January 4, 1979

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

RE: Bluff Unit
San Juan County, Utah

*Bluff Unit #1
Hermosa Penn A-1*

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



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

SUNDRY NOTICES AND REPORTS ON WELLS

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

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 Unit State

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Hermosa Penn P.A. "A"

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

Sec. 32, T39S, R23E, SLM

12. COUNTY OR PARISH 13. STATE

San Juan

UT

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
DUGAN PRODUCTION CORP.

3. ADDRESS OF OPERATOR
P.O. BOX 420, Farmington, NM 87499-0420

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface 350' FNL - 200' FWL

RECEIVED
JUN 05 1989

DIVISION OF
OIL, GAS & MINING

14. PERMIT NO.

43-037-20236

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

4870' GR; 4883' RKB

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) Well returned to production

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

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

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

Well returned to production on 5-15-89

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

SIGNED Bud Crane

TITLE Production Superintendent

DATE 6-2-89

(This space for Federal or State office use)

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____

DATE _____

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 1, 1990~~. ~~The agreement makes Sterling Energy Corp. the sub-operator of 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: STRK
AKS

Howe 12/1/90

P.

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

January 3, 1992

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

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

*Wait for
approval to
change over
and done.
VE
1/7/92*

Gentlemen:

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

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

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

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

Sincerely,

(Orig. Sgd.) R. A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

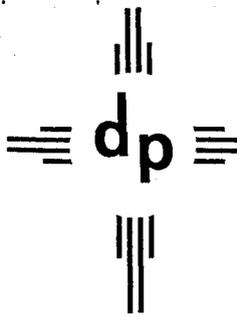
Enclosure

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

RECEIVED

FEB 07 1992

DIVISION OF
OIL GAS & MINING



dugan production corp.

RECORDED

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)

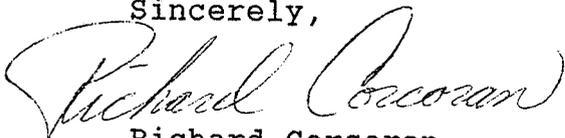
43-037-15864	Bluff Unit Well No. 3	NW NW 4, T40S, R23E
43-037-15865	Bluff Unit Well No. 24-5	SE SW 5, T40S, R23E
43-037-15867	Bluff Unit Well No. 44-5	SE SE 5, T40S, R23E
43-037-30726	Bluff Unit Well No. 13-4	NW SW 4, T40S, R23E
43-037-20866	Bluff Unit Well No. 42-5	SE NE 5, T40S, R23E

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

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

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

Sincerely,



Richard Corcoran
Land Manager

RC/mmm

Enclosures

FEB 27 1992

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

STATE OF UTAH
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

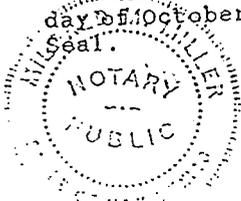
ASSIGNEE:
SUNFIELD ENERGY COMPANY

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.

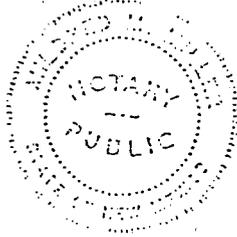


Mildred M. Miller
Notary Public, State of New Mexico
Printed Name: MILDRED M. MILLER
Commission Expires: 1-30-93

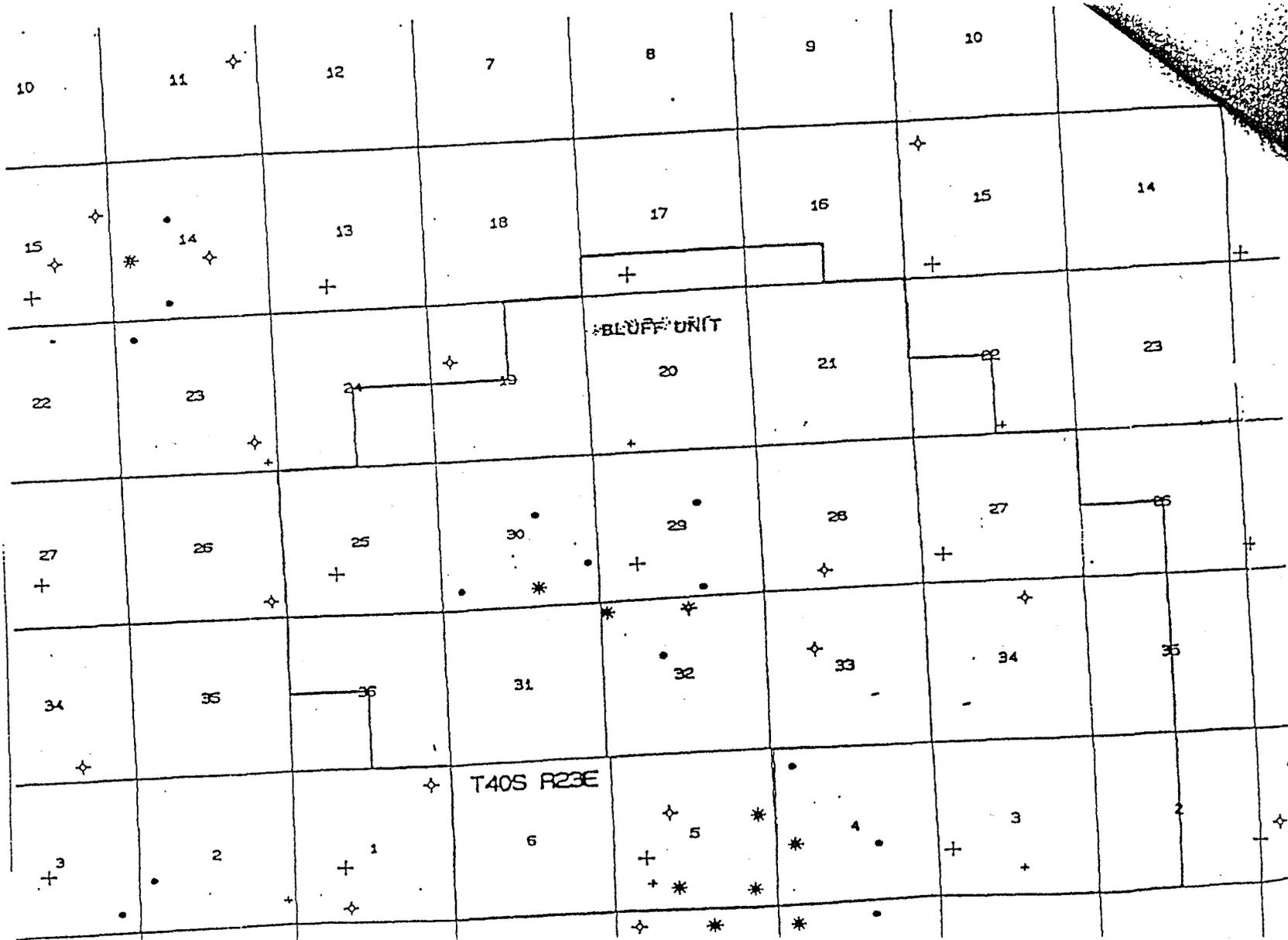
STATE OF NEW MEXICO §
 §
COUNTY OF SAN JUAN §

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-087708-A	Township 39 South, Range 23 East Sec. 22: SW/4 Sec. 26: SW/4 Sec. 27: All	960.00
ML-4858	Township 39 South, Range 23 East Sec. 16: S/2 SW/4	80.00
SL-087689-A	Township 39 South, Range 23 East Sec. 17: S/2 SE/4	80.00
SL-087700-A	Township 39 South, Range 23 East Sec. 17: S/2 SW/4 Sec. 19: Lots 3, 4, E/2 SW/4, E/2 Sec. 20: All Sec. 21: N/2, SW/4	1876.13
SL-087691-A	Township 39 South, Range 22 East Sec. 24: SE/4	180.00
SL-087692-A	Township 39 South, Range 22 East Sec. 25: S/2, NW/4, S/2 NE/4, N/4 NE/4	600.00
ML-2004	Township 39 South, Range 22 East Sec. 25: NE/4 NE/4	40.00
SL-087701	Township 39 South, Range 23 East Sec. 21: SE/4 Sec. 28: All Sec. 29: All Sec. 30: All Sec. 31: N/2, SW/4	2547.48
ML-4857	Township 39 South, Range 22 East Sec. 36: N/2, SE/4	480.00
SL-087710-A	Township 39 South, Range 23 East Sec. 31: SE/4 Sec. 33: E/2, W/2 NW/4, SW/4 Sec. 34: All Sec. 35: W/2	1680.00

*More or Less

*More or Less

LEASE NUMBER	DESCRIPTION	ACRES *
SL-087710-C	Township 39 South, Range 23 East Sec. 33: E/2 NW/4	80.00
ML-2008	Township 39 South, Range 23 East Sec. 32: SE/4 SE/4 SE/4	10.00
ML-2008-A	Township 39 South, Range 23 East Sec. 32: N/2, SW/4, W/2 SE/4, NE/4 SE/4, N/2 SE/4 SE/4, SW/4 SE/4 SE/4	630.00
SL-071404-A	Township 40 South, Range 23 East Sec. 8: All	636.44
SL-071403-A	Township 40 South, Range 23 East Sec. 3: All Sec. 4: All Sec. 5: All	1920.00
ML-2780	Township 40 South, Range 23 East Sec. 2: W/2	320.00
	TOTAL	11900.05

*More or Less

CHANGE IN UNIT OPERATOR

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

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

WITNESSETH:

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

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

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

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

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

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

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

First Party:

DUGAN PRODUCTION CORP.

By: Thomas A. Dugan

Title: President

Second Party:

SUNFIELD ENERGY COMPANY

By: Wanell P. Neelen

Title: Executive Vice President

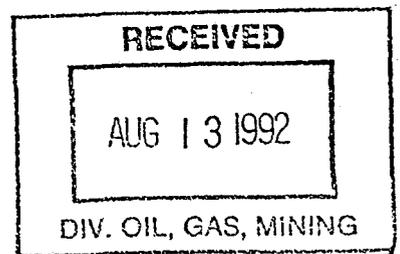
WITNESS my hand and seal
this 17th day of October, 1991.
Melved M. Melles
Notary Public
My commission expires
1-30-93

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

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

Routing:

1-DCR	7-DCR
2-DPS	TS
3-VLC	
4-RJF	
5-RWM	
6-ADA	

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

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

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

TO (new operator) SUNFIELD ENERGY COMPANY
 (address) 3315 BLOOMFIELD HWY
FARMINGTON, NM 87401
 phone (505) 326-5525
 account no. N 1760

FROM (former operator) DUGAN PRODUCTION CORP.
 (address) 709 E MURRAY DRIVE
PO BOX 420
FARMINGTON, NM 87499-0420
 phone (505) 325-1821
 account no. N 2140

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 BLM 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 _____ 19____. If yes, division response was made by letter dated _____ 19____.

OPERATOR 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 _____ 19____, 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 Bunker 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 Chaska 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)

Speed Letter®

To Ed Bonner

From Don Staley

State Lands

Oil, Gas and Mining

Subject Operator Change

— No. 9 & 10 FOLD
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:
<u>Bluff V St 1</u>	<u>43-037-20236</u>	<u>00625</u>	<u>32-395-23E</u>
<u>Bluff St 2</u>	<u>43-037-16538</u>	<u>00629</u>	<u>32-395-23E</u>
			<u>(ML-2008)</u>

— No. 9 FOLD
— No. 10 FOLD
CC: Operator File

Signed Don Staley

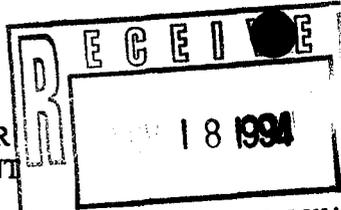
REPLY

Date _____ 19 _____

— No. 9 & 10 FOLD

Signed

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 OF OIL, GAS & MINING

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

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other Current Status TA

2. Name of Operator
 Sunfield Energy Company

3. Address and Telephone No.
 P.O. Drawer 612007, Dallas, TX 75261 (817) 695-4900

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 350' FNL & 250' FWL
 NW/NW Sec. 32-39S-23E

5. Lease Designation and Serial No.
 892000782A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation
 Bluff Unit

8. Well Name and No.
 Bluff #1

9. API Well No.
 43-037-20236

10. Field and Pool, or Exploratory Area
 Desert Creek

11. County or Parish, State
 San Juan, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" 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>Repair tubing</u>
	<u>perf & acidize</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.)*

Sunfield plans to repair tubing, perforate the Pardo Formation, and acidize as outlined in the attached procedure.

If the proposed workover is successful the well will immediately returned to a producing status.

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**

cc: State of Utah ✓
~~Navajo Nation~~

14. I hereby certify that the foregoing is true and correct
 Signed [Signature] Title Production Administrator Date 11/16/94

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
 Conditions of approval, if any:

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

**WORKOVER PROGNOSIS
BLUFF STATE #1
NWNW SEC 32 T39S R23E
SAN JUAN COUNTY, UTAH**

Present Status: Shut in, hole in tubing

Last Test: Pumping 7 BO + 0 BW + 167 MCF per day (1992)

Initial Potential: Flowing 254 BO + 0 BW + 1745 MCF per day 460 psi tbg Press

Elevation: 4870 (GL) Reference Depth: 4883 (KB)

Total Depth: 5640 (KB) PBTD: 5622 (KB)

Wellhead: Tbg set in slips with/packoff.

Casing Program: 8 5/8 24# set @ 315', cmt to surface
5 1/2" 14# set @ 5670, cmt w/250 sx in 7 7/8" hole to 3778 (Calc TOC)

Casing Collars: 5378-, 5409, 5441, 5473+, 5505, 5537, 5570, 5602, 5618

Reference Log: Lane Wells CCL/GR dated 6-29-67 (depths are 1 ft deep to SWS
BHC/GR dated 6/25/67)

Casing and Tubing Detail

Depth	Size (in)	Wt.#/ft	Grade/Thrd	Burst (psi)	Collapse (psi)	Yield M#	Drift (in)	Capacity (bbls/ft)
surf-5624	2-7/8	6.5	J-55 EUE	7260	7680	99	2.347	0.00579
surf-5670	5-1/2	14	J-55 STC	4270	3120	172	4.887	0.0244

Perforation Record

Date	Formation	Shot Density	Depth Interval	Currently Open
4/8/70	Lower Ismay	2 JSPF	5450-54	Yes
6/30/67	Desert Creek	2 JSPF	5568-76	Yes
7/13/67	Desert Creek	2 JSPF	5598-5604	Yes

Packers and Downhole Equipment

Depth	Description	Min ID (in)	Comments
5390	TA		
5608	Seat Nipple	1.06	None
5624	EOT	2.347	None
5941	2 1/2 x 1 1/2 x 18 RWBC Pump	NA	None
	113 jt 3/4" rods, 58 jt 7/8" rods, 51 jts 1", 6, 4, 2 x 1" ponys	NA	None

Proposed Operations: Repair tubing, open additional pay and acidize

1. Hot oil down tubing with 50 BBLs of oil with Paraffin inhibitor.
2. MIPU. Hold safety meeting with crew and review procedures with same. RU PU. Spot one 500 BBL frac tank & fill with FW.
3. Unseat pump & POH with pump and rod string & LD same.
4. NDWHD & NUBOP & pressure test to 1000 psi.
5. POOH w/tbg. Replace bad joint(s).
6. PU bit & 5 1/2" csg scraper & GIH. Clean out to PBTD. Circ clean. POOH.
7. RU wireline unit. GIH w/select fire decentralize casing gun and perforate w/1JSPF
5521-25
5539-40
5543-45
5547-49
5591-94
POOH & RD wireline unit.
8. PU 6' straddle packer assembly with mechanical CCL & GIH to 5000'. Set and test pkr elements to 1500 psi.

9. Acidize w/15% HCL NEA as follows:

<u>Setting</u>	<u>Depth Top Element</u>	<u>Volume Acid (gal)</u>
5598		200
5589		400
5570		300
5545		300
5540		300
5534		300
5519		600
5449		<u>400</u>
		2900 (gal)

Monitor backside for communication. Pump job @ 1/4 BPM. Do not exceed 3500 psi.

10. POOH w/ tools.
11. RIH w/ 2-7/8" production string and set circa 10' off bottom.
12. RIH w/pump and rods, space out and hang well on. Report production for 10 days.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial No.

892000782A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

Bluff Unit

8. Well Name and No.

Bluff #1

9. API Well No.

43-037-20236

10. Field and Pool, or Exploratory Area

Desert Creek

11. County or Parish, State

San Juan, UT

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Sunfield Energy Company

3. Address and Telephone No.

P. O. Box 612007, Dallas, TX 75261 (214) 753-6900

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

NW/NW Sec 32-39S-23E 350' FNL & 250' FWL

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

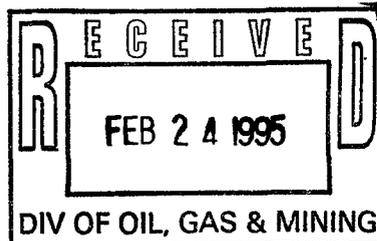
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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.)*

A workover was performed on the subject well. The attached data sheet is a summary of the work performed.

Should additional information be required, please feel free to contact the undersigned at 214/753-6900.

cc: State of Utah



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

Signed

Rachelle Montgomery

Production Administrator

Date

02/07/95

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

Date

Bluff State #1 - Section 32-39S-23E - 350' FNL & 200' FWL - San Juan County, Utah
WORKOVER INFORMATION -

The following footages were perforated w/1 JSPF: 5539-40'; 5543-45'; 5547-49'; 5591-94'; 5521-25'

Stimulation performed -

Run #	Setting Depth	Acid Vol (gal)	AIR (BPM)	Break Dwn Press	Avg pump Press (psi)	Comm.
1 Dsrt Creek	5598-5604'	240	1.00	2000	2150	No
2	5589-5595'	400	0.70	2043	2300	No
3 Dsrt Creek	5570-5576'	300	0.65	1741	2100	No
4	5545-5551'	150	0.50	2385	2300	No
5	5540-5546'	150	0.85	2121	2100	No
6	5534-5540'	16	0.13	None	2853	No
7	5519-5525'	400	0.40	2428	2330	Yes
8 Lwr Ismay	5449-5455'	400	1.10	2658	2280	No
9	5536-5542'	0	0.00	None	2639	No

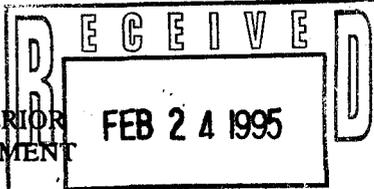
RIH w/SL & retrieve RFCV. Drop backup RFC. Load tbg w/ 1100 gal acid remaining. Displace w/1220 gal H₂O. EOT @ 5589' KB. Hang on & align horse head & hang off. Start unit @ 6 SPM & monitor.

PRODUCTION TEST AS FOLLOWS:

	<u>OIL/BBLS</u>	<u>WATER/BBLS</u>	
12/13/94	25.47	29.22	
12/14/94	32.56	30.90	
12/15/94	17.12	34.65	
12/16/94	21.71	20.46	
12/17/94	23.38	32.56	
12/18/94	14.19	37.58	
12/22/94	12.94	24.63	
12/23/94	24.23	32.97	
12/24,25,26/94	45.92	97.78	(avg 15.31 BOPD/32.6 BWPD)
12/27/94	15.86	28.92	
12/28/94	18.79	31.74	
12/29/94	10.86	27.55	
12/30/94	12.94	40.08	

Well to maintain production @ 6 SPM.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



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

SUNDRY NOTICES AND REPORTS ON WELLS, GAS & MINING

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

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Sunfield Energy Company

3. Address and Telephone No.

P. O. Drawer 612007, Dallas, TX 75261-2007 (214) 753-6900

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

NW/NW Sec 32-39S-23E 350' FNL & 250' FWL

5. Lease Designation and Serial No.
892000782A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

Bluff

8. Well Name and No.

Bluff #1

9. API Well No.

43-037-20236

10. Field and Pool, or Exploratory Area

Desert Creek

11. County or Parish, State

San Juan, Utah

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

TYPE OF SUBMISSION

- Notice of Intent
 Subsequent Report
 Final Abandonment Notice

TYPE OF ACTION

- Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other _____
- Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut-Off
 Conversion to Injection
 Dispose Water

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

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

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

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

* 3 days production

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

CC: State of Utah

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

Signed Rachelle Goutgomery Title Production Administrator

Date 2/23/95

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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5. Lease Designation and Serial No.
892000782A

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

SUBMIT IN TRIPLICATE

7. If Unit or CA, Agreement Designation
Bluff

1. Type of Well

Oil Well Gas Well Other

8. Well Name and No.

Bluff State #1

2. Name of Operator

Sunfield Energy Company

9. API Well No.

43-037-20236

3. Address and Telephone No.

P. O. Box 612007, Dallas, TX 75261-2007 214/753-6900

10. Field and Pool, or Exploratory Area

Desert Creek

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

NW/NW Sec 32-39S-23E
350' FNL & 250' FWL

11. County or Parish, State

San Juan, UT

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

TYPE OF SUBMISSION

Notice of Intent
 Subsequent Report
 Final Abandonment Notice

TYPE OF ACTION

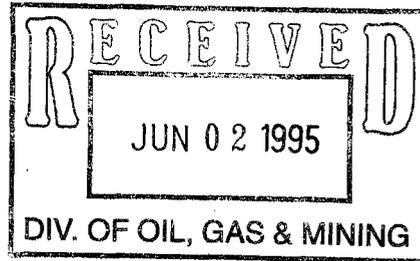
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(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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.)*

On May 1st the subject well was SI due to equipment failure. Subsequent field work indicates a parted rod. Sunfield has subsequently been unable to return the wellbore to production.

CURRENT STATUS: Shut - in



cc: State of Utah

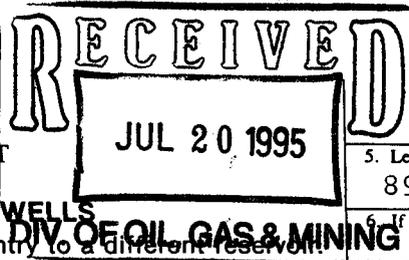
14. I hereby certify that the foregoing is true and correct

Signed Rachelle Montgomery Title Production Administrator Date 5/31/95

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



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

5. Lease Designation and Serial No.
892000782A

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

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1. Type of Well
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NW/NW Sec 32-39S-23E
350' FNL & 250' FWL

7. If Unit or CA, Agreement Designation
Bluff

8. Well Name and No.
Bluff State #1

9. API Well No.
43-037-20236

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On May 1st the subject well was SI due to equipment failure. Subsequent field work indicates a parted rod. Sunfield has subsequently been unable to return the wellbore to production.

CURRENT STATUS: Shut - in

cc: State of Utah

RECEIVED
 95 JUN 20 AM 9:11
 BRANCH OF FLUID MINERALS
 MOAB DISTRICT

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

Signed Rachelle L. Routgomery Title Production Administrator Date 5/31/95

(This space for Federal or State-office use)

Approved by [Signature] Title Branch of Fluid Minerals
Moab District

Conditions of approval, if any: NOTED Date JUL 14 1995

Noted: Gorres 7/13/95

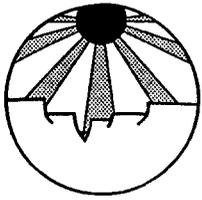
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Sunfield Energy Company
Well No.: Bluff State #1
Surface: NWNW Sec. 32 T. 39 S., R. 23 E.
Surface Lease: NA
API No.: 43-037-20236
CA No.: NA
Unit No.: 892000782A--Bluff Unit
San Juan County, Utah

CONDITIONS

1. Provide written notification (within 30 days) to the Moab District Office when the well is returned to production.
2. Notify the Utah Division of Oil Gas and Mining of change in status.

Note: Since this well is incapable of production at this point in time, the status should be temporarily abandoned (TA), not shut in as indicated on the sundry notice.



SUNFIELD ENERGY COMPANY

A subsidiary of Harken Energy Corporation

December 28, 1998

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

APPROVED - EFFECTIVE JAN 06 1999
Rat
DEPARTMENT OF FLUID MINERALS
BUREAU OF LAND MANAGEMENT

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

Gentlemen:

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

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

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

Very truly yours,

SUNFIELD ENERGY COMPANY

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

NSM

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number:

892000782A

SUNDRY NOTICES AND REPORTS ON WELLS

6. If Indian, Allottee or Tribe Name:

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.

7. Unit Agreement Name:

Bluff

1. Type of Well: OIL GAS OTHER:

8. Well Name and Number:

Bluff State #1

2. Name of Operator:
Sunfield Energy Company

9. API Well Number:

43-037-20236

3. Address and Telephone Number:
16285 Park Ten Place, Suite 600, Houston, Texas 77084

10. Field and Pool, or Wildcat:

Desert Creek

4. Location of Well
Footages: 350' FNL & 250' FWL
OO, Sec., T., R., M.: NW/NW Sec. 32-39S-23E

County: San Juan

State: Utah

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

NOTICE OF INTENT
(Submit in Duplicate)

- | | |
|---|---|
| <input type="checkbox"/> Abandonment | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Other <u>Change of operator</u> | |

Approximate date work will start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

- | | |
|--|---|
| <input type="checkbox"/> Abandonment | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

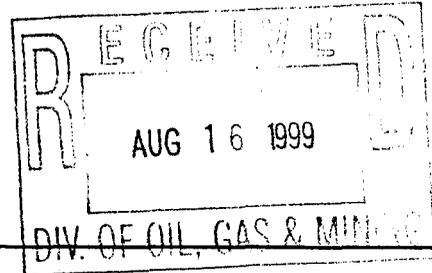
Date of work completion _____

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

* Must be accompanied by a cement verification report.

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

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



13. Name & Signature: Carolyn Bryant Carolyn Bryant Title: Regulatory Coordinator Date: 8-13-99

(This space for State use only)



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO
UT-931

September 15, 1999

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

Re: Bluff Unit
San Juan County, Utah

Gentlemen:

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

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

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

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

Sincerely,

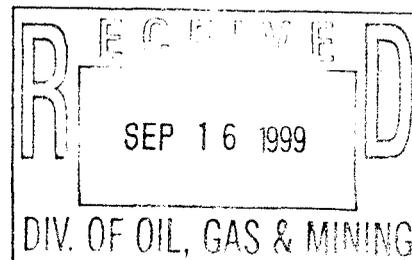
/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

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

UT931:TAThompson:tt:9/15/99



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Basin Exploration Incorporated

3. Address and Telephone No.

370 17th St., Suite 3400 - Denver, Colorado 80202

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

**350' FNL & 250' FWL
NW NW Section 32-T39S-R23E**

5. Lease Designation and Serial No.

892000782A

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

Bluff

8. Well Name and No.

Bluff State #1

9. API Well No.

4303720236

10. Field and Pool, or Exploratory Area

Desert Creek

11. County or Parish, State

San Juan Co., Utah

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

TYPE OF SUBMISSION

Notice of Intent
 Subsequent Report
 Final Abandonment Notice

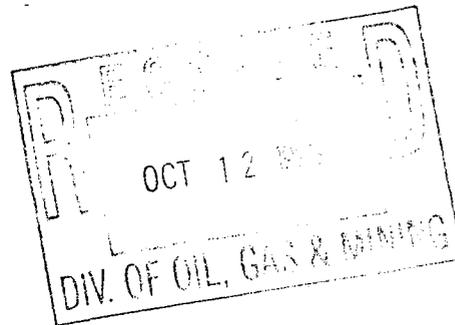
TYPE OF ACTION

Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other Change of Operator
 Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut-Off
 Conversion to Injection
 Dispose Water

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

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

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

Jerry L. Hoffman

Title **Engineering Technician**

Date **10/7/99**

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval, if any: _____

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

***See Instruction on Reverse Side**

OPERATOR CHANGE WORKSHEET

1-KDR ✓	6-KAS ✓
2-CLH	7-SJ
3-JKB	8-FILE
4-CDW	
5-KDR ✓	

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

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

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

TO: (new operator)	<u>BASIN EXPLORATION INC.</u>	FROM: (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: _____
- KDR 4. **FOR INDIAN AND FEDERAL WELLS ONLY.** The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of **Federal** and **Indian** well operator changes should ordinarily take place prior to the division's approval, and before the completion of steps 5 through 9 below. *(Rec'd 9.16.99)*
- KDR 5. Changes have been entered in the **Oil and Gas Information System** (3270) for each well listed above. *(12.10.99)*
- KDR 6. Cardex file has been updated for each well listed above.
- HA 7. Well file labels have been updated for each well listed above. **new filing system*
- KDR 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc. *(12.10.99)*
- KDR 9. A folder has been set up for the **Operator Change file**, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

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

BOND VERIFICATION - (FEE WELLS ONLY)

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

LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY

- KDP 1. Copies of documents have been sent on email sent 10.27.99 to Ed Bonner at Trust Lands for changes involving State leases, in order to remind that agency of their responsibility to review for proper bonding.
- N/A 2. (r649-2-10) The former operator of any fee lease wells listed above has been contacted and informed by letter dated _____ 19 ____, of their responsibility to notify all interest owners of this change.

FILMING

- VG 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.

Checkel above type. Abington and

request was found legitimate JWB

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input 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: CITY _____ STATE _____ ZIP _____		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: _____		8. WELL NAME and NUMBER:
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____ QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____		9. API NUMBER:
		10. FIELD AND POOL, OR WILDCAT: COUNTY: _____ STATE: UTAH

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

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

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

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

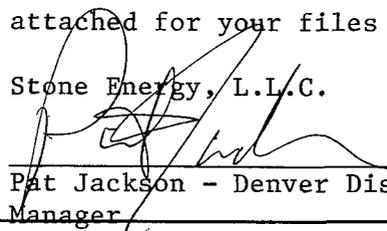
Stone Energy, L.L.C.
1670 Broadway, Suite 2800
Denver, CO 80202

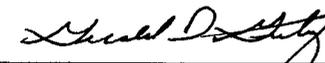
Blanket Bond #RLB0002054

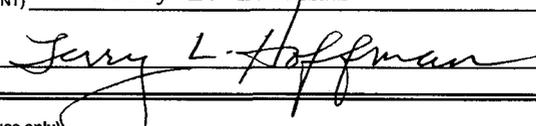
Attached is the list of wells that will be effected in the State of Utah. Also attached for your files is a copy of the merger documentation.

Stone Energy, L.L.C.

Basin Exploration, Inc.


Pat Jackson - Denver District
Manager


Gerald D. Gentry Operations Manager

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

(This space for State use only)

RECEIVED

MAR 05 2001

DIVISION OF
OIL, GAS AND MINING

Lease #	Well Name & Number	API Number	Field	Legal Location	County
UTU 75140	Bierstat #21-13 11-13	4303704700	Wildcat	NE NW 13 T40S R22E	San Juan
SL 067701	Bluff #10	4303715328	Desert Creek	SW SW 30-T39S-R23E	San Juan
SL 071403A	Bluff #13-4	4303730726	Bluff	NW SE 4-T40S-R23E	San Juan
SL 067701	Bluff #16	4303730989	Desert Creek	SW SE 29-T39S-R23E	San Juan
ML 2008	Bluff #2	4303716538	Desert Creek	SE NW 32-T39S-R23E	San Juan
SL 071403A	Bluff #42-5	4303730866	Desert Creek	SE NE 5-T40S-R23E	San Juan
SL 071403A	Bluff #44-5	4303715867	Bluff	SE SE 5-T40S-R23E	San Juan
892000782A	Bluff #9	4303715327	Desert Creek	NE SE 30-T-39S-T23E	San Juan
892000782A	Bluff State #1	4303720236	Desert Creek	NW NW 32-T39S-R23E	San Juan
SL 067701	Bluff Unit #14	4303730533	Desert Creek	NE SE 30-T-39S-T23E	San Juan
1420603248	Desert Creek #11-35	4303731806	Wildcat	NW NE 35-T41S-R23E	San Juan
1420603248	Desert Creek #2	4303715868	Desert Creek	SE SE 35-T41S-R23E	San Juan
1420603270	Navajo Tribal #23-1	4303710535	Tohonadla	NE NE 2-T42S-21E	San Juan
U-01890	Recapture Creek #1	4303715871	Recapture Creek	SE SE 21-T40S-R23E	San Juan
U-01890	Recapture Creek #2	4303730727	Recapture Creek	NW SW 21-T40S-R23E	San Juan
U-01890	Recapture Creek #3	4303730926	Recapture Creek	NW SE 21-T40S-R23E	San Juan
1420603229	Tohonadla #1	4303715872	Tohonadla	SW SE 35-T41S-R21E	San Juan
1420603229	Tohonadla #23-35	4303715874	Tohonadla	NE SW 35-T41S-R21E	San Juan
1420603229	Tohonadla #2-35	4303731568	Tohonadla	N2 S2 35-T41S-R21E	San Juan



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

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

MAR 23 2001

NOTICE

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

Name Change Recognized

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

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

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

ROBERT LOPEZ

Robert Lopez
Chief, Branch of
Minerals Adjudication

Enclosure
Exhibit of Leases

RECEIVED

MAR 27 2001

DIVISION OF
OIL, GAS AND MINING

EXHIBIT A
LEASES AFFECTED BY NAME CHANGE

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

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

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

cc: MMS-Reference Desk Branch, MS 3130, Box 5860, Denver, CO 80217
State of Utah, DOGIM, 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

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:

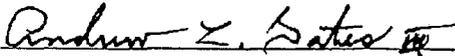
1209 Orange Street
Wilmington, Delaware 19801

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:

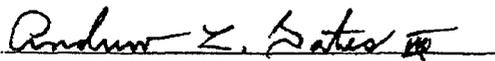
1209 Orange Street
Wilmington, Delaware 19801

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

OPERATOR CHANGE WORKSHEET

ROUTING

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

Enter date after each listed item is completed

Change of Operator (Well Sold)

Designation of Agent

X Operator Name Change (Only)

Merger

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

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

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

CA No.

Unit: BLUFF

WELL(S)

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

OPERATOR CHANGES DOCUMENTATION

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

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 filled in each well file on: _____

COMMENTS:



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).

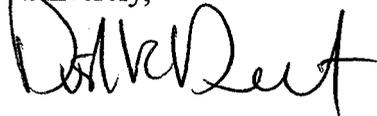
Page 2
Julie Whalen
March 19, 2004

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

	Well Name	API	Lease Type	Years Inactive
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.

395 232 32
43-037-20236

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

	Well Name	API	Lease Type	Years Inactive
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.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Stone Energy, L.L.C. <i>N1555</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 1801 Broadway, St. 700 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: 092000702A <i>BLUFF</i>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <i>350 FNSL and 250 FWL</i>		8. WELL NAME and NUMBER: Bluff Unit State #1
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <i>NWNW 32 39S 23E</i>		9. API NUMBER: 4303720236
COUNTY: <i>San Juan</i>		10. FIELD AND POOL, OR WILDCAT: Bluff
STATE: <i>UTAH</i>		

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

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

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

Effective June 1, 2004, Stone Energy, L.L.C. is transferring title interest and operations of this well to Matrix Production Company, whose address is 5725 Commonwealth Blvd., Sugar Land, Texas 77479, Tele: 281-265-1212. The Matrix bonding is as follows: (1) BIA lands *U.S. Speciality* Insurance Company Bond No. *B001183* for \$*120,000.00* (2) State of Utah Trust lands, *U.S. Speciality* Insurance Company Bond No. *B001043* for \$*10,000.00* and (3) BLM lands *U.S. Speciality* Insurance Company Bond No. *B001041* for \$*25,000.00*.

MATRIX PRODUCTION COMPANY *N2660*

By: *[Signature]* Title: Vice President
Name: Larry W. Lathrop Date: 6/30/2004

NAME (PLEASE PRINT) *Michael E. Cuba* TITLE *Denver District Manager*

SIGNATURE *[Signature]* DATE *6/30/2004*

(This space for State use only)

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

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

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

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH
2. CDW
3. FILE

X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

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

6/1/2004

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

CA No.

Unit:

see below

WELL(S)

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

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

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

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

8. **Federal and Indian Units:**

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

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

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

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

DATA ENTRY:

1. Changes entered in the Oil and Gas Database on: 10/27/2004
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 10/27/2004
3. Bond information entered in RBDMS on: 10/27/2004
4. Fee/State wells attached to bond in RBDMS on: 10/27/2004
5. Injection Projects to new operator in RBDMS on: n/a
6. 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:



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) *T395 R27E S-32*

Bluff State #2 (43-037-16538)

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 CO₂ 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.

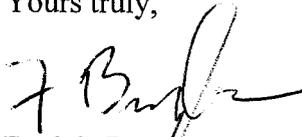
February 1, 2005

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.

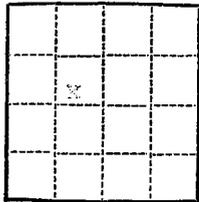
Please let me know if you have any questions concerning the above.

Yours truly,



Fred C. Bryla
Vice President

enclosure



(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Land Office Salt Lake
Lease No. 2008--Utah State
Unit Bluff Unit ✓

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 4, 1951, 19

Well No. 1 is located 1800 ft. from N line and 1880 ft. from E line of sec. 32

0 SE NW Sec. 32 39S 23E SLK
(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 5322 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 7565-7583' with 51 jet and 52 bullet shots. Gauged 5,500 MCF CO2, 12 bbls. fluid per 24 hrs. 90% salt water, 10% distillate.
Set BOPCO squeeze packer @ 7485' and Lone Wells Bridge plug @ 6230', squeezed off perforations with 50 sacks cement.
Perforated 6014-6038' with 72 jet and 72 bullet shots.
Testing.

RECEIVED

FEB 8 1951

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

39 S 23 E Sec. 32



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 CO₂ 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

4303720236
39S 235 32



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

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 CO₂ 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

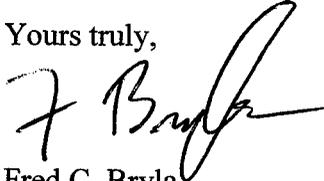
JUN 13 2005

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 long horizontal stroke extending to the right.

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. 892000782A
2. Name of Operator Matrix Production Company		6. If Indian, Allottee or Tribe Name
3a. Address 5725 Commonwealth, Sugar Land, TX 77479	3b. Phone No. (include area code) 281-265-1212	7. If Unit or CA/Agreement, Name and/or No. Bluff
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 350' FNL & 250' FWL Sec 32-T39S-R23E		8. Well Name and No. Bluff State #1
		9. API Well No. 43-037-20236
		10. Field and Pool, or Exploratory Area Bluff
		11. County or Parish, State San Juan, UT

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

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

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

Repair previously TA'd well. Fish tubing and anchor out of well and clean out to PBTD of 5630'. Acidize existing perfs 5450-5604' OA w/ 2000 gal 20% Hcl. Return to production.

RECEIVED

JUN 13 2005

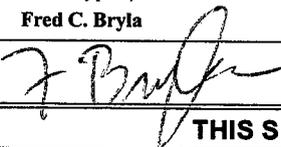
DIV. OF OIL, GAS & MINING

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

Fred C. Bryla

Title **Vice President**

Signature



Date

6-10-05

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ 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)



State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

August 26, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 6008

Mr. Fred Bryla
Matrix Production Company
5725 Commonwealth
Sugar Land, TX 77479

Re: Well Bluff U ST 1 API 43-037-20236 39S 23E 32
Second Notice of Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases

Dear Mr. Bryla:

As of July 2008, Matrix Production Company (Matrix) has one (1) State Mineral Lease Well (see Attachment A) that is in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("DOGM" or "Division") approval. 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).

Several letters have been exchanged between DOGM and Matrix concerning the status of Well Bluff U ST 1 (API# 43-037-20236). Matrix most recently stated in a letter dated June 10, 2005 that Bluff U ST 1 had been returned to production. The Division has not received any supporting documentation concerning this claim. Please submit your plans to produce or plug this well to DOGM within 30 days of this notice or further actions will be initiated.

For extended SI/TA consideration the operator shall provide the Division 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
August 26, 2008
Mr. Fred Bryla

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 will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

JP/js
Enclosure

cc: Jim Davis, SITLA
Well File
Operator Compliance File

ATTACHMENT A

	Well Name	Location	API	Lease Type	Years Inactive
1	Bluff U ST 1	NWNW Sec 32-39S-23E	43-037-20236	State	5 Years 7 Months

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML2008
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: Bluff Unit Hermosa "A" PA
2. NAME OF OPERATOR: Matrix Production Company		8. WELL NAME and NUMBER: Bluff Unit State No 1
3. ADDRESS OF OPERATOR: 5725 Commonwealth Blvd CITY Sugar Land STATE TX ZIP 77479		9. API NUMBER: 4303720236
4. LOCATION OF WELL FOOTAGES AT SURFACE: 350' FNL & 250' FWL		10. FIELD AND POOL, OR WILDCAT: Bluff
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 32 39S 23E		COUNTY: San Juan
		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 (Submit in Duplicate) Approximate date work will start: <u>10/1/2008</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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 checked="" 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.
The subject well will be repaired and returned to producing status.

COPY SENT TO OPERATOR
Date: 12.30.2008
Initials: KS

NAME (PLEASE PRINT) <u>Fred C Bryla</u>	TITLE <u>Vice President</u>
SIGNATURE	DATE <u>9/24/2008</u>

(This space for State use only)

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

DATE: 12/23/08

BY: [Signature] (See Instructions on Reverse Side)

* See attached letter dated 12/23/08

RECEIVED
SEP 29 2008
DIV. OF OIL, GAS & MINING



MATRIX
PRODUCTION
COMPANY

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

September 24, 2008

Mr. Dustin Doucet
State of Utah
Department of Natural Resources
Division of Oil, Gas & Mining
PO Box 145801
Salt Lake City, Utah 84114-5801

Re: Notice of Intent
Bluff Unit State #1 (43-037-20236)

Dear Mr. Doucet:

Matrix is in receipt of your letter dated August 26, 2008 concerning the above referenced well. As a matter of clarification, by Sundry Notice dated June 10, 2005, Matrix notified the Division that it had returned the subject well to production. Having reviewed our files, this well was producing water at that time (de-watering the reservoir), but such wellhead volumes appear to have been incorrectly reported to an offset unit well that shared a common tank battery. After several months of operation, the subject well was shut-in due to a mechanical failure and was not repaired.

At this time, Matrix intends to repair the well and to return it to producing status. Please let me know if you have any questions concerning the attached.

Yours truly,

Fred C. Bryla
Vice President

Enclosure

RECEIVED
SEP 29 2008
DIV. OF OIL, GAS & MINING

December 23, 2008

Mr. Fred Bryla
Matrix Production Company
5725 Commonwealth
Sugar Land, TX 77479

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases dated August 26, 2008.

Dear Mr. Bryla:

This correspondence is in response to your sundry dated September 24, 2008 (received by the Division on 9/29/2008) that addresses the Bluff U ST 1 (API 43-037-20236) well that is operated by Matrix Production Company.

Due to insufficient evidence the Division of Oil, Gas and Mining (the Division) is unable to grant extended SI/TA status for the above said well. It is the Divisions understanding that the above well will be repaired and returned to production. Until then, please submit length of time that the well is expected to be shut-in or temporarily abandoned along with evidence showing well integrity. The Divisions preferred method of demonstrating well integrity is to perform an MIT.

Please submit the required information within 30 days of the date of this notice, or further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

JP:js
Enclosure

cc: Jim Davis, SITLA
Compliance File
Well File



MATRIX
PRODUCTION
COMPANY

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

October 9, 2008

Mr. Dustin Doucet
State of Utah
Department of Natural Resources
Division of Oil, Gas & Mining
PO Box 145801
Salt Lake City, Utah 84114-5801

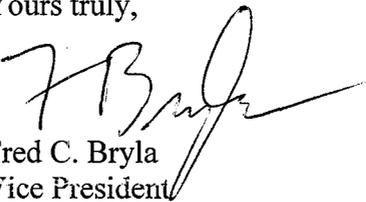
Re: Subsequent Report
Bluff Unit State #1 (43-037-20236)

39S 23E 32

Dear Mr. Doucet:

Please find a Sundry Notice related to the above referenced well. Please let me know if you have any questions concerning the attached.

Yours truly,


Fred C. Bryla
Vice President

Enclosure

RECEIVED

OCT 14 2008

DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS			5. LEASE DESIGNATION AND SERIAL NUMBER: ML2008
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____			7. UNIT or CA AGREEMENT NAME: Bluff Unit Hermosa "A" PA
2. NAME OF OPERATOR: Matrix Production Company			8. WELL NAME and NUMBER: Bluff Unit State No 1
3. ADDRESS OF OPERATOR: 5725 Commonwealth Blvd CITY Sugar Land STATE TX ZIP 77479		PHONE NUMBER: (281) 265-1212	9. API NUMBER: 4303720236
4. LOCATION OF WELL FOOTAGES AT SURFACE: 350' FNL & 280' FWL COUNTY: San Juan			10. FIELD AND POOL, OR WILDCAT: Bluff
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 32 39S 23E STATE: UTAH			

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input checked="" 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.

The subject well has been repaired and is producing as of October 6, 2008.

NAME (PLEASE PRINT) <u>Fred C Bryla</u>	TITLE <u>Vice President</u>
SIGNATURE	DATE <u>10/9/2008</u>

(This space for State use only)

RECEIVED
OCT 14 2008

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION
STATE OF UTAH
OIL AND GAS CONSERVATION ACT

To the following operator:

Name: MATRIX PRODUCTION COMPANY

Well(s) or Site(s): 1.) BLUFF U ST 1 API #: 43-037-20236
39 S 23 E 32

Date and Time of Inspection/Violation: March 8, 2011

Mailing Address: Attn: Fred Bryla
5725 Commonwealth
Sugarland, TX 77479

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells – The above referenced well has been Shut-in or Temporarily Abandoned (SI/TA) over 5 consecutive years. Also it has produced very intermittently from 1996 to 2010 whereas the majority of the time it was shut-in. According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

The Division has initiated several contacts with Matrix Production Company (Matrix) requesting required documents and action per R649-3-36. The above listed well had multiple correspondences sent out via certified mail in 2005 to Matrix. After substantial time had passed with no sign of progress the Division sent out a second notice via certified mail on August 26, 2008. Matrix in response sent a sundry dated September 24, 2008, stating that the well had been repaired and returned to production. The Division also received a letter from Matrix dated September 24, 2008, explaining that in June 2005 the well was producing water; however the reports were attributed to a nearby well and after a matter of months the well was shut in due to mechanical failure. The Division replied with a letter dated December 23, 2008, stating that there was insufficient evidence of integrity to allow the well to remain shut in. In response the Division received a sundry dated October 9, 2008, stating that the wells had been producing as of October 6, 2008. Our records simply show that production on this well is as follows: Jan 2010 – 28 bbls for 20 days, 2002 – 1 mcf of gas for 1 day, 1999 – 17 mcf gas for 17 days, prior to that no reported production after 1996. Our records show nothing has been done to date to move this well out of violation status. The Division has had numerous other communications by phone and email with Matrix where Matrix has not provided adequate data to prove mechanical integrity or otherwise that the well is in fact producing commercial quantities. Matrix has not complied with rule R649-3-36 despite the several years the Division has worked with them to bring this well into compliance.

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

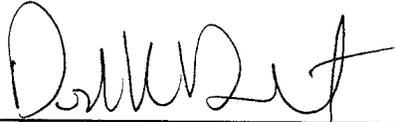
Action: For the well subject to this notice, Matrix shall either submit the information required by R649-3-36, plug and abandon or place the well on production.

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: May 1, 2011

Date of Service Mailing: March 10, 2011

CERTIFIED MAIL NO: 7005 1820 0001 5562 8101



Division's Representative

Operator or Representative
(If presented in person)

6/2005



MATRIX
 UTAH PRODUCTION
 COMPANY, L.L.C.

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

April 27, 2011

Utah Dept. of Natural Resources
 Division of Oil, Gas, & Mining
 Oil and Gas Program
 1594 West North Temple, Suite 1210, Box 145801
 Salt Lake City, Utah 84114-5801

Re: Bluff Unit State #1 (API#-43-037-20236)

Gentlemen: *39S 23E 32*

Matrix Utah Production Company, LLC (Matrix) is in receipt of your letter regarding the captioned well (the "Well") (Copy Attached). Matrix acknowledges that the Well has had a spotty production history and has not produced in commercial quantities since Matrix took ownership. However, the well has produced hydrocarbons in the past and, given today's oil prices, Matrix decided to attempt commercial production from the Well. As such, Matrix contracted with Red Rock Well Service to work the well over and return it to production.

The Well was returned to production on April 25, 2011. Matrix requests that it be allowed to produce the well for 120 days to attempt to establish commercial production. If, after 120 days, Matrix is unable to restore production on the Well, Matrix will plug and abandon the Well in accordance with regulations.

Thank you. Should you require anything further, please call me at 281-265-1212.

Sincerely,

Larry W. Lathrop
 Matrix Utah Production Company, LLC

COPY SENT TO OPERATOR
RECEIVED
 Date: AUG 08 2011
 Initials: KS
APR 28 2011
 DIV. OF OIL, GAS & MINING

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

DATE: 8/31/2011
 BY: [Signature]

* Division records do not show any production reported through its MAY 2011 report! If well is not returned to production, requirements of RG49-3-36 should be met.

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

RECEIVED

MAR 17 2011

BY: MATRIX - SUGAR LAND

NOTICE OF VIOLATION
STATE OF UTAH
OIL AND GAS CONSERVATION ACT

To the following operator:

Name: MATRIX PRODUCTION COMPANY

Well(s) or Site(s): 1.) BLUFF U ST 1 API #: 43-037-20236

Date and Time of Inspection/Violation: March 8, 2011

Mailing Address: Attn: Fred Bryla

5725 Commonwealth

Sugarland, TX 77479

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells – The above referenced well has been Shut-in or Temporarily Abandoned (SI/TA) over 5 consecutive years. Also it has produced very intermittently from 1996 to 2010 whereas the majority of the time it was shut-in. According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

The Division has initiated several contacts with Matrix Production Company (Matrix) requesting required documents and action per R649-3-36. The above listed well had multiple correspondences sent out via certified mail in 2005 to Matrix. After substantial time had passed with no sign of progress the Division sent out a second notice via certified mail on August 26, 2008. Matrix in response sent a sundry dated September 24, 2008, stating that the well had been repaired and returned to production. The Division also received a letter from Matrix dated September 24, 2008, explaining that in June 2005 the well was producing water; however the reports were attributed to a nearby well and after a matter of months the well was shut in due to mechanical failure. The Division replied with a letter dated December 23, 2008, stating that there was insufficient evidence of integrity to allow the well to remain shut in. In response the Division received a sundry dated October 9, 2008, stating that the wells had been producing as of October 6, 2008. Our records simply show that production on this well is as follows: Jan 2010 – 28 bbls for 20 days, 2002 – 1 mcf of gas for 1 day, 1999 – 17 mcf gas for 17 days, prior to that no reported production after 1996. Our records show nothing has been done to date to move this well out of violation status. The Division has had numerous other communications by phone and email with Matrix where Matrix has not provided adequate data to prove mechanical integrity or otherwise that the well is in fact producing commercial quantities. Matrix has not complied with rule R649-3-36 despite the several years the Division has worked with them to bring this well into compliance.

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

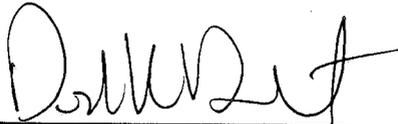
Action: For the well subject to this notice, Matrix shall either submit the information required by R649-3-36, plug and abandon or place the well on production.

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: May 1, 2011

Date of Service Mailing: March 10, 2011

CERTIFIED MAIL NO: 7005 1820 0001 5562 8101



Division's Representative

Operator or Representative
(If presented in person)

6/2005

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-2008
2. NAME OF OPERATOR: Matrix Production Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 5725 Commonwealth Blvd CITY Sugar Land STATE TX ZIP 77479		7. UNIT or CA AGREEMENT NAME: Bluff Unit Hermosa "A" PA
4. LOCATION OF WELL FOOTAGES AT SURFACE: 350' FNL & 250' FWL		8. WELL NAME and NUMBER: Bluff Unit State No 1
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 32 39S 23E		9. API NUMBER: 4303720236
COUNTY: San Juan		10. FIELD AND POOL, OR WILDCAT: 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 (Submit in Duplicate) Approximate date work will start: 3/1/2012	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" 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.

The subject well is no longer capable of producing in commercial quantities. See proposed plugging procedure attached.

COPY SENT TO OPERATOR

Date: 2-28-2012

Initials: VS

NAME (PLEASE PRINT) Fred Bryla	TITLE Vice President
SIGNATURE	DATE 2/15/2012

(This space for State use only)

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

DATE: 2/23/2012

BY: [Signature] (See Instructions on Reverse Side)

* See Conditions of Approval (Attached)

RECEIVED
FEB 21 2012
DIV. OF OIL, GAS & MINING

**MATRIX PRODUCTION COMPANY
BLUFF STATE #1
NWNW SEC. 32-T39S-R23E
SAN JUAN COUNTY, UTAH**

PROPOSED PLUG & ABANDONMENT PROCEDURE

Well Data

API 43-037-20236

Elevation - 4870' GL, 4883' KB

TD - 5640'

PBTD - 5622'

Surface casing - 8⁵/₈" 24#, J-55 @ 315' cemented to surface w/ 200 sx

Production casing - 5¹/₂" 14# J-55 @ 5640' cemented w/ 250 sx in 7-7/8" hole

Tubing - 2⁷/₈" 6.5 J-55

Perforations: Ismay/Desert Creek 5450'-5602' OA

Procedure

1. Test anchors, MIRU pulling unit, ND wellhead & NU BOP.
2. POOH w/ rods & pump. Lay down rods & pump
3. POOH w/tubing.
4. RIH (tally tubing) w/ bit and scraper to PBTD at ±5622'. POOH.
5. TIH w/ cmt retainer and set at ±5400'.
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 4600', 1410', 365'
9. RIH w/tbg to±4600' and spot a 100' balanced plug inside and outside of csg.
10. POOH to ±1410' and spot a 100' balanced plug inside and outside of csg.
11. POOH to± 365' and spot a 100' balanced plug inside and outside of csg.
12. Set 100' plug at surface
13. Top off cement at surface if necessary.
14. Cut off casing below GL and install a dry-hole marker.
15. Reclaim location.



MATRIX
PRODUCTION
COMPANY

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

February 15, 2012

Mr. Dustin Doucet
Utah Division of Oil, Gas & Mining
PO Box 145801
Salt Lake City, Utah 84114-5801

Re: Sundry Notice
Bluff Unit State #1 (43-037-20236)

Dear Mr. Doucet:

Please find enclosed a Sundry Notice related to the above referenced well. Please let me know if you have any questions concerning the attached.

Yours truly,

Fred C. Bryla
Vice President

Enclosure

RECEIVED
FEB 21 2012
DIV. OF OIL, GAS & MINING



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

CONDITIONS OF APPROVAL TO PLUG AND ABANDON WELL

Well Name and Number: Bluff U ST 1
API Number: 43-037-20236
Operator: Matrix Production Company
Reference Document: Original Sundry Notice dated February 15, 2012,
received by DOGM on February 21, 2012.

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. **Amend Plug #2:** Perforations at 4600' do not appear to be necessary. Primary TOC estimated between 3778' and 4300'. If operator has information showing cement is not present at 4600', then proceed with inside/outside plug as proposed.
3. **Amend Plug #3:** This plug shall use a CICR. RIH with CICR and set at $\pm 1360'$. M&P 45 sx cement, sting into CICR pump 39sx, sting out and dump 6 sx on top of CICR. This will isolate the Chinle/Wingate formations.
4. All balanced plugs shall be tagged to ensure that they are at the depth specified.
5. All annuli shall be cemented from a minimum depth of 100' to the surface.
6. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.
7. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
8. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.
9. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet
Petroleum Engineer

February 23, 2012

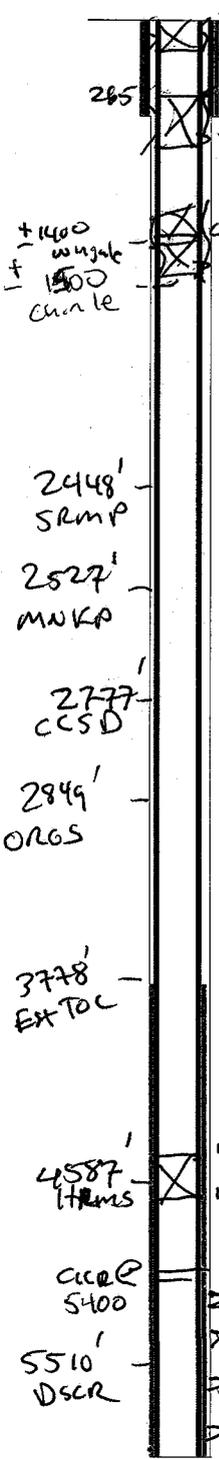
Date



Wellbore Diagram

API Well No: 43-037-20236-00-00 Permit No: Well Name/No: BLUFF U ST 1
 Company Name: MATRIX PRODUCTION COMPANY
 Location: Sec: 32 T: 39S R: 23E Spot: NWNW String Information
 Coordinates: X: 639821 Y: 4135885
 Field Name: BLUFF
 County Name: SAN JUAN

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (f/cf)
HOL1	315	12.25			
SURF	315	8.625	24		2.797
HOL2	5640	7.875			7.299
PROD	5640	5.5	14		4.0936



Plug #5
 inside 100' = 125k
 outside 100' = 182k
 305k total
 Cement from 315 ft. to surface
 Surface: 8.625 in. @ 315 ft.
 Hole: 12.25 in. @ 315 ft.
 Plug #4
 7 7/8" x 5 1/2" (108)
 8 5/8" x 5 1/2"
 50' = 115k
 50' / (1.15) (5.192) = 45k
 50% excess = 105k
 100' = 125k
 425k total

Plug #3
 1460' * Plug #3 (set circ @ 1360'
 circ. ent to backside)
 215k below 6st on top

Below in 50' = 65k
 out 100' / (1.15) (4.0936) = 225k
 50% excess = 115k

Above in 50' = 65k
 455k total

Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	5640	3778 Est.	C	150
PROD	5640	3778	UK	150
SURF	315	0	G	200

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
5519	5604			
5449	5455			

Formation Information

Formation	Depth
SRMP	2448
MNKP	2527
CCSD	2777
ORGS	2849
HRMS	4587
DSCR	5510
CMYRK	5613

Plug #2
 100' / (1.15) (7.299) = 125k
 Cement from 5640 ft. to 3778 ft. ~~no need to perf~~
 Production: 5.5 in. @ 5640 ft.
 Plug #1
 Above 50' / (1.15) (7.299) = 65k
 Below (445k) / (1.15) (7.299) = 369' max
 OK

TD: 5640 TVD: PBD:

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

RECEIVED
MAR 19 2014

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-2008

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:
Bluff Unit Hermosa "A" PA

8. WELL NAME and NUMBER:
Bluff Unit State #1

9. API NUMBER:
4303720236

10. FIELD AND POOL, OR WILDCAT:
Bluff

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1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
Matrix Production Company

3. ADDRESS OF OPERATOR:
5725 Commonwealth Blvd CITY Sugar Land STATE ZIP 77479

PHONE NUMBER:
(281) 265-1212

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 350' FNL & 200' FWL
COUNTY: San Juan
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 32 39S 23E
STATE: UTAH

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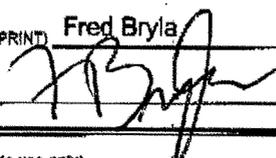
TYPE OF SUBMISSION	TYPE OF ACTION		
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	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 5/9/2012	<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
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	<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.

P&A well in accordance with approved procedure as follows:

Set cement retainer at +/-5400' and squeeze cement perms using 50 sx class G cement. Sting out and spot 6 sx cement on top of retainer. Trip out to 4607' and set 100' balanced plug. Tag cement top at 4466' with wireline. Perforate casing at 1410' and set cement retainer at 1360'. Sting into retainer and pump 39 sx cement. Sting out and spot 6 sx on retainer. Perforate casing at 365' and set 100' balanced plug inside and outside of casing. Pull out of hole and set 100' balanced plug at surface. Cut off casing and weld plate. Install dry hole marker and restore location.

NAME (PLEASE PRINT) Fred Bryla TITLE Vice President

SIGNATURE  DATE 3/18/2014

(This space for State use only)