



POWERS ELEVATION

OIL WELL ELEVATIONS — LOCATIONS
ENVIRONMENTAL — ARCHAEOLOGICAL SERVICES
600 SOUTH CHERRY STREET, SUITE 1201
DENVER, COLORADO 80222
PHONE NO. 303/321-2217

February 1, 1982

State of Utah
Division of Oil, Gas, and Minerals
1588 West North Temple
Salt Lake City, Utah 84116

RE: Filing Application for Permit to Drill
Raymond T. Duncan
Duncan 1-3 Federal
NE NW Sec. 3 T38S R25E
710' FNL & 1960' FWL
San Juan County, Utah

RECEIVED
FEB 05 1982

**DIVISION OF
OIL, GAS & MINING**

Gentlemen:

Enclosed are three copies each of the Federal A.P.D. Form 9-331C, the Location and Elevation Plat, the Ten-Point Compliance Program, and the Blowout Preventer Diagram for the above-referenced well location.

Please return the approved copies to:

Chay Loshbaugh
Raymond T. Duncan
1777 S. Harrison Street
Penthouse One
Denver, Colorado 80210

Very truly yours,

POWERS ELEVATION

Connie L. Frailey

Connie L. Frailey
Vice President, Environmental Services

CLF:kle
Enclosures

cc: Chay Loshbaugh



POWERS ELEVATION

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ENVIRONMENTAL — ARCHAEOLOGICAL SERVICES
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Vice President, Environmental Services

CLF:kle
Enclosures

cc: Chay Loshbaugh

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

5. LEASE DESIGNATION AND SERIAL NO.
U-40053

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME
Duncan Federal

9. WELL NO.
1-3

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 3 T38S R25E

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

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
Raymond T. Duncan

3. ADDRESS OF OPERATOR
1777 S. Harrison St., Penthouse 1, Denver, CO 80210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface
710' FNL & 1960' FWL (NENW)
 At proposed prod. zone
Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Location is 15.7 miles northeast of Hatch Trading Post, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 710'

16. NO. OF ACRES IN LEASE 1,921.56

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. ---

19. PROPOSED DEPTH 6,000'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5388' GR *present well*

22. APPROX. DATE WORK WILL START* March 15, 1982

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8" New	48# K-55 ST&C	80'	Cement to surface
12 1/4"	8 5/8" New	24# K-55 ST&C	2100'	1000 Sacks cement Class "G"
7 7/8"	5 1/2" New	14 & 15.5# K-55 LT&C	6000'	300 Sacks cement Class "G"

1. Drill 17 1/2" hole and set 13 3/8" conductor pipe to 80' interval and cement in place.
2. Drill 12 1/4" hole and set 8 5/8" surface casing to 2100' with good returns.
3. Log B.O.P. checks in daily drill reports and drill 7 7/8" hole to 6000'.
4. Run tests if warranted and run 5 1/2" casing if productive.
5. Run logs, as needed, and perforate and stimulate as needed.

EXHIBITS ATTACHED:
 "A" Location and Elevation Plat
 "B" The Ten-Point Compliance Program
 "C" The Blowout Preventer Diagram
 "D" The Multi-Point Requirements for A.P.D.
 "E" & "E₁" Access Road Maps to Location
 "F" Radius Map of Field
 "G" & "G₁" Drill Pad Layout, Production Facilities & Cut-Fill Cross-Sections
 "H" Drill Rig Layout

APPROVED BY THE DIVISION OF OIL, GAS, AND MINING
 DATE: 2/19/82
 BY: *[Signature]*

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

24. SIGNED *[Signature]* TITLE President DATE 1/27/82

(This space for Federal or State office use)

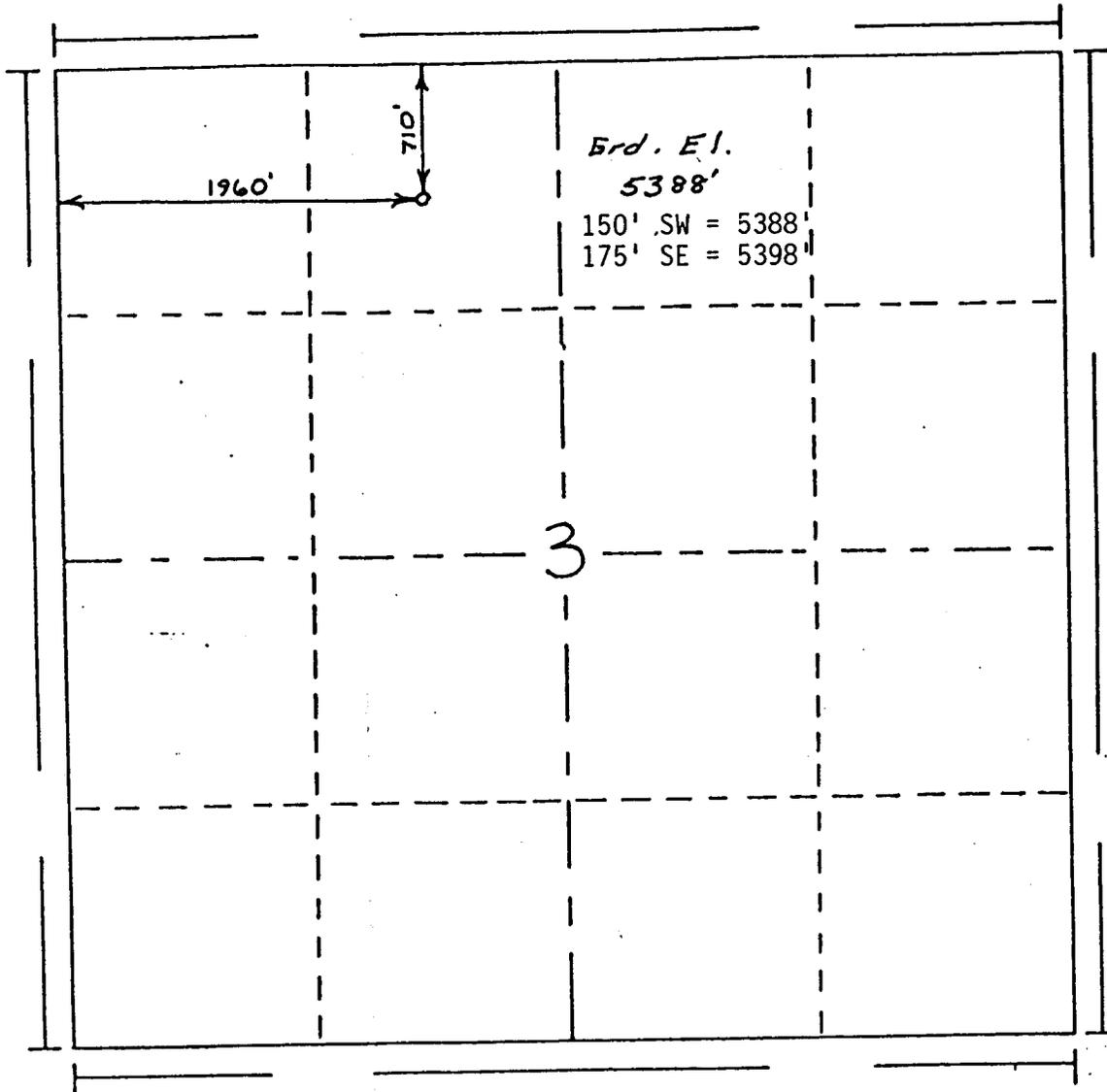
PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:



R. 25 E



T. 38 S

Scale... 1" = 1000'

Powers Elevation of Denver, Colorado
 has in accordance with a request from John Lowry
 for Raymond T. Duncan
 determined the location of Duncan 1-3 Federal
 to be 710' FNL & 1960 FWL Section 3 Township 38 South
 Range 25 East Salt Lake Meridian
 San Juan County, Utah.

I hereby certify that this plat is an
 accurate representation of a correct
 survey showing the location of

Date: 12-17-81

T. Nelson
 Licensed Land Surveyor No. 2711
 State of Utah.

Identification No. 185-82

FEB 16 1982

United States Department of the Interior
Geological Survey
2000 Administration Building
1745 West 1700 South
Salt Lake City, Utah 84104

NEPA CATEGORICAL EXCLUSION REVIEW

PROJECT IDENTIFICATION

Operator Raymond T. Duncan

Project Type single zone oil exploration well

Project Location 710' FNL / 1460' FWL, sec. 3, T. 38 S., R. 25 E., San Juan County, Utah

Well No. 1-3 Federal Lease No. U-40052

Date Project Submitted _____

FIELD INSPECTION

Date January 28, 1982

Field Inspection Participants

Gerald Huddleston / Caroline Wood - Powers Elevator

Hank Brown - dirt contractor ARCO

Don Englishman - Minerals Management Service

Brian Wood - Bureau of Land Management

I have reviewed the proposal in accordance with the categorical exclusion review guidelines. This proposal would not involve any significant effects and, therefore, does not represent an exception to the categorical exclusions.

January 28, 1982
Date Prepared

Donald Englishman
Environmental Scientist

I concur

FEB 17 1982
Date

W. W. Mauter
District Supervisor

FOR E. W. GYNN
DISTRICT OIL & GAS SUPERVISOR

CATEGORICAL EXCLUSION REVIEW INFORMATION SOURCE

U.S. GEOLOGICAL SURVEY
 WILMINGTON, CALIFORNIA
 RECEIVED
 FEB 16 1982
 SALT LAKE CITY, UTAH

Criteria
 516 DM 2.3.A

Criteria	Federal/State Agency			Local and private correspondence (date)	Previous NEPA	Other studies and reports	Staff expertise	Onsite inspection (date)	Other
	Correspondence (date)	Phone check (date)	Meeting (date)						
1. Public health and safety						✓ 4	✓		
2. Unique characteristics							✓		
3. Environmentally controversial							✓		
4. Uncertain and unknown risks							✓		
5. Establishes precedents							✓		
6. Cumulatively significant							✓		
7. National Register historic places	✓ 1								
8. Endangered/threatened species	✓ 1								
9. Violate Federal, State, local, tribal law						✓ 4	✓		

U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
RECEIVED

FEB 16 1982

CATEGORICAL EXCLUSION REVIEW COMMON REFERENCE LEGEND
UTAH

1. Surface Management Agency Input
2. Reviews Reports, or information received from Geological Survey
(Conservation Division, Geological Division, Water Resource Division,
Topographic Division)
3. Lease Stipulations/Terms
4. Application for Permit to Drill
5. Operator Correspondence
6. Field Observation
7. Private Rehabilitation Agreement

Remarks:

Location was not moved as stated during
on-site inspection.

EXHIBIT "B"
TEN-POINT COMPLIANCE PROGRAM
OF NTL-6 APPROVAL OF OPERATIONS

Attached to Form 9-331C
Raymond T. Duncan
Duncan 1-3 Federal
NE NW Sec. 3 T38S R25E
710' FNL & 1960' FWL
San Juan County, Utah

1. The Geologic Surface Formation

The surface formation is the Morrison.

2. Estimated Tops of Important Geologic Markers

Entrada	710'
Carmel	860'
Navajo	900'
Kayenta	1270'
Windgate	1420'
Shinarump	2460'
Moenkopi	2590'
Cutler	2620'
Honaker Trail	4480'
Upper Ismay	5515'
Lower Ismay	5700'
Gothic Shale	5750'
Desert Creek	5770'
Total Depth	6000'

3. Estimated Depths of Anticipated Water, Oil, Gas or Minerals

Desert Creek	5770'	Oil/Gas
--------------	-------	---------

Water is intermittant to 2000' (per Mr. Raffoual of Salt Lake City, U.S.G.S.).

4. The Proposed Casing Program

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>SECTION LENGTH</u>	<u>SIZE (OD)</u>	<u>WEIGHT, GRADE & JOINT</u>	<u>NEW OR USED</u>
17 1/2"	0 - 80'	80'	13 3/8"	48# K-55 ST&C	New
12 1/4"	0 - 2100'	2100'	8 5/8"	24# K-55 ST&C	New
7 7/8"	0 - 5000'	5000'	5 1/2"	14# K-55 LT&C	New
7 7/8"	5000' - 6000'	1000'	5 1/2"	15.5 K-55 LT&C	New

Cement Program -

Conductor Pipe: Cement to surface.

Surface Casing: 1000 sacks cement, Class "G" + additives.

Production Casing: 300 sacks cement, Class "G" + additives.

5. The Operator's Minimum Specifications for Pressure Control

EXHIBIT "C" is a schematic diagram of the blowout preventer equipment. The BOP's will be hydraulically tested to half of working pressure after nipling up and after any use under pressure. Pipe rams will be operationally checked each 24-hour period, as will blind rams and annular preventer each time pipe is pulled out of the hole. Such checks of BOP will be noted on daily drilling reports.

Accessories to BOP will include an upper kelly cock, floor safety valve, drill string BOP and choke manifold with pressure rating equivalent to the BOP stack.

6. The Type and Characteristics of the Proposed Circulating Muds

Mud system will be gel-chemical with adequate stocks of sorptive agents on site to handle possible spills of fuel and oil on the surface. Heavier muds will be on location to be added if pressure requires.

<u>DEPTH</u>	<u>TYPE</u>	<u>WEIGHT #/gal.</u>	<u>VISCOSITY-sec./qt.</u>	<u>FLUID LOSS cc</u>
2100'-4500'	Chemical Gel	9.2	35	10-20
4500'-T.D.	Chemical Gel	9.5 (enough to handle any abnormal pressure in Desert Creek).	45	5-10

7. The Auxiliary Equipment to be Used

- (a) An upper kelly cock will be kept in the string.
- (b) A float will be used at the bit.
- (c) A mud logging unit will be monitoring the system at 4500'.
- (d) A stabbing valve will be on the floor to be stabbed into the drill pipe when kelly is not in the string.

8. The Testing, Logging and Coring Programs to be Followed

- (a) Two drill stem tests will be run in the Ismay and Desert Creek formations.
- (b) The logging program will consist of the following:

Dual Induction	2100'-T.D.
BHC Acoustic	2100'-T.D.
BHC Density	Surface-T.D.
- (c) One core will be run in the Ismay formation.
- (d) Completion program will be acid with possible acid frac. Appropriate Sundry Notice will be submitted for approval.

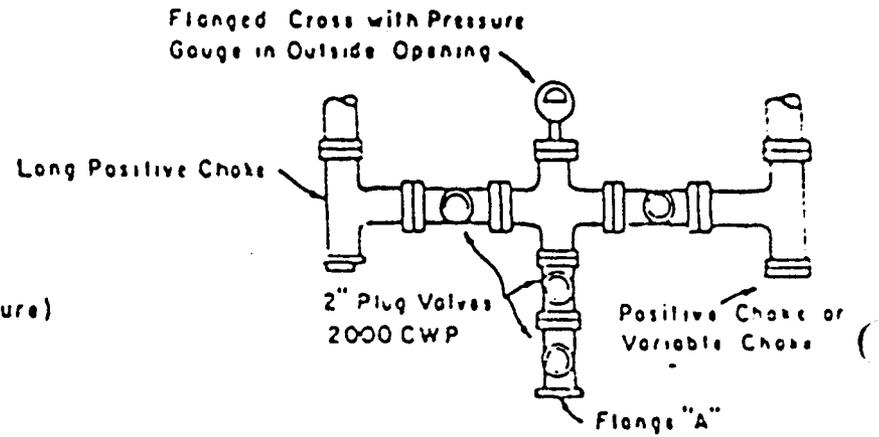
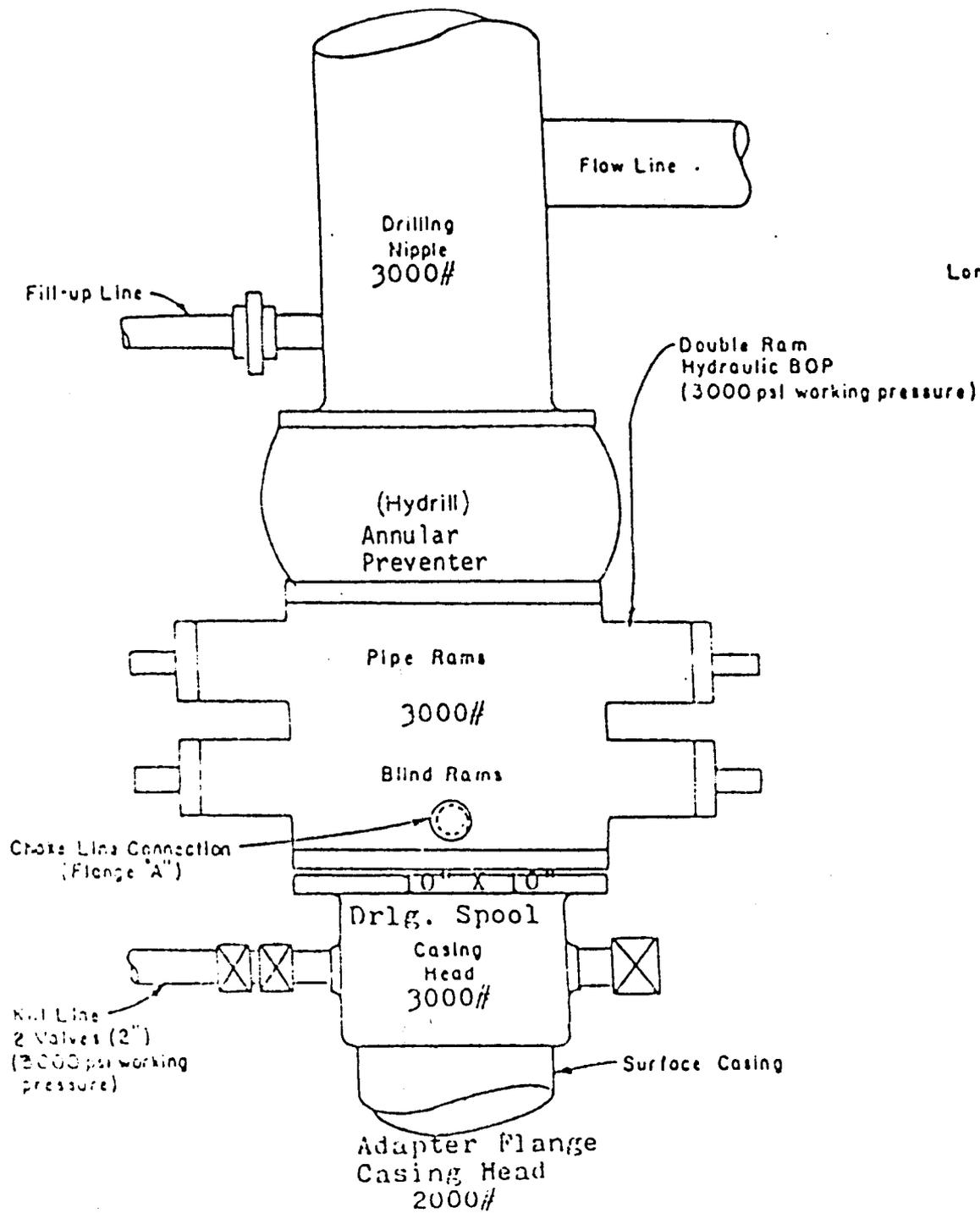
9. Any Anticipated Abnormal Pressures or Temperatures

It is possible abnormal pressures may be encountered in the Desert Creek formation. No other abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is 3500 psi \pm .

No hydrogen sulfide or other hazardous fluids or gases have been found, reported or known to exist at these depths in the area.

10. Anticipated Starting Date and Duration of the Operations

The anticipated starting date is set for March 15, 1982, or as soon as possible after examination and approval of drilling requirements. Operations should be completed within 45 days after spudding the well and drilling to casing point.



PLAN VIEW-CHOKE MANIFOLD

EXHIBIT "C"
 BLOWOUT PREVENTER
 DIAGRAM



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Moab District
San Juan Resource Area
P.O. Box 7
Monticello, Utah 84535

U.S. DEPARTMENT OF THE INTERIOR
OIL AND GAS DISTRICT
IN REPLY REFER TO
RECEIVED T38S, R25E, S.3
(U-069)
FEB 16 1982
SALT LAKE CITY, UTAH

February 8, 1982

Memorandum

To: Minerals Management Service, Durango, Colorado
From: Area Manager, San Juan
Subject: Raymond T. Duncan's 1-3 Federal Well (U-40053)

We concur with approval of the Application for Permit to Drill subject to the following stipulations:

1. The existing access road will not be widened to 45 feet. It will be kept at its present width which has proved to be adequate to serve the producing wells in Bug Park.
2. Trash will be burned frequently.
3. If production results, the new access road will be upgraded to Bureau of Land Management Class III Road Standards. Duncan's request for a 25' road will be considered at that time.

The archaeological requirement has been fulfilled. No threatened or endangered species are indicated.

Edward R. Schen

RECEIVED

FEB 9 1982

U. S. GEOLOGICAL SURVEY
DURANGO, COLO.



Save Energy and You Serve America!

** FILE NOTATIONS **

DATE: 2-16-82 *Resources*
OPERATOR: *Tricentro (United States), Inc.*
WELL NO: *Francis Federal 1-3*
Location: Sec. 3 T. 38S R. 25E County: *San Juan*

File Prepared: Entered on N.I.D.:
Card Indexed: Completion Sheet:

API Number *43-037-30741*

CHECKED BY:

Petroleum Engineer: _____
Director: *OK rule C-3*
Administrative Aide: *OK list per Rule C-3*

APPROVAL LETTER:

Bond Required: Survey Plat Required:
Order No. _____ O.K. Rule C-3
Rule C-3(c), Topographic Exception - company owns or controls acreage
within a 660' radius of proposed site
Lease Designation *Sub.* Plotted on Map
Approval Letter Written
Hot Line P.I.

✓
February 19, 1982

Raymond T. Duncan
1777 S. Harrison St.
Penthouse 1
Denver, Colorado 80210

RE: Well No. Duncan Federal 1-3
Sec. 3, T. 38S, R. 25E
San Juan County, Utah

Insofar as this office is concerned, approval to drill the above referred to oil well is hereby granted in accordance with Rule C-3, General Rules and Regulations and Rules of Practice and Procedure.

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

CLEON B. FEIGHT - Director
Office: 533-5771
Home: 466-4455

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

Further, it is requested that this Division be notified within 24 hours after drilling operations commence, and that the drilling contractor and rig number be identified.

The API number assigned to this well is 43-037-30741.

Sincerely,

DIVISION OF OIL, GAS AND MINING



Cleon B. Feight
Director

CBF/as
Encl.
cc: BSGS

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK
 b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Raymond T. Duncan

3. ADDRESS OF OPERATOR
 1777 S. Harrison St., Penthouse 1, Denver, CO 80210

4. LOCATION OF WELL (Report location clearly and in accordance with any State or Federal Survey or Area)
 At surface: 710' FNL & 1960' FWL (NENW)
 At proposed prod. zone: Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 Location is 15.7 miles northeast of Hatch Trading Post, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 710'

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

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5388' GR

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8" New	48# K-55 ST&C	80'	Cement to surface
12 1/4"	8 5/8" New	24# K-55 ST&C	2100'	1000 Sacks cement Class "G"
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3. Log B.O.P. checks in daily drill reports and drill 7 7/8" hole to 6000'.
4. Run tests if warranted and run 5 1/2" casing if productive.
5. Run logs, as needed, and perforate and stimulate as needed.

EXHIBITS ATTACHED:

- "A" Location and Elevation Plat
- "B" The Ten-Point Compliance Program
- "C" The Blowout Preventer Diagram
- "D" The Multi-Point Requirements for A.P.D.
- "E" & "E1" Access Road Maps to Location
- "F" Radius Map of Field
- "G" & "G1" Drill Pad Layout, Production Facilities & Cut-Fill Cross-Sections
- "H" Drill Rig Layout

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

24. SIGNED [Signature] TITLE President DATE 1/27/82

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY [Signature] FOR E. W. GUYNN
 CONDITIONS OF APPROVAL, IF ANY: TITLE DISTRICT OIL & GAS SUPERVISOR DATE FEB 18 1982

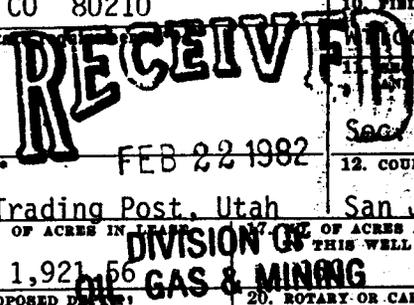
CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

NOTICE OF APPROVAL

*See Instructions On Reverse Side

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

State O & G



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. oil well gas well other Drilling Well

2. NAME OF OPERATOR
Tricentrol, United States, Inc.

3. ADDRESS OF OPERATOR Suite #200
5675 So. Tamarac Pkwy., Englewood, Co. 80111

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 710' FNL & 1960' FWL
AT TOP PROD. INTERVAL: N/A
AT TOTAL DEPTH: N/A

5. LEASE
U-40053

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME
Duncan Federal

9. WELL NO.
#1-3

10. FIELD OR WILDCAT NAME
Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 3-T38S-R25E

12. COUNTY OR PARISH San Juan 13. STATE Utah

14. API NO.

15. ELEVATIONS (SHOW DF, KDB, AND WD)
5388 Ground

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

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

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

(other) Change of well Name and Change of Operator.

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.)*

Operator as APD is filed: Raymond T. Duncan
1777 So. Harrison St., Penthouse #1
Denver, Colorado 80210

Operator as of 3/1/82: Tricentrol, United States, Inc.
Suite #200, Gateway Place
5675 So. Tamarac Parkway
Englewood, Colorado 80111

Well name will be changed to: Nancy Federal #1

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

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

SIGNED Richard P. Crist TITLE Area Exploration Mgr DATE March 1, 1982
Richard P. Crist

(This space for Federal or State office use)

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

RECEIVED
MAR 22 1982

(Submit in Triplicate)

Form 9-1123

KINZEL'S, COPPER

**DIVISION OF
OIL, GAS & MINING**

SUPERVISOR, OIL AND GAS OPERATIONS:

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of oil and gas lease

DISTRICT LAND OFFICE: University Club Bldg., 136 E. So. Temple, SLC, Utah 84111
SERIAL NO.: U-40053

and hereby designates

NAME: Tricentrol United States, Inc.
ADDRESS: Suite 200, Gateway Place, Englewood, Colorado 80111

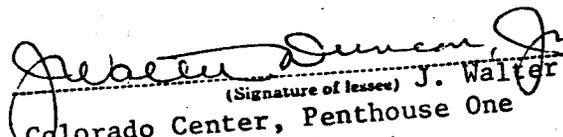
as his operator and local agent; with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to (describe acreage to which this designation is applicable):

Township 38 South - Range 25 East
Section 3: All
Section 10: N $\frac{1}{2}$
Section 11: All
Section 14: N $\frac{1}{2}$
San Juan County, Utah

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the oil and gas supervisor of any change in the designated operator.


(Signature of lessee) J. Walter Duncan, Jr.
Colorado Center, Penthouse One
1777 S. Harrison Street
Denver, Colorado 80210
(Address)

3/2/82
(Date)

SUPERVISOR, OIL AND GAS OPERATIONS:

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of oil and gas lease

DISTRICT LAND OFFICE: University Club Bldg., 136 E. So. Temple, SLC, Utah 84111
 SERIAL No.: U-40053

and hereby designates

NAME: Tricentrol United States, Inc.
 ADDRESS: Suite 200, Gateway Place, Englewood, Colorado 80111

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to (describe acreage to which this designation is applicable):

Township 38 South - Range 25 East
 Section 3: All
 Section 10: N $\frac{1}{2}$
 Section 11: All
 Section 14: N $\frac{1}{2}$
 San Juan County, Utah

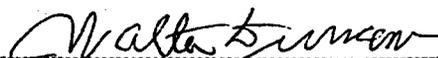
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In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the oil and gas supervisor of any change in the designated operator.

3/2/82

(Date)



Walter Duncan (Signature of lessee)

Colorado Center, Penthouse One
 1777 S. Harrison Street
 Denver, Colorado 80210

(Address)

SUPERVISOR, OIL AND GAS OPERATIONS:

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of oil and gas lease

DISTRICT LAND OFFICE: University Club Bldg, 136 E. So. Temple, SLC, Utah 84111
 SERIAL NO.: U-40053

and hereby designates

NAME: Tricentrol United States, Inc.
 ADDRESS: Suite 200, Gateway Place, Englewood, Colorado 80111

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to (describe acreage to which this designation is applicable):

Township 38 South - Range 25 East
 Section 3: All
 Section 10: N $\frac{1}{2}$
 Section 11: All
 Section 14: N $\frac{1}{2}$
 San Juan County, Utah

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the oil and gas supervisor of any change in the designated operator.


 (Signature of lessee) Vincent J. Duncan

Colorado Center, Penthouse One
 1777 S. Harrison Street
 Denver, Colorado 80210

3/2/82

(Date)

(Address)

WEEKLY REPORT

(3-21-82 to 3-27-82)

Tricentrol #1 Nancy Federal

Sec. 3, T38S, R25E, San Juan County, Utah

Spudded - 3-21-82

Conductor Pipe set at 60'

8 5/8" casing set at 2100' from KB

Total footage for week - 3,524'

TOTAL COST TO DATE: \$162,102

Current operation - drilling ahead

RECEIVED

APR 06 1982

DIVISION OF
OIL, GAS & MINING

ORICENTROL U.S., INC.
31-3 NANCY FEDERAL
NE NW SEC. 3 T38S-R25E
SAN JUAN COUNTY, UTAH

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DIVISION OF
OIL, GAS & MINING

SMITH MUD LOGGING
352-2275 ROAD
DELTA, COLORADO 81416

Ph: (303) 874-2451

TRICENTRO U.S., INCORPORATED
#1-3 NANCY FEDERAL
NE NW SEC. 3, T38S-R25E
SAN JUAN COUNTY, UTAH

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(1) COPY, FINAL MUD LOG (5"=100')
(1) COPY, FINAL MUD LOG (2.5"=100')

DRILLING CONTRACTOR: HAYLESS RIG # 1
FARMINGTON, NEW MEXICO

DRILLING FOREMAN: MR. TERRY MILLS
PAGASCO SERVICES
DENVER, COLORADO

PUSHER: MR. DANNY PHILLIPS
MR. DEAN LEE

GEO-TECHNOLOGISTS: MR. NICK LARKIN
MR. WADE FOSTER
MR. TIM RUZIN
SMITH MUD LOGGING
DELTA, COLORADO

DRILLING FLUID: MR. DON BRYANT
DRILLING MUD, INCORPORATED
CORTEZ, COLORADO

LINE TESTER: MR. DELL GUNN
NL HYCALOG
VERNAL, UTAH

CORING: CORE # 1 MR. D.A. PINK CHIVERS
CORE # 2 MR. D.A. PINK CHIVERS
NL HYCALOG
VERNAL, UTAH

TRICENTROL U. S. , INCORPORATED

#1-3 NANCY FEDERAL
NE NW SEC. 3, T38S-R25E
SAN JUAN COUNTY, UTAH

FISHING TOOL SUPERVISOR: MR. PAUL GLOVER
HOMCO
FARMINGTON, NEW MEXICO

WIRE LINE LOGS: MR. CHESTER BADOWSKI
SCHLUMBERGER
FARMINGTON, NEW MEXICO

MR. JACK CAMERON
CAMERON EXPLORATION CO.
DENVER, COLORADO
VELOCITY SURVEY SPECIALISTS

GEOLOGIST: MR. RIC KOPP
TRICENTROL U. S. , INCORPORATED
DENVER, COLORADO

TRICENTROL U.S., INCORPORATED
 #1-3 NANCY FEDERAL
 NE NW SEC. 3 T38S-R25E
 SAN JUAN COUNTY, UTAH

SUMMARY OF DAILY ACTIVITY

DATE	ACTIVITY	MIDNITE DEPTH	24 HOUR FOOTAGE
03-27-82	Unit# 1838 on location, rigged up, service rig, Drilling	-	-
03-28-82	Drilling	3743	367
03-29-82	Drilling, 6 P.M. TOH for bit # 3	4110	257
03-30-82	Drilling, TIH, Survey (weld casing, 2 hours)	4367	221
03-31-82	Drilling	4588	245
04-01-82	Drilling, Survey (Power fluctuations)	4833	251
04-02-82	Drilling, 1/2 hour service rig	5084	233
04-03-82	Drilling, condition and circulate, POOH for core # 1, TIH, TOH	5317	132
04-04-82	TIH with core#1, coring, POOH for core barrel, remove core # 1	5449	63
04-05-82	Trip in for core # 2, lay down core #2, TIH for NB#5, Drilling 11 P.M.	5512	57
04-06-82	Drilling, hole in pipe, 4 stands with holes, wait on new collars, Drilling	5569	57
04-07-82	Drilling, to DC porosity, circulate up gas, oil to surface	5626	167
04-08-82	Blow out difficulties, condition mud to 11.8, stuck	5793	0
04-09-82	Stuck, Homco to free point, run back off, shut in	5793	0
04-10-82	Backed off, pull wireline out, POH with fish, chain out	5793	0
04-11-82	TIH, fish, no advance, lost circulation problems, TIH with wire line, shoot off, POH with wire line	5793	0
04-12-82	Condition and circulate mud, 6 1/2 hours, free point, shoot off, add pipe, free, circulate, add new set of jars	5793	0
04-13-82	Circulate and condition mud, free point, circulate, WO pipe, POH, TIH with washover pipe, jet collar	5793	0
04-14-82	TIH with washover pipe, circulate, washing over stuck collars	5793	0
04-15-82	Washing over stuck collars, jarring on stuck collars, free, trip 5 stands, circulate, TOH	5793	0
04-16-82	TIH, short trip back to achieve circulation, pump problems, Drilling	5793	17
04-17-82	Drilling, TD at 5830, running Schlumberger logs	5810	20
04-18-82	Logging, running velocity survey, TIH, circulate	5830	0
04-19-82	Circulate, lay down DP, run 5" casing Released unit # 1838	5830	0

TRICENTRAL U.S., INCORPORATED
 #1-3 NANCY FEDERAL
 NE NW SEC. 3 T38S-R25E
 SAN JUAN COUNTY, UTAH

HIT RECORD

BIT#	MAKE	SIZE	TYPE	DEPTH OUT	FOOTAGE USED	HOURS
1	STC	12 1/4	F-2	2100	2040	55 1/2
2	STC	7 7/8	F-3	4367	2267	102 1/2
3	REED	7 7/8	PS37	5449	1082	102 1/2
4	HYCALOG	7 7/8 x 3 1/2	CH20	5562	113	20
5	STC	7 7/8	F-3			

TRICENTROL U.S., INCORPORATED
#1-3 NANCY FEDERAL
NE NW SEC. 3 T38S-R25E
SAN JUAN COUNTY, UTAH

DEVIATION RECORD SHEET

DEPTH	DEVIATION(Deg)
	0
506	1
	0
996	1.125
	0
1485	1.25
	0
1989	1.25
	0
2100	1
	0
2683	1
	0
3427	.75
	0
4367	1
	0
4833	1
	0
5449	1
	0
5830	1

SMITH MUD LOGGING
DST & SHOW SHEET

SHOW #1 INTERVAL 5454 TO 5458
 COMPANY: TRICENTRAL U.S., INCORPORATED DATE: 04-04-82
 WELL: #1-3 NANCY FEDERAL
 FIELD: WILDCAT

	BEFORE SHOW	DURING SHOW	AFTER SHOW
DRILLING RATE	18min/ft	15min/ft	17min/ft
TOTAL GAS UNITS	4	38	8
%METHANE	.05	.37	.06
%ETHANE	0	.05	0
%PROPANE	0	.05	0
%BUTANE (ISO)	0	.05	0
%BUTANE (NORM)	0	0	0
%PENTANES	0	0	0

SAMPLE LITHOLOGY: Core # 1

SAMPLE FLUO-CUT:

DST # INTERVAL TO DATE:
 TIME min. PRESSURE (psi) top chart bottom chart

INITIAL HYDROSTATIC

	from	to	from	to
INITIAL OPEN				
INITIAL SHUT-IN	to		to	
SECOND OPEN	from	to	from	to
SECOND SHUT-IN	to		to	

FINAL HYDROSTATIC

BHT (F.):
 1ST FLOW:
 2ND FLOW:
 REMARKS :
 DRILL PIPE RECOVERY:
 SAMPLE CHAMBER REC.:

	WT. ppg	R/W	NITRATES ppm	CHLORIDES ppm	CHROMATES ppm
DRILL PIPE: top:	/	at	F./	/	/
middle:	/	at	F./	/	/
bottom:	/	at	F./	/	/
SAMPLE CHMBR:	/	at	F./	/	/
PIT MUD:	/	at	F./	/	/

(GAUGED FLOW:)

GEO-TECHNOLOGIST: MR. NICK LARKIN

SMITH MUD LOGGING
DST & SHOW SHEET

SHOW #2 INTERVAL 5465 TO 5470
 COMPANY: TRICENTROL U.S., INCORPORATED DATE: 04/04/82
 WELL: #3-26 NANCY FEDERAL
 FIELD: WILDCAT

	BEFORE SHOW	DURING SHOW	AFTER SHOW
DRILLING RATE	12min/ft	10min/ft	13min/ft
TOTAL GAS UNITS	2	12	2
%METHANE	.01	.20	.01
%ETHANE	0	.02	0
%PROPANE	0	.08	0
%BUTANE (ISO)	0	.06	0
%BUTANE (NORM)	0	0	0
%PENTANES	0	0	0

SAMPLE LITHOLOGY: Core # 1

SAMPLE FLUO-CUT:

DST # INTERVAL TO DATE:
 TIME PRESSURE (psi)
 min. top chart bottom chart

INITIAL HYDROSTATIC

	from	to	from	to
INITIAL OPEN				
INITIAL SHUT-IN	to		to	
SECOND OPEN	from	to	from	to
SECOND SHUT-IN	to		to	

FINAL HYDROSTATIC

BHT (F.):
 1ST FLOW:
 2ND FLOW:
 REMARKS :
 DRILL PIPE RECOVERY:
 SAMPLE CHAMBER REC.:

	WT. ppg	R/W	NITRATES ppm	CHLORIDES ppm	CHROMATES ppm
DRILL PIPE: top:	/	/	at...F./	/	/
middle:	/	/	at...F./	/	/
bottom:	/	/	at...F./	/	/
SAMPLE CHMBR:	/	/	at...F./	/	/
PIT MUD:	/	/	at...F./	/	/

(GAUGED) FLOW:)

GEO-TECHNOLOGIST: MR. WADE FOSTER

SMITH MUD LOGGING
DST & SHOW SHEET

SHOW #3 INTERVAL 5586 TO 5602
 COMPANY: TRICENTROL U.S., INCORPORATED DATE: 4/6/82
 WELL: #1-3 NANCY FEDERAL
 FIELD: WILDCAT

	BEFORE SHOW	DURING SHOW	AFTER SHOW
DRILLING RATE	3.5-4min/ft	1-1.5min/ft	3.5-4min/ft
TOTAL GAS UNITS	1	10	1
%METHANE	.005	.25	.005
%ETHANE	0	.02	0
%PROPANE	0	.07	0
%BUTANE (ISO)	0	0	0
%BUTANE (NORM)	0	0	0
%PENTANES	0	0	0

SAMPLE LITHOLOGY: Limestone: light grey, clean, compact, sandy with trace red compact.

SAMPLE FLUO-CUT: no fluorescence, no porosity

DST # INTERVAL TO DATE:
 TIME min. PRESSURE (psi) top chart bottom chart

INITIAL HYDROSTATIC

INITIAL OPEN from to from to
 INITIAL SHUT-IN to to
 SECOND OPEN from to from to
 SECOND SHUT-IN to to

FINAL HYDROSTATIC

o
 BHT (F.):
 1ST FLOW:
 2ND FLOW:
 REMARKS :
 DRILL PIPE RECOVERY:
 SAMPLE CHAMBER REC.:

	WT. ppg	R/W	NITRATES ppm	CHLORIDES ppm	CHROMATES ppm
DRILL PIPE: top:	/	/	at... F./	/	/
middle:	/	/	at... F./	/	/
bottom:	/	/	at... F./	/	/
SAMPLE CHMBR:	/	/	at... F./	/	/
PIT MUD:	/	/	at... F./	/	/

(GAUGED FLOW:)

GEO-TECHNOLOGIST: MR. WADE FOSTER

SMITH MUD LOGGING
DST & SHOW SHEET

SHOW #5 INTERVAL 5751 TO 5753
 COMPANY: TRICENTROL U.S., INCORPORATED DATE: 04/07/82
 WELL: #1-3 NANCY FEDERAL
 FIELD: WILDCAT

	BEFORE SHOW	DURING SHOW	AFTER SHOW
DRILLING RATE	7min/ft	3min/ft	5min/ft
TOTAL GAS UNITS	1	37	2
%METHANE	.005	.25	.01
%ETHANE	0	.04	0
%PROPANE	0	.03	0
%BUTANE (ISO)	0	.06	0
%BUTANE (NORM)	0	0	0
%PENTANES	0	0	0

SAMPLE LITHOLOGY: Limestone: predominantly grey. Sandstone: grey, clear.
 Shale: predominantly reddish orange, variegated. Trace of white Anhydrite.
 SAMPLE FLUO-CUT:

DST #	INTERVAL	TO	DATE:		
			TIME	PRESSURE (psi)	
			min.	top chart	bottom chart

INITIAL HYDROSTATIC

	from	to	from	to
INITIAL OPEN				
INITIAL SHUT-IN	to		to	
SECOND OPEN	from	to	from	to
SECOND SHUT-IN	to		to	

FINAL HYDROSTATIC

BHT (F.):

1ST FLOW:

2ND FLOW:

REMARKS :

DRILL PIPE RECOVERY:

SAMPLE CHAMBER REC.:

	WT.	R/W	NITRATES	CHLORIDES	CHROMATES
	ppg		ppm	ppm	ppm
DRILL PIPE: top:	/	/	at...F./	/	/
middle:	/	/	at...F./	/	/
bottom:	/	/	at...F./	/	/
SAMPLE CHMBR:	/	/	at...F./	/	/
PIT MUD:	/	/	at...F./	/	/

(GAUGED FLOW:)

GEO-TECHNOLOGIST: MR. WADE FOSTER

SMITH MUD LOGGING
DST & SHOW SHEET

SHOW #6 INTERVAL 5756 TO 5758
 COMPANY: TRICENTROL U.S., INC. DATE: 04/07/82
 WELL: #1-3 NANCY FEDERAL
 FIELD: WILDCAT

	BEFORE SHOW	DURING SHOW	AFTER SHOW
DRILLING RATE	5min/ft	2min/ft	4min/ft
TOTAL GAS UNITS	1	16	4
%METHANE	.005	.25	.05
%ETHANE	0	.04	0
%PROPANE	0	.02	0
%BUTANE (ISO)	0	0	0
%BUTANE (NORM)	0	0	0
%PENTANES	0	0	0

SAMPLE LITHOLOGY: Limestone: predominantly grey; Sandstone: predominantly grey and clear; Shale: predominantly reddish orange, variegated; Trace of white Anhydrite.
 SAMPLE FLUO-CUT:

DST #	INTERVAL	TO	DATE:		
			TIME	PRESSURE (psi)	
			min.	top chart	bottom chart

INITIAL HYDROSTATIC					

INITIAL OPEN				from	to
INITIAL SHUT-IN				to	to
SECOND OPEN				from	to
SECOND SHUT-IN				to	to

FINAL HYDROSTATIC					

o
 BHT (F.):
 1ST FLOW:
 2ND FLOW:
 REMARKS :
 DRILL PIPE RECOVERY:
 SAMPLE CHAMBER REC.:

	WT. ppg	R/W	NITRATES ppm	CHLORIDES ppm	CHROMATES ppm
DRILL PIPE: top:	/	/	at...F./	/	/
middle:	/	/	at...F./	/	/
bottom:	/	/	at...F./	/	/
SAMPLE CHMBR:	/	/	at...F./	/	/
PIT MUD:	/	/	at...F./	/	/

(GAUGED FLOW:)
 GEO-TECHNOLOGIST: MR. WADE FOSTER

SMITH MUD LOGGING
DST & SHOW SHEET

SHOW #7 INTERVAL 5772 TO 5793
 COMPANY: TRICENTROL U.S., INCORPORATED DATE: 04/07/82
 WELL: #1-3 NANCY FEDERAL
 FIELD: WILDCAT

	BEFORE SHOW	DURING SHOW	AFTER SHOW
DRILLING RATE	6min/ft	1-2min/ft	3min/ft
TOTAL GAS UNITS	6	868	430
%METHANE	.07	74.1	24.5
%ETHANE	0	11.1	8.6
%PROPANE	0	2.6	1.5
%BUTANE (ISO)	0	.7	.5
%BUTANE (NORM)	0	2.1	.03
%PENTANES	0	0	0

SAMPLE LITHOLOGY: Limestone: predominantly grey, grey-white, white. Trace of shale: predominantly orange-red, variegated.

SAMPLE FLUO-CUT:

DST # INTERVAL TO DATE:
 TIME min. PRESSURE (psi) top chart bottom chart

INITIAL HYDROSTATIC

INITIAL OPEN from to from to
 INITIAL SHUT-IN to to
 SECOND OPEN from to from to
 SECOND SHUT-IN to to

FINAL HYDROSTATIC

BHT (F.):
 1ST FLOW:
 2ND FLOW:
 REMARKS :
 DRILL PIPE RECOVERY:
 SAMPLE CHAMBER REC.:

	WT. ppg	R/W	NITRATES ppm	CHLORIDES ppm	CHROMATES ppm
DRILL PIPE: top:	/	/	at... F /	/	/
middle:	/	/	at... F /	/	/
bottom:	/	/	at... F /	/	/
SAMPLE CHMBR:	/	/	at... F /	/	/
PCT MUD:	/	/	at... F /	/	/

(GAUGED FLOW:)

GEO-TECHNOLOGIST: MR. NICK LARKIN

TRICENTRAL U. S. , INCORPORATED
 #1-3 NANCY FEDERAL
 NE NW SEC. 3, T38S-R25E
 SAN JUAN COUNTY, UTAH

CORE # 1 DESCRIPTION
 INTERVAL CORED: 5449.2 TO 5512
 RECOVERED 63 FEET

FROM	TO	
5449	5453	Shale: predominantly grey, grey-black
5453	5458	Shale: predominantly grey-black
5458	5459	Shale: grey; Limestone: white-grey
5459	5461	Anhydrite: grey-white
5461	5462	Anhydrite: grey-white. Limestone: grey-white. Rare yellow fluorescence
5462	5463	Anhydrite: grey-white. Trace of Limestone.
5463	5466	Shale: grey-black
5466	5468	Shale: as above. Trace of Limestone and Anhydrite.
5468	5470	Shale: grey.
5470	5478	Limestone: grey-white.
5478	5479	Limestone: dark grey.
5479	5480	Light grey Limestone, fossils.
5480	5481	Dark grey Limestone with a trace of Shale.
5481	5482	Dark grey Shale and a trace of Limestone. Oil smell.
5482	5483	Light grey Limestone.
5483	5484	Light grey Limestone. Oil smell.
5484	5486	Anhydrite and a trace of Limestone.
5486	5489	Limestone: grey, light grey.
5489	5491	Limestone: light grey. Trace of Anhydrite.
5491	5492	Limestone: grey, light grey. 10% Anhydrite.
5492	5503	Anhydrite: white, grey. Trace of light grey Limestone.
5503	5504	Anhydrite: grey-white.
5504	5505	Anhydrite: grey-white, brown.
5505	5508	Anhydrite: white. Limestone: grey.
5508	5510	Anhydrite: white. Limestone: brown.
5510	5511	Limestone: grey, dark grey. Trace of Anhydrite.
5511	5512	Shale: black, grey-black. Limestone: brown, white. Slow cut, dull yellow fluorescence. Oil smell.

TRICENTRAL U. S. , INCORPORATED
 #1-3 NANCY FEDERAL
 NE NW SEC. 3, T38S-R25E
 SAN JUAN COUNTY, UTAH

CORE # 2 DESCRIPTION
 INTERVAL CORED: 5512 TO 5562
 RECOVERED 50 FEET

FROM	TO	
5512	5516	Limestone: grey brown. Anhydrite increasing.
5516	5517	Light grey brown Limestone with Anhydrite increasing. Crystalline. Rare fluorescence.
5517	5518	Light grey brown Limestone with Anhydrite increasing. Fossils. Rare fluorescence.
5518	5519	Light grey brown Limestone. Crystalline. Anhydrite. Rare fluorescence.
5519	5520	Light brown Limestone. Oil stained. Rare trace of porosity. Trace of fluorescence.
5520	5521	Light grey brown Limestone. Crystalline. Anhydrite inclusions. Rare trace of porosity. Trace of fluorescence.
5521	5522	Limestone as above. Crystalline. Anhydrite inclusions. Fossils. Rare trace of porosity. Trace of fluorescence. Trace cut
5522	5523	Black, firm, silty Shale with Limestone as above. Rare trace of fluorescence.
5523	5525	Shale as above.
5525	5526	Grey brown Limestone. Slightly crystalline with Shale as above. Styolite.
5526	5527	Limestone as above. Rare fluorescence.
5527	5528	Limestone: grey, grey brown. Crystalline. Rare fluorescence with slow cut.
5528	5529	Limestone as above with Shale as above. Trace of porosity, fair fluorescence, slow cut.
5529	5530	Limestone as above. Styolite. Trace of vuggy porosity.
5530	5531	Limestone: grey, grey-brown. Crystalline. Trace of vuggy porosity, fair fluorescence with slow cut.
5531	5532	Limestone as above. Fair vuggy porosity, fair fluorescence with slow cut.
5532	5533	Grey Limestone. Some oil stain. Fair vuggy porosity, good fluorescence with streaming cut.
5533	5534	Limestone as above. Oil stain. Good vuggy porosity, fair fluorescence, slow cut.
5534	5535	Limestone as above with oil stain. Trace of vuggy porosity, fair fluorescence and slow cut.
5535	5536	Limestone: grey white. Heavy oil stain. Trace of porosity with good fluorescence and streaming cut.
5536	5537	Limestone as above. Fair oil stain. Trace of porosity with fair fluorescence and slow streaming cut.
5537	5538	Limestone: grey, crystalline. Anhydrite increasing. Trace of porosity with fair fluorescence and slow cut.
5538	5539	Limestone as above. Anhydrite increasing. Heavy oil stain. Good porosity with good fluorescence and fair streaming cut.

TRICENTRAL U. S. , INCORPORATED
 #1-3 NANCY FEDERAL
 NE NW SEC. 3, T38S-R25E
 SAN JUAN COUNTY, UTAH

CORE # 2 DESCRIPTION
 INTERVAL CORED: 5512 TO 5562
 RECOVERED 50 FEET

FROM	TO	
5539	5540	Limestone as above with a trace of Anhydrite and trace oil stain. Trace of porosity with fair fluorescence and fair streaming cut.
5540	5541	Limestone as above and rare trace of anhydrite. Oil stain. Fair porosity with fair fluorescence and a good cut.
5541	5542	Limestone as above. Heavy oil stain. Good porosity with good fluorescence and fair cut.
5542	5543	Limestone: grey, crystalline with Anhydrite inclusions. Oil stain. Trace porosity with fair fluorescence and fair cut.
5543	5544	Limestone as above. Oil stain. Trace porosity with fair fluorescence and good streaming cut.
5544	5545	Limestone as above. Anhydrite. Oil stain. Good vuggy porosity with fair fluorescence and fair cut.
5545	5546	Limestone as above. Trace of Anhydrite as above. Heavy oil stain. Good porosity with good fluorescence and good streaming cut.
5546	5547	Limestone: grey brown. Oil stain. Fair porosity with fair fluorescence and fair cut.
5547	5548	Limestone as above. Trace of an oil stain. Trace of dull fluorescence with fair cut and poor porosity.
5548	5549	Limestone as above. Heavy oil stain. Fair vuggy porosity with fair fluorescence and fair cut.
5549	5550	Limestone as above. Anhydrite. Heavy oil stain. Fair vuggy porosity with fair fluorescence and fair cut.
5550	5551	Limestone as above. Crystalline in part. Trace of an oil stain. Fair vuggy porosity with heavy trace fluorescence and poor cut.
5551	5552	Limestone: grey, very compact. Good vuggy porosity with trace fluorescence.
5552	5553	Limestone: grey, crystalline. Good vuggy porosity with good fluorescence and good streaming cut.
5553	5554	Limestone as above with Shale inclusions. Fair porosity with fair fluorescence and fair cut.
5554	5555	Limestone as above. Anhydrite. Fair porosity with rare fluorescence.
5555	5556	Limestone as above. Anhydrite. Oil stain. Rare porosity with trace fluorescence.
5556	5559	Limestone: tan grey, very argillaceous.
5559	5560	Limestone: tan, fair crystalline, fossils. Anhydrite.
5560	5561	Limestone as above. Fossils: Brachiopods.
5561	5562	Limestone as above with grey Anhydrite inclusions. TD 5562.5 feet

Tricentrol

UNITED STATES, INC.

Suite 200, Gateway Place
5675 South Tamarac Parkway
Englewood, Colorado 80111 U.S.A.
Telephone (303) 694-0988

April 30, 1982

Utah State Oil and Gas Commission
1588 W N. Temple
Salt Lake City, UT 84147

RE: #1-3 Nancy Federal
Wildcat Field
Little Nancy Canyon Unit
T38S, R25E
Section 3
San Juan County, Utah
Lease #U-40053

Gentlemen:

We are requesting that all well data on the captioned well be held in confidence as a tight hole.

Very truly yours,

TRICENTROL RESOURCES INC.



Carroll A. Wilson,
Chief Landman

CAW/sg

RECEIVED
MAY 05 1982

DIVISION OF
OIL, GAS & MINING

UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE (See instructions on reverse side)

CONFIDENTIAL 3

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL [X] GAS WELL [X] DRY [] Other []
b. TYPE OF COMPLETION: NEW WELL [X] WORK OVER [] DEEP-EN [] PLUG BACK [] DIFF. RESVR. [] Other []
2. NAME OF OPERATOR: Tricentrol Resources Inc.
3. ADDRESS OF OPERATOR: 5675 S. Tamarac Pkwy, Suite 200 Englewood CO 80111
4. LOCATION OF WELL: At surface NENW Sec. 3 T38S, R25E San Juan County, Utah
At top prod. interval reported below Same
At total depth Same

RECEIVED DIVISION OF OIL, GAS & MINING JUN 27 1982

5. LEASE DESIGNATION AND SERIAL NO. U-40053
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME Little Nancy
8. FARM OR LEASE NAME
9. WELL NO. 1-3
10. FIELD AND POOL, OR WILDCAT Wildcat
11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Sec. 3, T38S, R25E Salt Lake Meridian
12. COUNTY OR PARISH San Juan
13. STATE Utah

14. PERMIT NO. EA185-82 DATE ISSUED 2-18-82
15. DATE SPUDDED 3-21-82 16. DATE T.D. REACHED 4-16-82 17. DATE COMPL. (Ready to prod.) 6-11-82 18. ELEVATIONS (DF, REB, RT, GR, ETC.)* 5388' GR 19. ELEV. CASINGHEAD 5388'
20. TOTAL DEPTH, MD & TVD 5830' 21. PLUG, BACK T.D., MD & TVD 5796' 22. IF MULTIPLE COMPL., HOW MANY* None 23. INTERVALS DRILLED BY ROTARY TOOLS 0-5830 CABLE TOOLS
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 5550-5552 Upper Ismay 25. WAS DIRECTIONAL SURVEY MADE Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN BHC Sonic CNL-FDC Dual Induction-SFL Dipmeter 27. WAS WELL CORED Yes

28. CASING RECORD (Report all strings set in well)
Table with columns: CASINO SIZE, WEIGHT, LB./FT., DEPTH SET (MD), HOLE SIZE, CEMENTING RECORD, AMOUNT PULLED

29. LINER RECORD and TUBING RECORD
Table with columns: SIZE, TOP (MD), BOTTOM (MD), SACKS CEMENT*, SCREEN (MD), SIZE, DEPTH SET (MD), PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)
Table with columns: Interval, Size, Number of shots
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.
Table with columns: DEPTH INTERVAL (MD), AMOUNT AND KIND OF MATERIAL USED

33.* PRODUCTION
Table with columns: DATE FIRST PRODUCTION, PRODUCTION METHOD, WELL STATUS, DATE OF TEST, HOURS TESTED, CHOKER SIZE, PROD'N. FOR TEST PERIOD, OIL-BBL., GAS-MCF., WATER-BBL., GAS-OIL RATIO, FLOW. TUBING PRESS., CASING PRESSURE, CALCULATED 24-HOUR RATE, OIL-BBL., GAS-MCF., WATER-BBL., OIL GRAVITY-API (CORR.)

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Vented (to be sold pending pipeline connection) TEST WITNESSED BY Tom Barrett

35. LIST OF ATTACHMENTS None

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
SIGNED R P Crist TITLE Area Exploration Mgr. DATE 6-25-82

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

INSTRUCTIONS

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

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

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

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

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

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

37. SUMMARY OF POROUS ZONES:

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

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Ismay	5460'	5703'	Cone (1) 5452-5514 Rec'd 8' Blackshale 2' Sand 3' Shale 4' Limestone 2' Shale 12' Limestone 3' Shale 8' Limestone 18' Anhydrite 2' Shale Cone (2) 5514-63 8' Limestone-slight porosity 4' Blackshale 37' Dolomitic Limestone with vugs with skim of oil Perforate 5780-90' Recovered Saltwater Perforate 5550-52 Recovered oil, no water.
Desert Creek			
Ismay			

38. GEOLOGIC MARKERS

NAME	MEAS. DEPTH	TOP	
		MEAS. DEPTH	TRUE VERT. DEPTH
Entrada	430		Same
Chinle	1260		Same
Cutler	2530		Same
Upper Hermosa	4480		Same
Ismay	5460		Same
Desert Creek	5718		Same

CONFIDENTIAL

Tricentrol

UNITED STATES, INC.

Suite 200, Gateway Place
5675 South Tamarac Parkway
Englewood, Colorado 80111 U.S.A.
Telephone (303) 694-0988

September 22, 1982

Mr. Ron Firth
Utah Oil, Gas, and Mining Division
4241 State Office Building
Salt Lake City, Utah 84114

RE: Request to Flare Associated Gas
Tricentrol Resources Inc.
Nancy Federal #1-3 well
Sec. 3, T38S-R25E
Little Nancy Unit
San Juan County, Utah

Dear Mr. Firth:

This well is currently shut-in and Tricentrol Resources requests permission to place this well on a production test for 30 days beginning October 1, 1982. During this test the gas being flared will be measured. The reasons for this request are as follows:

1. There is a potential gas purchaser for the gas produced from this well. The purchaser is Wexpro and has a gas gathering line within one-half mile of our location. To deliver gas into Wexpro's system will require compression facilities estimated to cost better than \$100,000. An adequate testing period is needed to determine the feasibility of doing this.
2. The data provided from this test will enable us to make a better evaluation of the reservoir and help in determining the reserves associated with it.
3. Tricentrol feels the gas production has steadily declined and could be less than 100 MCF per day.

Please let us know if you need additional information.

Very truly yours,

TRICENTROL RESOURCES INC.



James T. Walters
Operations Manager

RECEIVED
SEP 24 1982

JTW:rcn
DIVISION OF
OIL, GAS & MINING

SEARCHED
SERIALIZED
INDEXED
FILED
OCT 1 1982
BY: [Signature]



STATE OF UTAH
NATURAL RESOURCES & ENERGY
Oil, Gas & Mining

CONFIDENTIAL

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Cleon B. Feight, Division Director

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

Septemer 27, 1982

Mr. James T. Walters
Tricentrol Resources
5675 South Tamarac Parkway
Suite 200, Gateway Place
Englewood, Colorado 80111

RE: Tricentrol Resources Inc.
Nancy Federal #1-3 Well
Sec. 3, T. 38S, R. 25E
San Juan County, Utah
Little Nancy Unit

Dear Mr. Walters:

This is to advise you that the Division of Oil, Gas and Mining hereby approves the 30-day production test of the referenced well as requested in your letter of September 22, 1982. This approval is contingent upon your timely submittal of information as to the actual commencement date of the test, the test results including oil and gas volumes, reservoir and reserve characteristics and any determination of future production methods that might be concluded from the test data.

Very truly yours,

R. S. Fifth
Chief Petroleum Engineer

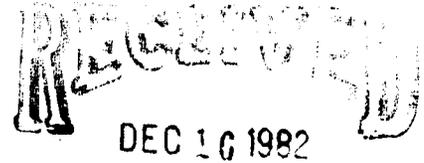
RJF/as
Attachment
cc: Minerals Management Service
Attn: R. A. Henricks

Tricentrol

RESOURCES INC.

Suite 200, Gateway Place
5675 South Tamarac Parkway
Englewood, Colorado 80111 U.S.A.
Telephone (303) 694-0988

December 14, 1982



Mr. Ron Firth
Utah Oil, Gas, and Mining Division
4241 State Office Building
Salt Lake City, UT 84114

DIVISION OF
OIL GAS & MINING

RE: Well Status Report
Tricentrol Resources Inc.
Nancy Federal #1-3
Sec. 3, T38S-R25E
San Juan County, Utah

Dear Mr. Firth:

Starting October 1, 1982, the Nancy Federal #1-3 was put on a 30-day production test as per our request to you by letter dated September 22, 1982.

During this test period the gas produced was recorded using a standard orifice gas flow meter. Attached for your reference is a breakdown of the daily actual integrated gas volumes calculated by Gas Measurement Auditing Services, Wheat Ridge, Colorado. As you will note from the data, the subject well experienced a significant decline while producing a total volume of 1900 MCF in 24 days. (The last week of the test the well experienced operational problems and would not produce.) Calculated, overall, daily gas flow rates averaged approximately 79 MCFD.

As we noted to you in our previous letter, there is a potential market for gas from this well in the general area. However, to date we've been unable to obtain a contract price from Wexpro. We are anticipating a top price of approximately \$2.70 per MCF. In order to sell this gas, we will have to lay a gas line to Wexpro's line and install compression facilities to boost the gas pressure up to 1000 psi. An independent engineering cost estimate for this project has been set at approximately \$210,000. (See attached.)

At the present, we are in the process of obtaining artificial lift equipment for the subject well. Following this installation we anticipate lease usage to increase to 10 MCFD (pumping unit engine and separator usage). This should leave a net surplus of 69 MCFD gas to vent.

Based on the above test data and cost information, we do not feel a sufficient volume of gas exists from this well to economically justify a pipeline installation at this time. In this regard, we respectfully request permission to place the subject well on production and to vent the associated produced gas. We will continue to monitor gas production and will advise you of any significant variance from anticipated rates.

Mr. Ron Firth
Page 2
December 14, 1982

It is possible, as we continue to drill wells in this area, that additional gas productivity will be generated, if so the Nancy Federal #1-3 would be included in any planned pipeline system.

Should you desire any further information or explanation, please do not hesitate to contact us.

Sincerely,

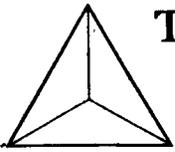


David P. Howell
Senior Petroleum Engineer

DPH:ram

Attachments

JTW
Well File



TRIGON CONSULTANTS, INC.

P.O. Box 5493
DENVER, COLORADO 80217
~~303/822-0881~~ 296-9645

TRICENTROL

OCT 03 1982 ✓

October 5, 1982

Mr. James T. Walters
Tricentrol United States
5675 South Tamarac Parkway
Englewood, CO 80111

Dear Mr. Walters,

We have completed our study of the facilities that will be required to gather the gas you expect to produce in San Juan County, Utah. The capital cost estimate has been separated into the following three segments:

- 1- High pressure four-inch line required to move gas from the Nancy Federal No. 1-3 and inject it into Mountain Fuel's existing line nearby. This line has sufficient capacity to handle any additional volumes you may have in the future. We have assumed that this line will be constructed at the same time and in the same ditch with a crude oil line that Western Crude Oil, Inc. is planning. The cost for this line, as detailed in Attachment 2, is estimated to be \$67,000 +/- 10%. Should Western Crude Oil elect to not build their line, the cost will be higher by \$10-15,000.
- 2- Compression facilities at the Nancy Federal No. 1-3. This installation will provide the 1000 psig required to inject into Mountain Fuel's line at volumes up to 500 MCF/Day. Included also in this cost is a high pressure gas meter required for custody transfer. We estimate this installation to cost \$131,000 +/- 10% as detailed in Attachment 3.
- 3- A low pressure gathering system to gather gas from future wells to the compressor at the Nancy Federal No. 1-3. We are assuming the use of four-inch polyethylene pipe and well pressures in the 50 psig range. The approximate routing of this system is shown on the Attached map. If all the proposed wells are not drilled this cost estimate

can be adjusted in proportion to the amount of line constructed. To construct the entire system will cost \$190,000 +/- 15% as per Attachment 4.

Also attached is a schematic of the initial four-inch high pressure line and the compression facilities as well as a schedule for the design and installation of both. As you can see the compression skid fabrication is the controlling item on the schedule. Additionally, Western Crude Oil's schedule may affect the pipeline construction.

As you know, a permit for the BLM right-of-way has been prepared for your handling. Additionally, we have provided Western Crude Oil the necessary drawings so that your line construction can be included in their bid package. We will keep you apprised of their progress.

Finally, we estimate the cost of engineering and construction management for items 1 and 2 above (including the preliminary work summarized in this report) to be \$25,000. This assumes a schedule reasonably close to the one attached. The engineering and construction management cost for the remaining portion of the system will depend on the timing and conditions of construction.

The total cost for the project is summarized in Attachment 1. Please call if we can provide additional services.

Sincerely,



J. Richard Powell

dls

Attachments

ATTACHMENT 1

TRICENTROL RESOURCES, INC.
SAN JUAN COUNTY, UTAH, PIPELINE FACILITIES
CAPITAL COST SUMMARY

Initial Four-inch High Pressure Delivery Line	\$ 67,000
Initial 100 HP Compression and Metering Facility	131,000
Four-inch Field Gathering System to Connect Five Additional Wells	190,000
Engineering and Construction Management (initial work only)	<u>25,000</u>
TOTAL PROJECT COST	\$ 413,000

Gas Measurement Audit Service
 4501 Wadsworth Blvd.
 Wheat Ridge, Colorado 80033

Stat #
 395/200

mo/yr
 10/82

Customer : TRICENTROL RESOURCES INC.
 5675 S. TAMARAC PKWY STE.200
 ENGLEWOOD, CO 80111

Lease Name : NANCY FED. 1-3

PRESSURE B	FACTOR	ATMOS	TEMP BASE	TYPE TAP	STATIC SOURCE	STATIC RANGE	DIFF. RANGE	CHART HRS.	METER FAC.	TEMP.RANGE	RUN SIZE	N2	CO2		
14.730	1.0000	.00	60.0	F	DS	100	100	24	.240	0/150	3.068	.00	.00		
ON OFF	ORIFICE	FB FACTOR	'FR' & 'FY'	TEMP.	TEMP FAC.	GRAVITY	SG.FAC.	PSIA	FIW	HP.COUNT	HRS ON	STATIC	DIFFER	COEFF.	VOLUME
2	.750	113.558	1.0000	65.0	.9952	.8000	1.1180	63.8	1.0000	1732	20	7.989	2.660	30.33	53
3	.750	113.558	1.0000	72.0	.9867	.8000	1.1180	64.7	1.0000	2988	23	8.045	3.909	30.13	90
3 4	.750	113.558	1.0000	72.0	.9887	.8000	1.1180	65.3	1.0000	5032	24	8.081	6.274	30.13	152
4 5	.750	113.558	1.0000	72.0	.9887	.8000	1.1180	64.8	1.0000	4841	24	8.052	5.952	30.13	146
5 6	.750	113.558	1.0000	68.0	.9924	.8000	1.1180	64.8	1.0000	4554	24	8.050	5.657	30.24	138
6 7	.750	113.558	1.0000	68.0	.9924	.8000	1.1180	64.9	1.0000	4236	23	8.057	5.379	30.24	128
7 8	.750	113.558	1.0000	62.0	.9981	.8000	1.1180	64.9	1.0000	4142	24	8.057	5.084	30.41	126
8 8	.750	113.558	1.0000	62.0	.9981	.8000	1.1180	63.5	1.0000	519	3	7.967	4.870	30.41	16
8 9	1.000	203.541	1.0000	62.0	.9981	.8000	1.1180	63.0	1.0000	2101	20	7.934	3.181	54.51	115
9 10	1.000	203.541	1.0000	58.0	1.0019	.8000	1.1180	63.2	1.0000	2393	19	7.951	3.733	54.72	131
10 11	1.000	203.541	1.0000	60.0	1.0000	.8000	1.1180	62.7	1.0000	1773	20	7.921	2.633	54.62	97
11 12	1.000	203.541	1.0000	60.0	1.0000	.8000	1.1180	52.8	1.0000	424	11	7.263	1.273	54.62	23
12 13	1.000	203.541	1.0000	60.0	1.0000	.8000	1.1180	62.9	1.0000	1842	19	7.934	2.920	54.62	101
13 14	1.000	203.541	1.0000	60.0	1.0000	.8000	1.1180	63.2	1.0000	1724	21	7.951	2.474	54.62	94
14 15	1.000	203.541	1.0000	60.0	1.0000	.8000	1.1180	63.1	1.0000	1747	24	7.946	2.201	54.62	95
15 16	1.000	203.541	1.0000	60.0	1.0000	.8000	1.1180	63.0	1.0000	1525	24	7.938	1.921	54.62	83
17	1.000	203.541	1.0000	60.0	1.0000	.8000	1.1180	62.8	1.0000	1356	24	7.925	1.692	54.62	74
18	1.000	203.541	1.0000	60.0	1.0000	.8000	1.1180	62.5	1.0000	1310	25	7.907	1.605	54.62	72
18 19	1.000	203.541	1.0000	60.0	1.0000	.8000	1.1180	62.7	1.0000	747	23	7.917	.966	54.62	41
19 20	1.000	203.541	1.0000	60.0	1.0000	.8000	1.1180	32.5	1.0000	386	24	5.702	.677	54.62	21
20 21	1.000	203.541	1.0000	60.0	1.0000	.8000	1.1180	14.2	1.0000	25	6	3.763	.278	54.62	1
21 22	1.000	203.541	1.0000	60.0	1.0000	.8000	1.1180	62.8	1.0000	778	22	7.922	1.059	54.62	42
22 23	1.000	203.541	1.0000	60.0	1.0000	.8000	1.1180	62.5	1.0000	775	23	7.903	1.012	54.62	42
23 24	1.000	203.541	1.0000	60.0	1.0000	.8000	1.1180	54.8	1.0000	347	15	7.404	.762	54.62	19

TOTAL 1,900

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. oil well gas well other

2. NAME OF OPERATOR
Tricentrol Resources Inc.

3. ADDRESS OF OPERATOR 80111
5675 S. Tamarac Pkwy, Ste. 200, Englewood, CO

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 710' FNL - 1960' FWL (NENW)
AT TOP PROD. INTERVAL: Same
AT TOTAL DEPTH: Same

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

5. LEASE
U-40053; Unit #14-08-0001-20386

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
None

7. UNIT AGREEMENT NAME
Little Nancy Unit

8. FARM OR LEASE NAME
Nancy Federal

9. WELL NO.
#1-3

10. FIELD OR WILDCAT NAME
Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 3, T38S-R25E

12. COUNTY OR PARISH
San Juan

13. STATE
Utah

14. API NO.
43-038-30741

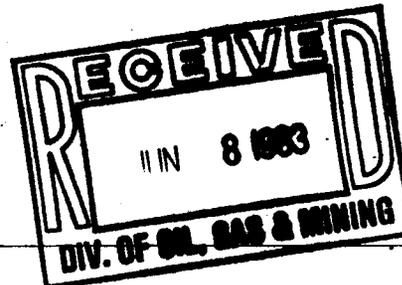
15. ELEVATIONS (SHOW DF, KDB, AND WD)
5388' GR; 5403' KB

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

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

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

During the week of May 23-28, 1983, a 210 barrel steel storage tank was installed in the NW/4 of Section 3, T38S-R25E, San Juan County, Utah. The location of this storage tank falls within the disturbed area for an existing Wesco natural gas pipeline right-of-way. Liquids that condense and accumulate in this casinghead gas pipeline, leading from the Nancy Federal #1-3, will be blown into this tank for temporary storage until it can be trucked away for proper disposal.



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

18. I hereby certify that the foregoing is true and correct
SIGNED David P. Howell TITLE Sr. Petro. Engineer DATE 6/6/83

(This space for Federal or State office use)

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

✓ cc: State of Utah

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. oil well gas well other

2. NAME OF OPERATOR
Wintershall Oil and Gas Corporation

3. ADDRESS OF OPERATOR
5675 DTC Blvd., Ste. 200, Englewood, CO 80111

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 710' FNL - 1960' FWL (NENW)
AT TOP PROD. INTERVAL: Same
AT TOTAL DEPTH: Same

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

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

5. LEASE
U-40053

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
None

7. UNIT AGREEMENT NAME
Little Nancy Unit

8. FARM OR LEASE NAME
Nancy Federal

9. WELL NO.
#1-3

10. FIELD OR WILDCAT NAME
Nancy

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 3 ; T38S-R25E

12. COUNTY OR PARISH
San Juan

13. STATE
Utah

14. API NO.
43-037-30741

15. ELEVATIONS (SHOW DF, KDB, AND WD)
5388' GR; 5403' KB

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

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

Wintershall Oil and Gas Corporation purchased Tricentrol Resources Inc. effective June 22, 1984 and has assumed operations of this property.

RECEIVED

JUN 29 1984

DIVISION OF OIL
GAS & MINING

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

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

SIGNED Robert P. Howell TITLE Operations Manager DATE 6/27/84

(This space for Federal or State office use)

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

cc: Utah OGMD ✓

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. oil well gas well other

2. NAME OF OPERATOR
Wintershall Oil and Gas Corporation

3. ADDRESS OF OPERATOR 80111
5675 DTC Blv8, Ste 200, Englewood, CO

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

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

5. LEASE
U-40053

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
None

7. UNIT AGREEMENT NAME
Little Nancy

8. FARM OR LEASE NAME
Nancy Federal

9. WELL NO.
See Below

10. FIELD OR WILDCAT NAME
Nancy

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Secs. 3 & 11, T38S-R25E

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

14. API NO.
See Below

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

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

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

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

Nancy Fed. #1-3; API 43-037-30741 Nancy Fed. #11-22; API 43-037-30814
 Nancy Fed. #3-22; API 43-037-30901 Nancy Fed. #11-11; API 43-037-30903
 Nancy Fed. #3-11; API 43-037-30902 Nancy Fed. #3-44; API 43-037-30817

Sealable valves are being installed on the overflow and load lines of the oil storage tanks of these wells as discussed, on location 10/17/84, between Mike Wade of the BLM and myself. This work should be completed by November 17, 1984 barring any unforeseen difficulties.

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

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

SIGNED Kim Laska TITLE Operations Engineer DATE 10/24/84

(This space for Federal or State office use)

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

cc: Utah OGMD

*See Instructions on Reverse Side

RECEIVED

OCT 26 1984

DIVISION OF OIL

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. oil well gas well other

2. NAME OF OPERATOR
Wintershall Oil and Gas Corporation

3. ADDRESS OF OPERATOR
5675 DTC Blvd., Ste. 200, Englewood, CO 80111

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 710' FNL - 1960' FWL (NENW)
AT TOP PROD. INTERVAL: Same
AT TOTAL DEPTH: Same

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

5. CASE
U-40053

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
None

7. UNIT AGREEMENT NAME
Little Nancy Unit

8. FARM OR LEASE NAME
Nancy Federal

9. WELL NO.
#1-3

10. FIELD OR WILDCAT NAME
Nancy

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 3; T38S-R25E

12. COUNTY OR PARISH
San Juan

13. STATE
Utah

14. API NO.
43-037-30741

15. ELEVATIONS (SHOW DF, KDB, AND WD)
5388' GR; 5403' KB

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

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

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

A 10'x 10'x 8' blowdown/production pit has been built on the edge of location for emergency use only.

RECEIVED
NOV 23 1984

DIVISION OF
OIL, GAS & MINING

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

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

SIGNED Kim Luchs TITLE Operations Engineer DATE 11/20/84

(This space for Federal or State office use)

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

cc: Utah OGMD

Federal approval of this action is required before commencing operations.

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

*See Instructions on Reverse Side

DATE: 11/23/84
BY: John R. Beyer

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. oil well gas well other

2. NAME OF OPERATOR
Wintershall Oil and Gas Corporation

3. ADDRESS OF OPERATOR
5675 DTC Blvd, Ste. 200, Englewood, CO 80111

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 710' FNL - 1960' FWL (NENW)
AT TOP PROD. INTERVAL: Same
AT TOTAL DEPTH: Same

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

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

5. CASE
U-40053

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
None

7. UNIT AGREEMENT NAME
Little Nancy Unit

8. FARM OR LEASE NAME
Nancy Federal

9. WELL NO.
#1-3

10. FIELD OR WILDCAT NAME
Nancy

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 3, T38S-R25E

12. COUNTY OR PARISH
San Juan

13. STATE
Utah

14. API NO.
43-037-30741

15. ELEVATIONS (SHOW DF, KDB, AND WD)
5388' GR; 5403' KB

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

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

Permission is requested to alter the color of production facilities, on this well, from Environmental Twilight Gray as stated in the APD to Desert Tan and Carlsbad Canyon which will blend in better with the surroundings on location.

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NOV 23 1984

DIVISION OF
OIL, GAS & MINING

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

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

SIGNED Kim Fuchs TITLE Operations Engineer DATE 11/20/84

(This space for Federal or State office use)

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

cc: Utah OGMD ✓

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. oil well gas well other

2. NAME OF OPERATOR
Wintershall Oil and Gas Corporation

3. ADDRESS OF OPERATOR
5675 DTC Blvd, Ste. 200, Englewood, CO 80111

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 710' FNL - 1960' FWL (NENW)
AT TOP PROD. INTERVAL: Same
AT TOTAL DEPTH: Same

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

REQUEST FOR APPROVAL TO:

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

SUBSEQUENT REPORT OF:

-
-
-
-
-
-
-
-
-

Repaint Production Facilities

5. LEASE U-40053
6. IF INDIAN, ALLOTTEE OR TRIBE NAME None
7. UNIT AGREEMENT NAME Little Nancy Unit
8. FARM OR LEASE NAME Nancy Federal
9. WELL NO. #1-3
10. FIELD OR WILDCAT NAME Nancy
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 3, T38S-R25E
12. COUNTY OR PARISH San Juan
13. STATE Utah
14. API NO. 43-037-30741
15. ELEVATIONS (SHOW DF, KDB, AND WD) 5388' GR; 5403' KB

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

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

Production facilities have been painted Desert Tan and Carlsbad Canyon. This variance from the APD was cleared through Trisha Powell by telephone on November 16, 1984.

RECEIVED
NOV 23 1984

DIVISION OF
OIL, GAS & MINING

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

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

SIGNED Kim Lusk TITLE Operations Engineer DATE 11/20/84

(This space for Federal or State office use)

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

cc: Utah OGMD ✓



SEP 25 1989

September 20, 1989

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

Reference: Change of Operating Name
Utah Account No. N9555

Gentlemen:

As evidenced by the enclosed copy of Certificate of Merger, Attachment A, effective August 1, 1989, Wintershall Corporation was merged into BASF Corporation. Wells formerly operated in the name of Wintershall Corporation will now be operated in the name of BASF Corporation. Also enclosed as Attachment B is a listing of wells involved in the merger.

Because this transaction is a merger rather than change in ownership, it is requested that the Utah account number assigned to Wintershall Corporation be transferred to BASF Corporation. Your favorable consideration of this request would be greatly appreciated.

If you have any questions or if additional information is required, please contact me at (713) 850-2509.

Yours very truly,

Charmaine Stone
Regulatory & Production Analyst Supervisor

encls.

State of Delaware

4843



Office of Secretary of State

I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER OF DELAWARE CORPORATIONS OF RASF CORPORATION FILED IN THIS OFFICE ON THE SECOND DAY OF AUGUST, A.D. 1989, AT 10 O'CLOCK A.M.



899236017

Michael Harkins
Michael Harkins, Secretary of State

AUTHENTICATION: 2314044

DATE: 08/24/1989

599214061

RECEIVED
SEP 25 1989 0736: 647

DIVISION OF
OIL, GAS & MINING

CERTIFICATE OF MERGER

FILED

MERGING

AUG 2 1989

WINTERSHALL CORPORATION

INTO

John H. ...
SECRETARY OF STATE

BASF CORPORATION

Pursuant to Section 251 of the General Corporation Law of the State of Delaware

BASF CORPORATION, a Delaware corporation, hereby certifies as follows:

FIRST: The constituent corporations are WINTERSHALL CORPORATION and BASF CORPORATION. Each corporation is incorporated in the State of Delaware.

SECOND: An Agreement of Merger dated as of July 31, 1989, has been approved, adopted, certified, executed, and acknowledged by each of the constituent corporations in accordance with Section 251(c) of the General Corporation Law of the State of Delaware.

THIRD: The name of the surviving corporation is BASF CORPORATION.

FOURTH: The Certificate of Incorporation of the surviving corporation shall be that of BASF CORPORATION.

FIFTH: The executed Agreement of Merger is on file at the principal place of business of the surviving corporation, which is located at 8 Campus Drive, Parsippany, N. J. 07054.

SIXTH: A copy of the Agreement of Merger will be furnished by the surviving corporation, on request and without cost, to any stockholder of the constituent corporations.

SEVENTH: This Certificate of Merger and the Agreement of Merger shall become effective on August 1, 1989 at 12:01 p.m.

IN WITNESS WHEREOF, BASF CORPORATION, the surviving corporation, has caused this statement to be signed by its officers thereunto duly authorized as of this 31st day of July, 1989.

BASF CORPORATION

J. Dieter Stein
J. Dieter Stein
President

(Seal)

ATTEST:

Helmuth Aldinger

Assistant Secretary
Helmuth Aldinger

ATTACHMENT B

BASF CORPORATION

EFFECTIVE AUGUST 1, 1989

SEP 25 1989
 448

STATE	FIELD	WELL NAME	WELL NO.	API NO.
-----	-----	-----	-----	-----
✓ UT	NANCY	NANCY FEDERAL	01-03	430373074100S1
✓ UT	NANCY	NANCY FEDERAL	03-11	430373090200D2
✓ UT	NANCY	NANCY FEDERAL	03-22	430373090100S1
✓ UT	NANCY	NANCY FEDERAL	03-32	430373089800S1
✓ UT	NANCY	NANCY FEDERAL	03-44	430373081700S1
✓ UT	NANCY	NANCY FEDERAL	11-11	430373090300S1
✓ UT	NANCY	NANCY FEDERAL	11-22	430373081400S1
✓ UT	NANCY	FEDERAL	34-32	430373082500S1
UT	House	Cyn 13.24		4303731085

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
(Other instructions on reverse side)

Form approved
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS <small>(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.)</small>		5. LEASE DESIGNATION AND SERIAL NO. U-40053
1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME NA
2. NAME OF OPERATOR BASF Corporation		7. UNIT AGREEMENT NAME Little Nancy Unit
3. ADDRESS OF OPERATOR 5 Post Oak Park, Suite 800, Houston, TX 77027		8. FARM OR LEASE NAME Nancy Federal
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 710' FNL & 1960' FWL (NENW)		9. WELL NO. 1-3
14. PERMIT NO. API 43-037-30741		10. FIELD AND POOL, OR WILDCAT Nancy
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 5388' GR		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 3-T38S-R25E
		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 <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Change of Operator</u> <input checked="" type="checkbox"/>	
(Other) <input type="checkbox"/>		<small>(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)</small>	

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.)*

BASF Corporation has sold the above referenced property to:

Omimex Petroleum, Inc.
8055 E. Tufts Avenue Parkway, Suite 1080
Denver, Colorado 80237
(303)771-1661

Effective date of production reporting responsibilities transferral is July 1, 1990.
Actual sale date is March 1, 1990.

RECEIVED

FEB 01 1991

DIVISION OF
OIL, GAS & MINING

COPY

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

SIGNED Charmaine Stone TITLE Reg & Prod Analyst DATE 1/29/91

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: _____

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

Budget Bureau No. 1004-0135
Expires August 31, 1985

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

<p>1. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER</p> <p>2. NAME OF OPERATOR <u>Omimex Petroleum, Inc.</u></p> <p>3. ADDRESS OF OPERATOR <u>8055 E. Tufts Ave. Pkwy., #1060, Denver, CO 80237</u></p> <p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface <u>710' FNL & 1960' FWL</u> <u>NENW</u></p> <p>14. PERMIT NO. <u>43-037-30741</u></p>		<p>5. LEASE DESIGNATION AND SERIAL NO. <u>U-40053</u></p> <p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME <u>---</u></p> <p>7. UNIT AGREEMENT NAME <u>Little Nancy Unit</u></p> <p>8. FARM OR LEASE NAME <u>Nancy Federal</u></p> <p>9. WELL NO. <u>1-3</u></p> <p>10. FIELD AND POOL, OR WILDCAT <u>Nancy</u></p> <p>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <u>Sec. 3-38S-25E</u></p> <p>12. COUNTY OR PARISH <u>San Juan</u> 13. STATE <u>Utah</u></p>	
<p>15. ELEVATIONS (Show whether DF, RT, GR, etc.) <u>5388' GR</u></p>			

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

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

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

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

Effective 7/1/90, OMIMEX PETROLEUM, INC. assumed operations of this property.

RECEIVED

APR 22 1991

DIVISION OF
OIL GAS & MINING

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

SIGNED Patricia G. Blue TITLE Production Analyst DATE 4/18/91

(This space for Federal or State office use)

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

*See Instructions on Reverse Side

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

Routing:

1-LCR	2-GL	N
2-DTS	DTS	
3-VLC		
4-RJF		
5-RWM		
6-LCR		

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: 7-1-90)

TO (new operator)	OMIMEX PETROLEUM, INC.	FROM (former operator)	BASF CORPORATION
(address)	8055 E. TUFTS AVENUE PARKWAY	(address)	5 POST OAK PARK, SUITE 800
	SUITE 1080		HOUSTON, TX 77027
	DENVER, CO 80237		
	phone (303) 771-1661		phone (713) 850-2509
	account no. N 0735		account no. N 9495

Well(s) (attach additional page if needed): *(All wells are Unit wells / Little Nancy)*

- | | | | | | | | | | | | |
|-------|-------------------------------|------|-------------------|---------|--------------|-----|-----------|-----|------------------|-------------|----------------|
| Name: | <u>LITTLE NANCY 3-32/ISMY</u> | API: | <u>4303730898</u> | Entity: | <u>99996</u> | Sec | <u>3</u> | Twp | <u>38SRng25E</u> | Lease Type: | <u>U-40053</u> |
| Name: | <u>NANCY FED 11-22/ISMY</u> | API: | <u>4303730814</u> | Entity: | <u>538</u> | Sec | <u>11</u> | Twp | <u>38SRng25E</u> | Lease Type: | <u>U-40053</u> |
| Name: | <u>NANCY FED 11-11/ISMY</u> | API: | <u>4303730903</u> | Entity: | <u>538</u> | Sec | <u>11</u> | Twp | <u>38SRng25E</u> | Lease Type: | <u>U-40053</u> |
| Name: | <u>NANCY FED 3-44/ISMY</u> | API: | <u>4303730817</u> | Entity: | <u>538</u> | Sec | <u>3</u> | Twp | <u>38SRng25E</u> | Lease Type: | <u>U-40053</u> |
| Name: | <u>NANCY FED 3-22/ISMY</u> | API: | <u>4303730901</u> | Entity: | <u>544</u> | Sec | <u>3</u> | Twp | <u>38SRng25E</u> | Lease Type: | <u>U-40053</u> |
| Name: | <u>NANCY FED 1-3/ISMY</u> | API: | <u>4303730741</u> | Entity: | <u>540</u> | Sec | <u>3</u> | Twp | <u>38SRng25E</u> | Lease Type: | <u>U-40053</u> |
| Name: | <u>NANCY FED 3-11/DSCR TA</u> | API: | <u>4303730902</u> | Entity: | <u>542</u> | Sec | <u>3</u> | Twp | <u>38SRng25E</u> | Lease Type: | <u>U-40053</u> |
- (ISMY)*

OPERATOR CHANGE DOCUMENTATION

- 1* 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). *(2-1-91)*
- 2* 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). *(2-1-91 Reg. by VTC) (Reg. 3-6-91/Pat Blue) (Reg. 4-18-91/Pat Blue) (Rec. 4-22-91)*
- N/A* 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: .
- 4* 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. *(5-8-91)*
- 5* 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. *(5-14-91)*
- 6* 6. Cardex file has been updated for each well listed above.
- 7* 7. Well file labels have been updated for each well listed above.
- 8* 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission.
- 9* 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) Yes (If entity assignments were changed, attach copies of Form 5, 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) _____. Today's date _____ 19____. If yes, division response was made by letter dated _____ 19____.

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

- 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated _____ 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.

FILED

- 1. All attachments to this form have been microfilmed. Date: May 30 1991.

INDEXING

- 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

- 910306 Btm / S.Y. No successor of unit operator has been filed as of yet. Will call when approved.
- 910418 Btm / S.Y. BASF is still the Unit Operator. "Nothing has been filed as of yet." Omimex is responsible for filing the "Successor of Unit Operator" - Sundries have been received from BASF!
- 910510 Btm approved unit operator change from BASF Corp. to Omimex Petroleum eff. 5-7-91.

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 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 GAS WELL OTHER _____

2. NAME OF OPERATOR: Omimex Petroleum, Inc.

3. ADDRESS OF OPERATOR: 5608 Malvey, Penthouse Suite PHONE NUMBER: 817 735 1500
CITY: Fort Worth STATE: Tx ZIP: 76107

4. LOCATION OF WELL FOOTAGES AT SURFACE: 710' FNL & 1960' FWL (NENW)

QTRQTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Sec 3, T38S, R25E

5. LEASE DESIGNATION AND SERIAL NUMBER:
8910203860

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:
Little Nancy

8. WELL NAME and NUMBER:
1-3 NANCY FED

9. API NUMBER:
43 037 30741

10. FIELD AND POOL, OR WILDCAT:
Nancy

COUNTY:

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: _____	<input checked="" type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input checked="" 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"/> COMINGLE 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.

Proposal: RECOMPLETE IN THE SAME FORMATION AND ACIDIZE

- 1) Perforate well @ 5512-42'
- 2) Acidize perms @ 5412-42' and existing perms @ 5542-52'.
- 3) Return to production.

COPY SENT TO OPERATOR

Date: 5-8-03
Initials: CHO

NAME (PLEASE PRINT) SAMMY D. JETER

TITLE OPERATIONS SUPERVISOR

SIGNATURE [Signature]

DATE 5/1/2003

(This space for State use only)

Accepted by the
Utah Division of
Oil, Gas and Mining

Federal Approval Of This
Action Is Necessary

MAY 05 2003

Date: 5/8/2003

(See Instructions on Reverse Side)

By: [Signature]

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: 8910203860
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: Little Nancy
2. NAME OF OPERATOR: OMIMEX PETROLEUM, INC.		8. WELL NAME and NUMBER: Nancy Fed 1-3
3. ADDRESS OF OPERATOR: 5608 Malvey CITY Fort Worth STATE Tx ZIP 76107		9. API NUMBER: 4303730741
4. LOCATION OF WELL FOOTAGES AT SURFACE: 710' FNL & 1960' FWL (NENW)		10. FIELD AND POOL, OR WILDCAT: Nancy
QTRQTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 3 38S 25E		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 type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input checked="" type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input checked="" type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 6/21/2003	<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 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.

6/17-21/2003

- 1) MI well service unit
- 2) POH with rods, pump and tubing
- 3) RIH with WL casing gun & perf @ 5512-42', 4 spf
- 4) RIH with packer and tubing set @ 5481'
- 5) Acidize existing perms @ 5542-52' and new perms @ 5512-42' with 2000 gals, 28% HCL
- 6) Swab
- 7) POH with tubing and packer, RIH with production string
- 8) RIH with pump and rods, seat pump, hang on
- 9) Return to production

RECEIVED
AUG 15 2003

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Sammy D. Jeter</u>	TITLE <u>Operations Supervisor</u>
SIGNATURE	DATE <u>8/10/2003</u>

(This space for State use only)

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 new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: U-40053

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME: Little Nancy Unit

8. WELL NAME and NUMBER: LNU 1-3

9. API NUMBER: 4303730741

10. FIELD AND POOL, OR WILDCAT: Nancy

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR: ERG OPERATING COMPANY INC. *N0735*

3. ADDRESS OF OPERATOR: 1100 LOUISIANA, STE 2650
CITY HOUSTON STATE TX ZIP 77002-5216 PHONE NUMBER: 713-812-1800

4. LOCATION OF WELL COUNTY: San Juan
FOOTAGES AT SURFACE: STATE: UTAH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 3 38S 25E

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: <u>Change of Operator</u>
	<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.
Change of Operator Effective March 1, 2005:

From - Omimex Petroleum, Inc. *N0735*
2001 Beach St., Ste. 810
Fort Worth, Texas 76103
Clark P. Storms
Clark P. Storms
Vice President-Land & Legal

Omimex Petroleum will transfer operations of the above referenced well to a new operator.
ERG OPERATING COMPANY INC. certifies that it is authorized by the proper lease interest owners to conduct operations associated with this lease.
Bond coverage pursuant to 43CFR3104 for lease activities is being provided by ERG OPERATING COMPANY INC. with their BLM bond # RLB0007941.

NAME (PLEASE PRINT) SCOTT Y. WOOD TITLE PRESIDENT

SIGNATURE *Scott Y. Wood* DATE JANUARY 26, 2005

(This space for State use only)
APPROVED 3/29/05
EL

Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED
MAR 02 2005

Sale 198C
Lot 24

DIV. OF OIL, GAS & MINING

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

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: 3/3/2005

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 3/29/2005
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 3/29/2005
3. Bond information entered in RBDMS on: n/a
4. Fee/State wells attached to bond in RBDMS on: n/a
5. Injection Projects to new operator in RBDMS on: 3/29/2005
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: RLB0007941

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: n/a

FEE & STATE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 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: _____

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
DIVISION OF OIL, GAS AND MINING

FORM 9

<p>SUNDRY NOTICES AND REPORTS ON WELLS</p> <p>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.</p>		<p>5. LEASE DESIGNATION AND SERIAL NUMBER: U-40053</p>
<p>1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____</p>		<p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</p>
<p>2. NAME OF OPERATOR: D. J. SIMMONS COMPANY LIMITED PARTNERSHIP- INC <i>N2520</i></p>		<p>7. UNIT or CA AGREEMENT NAME: Little Nancy Unit</p>
<p>3. ADDRESS OF OPERATOR: 1009 RIDGEWAY PLACE, SUITE 200 FARMINGTON, NM 87401 STATE ZIP</p>		<p>8. WELL NAME and NUMBER: LNU 1-3</p>
<p>4. LOCATION OF WELL FOOTAGES AT SURFACE: QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 3 38S 25E</p>		<p>9. API NUMBER: 4303730741</p> <p>10. FIELD AND POOL, OR WILDCAT: Nancy</p> <p>COUNTY: San Juan STATE: UTAH</p>

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"/> 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 type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Change of Operator</u>
	<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.

Change of Operator Effective July 1, 2005:

From - ERG Operating Company, Inc. *N2735*
1100 Louisiana, Suite 2650
Houston, TX 77002

Carl F. Pomeroy
Carl F. Pomeroy
Vice President Engineering

ERG Operating Company will transfer operations of the above referenced well to a new operator **D.J. SIMMONS COMPANY LIMITED INC PARTNERSHIP** certifies that it is authorized by the proper lease interest owners to conduct operations associated with this lease. Bond coverage pursuant to 43CFR3104 for lease activities is being provided by **D.J. SIMMONS COMPANY LIMITED PARTNERSHIP** with their BLM \$25,000 LETTER OF CREDIT 05/09/05. *INC*

RECEIVED
JUL 26 2005

NAME (PLEASE PRINT) GARY C. GOLDSMITH	TITLE ATTORNEY IN FACT
SIGNATURE <i>Gary Goldsmith</i>	DATE JUNE 8, 2005

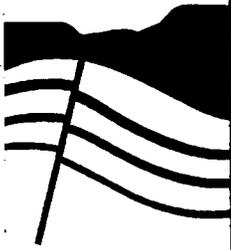
(This space for State use only)

APPROVED *7/29/05*

Earlene Russell
Earlene Russell, Engineering Technician
Division of Oil, Gas and Mining

(See Instructions on Reverse Side)

2000-22

**DJ SIMMONS, INC.**

1009 Ridgeway Place
Suite 200
Farmington,
New Mexico 87401

505-326-3753
505-327-4659 FAX
info@djsimmonsinc.com
www.djsimmonsinc.com

July 29, 2005

Utah Division of Oil, Gas and Mining
1594 West Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84145-0155

Re: Utah Account # N2520

Earlene Russell:

The purpose of this letter is per our phone conversation July 29, 2005, to inform Utah Division of Oil and Gas and Mining. D. J. Simmons, Inc. (account #N2520) will operate the below mentioned wells affectively July 1, 2005.

Name	Location	API #	Lease
Nancy Federal 11-22	Sec 11, T38S R25E	43-037-30814	U 40053
Nancy Federal 3-44	Sec 03, T38S, R25E	43-037-30817	U 40053
Nancy Federal 11-11	Sec 11, T38S, R25E	43-037-30903	U 40053
Nancy Federal 1-3	Sec 03, T38S, R25E	43-037-30741	U 40053
Nancy Federal 3-22	Sec 03, T38S, R25E	43-037-30901	U 40053
Nancy Federal 3-11	Sec 03, T38S, R25E	43-037-30902	U 40053
Nancy Federal 3-32	Sec 03, T38S, R25E	43-037-30898	U 40053

Thank you for your attention regarding this matter. If you have any questions please call at 505 326-3753 ext. 14.

Sincerely,

Craig D. Starkey
Permitting

cc: Nancy Walden

RECEIVED
JUL 29 2005
DIV. OF OIL GAS & MINING

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

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: 7/29/2005

DATA ENTRY:

- 1. Changes entered in the **Oil and Gas Database** on: 7/29/2005
- 2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 7/29/2005
- 3. Bond information entered in RBDMS on: n/a
- 4. Fee/State wells attached to bond in RBDMS on: n/a
- 5. Injection Projects to new operator in RBDMS on: 7/29/2005
- 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: UTB000048

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: n/a

FEE & STATE WELL(S) BOND VERIFICATION:

- 1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 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: _____

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 DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-40053
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.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: LITTLE NANCY
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: NANCY FED 1-3
2. NAME OF OPERATOR: D J SIMMONS, INC	9. API NUMBER: 43037307410000
3. ADDRESS OF OPERATOR: 1009 RIDGEWAY PL, STE 200, FARMINGTON, NM, 87401	PHONE NUMBER: 505 326-3753 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0710 FNL 1960 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENW Section: 03 Township: 38.0S Range: 25.0E Meridian: S	9. FIELD and POOL or WILDCAT: LITTLE NANCY 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 Approximate date work will start: 10/1/2013 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input checked="" type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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

DJ Simmons proposes to TA the subject well: •Move in well service unit and rig up. •Trip out of hole with rods and pump. •Nipple down wellhead and nipple up BOP. •Unset TAC and trip out of hole with tubing and BHA. We can use the tubing for a workstring. •Set CIBP at 5480' +/- with wireline. Circulate hole clean with inhibited water and spot 10 sx, 11.8 cuft, 88 ft of cement on top to leave cement at 5392' +/- . •Test casing and wellhead to 1,000psi for 30min with recorder •After cement has cured, tag and report. •Land EOT 1 joint above tag. •Secure well and leave temporarily abandoned until redrill and recompletion plans are completed and approved. We intend to develop a plan to plug back the well to an extent allowing for whipstock and redrill to the northwest to a new completion target in the Ismay formation. A sundry of intent with details will be submitted. See Attached Form 3160.

Accepted by the Utah Division of Oil, Gas and Mining

Date: November 08, 2012

By: *Derek Quist*

NAME (PLEASE PRINT) Chris S. Lopez	PHONE NUMBER 505 326-3753	TITLE Regulatory Socialist
SIGNATURE N/A	DATE 10/15/2012	

Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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

5. Lease Serial No.
8910203860

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

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

7. If Unit of CA/Agreement, Name and/or No.
Little Nancy

2. Name of Operator
D. J. Simmons, Inc.

8. Well Name and No.
Little Nancy 1-3

3a. Address
1009 Ridgeway Place, Suite 200
Farmington, NM 87401

3b. Phone No. (include area code)
(505) 326-3753

9. API Well No.
43-037-30741

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Surface: 710' FNL & 1960' FWL, NE/NW Section 3, T38S, R25E, SLB

10. Field and Pool or Exploratory Area
Nancy

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

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

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

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

D. J. Simmons, Inc. proposes to Temporarily Abandon the subject well using the following procedure:

- Move in well service unit and rig up.
- Trip out of hole with rods and pump.
- Nipple down wellhead and nipple up BOP.
- Unset TAC and trip out of hole with tubing and BHA. We can use the tubing for a workstring.
- Set CIBP at 5480'+/- with wireline. Circulate hole clean with inhibited water and spot 10 sx, 11.8 cuft, 88 ft of cement on top to leave cement at 5392'+/-.
- Test casing and wellhead to 1,000psi for 30min with recorder
- After cement has cured, tag and report.
- Land EOT 1 joint above tag.
- Secure well and leave temporarily abandoned until redrill and recompletion plans are completed and approved.

We intend to develop a plan to plug back the well to an extent allowing for whipstock and redrill to the northwest to a new completion target in the Ismay formation. A sundry of intent with details will be submitted.

Please see attached Wellbore Sketches.

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

Chris S. Lopez

Title Regulatory Specialist

Signature

Chris S. Lopez

Date 10/15/2012

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)



Nancy Federal No. 1-3

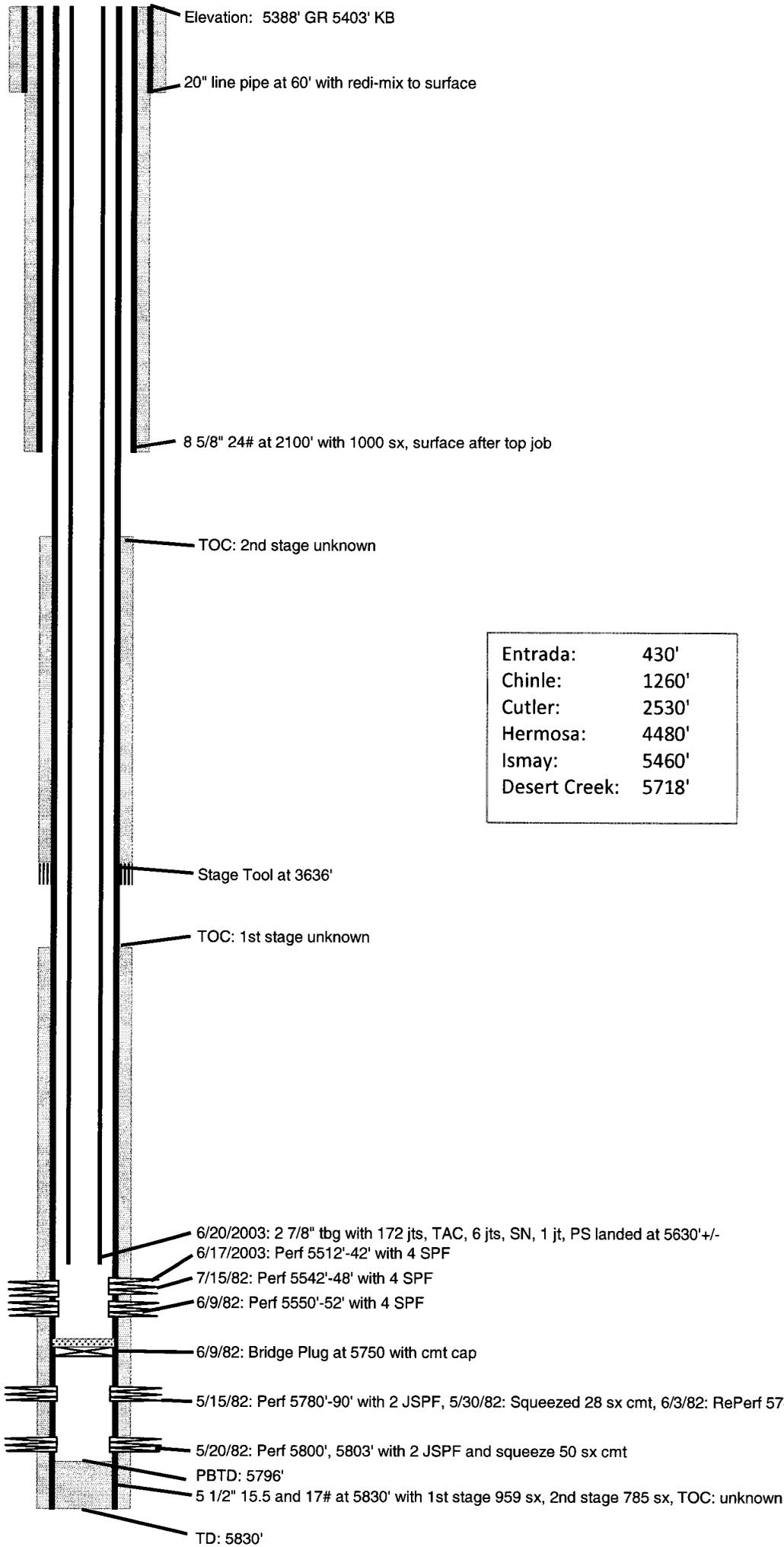
Location: Surface: 710' FNL, 1960' FWL,
Sec 3, T38S, R25E, San Juan
County, Utah

Field: Nancy

Zone: Upper Ismay

API #: 43-037-30741

Spud Date: March 21, 1982
Originally drilled by Tricentrol Resources Inc.





Nancy Federal No. 1-3

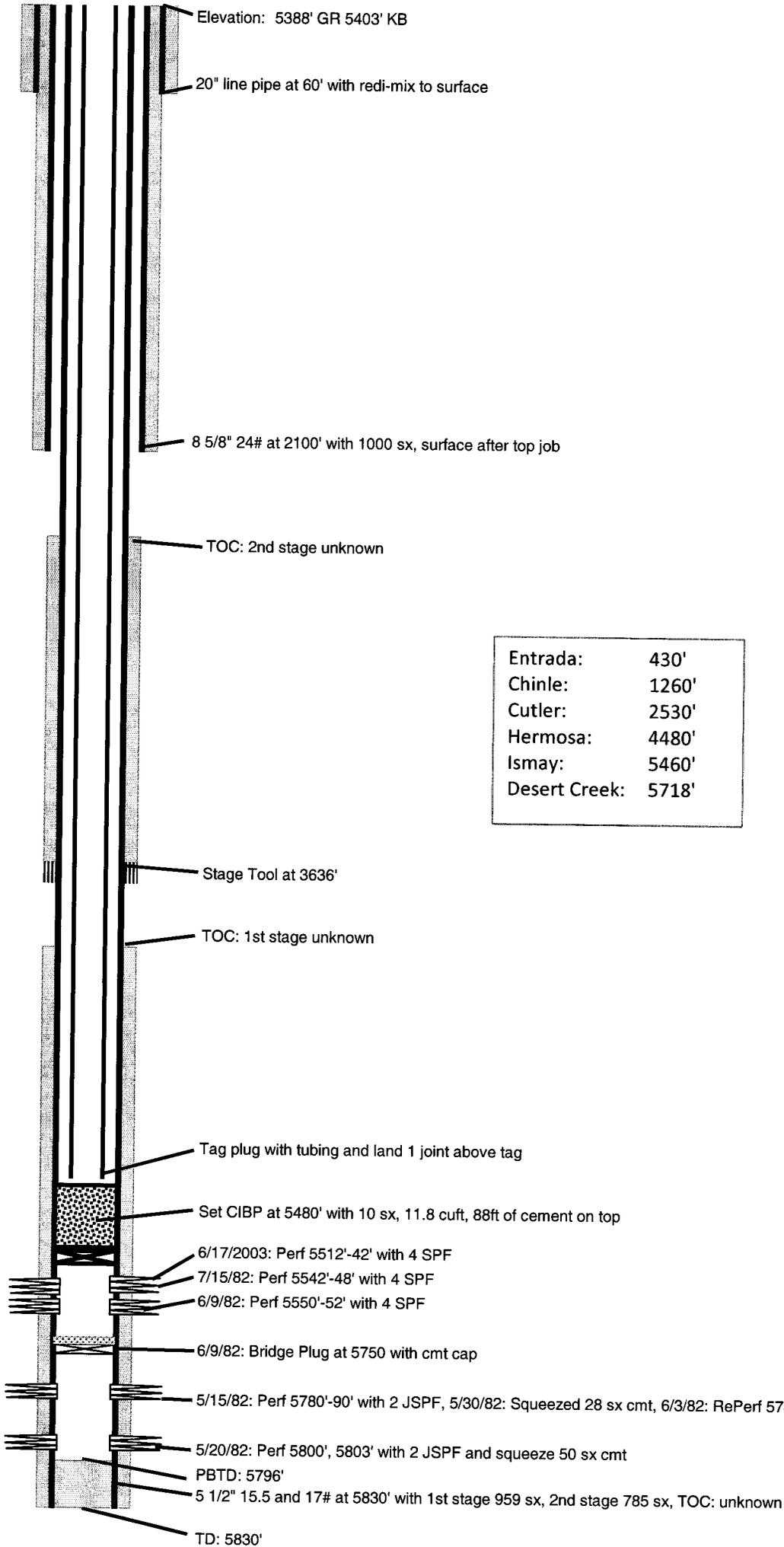
Location: Surface: 710' FNL, 1960' FWL,
Sec 3, T38S, R25E, San Juan
County, Utah

Field: Nancy

Zone: Upper Ismay

API #: 43-037-30741

Spud Date: March 21, 1982
Originally drilled by Tricentrol Resources Inc.



Entrada:	430'
Chinle:	1260'
Cutler:	2530'
Hermosa:	4480'
Ismay:	5460'
Desert Creek:	5718'

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-40053
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.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: LITTLE NANCY
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: NANCY FED 1-3	
2. NAME OF OPERATOR: D J SIMMONS, INC	9. API NUMBER: 43037307410000	
3. ADDRESS OF OPERATOR: 1009 RIDGEWAY PL, STE 200, FARMINGTON, NM, 87401	PHONE NUMBER: 505 326-3753 Ext	9. FIELD and POOL or WILDCAT: LITTLE NANCY
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0623 FNL 1956 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENW Section: 03 Township: 38.0S Range: 25.0E Meridian: S	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 Approximate date work will start: 12/1/2013 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: Sidetrack to recomplete

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

D. J. Simmons, Inc. proposed to sidetrack from the existing Nancy Federal 1-3 wellbore to the following new bottom hole location: 1,500' FNL & 2,400 FWL, Sec. 3, T38S, R25E Please see attached Sidetrack Drilling Procedure, Sidetrack Drilling Program, 3,000psi Drilling Rig BOP System, Drilling Equipment Layout Plan, Utah Well Location Plat, Directional Drilling Letter & Approved BLM Sundry.

Sur f

662445 X
41539184
37.517933
-109.161828

Federal Approval of this Action is Necessary

BHL

662584 X
4153654 Y
37.515526
-109.160309

Approved by the Utah Division of Oil, Gas and Mining

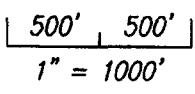
Date: 10-28-13

By:

NAME (PLEASE PRINT) Chris S. Lopez	PHONE NUMBER 505 326-3753	TITLE Regulatory Socialist
SIGNATURE N/A	DATE 9/19/2013	

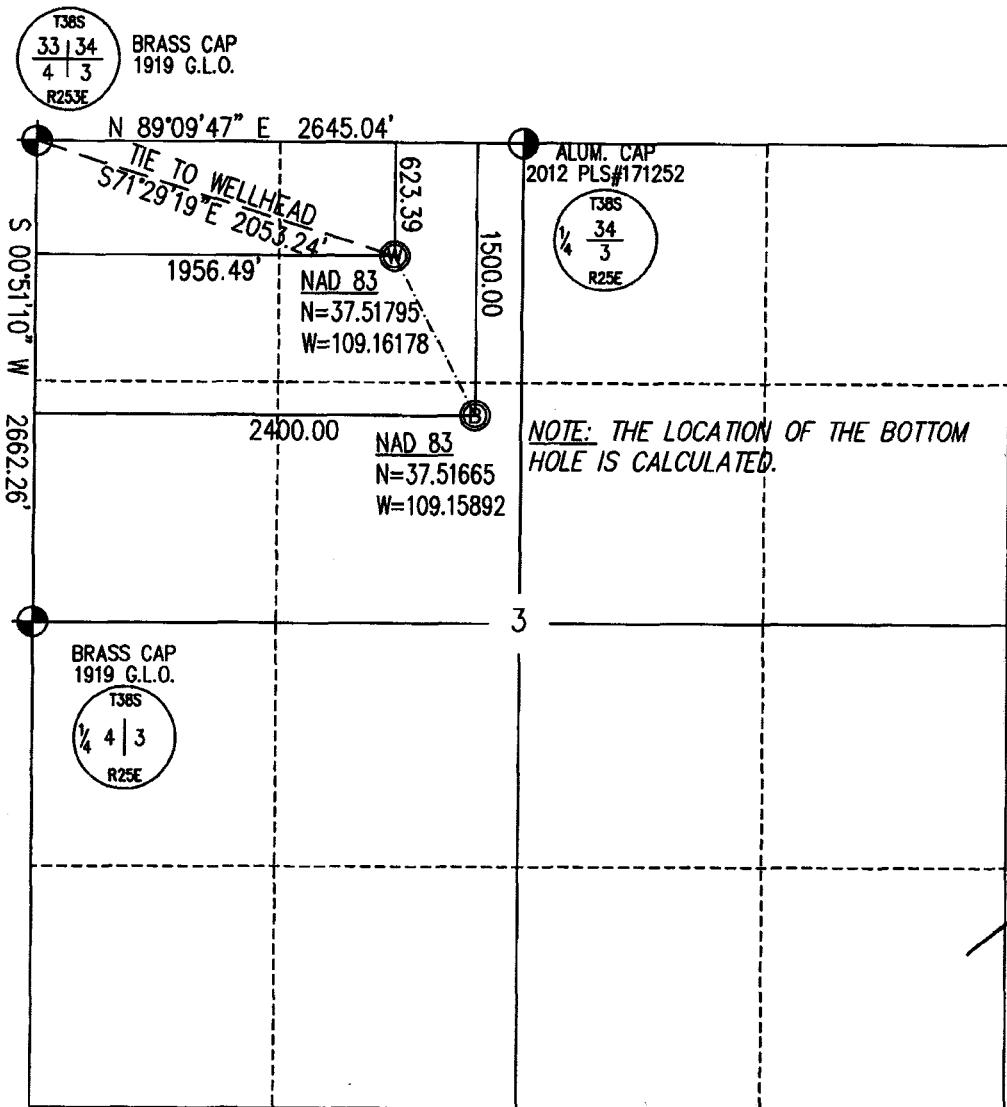
UTAH WELL LOCATION PLAT

OPERATOR DJ SIMMONS INC.
 LEASE LITTLE NANCY WELL NO. 1-3S
 SECTION 3 TOWNSHIP 38 SOUTH RANGE 25 EAST S.L.M.
 COUNTY SAN JUAN UTAH
 FOOTAGE LOCATION OF WELL: 623.39 FEET FROM THE NORTH LINE and
1956.49 FEET FROM THE WEST LINE and
 GROUND LEVEL ELEVATION: 5379.60'
 SURFACE USE WITHIN 200' RADIUS: No Improvements Within 200'
 BASIS OF BEARING: GPS Data
 BASIS OF ELEVATION: GPS Data - NAD 83 - PDOP #1.4

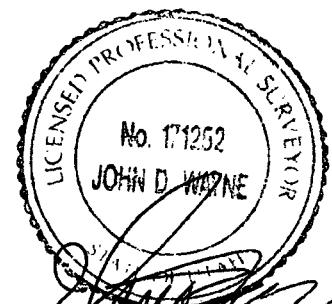


Some information on this plat is based on information taken from previous surveys, record information, or collateral evidence and may not reflect that which may be disclosed by a complete boundary survey. This plat is not to be relied on for the establishment of surface boundaries, fences, buildings, or other future improvements.

-  BRASS CAP
-  WELL Location
-  ALUM. CAP
-  BOTTOM HOLE



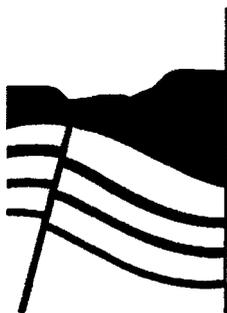
I hereby certify that the proposed well location shown on this plat was prepared from field notes of an actual survey by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief, and that there are no visible improvements within 200 feet of this proposed wellhead, unless noted otherwise.



John D. Wayne
 John D. Wayne
 Professional L.S. #171252
 State of Utah

JUNE 6, 2013
 Date Surveyed:
AUGUST 21, 2013
 Date Platted (Revised):

SCALE: 1" = 1000'



DJ SIMMONS, INC.

1009 Ridgeway Place
Suite 200
Farmington,
New Mexico 87401

505-326-3753
505-327-4659 FAX
info@djsimmonsinc.com
www.djsimmonsinc.com

September 16, 2013

Ms. Diana Mason
State of Utah
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

Re: Directional Drilling R649-3-11
Little Nancy 1-3S: 623' FNL & 1,956' FWL (Surface Hole), NW/NW
1,500' FNL & 2,400' FWL (Bottom Hole), SE/NW
Section 3, T38S, R25E, SLM
San Juan County, UT

Dear Ms. Mason,

Pursuant to the filing of a Notice of Intent Sundry regarding the above referenced well on September 16, 2013, D. J. Simmons, Inc. (DJS) is hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-11 pertaining to the Exception to Location and Siting of Wells.

- The Little Nancy 1-3S is located within the Little Nancy Unit Area.
- DJS is requesting to sidetrack out of the existing Little Nancy 1-3 wellbore in order to minimize surface disturbance. Locating the well at the surface location and drilling directionally from this location, DJS will be able to utilize the existing wellpad, access road and pipelines in the area.
- Furthermore, DJS hereby certifies that it is the sole working interest owner within 460 feet of the entire directional wellbore.

Therefore, based on the above state information, DJS respectfully requests that the NOI Sundry be granted pursuant to 649-3-11.

Sincerely yours,

Chris S. Lopez
Regulatory Specialist

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
440 West 200 South, Suite 500
Salt Lake City, UT 84101

IN REPLY REFER TO:
3160
(UT-922)

October 25, 2013

Memorandum

To: Assistant Field Office Manager Resources,
Moab Field Office

From: Michael Coulthard, Petroleum Engineer

Subject: 2013 Plan of Development Little Nancy Unit,
San Juan County, Utah.

Pursuant to email between Eric Jones, Moab Field Office, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells have been resurveyed and the surface location adjusted (please see our memo dated June 11, 2013).

API #	WELL NAME	LOCATION
-------	-----------	----------

(Proposed PZ Ismay)

43-037-30817	Little Nancy 03-44S Sec 03 T38S R25E 0942 FSL 1079 FEL	Lateral 1 Sec 03 T38S R25E 1386 FSL 1980 FEL
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43-037-30741	Little Nancy 01-03S Sec 03 T38S R25E 0623 FNL 1956 FWL	BHL Sec 03 T38S R25E 1500 FNL 2400 FWL
--------------	--	--

This office has no objection to permitting the wells at this time.

bcc: File - Little Nancy Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:10-25-13

D.J. SIMMONS INC.
Little Nancy Federal No. 1-3S
Surface Location: 623' FNL, 1956' FWL
Bottomhole Location: 1500' FNL, 2400' FWL
Sec. 3 T-38-S R-25-E
San Juan County, Utah

Sidetrack Drilling Procedure

- Back drag and clean location for crew & rig safety. Build 70' x 40' x 8' reserve pit with 5' weir. Install plastic liner and fence around pit.
- Move in well service unit and rig up.
- Nipple down wellhead and nipple up BOP.
- Trip out of hole with 179 joints 2 7/8" tubing string landed at 5630'.
- Round trip bit and scraper to top perf at 5512'.
- Set CIBP at 5480' and spot 10sx, 11.8 cuft, 88 ft cement on top.
- Run cement bond log to locate top of cement on 1st stage cement, to evaluate cement near the stage tool at 3636' and to locate top of cement on 2nd stage cement looking for good cut off point.
- Spot 15.8 ppg cement to cover from 50' below top of cement on 1st stage cement to 50' above bottom of good cement bond above the stage tool at 3636'.
- Rig down and move out well service rig. Move in and rig up drilling rig. We may start with drilling rig instead of well service rig depending on availability.
- Nipple up BOP, manifold and flowlines. Test blind rams, pipe, inside valves, outside valves, floor valve, kelly valve, fillup check valve and manifold valve to 250psi low and 1,500 psi high. Test casing to 500 psi for 30 minutes. Record test in IADC book and sign as witness.
- Chose a 5 1/2" casing cut off point at top cement and cut and pull 5 1/2" casing.
- Sting into 5 1/2" casing stub and spot a 15.8ppg cement plug from 50' below top of 2nd stage cement to fill open hole to 50' above 5 1/2" casing stub.
- Wait on cement and tag plug.
- Set a hardened 250' cement kick off plug from 2400' up to 2150'. If 5 1/2" casing stub is in the 8 5/8" casing, set a whipstock tool to cut a window.
- Establish a 300' radius turn to 20⁰ deviation from vertical at 151⁰ from north. Maintain 20⁰ from vertical at 151⁰ degrees from north. Return to vertical with a 300' radius turn to achieve a total vertical displacement of 904' by 5300' TVD seeking a BHL of 1500' FNL, 2400' FWL at a TVD of 5870' and approximate MD of 6772'.
- At 4200' TVD, switch to clean mud pits and mix LSND mud to 30-32 vis and 6 water loss. Maximize the use of shale shaker and desilter to control mud weight. Use dilution from reserve 1st and rig supply tank 2nd to maintain mud weight at 9.0 ppg or below.
- Run tests, pull cores and logs as hole conditions dictate.
- Run 5 1/2" N80 LTC casing to within 5' of bottom and cement to tieback to intermediate casing.

D.J. SIMMONS INC.
Little Nancy Federal No. 1-3S
 Surface Location: 623' FNL, 1956' FWL
 Bottomhole Location: 1500' FNL, 2400' FWL
 Sec. 3 T-38-S R-25-E
 San Juan County, Utah

Sidetrack Drilling Program

1. **ESTIMATED FORMATION TOPS: (GL: 5,380', KB: 5392')**

<u>Formation Name</u>	<u>Depth TVD</u>	<u>Sub Sea Depth TVD from KB</u>
Morrison Formation	Surface	5392
Entrada Sandstone	650	4742
Navajo Sandstone	830	4562
Chinle Formation	1525	3867
Moenkopi Formation	2564	2828
Cutler Group	2601	2791
Honaker Trail Formation	4429	963
Upper Ismay	5454	-62
Desert Creek	5709	-317
Total Depth	5870	-478

2. **NOTABLE ZONES**

<u>Formation Name</u>	<u>Depth TVD</u>	<u>Contents</u>
Morrison Formation	Surface	Mixed sand, shale, siltstone
Entrada Sandstone	650	Sandstone, water possible
Navajo Sandstone	830	Sandstone, water possible
Chinle Formation	1525	Red/vari-color shale/siltstone
Moenkopi Formation	2564	Red-brown shale, siltstone
Cutler Group	2601	Red Arkose sandstone
Honaker Trail Formation	4429	Limestone, sandstone, gas and water possible
Upper Ismay	5454	Limestone, anhydrite, oil, gas, water possible
Desert Creek	5709	Limestone, Dolomite, anhydrite, oil, gas, water possible
Total Depth	5870	Akah salt

Water zones will be protected with casing, cement, and weighted mud. Fresh water found while drilling will be recorded. Oil or gas shows will be tested for commercial potential based on the evaluation of data recovered during drilling.

3. **PRESSURE CONTROL:**

Maximum expected pressure is 2800 psi. The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. A diagram of a typical 11" 3,000 psi model BOP is attached.

BOP equipment and all accessories will meet or exceed BLM requirements in 43 CFR Part 3160 for a 3000 psi system. A 3000 psi double ram hydraulic BOP. Accumulator system capacity will be sufficient to close all BOPE with a 50% safety factor. Fill, kill, and choke manifold lines will be 2". Accessories will include upper and lower Kelly cocks with handles, stabbing valve to fit drill pipe on floor at all times, 3000 psi choke manifold with 2" adjustable and 2" positive chokes, and pressure

D.J. SIMMONS INC.
Little Nancy Federal No. 1-3S
 Surface Location: 623' FNL, 1956' FWL
 Bottomhole Location: 1500' FNL, 2400' FWL
 Sec. 3 T-38-S R-25-E
 San Juan County, Utah

gauge (diagrams attached). BOP rams will be cycled every 24 hours. Tests will be recorded on IADC log.

4. CASING & CEMENT

<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u> (lb/ft)	<u>Grade</u>	<u>Age</u>	<u>Connection</u>	<u>GL Setting Depth</u>
24"	20" line pipe			Existing	ST&C	GL- 60'
12 1/4"	8 5/8"	24#	J55	Existing	ST&C / LT&C	GL - 2100'
7 7/8"	5 1/2"	17#	N80	New	LT&C	GL - 5870'TVD

Production casing will be cemented to ensure cement coverage inside the intermediate casing. **Lead cement:** ~ 1080 cu. ft. (537 sx) and **Tail cement:** ~ 190 cu.ft. (150 sx). Volumes are calculated at 50% excess. A wiper plug will be displaced to the float collar leaving the shoe joint full of cement. A cement bond log will be run during completion operations to insure cement coverage. Casing will be pressure tested to 3000 psi for 30 minutes during completion operations.

Cement recipe (Lead): Premium Lite High Strength FM w/2% KCl, 1/4#/sx Cello flake, 0.2% CD-32, 3#/sx LCM-1, 0.5% FL-52, or equal, mixed at 10.32 gps, 12.5 ppg for a yield of 2.01 cu. ft. per sx. Volume based on 50% excess.

Cement recipe (Tail): Type III cmt or equivalent (1.27 ft³/sx yield, 15.2 ppg, & 5.8 gps) with 2% CaCl₂ and 1/4#/sx cellophane. Volume based on 50% excess.

Cementing equipment will include a float shoe, float collar and will be run with a centralized shoe joint and next five joints. Centralizers will also be run across the producing zones.

5. MUD PROGRAM

<u>Depth TVD</u>	<u>Type</u>	<u>Wt./ppg.</u>	<u>Vis.</u>	<u>Fluid Loss</u>	<u>PH</u>
2100'-4200'+/-	FW gel/Polymer/LSND	8.3-8.9	30-55	as needed	9.5
4200'-5870'+/-	FW gel/Polymer/LSND	8.3-8.9	30-55	<10cc's	9.5

Lost circulation and absorption material will be on location.

D.J. SIMMONS INC.
Little Nancy Federal No. 1-3S
Surface Location: 623' FNL, 1956' FWL
Bottomhole Location: 1500' FNL, 2400' FWL
Sec. 3 T-38-S R-25-E
San Juan County, Utah

6. CORING, TESTING, & LOGGING

Drill stem tests may be run on Ismay and Desert Creek drilling breaks. Drill stem tests will be conducted during daylight hours only. Sidewall core samples may be taken from selected sections over productive sections from Honaker Trail to TD. Whole core may be taken across the Hovenweep and Gothic formations. A full suite of open hole logs may be run, possibly in multiple trips, from TD to 2100' with gamma ray and neutron to surface. This well will be mud logged from 4400' to TD.

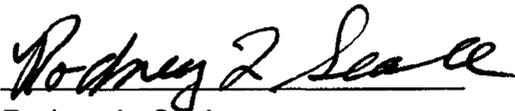
7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, or hydrogen sulfide are expected. Maximum pressure will be 2800 psi.

8. OTHER INFORMATION

The anticipated spud date is December 1, 2013. It is expected it will take ~15 days to drill and ~20 days to complete the well. Completion will start about one month after the spud and may include hydraulic fracturing.

Prepared By:



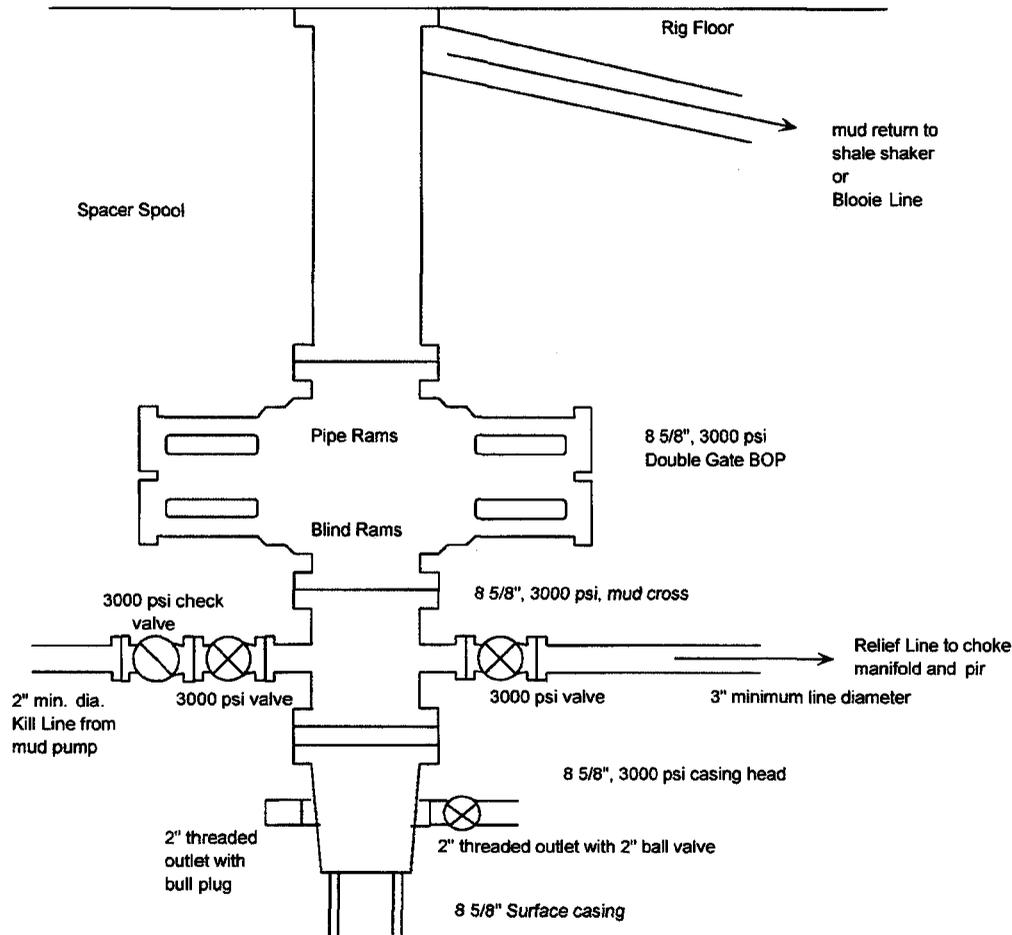
Rodney L. Seale
Operations Engineer

Date: September 7, 2013 ✓

Sundry Number: 42745 API Well Number: 43037307410000

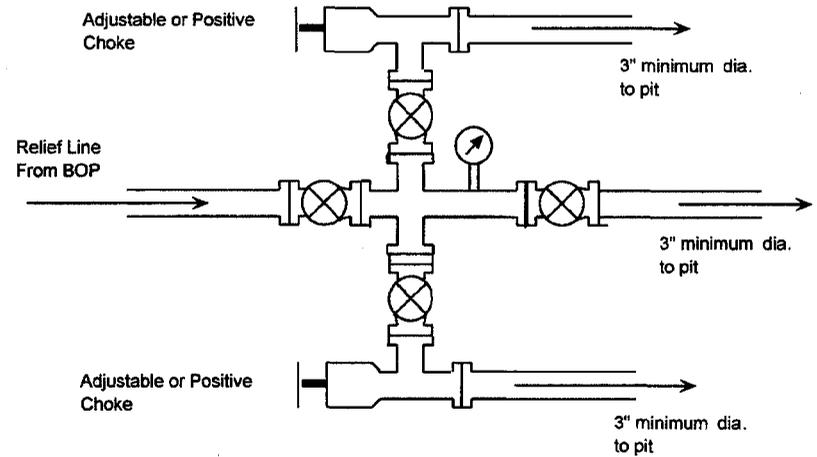
Little Nancy 1-3S 3,000 psi Drilling Rig BOP System

Figure 1 8 5/8", 3000 psi Drilling Rig BOP System

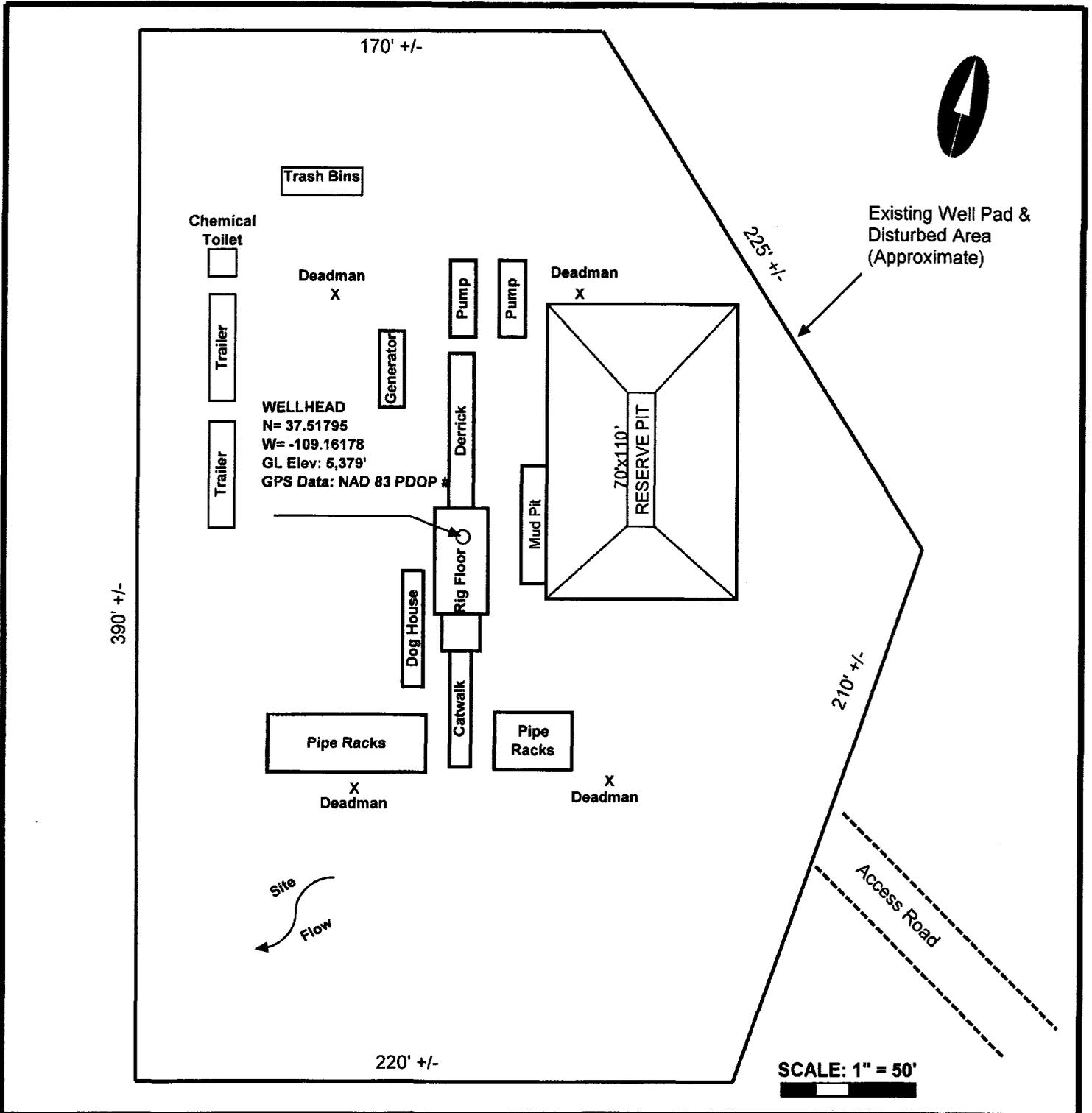


BOP Installation from Surface Casing to TD. 8 5/8", 3000 psi double gate BOP equipped with blind and pipe rams and rotating head. All equipment rated at 3000 psi or greater working pressure.

Figure 2



Choke manifold for BOP system shown in Figure 3. All equipment to be rated at 3000 psi or greater.



D. J. SIMMONS, Inc.
1009 Ridgeway Place, Ste. 200
Farmington, NM 87401
Phone (505) 326-3753
Fax (505) 327-4659

Reviewed By: Craig D. Starkey

Drawn By: Chris S. Lopez

Approved By: Rodney L. Seale

Date: 9/19/2013

**Little Nancy 1-3S
Drilling Equipment Layout Plan
623' FNL & 1,956' FWL
NE/NW Sec. 3, T38S, R25E
San Juan County, UT**

Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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

5. Lease Serial No. U-40053
6. If Indian, Allotted or Tribe Name: *2013*
N/A

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No. Little Nancy
2. Name of Operator D. J. Simmons, Inc.		8. Well Name and No. Little Nancy 1-3S
3a. Address 1009 Ridgeway Place, Suite 200 Farmington, NM 87401	3b. Phone No. (include area code) (505) 326-3753	9. API Well No. 43-037-30741
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface: 710' FNL & 1,960' FWL NE/NW Section 3, T38S, R25E, SLM		10. Field and Pool or Exploratory Area Nancy
		11. County or Parish, State San Juan County, Utah

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

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

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

D. J. Simmons, Inc. proposes to sidetrack from the existing Little Nancy 1-3 wellbore to the following new bottom hole location:

1,500' FNL & 2,400' FWL, Section 3, T38S, R25E, SLM

Please see attached Sidetrack Drilling Procedure, Sidetrack Drilling Program, 3,000 psi Drilling Rig BOP System, Wellbore Sketches, and Drilling Equipment Layout Plan.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)	
Chris S. Lopez	Title Regulatory Specialist
Signature <i>Chris S. Lopez</i>	Date 05/28/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>Laura Supant</i>	Title <i>Acting Field Manager</i>	Date <i>7/25/2013</i>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		
Office <i>Moab Field Office</i>		

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)

CONDITIONS OF APPROVAL ATTACHED

RECEIVED. SEP. 19, 2013

DJ Simmons, Inc.

Re-Entry: Plug-Back, Sidetrack, Directionally Drill to a New Bottom-Hole Location

Little Nancy 1-3S

Little Nancy Unit, UTU630780

Lease UTU40053

Location, Surface: NE/NW Section 3, T38S, R25E

Bottom-Hole: SE/NW Section 3, T38S, R25E

San Juan County, Utah

CONDITIONS OF APPROVAL

1. Notify Jeff Brown (435-459-4886 cell, or 435-587-1525 office) of the BLM Monticello Field Office at least 24 hours prior to initiating well operations.
2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGMI) is required before conducting any surface disturbing activities.
3. Gelled water spacer, mixed at 9 pounds-per-gallon, must be placed between the plugs in the portion of the well bore being plugged-back. This may be done after the bridge plug is set
4. The proposed well control equipment is appropriate for anticipated conditions. Well control equipment for the production section of the well shall meet or exceed 2M standards. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
5. Drilling reports, which describe the activities of each day, shall be submitted to the BLM Moab Field Office on a weekly, or more frequent, basis. In addition to a daily summary of activities, drilling reports shall include the drilling fluid weight, details of casing and cement, water flows, lost circulation zones and any other information that would contribute to our understanding of drilling conditions.
6. A cement bond log, or other appropriate tool, shall be used to verify the top of cement behind the production casing. If cementing objectives are not met, remedial cementing may be necessary.
7. If a well control issue arises (e.g. kick, blowout, or water flow), casing failure occurs, or an increase in bradenhead pressure occurs during fracturing operations, the BLM shall be notified within 24 hours from the time of the event.
8. Moab Field Office petroleum engineer, Eric Jones (435-259-2117), shall be contacted for verbal approval prior to commencing remedial cementing, plugging operations on newly drilled boreholes, changes within the drilling plan, changes or variances to the BOPE, deviating from conditions of approval, and conducting other operations not specified within the APD. As a secondary contact: Marie McGann (435-259-2135).

Little Nancy 1-3S -- Conditions of Approval

9. Surface use shall be limited to the existing well pad. No new surface disturbance is authorized.
10. During drilling operations, the reserve pit will be fenced on three sides. When drilling operations are complete the fourth side will be fenced. At a minimum, the fence will be constructed using steel T or wood line posts set 16.5 feet apart. Corner posts will be 6 inches or greater diameter wood, and anchored with a rock deadman. Woven wire will be placed from 0 to 32 inches, and twisted smooth or barbed wire will be placed at 4 and 16 inches above the woven wire. When fencing is completed, netting will be placed over the pit and fence, extending to below the ground level, to prevent birds and small animals from gaining access to and becoming trapped in the contents of the pit. The netting will be supported to maintain adequate clearance between the net and the contents of the pit. The fencing and netting will be maintained until the pit is closed and reclaimed.
11. The reserve pit shall be closed and reclaimed in accordance with Onshore Oil and Gas Order No. 1, XII, B. and the standards and guidelines contained in the Gold Book, 2007; which requires earthwork to be completed within six months of completion of drilling operations. If necessary, pit fluids shall be removed and properly disposed of to allow the pit solids adequate time to dry prior to pit closure.

REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Spud- The spud date will be reported to BLM 24-hours prior to spud. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field Office within 24-hours after spud, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the Moab Field Office on a weekly basis.

Oil and Gas Operations Reports (OGORs)- Production from this well shall be reported to Minerals Management Service (MMS) on a monthly basis.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed, with the Moab Field Office, for approval of all changes of plans and subsequent operations in accordance with 43 CFR 3162.3-2. Safe drilling and operating practices must be observed.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Monticello Field Office is to be notified.

First Production- Should the well be successfully completed for production, the Moab Field Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five business days following the date on which the well is placed into production.

A first production conference will be scheduled through the Monticello Field Office as soon as the productivity of the well is apparent.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion or Recompletion Report and Log" (Form 3160-4) will be submitted to the Moab Field Office not later than thirty-days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

Produced Water- Produced waste water may be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order No. 7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will be approved when the Monticello Field Office determines that surface reclamation work has successfully restored desirable vegetation.

TABLE 1

NOTIFICATIONS

Notify Jeff Brown (435-587-1525), or Cliff Giffen (435-587-1524) of the BLM, Monticello Field Office for the following:

- 1 day prior to spud (Brown);
- 1 day prior to testing BOP (Brown);
- 1 day prior running casing (Brown);
- 2 days prior to starting reclamation dirt work (Giffen)

If the person at the above number cannot be reached, notify the Moab Field Office at 435-259-2100. If unsuccessful, contact the person listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab Field Office at 435-259-2100. If approval is needed after work hours, you may contact:

Eric Jones, Petroleum Engineer Office: (435) 259-2117
Home: (435) 259-2214

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 09/19/2013

API NO. ASSIGNED: 43-037-30741

WELL NAME: NANCY FED 1-3
 OPERATOR: D J SIMMONS, INC (N2520)
 CONTACT: CHRIS LOPEZ

PHONE NUMBER: 505-326-3753

PROPOSED LOCATION:

NENW 03 380S 250E
 SURFACE: 0623 FNL 1956 FWL
 BOTTOM: 1500 FNL 2400 FWL
 COUNTY: SAN JUAN
 LATITUDE: 37.51793 LONGITUDE: -109.16183
 UTM SURF EASTINGS: 662445 NORTHINGS: 4153918
 FIELD NAME: LITTLE NANCY (390)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-40053
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: DSCR
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UTB000048)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. MUNICIPAL)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

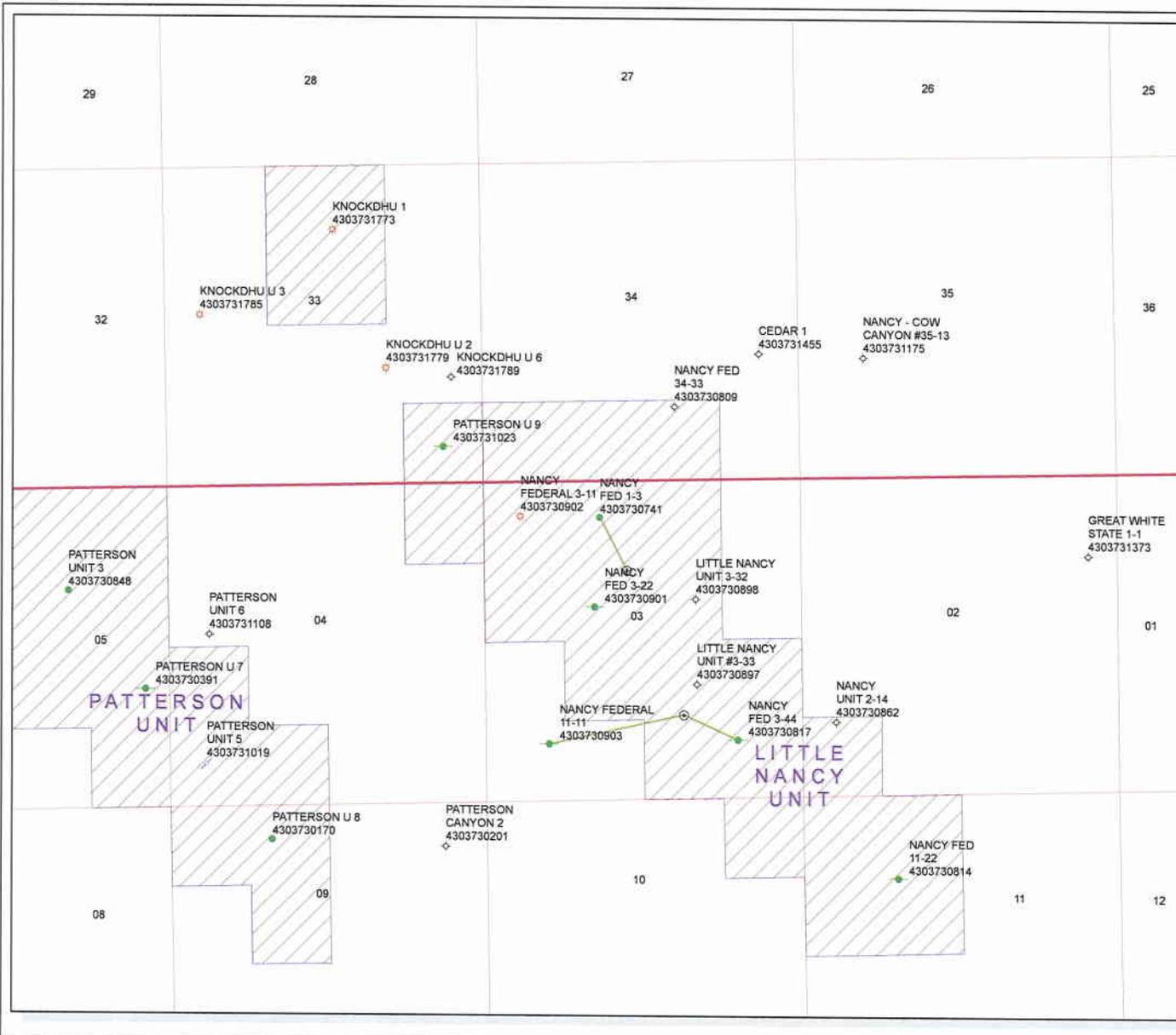
LOCATION AND SITING:

- ___ R649-2-3.
- Unit: LITTLE NANCY
- ___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- ___ R649-3-3. Exception
- ___ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: _____

1- Security Approval
2- Spacing STIP



API Number: 4303730741

Well Name: NANCY FED 1-3

Township: T38.0S Range: R25.0E Section: 03 Meridian: S

Operator: D J SIMMONS, INC

Map Prepared: 9/25/2013
Map Produced by Diana Mason

Wells Query		Units STATUS	
APD - Approved Permit	ACTIVE	APD - Approved Permit	ACTIVE
DRL - Spudded (Drilling Commenced)	EXPLORATORY	DRL - Spudded (Drilling Commenced)	EXPLORATORY
GIW - Gas Injection	GAS STORAGE	GIW - Gas Injection	GAS STORAGE
GS - Gas Storage	NF PP OIL	GS - Gas Storage	NF PP OIL
LOC - New Location	NF SECONDARY	LOC - New Location	NF SECONDARY
OPS - Operation Suspended	PI OIL	OPS - Operation Suspended	PI OIL
PA - Plugged Abandoned	PP GAS	PA - Plugged Abandoned	PP GAS
POW - Producing Gas Well	PP GEOTHERM	POW - Producing Gas Well	PP GEOTHERM
POW - Producing Oil Well	PP OIL	POW - Producing Oil Well	PP OIL
SOW - Shut-in Gas Well	SECONDARY	SOW - Shut-in Gas Well	SECONDARY
SOW - Shut-in Oil Well	TERMINATED	SOW - Shut-in Oil Well	TERMINATED
TA - Temp. Abandoned		TA - Temp. Abandoned	
TW - Test Well		TW - Test Well	
WOW - Water Disposal		WOW - Water Disposal	
WVW - Water Injection Well		WVW - Water Injection Well	
WSW - Water Supply Well		WSW - Water Supply Well	





GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 28, 2013

D J Simmons, Inc.
1009 Ridgeway Pl, Ste 200
Farmington, NM 87401

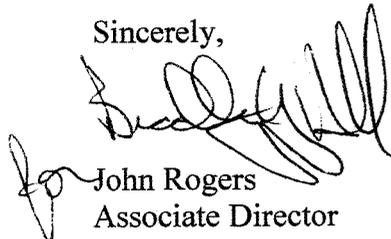
Subject: Nancy Fed 1-3 Well, 623' FNL, 1956' FWL, NE NW, Sec. 3, T. 38 South, R. 25 East,
Bottom Location: 1500' FNL, 2400' FWL, SE NW, Sec. 3, T. 38 South, R. 25 East, San
Juan County, Utah

Ladies and Gentlemen:

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-2. The expected producing formation or pool is the DESERT CREEK Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-037-30741.

Sincerely,



John Rogers
Associate Director

JR/BGH/js
Enclosures

cc: San Juan County Assessor
Bureau of Land Management, Monticello Office

Operator: D J Simmons, Inc.
Well Name & Number Nancy Fed 1-3
API Number: 43-037-30741
Lease: UTU-40053

Location: NE NW **Sec. 3** **T. 38 South** **R. 25 East**
Bottom Location: SE NW **Sec. 3** **T. 38 South** **R. 25 East**

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please let a voicemail message if not available)

OR

Submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <http://oilgas.ogm.utah.gov>

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dustin Doucet at (801) 538-5281 office
(801) 733-0983 after office hours

3. Reporting Requirements

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

- #### 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

6. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

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.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-40053
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: D J SIMMONS, INC		7. UNIT or CA AGREEMENT NAME: LITTLE NANCY
3. ADDRESS OF OPERATOR: 1009 RIDGEWAY PL, STE 200, FARMINGTON, NM, 87401		8. WELL NAME and NUMBER: NANCY FED 1-3
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0623 FNL 1956 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENW Section: 03 Township: 38.0S Range: 25.0E Meridian: S		9. API NUMBER: 43037307410000
PHONE NUMBER: 505 326-3753 Ext		9. FIELD and POOL or WILDCAT: LITTLE NANCY
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 type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> ALTER CASING	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR	
<input checked="" type="checkbox"/> DRILLING REPORT Report Date: 1/15/2014	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> CHANGE WELL NAME	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> CONVERT WELL TYPE	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Please see attached Drilling Summary for the Nancy Federal 1-3S through 01/08/2014. A Subsequent Plugged and Abandonment Report will be submitted.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY January 15, 2014		
NAME (PLEASE PRINT) Chris S. Lopez	PHONE NUMBER 505 326-3753	TITLE Regulatory Socialist
SIGNATURE N/A	DATE 1/15/2014	

Little Nancy 1-3S
Drilling Summary

Days On:	Date:	Outcome:
1	December 27	MIRU 4-CORNERS RIG #7, TOH, L/D RODS & PUMP, N/U & TEST BOP, UN-SET TBG ANCHOR, TOH W/2.875" TBG
2	December 30	TIH W/4.75" MILL T/5600', TOH W/O BIT, RIH W/W/L, BIT @ 1666', TIH W/TBG, BIT FELL, TAG BIT @ 1958'
3	December 31	PUSH BIT DOWNHOLE T/4330', ROTATE BOX TAP W/CUT-LIP GUIDE, UNABLE T/WORK BIT T/BTM
4	January 02	TIH & HOT OIL TBG, TOH, TIH & SET CMT RET @ 4280', PUMP 150 SKS CMT BELOW RET, REV CIRC, TOH
5	January 03	RUN GYRO SURVEY & CBL, SPOT MUD PLUG F/4280' T/SURFACE, TOC SURFACE
6	January 07	TIH W/2.875" TBG, L/D TBG, PUMP BAL CMT PLUGS 2265', 100', L/D TBG ON TBG FLOAT
7	January 08	DIG OUT AROUND WELLHEAD, CUT-OFF CSG, FILL CSG W/CMT, INSTALL DRY HOLE MARKER BELOW GRADE, RIG DOWN, MOVE RIG

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.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-40053
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL Oil Well		7. UNIT or CA AGREEMENT NAME: LITTLE NANCY
2. NAME OF OPERATOR: D J SIMMONS, INC		8. WELL NAME and NUMBER: NANCY FED 1-3
3. ADDRESS OF OPERATOR: 1009 RIDGEWAY PL, STE 200, FARMINGTON, NM, 87401		9. API NUMBER: 43037307410000
PHONE NUMBER: 505 326-3753 Ext		9. FIELD and POOL or WILDCAT: LITTLE NANCY
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0623 FNL 1956 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENW Section: 03 Township: 38.0S Range: 25.0E Meridian: S		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 type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 1/8/2014	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input type="text"/>

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

D. J. Simmons, Inc. Plugged and Abandoned the Little Nancy 1-3S well.
Please see attached PXA wellbore sketch.

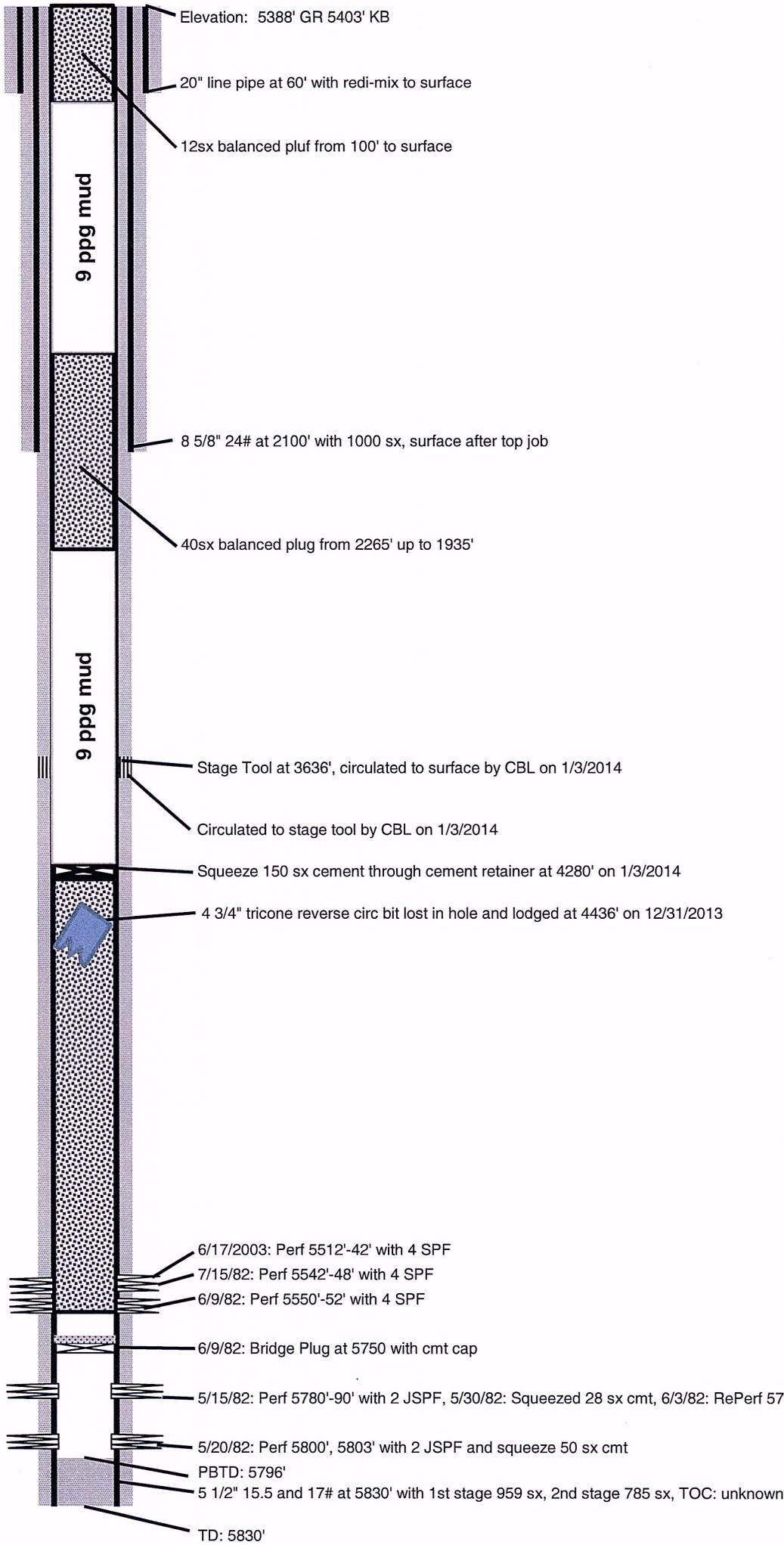
**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
January 24, 2014**

NAME (PLEASE PRINT) Chris S. Lopez	PHONE NUMBER 505 326-3753	TITLE Regulatory Socialist
SIGNATURE N/A	DATE 1/24/2014	



DJ SIMMONS, INC.

Nancy Federal No. 1-3



Location: Surface: 710' FNL, 1960' FWL, Sec 3, T38S, R25E, San Juan County, Utah

Field: Nancy

Zone: Upper Ismay

API #: 43-037-30741

Spud Date: March 21, 1982
Originally drilled by Tricentrol Resources Inc.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
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	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

D. J. Simmons, Inc. Plugged and Abandoned the subject well, thus terminating the Notice of Intent to Sidetrack submitted on 9/19/2013 and Approved by UTDOGM on 10/28/2013. The sidetrack procedure was terminated due to the inability to retrieve the existing casing in the wellbore. Please see attached Drilling summary and PXA Wellbore sketch for more information.

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
January 29, 2014**

NAME (PLEASE PRINT) Chris S. Lopez	PHONE NUMBER 505 326-3753	TITLE Regulatory Socialist
SIGNATURE N/A	DATE 1/29/2014	

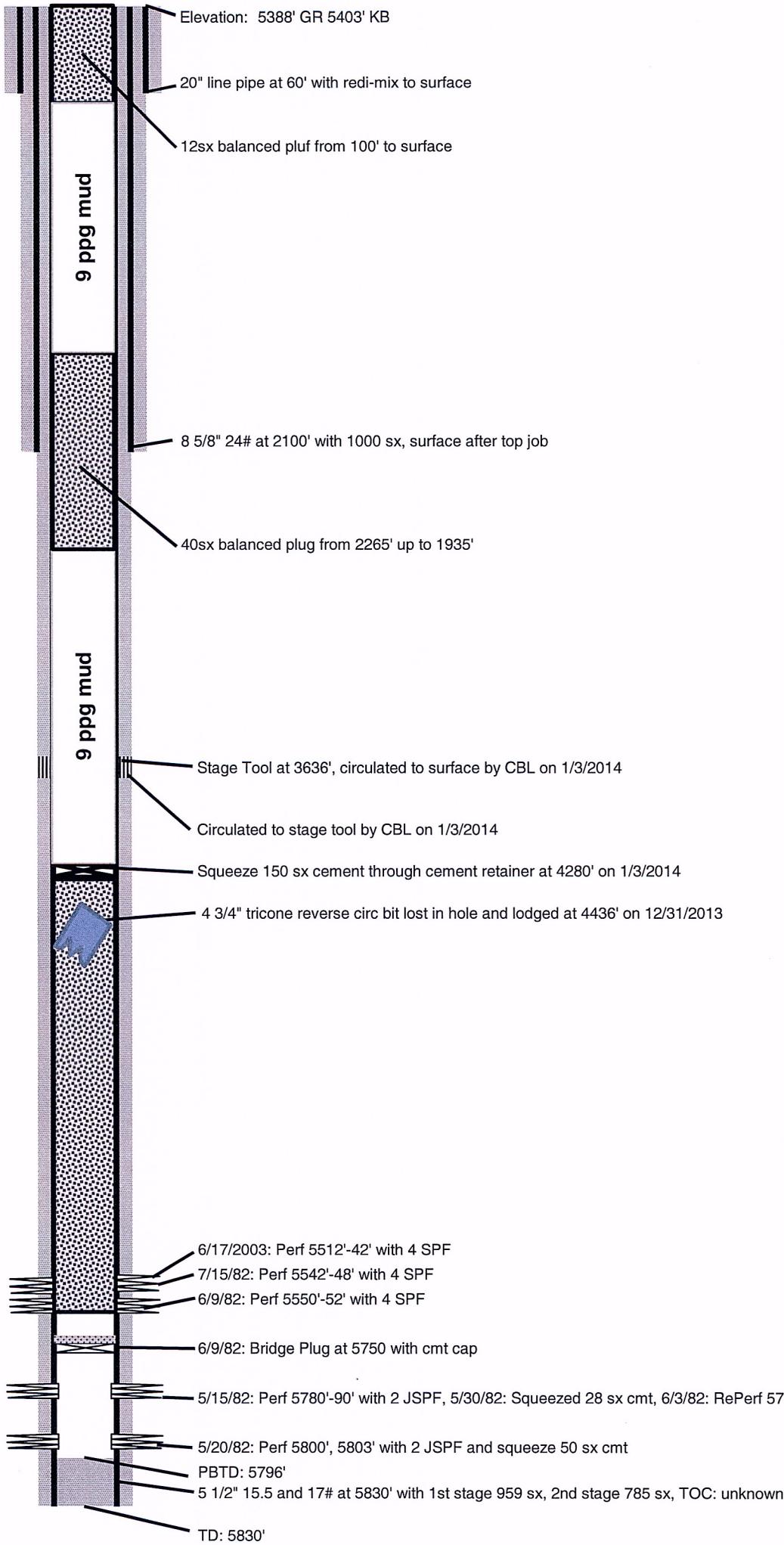
Little Nancy 1-3S
Drilling Summary

Days On:	Date:	Outcome:
1	December 27	MIRU 4-CORNERS RIG #7, TOH, L/D RODS & PUMP, N/U & TEST BOP, UN-SET TBG ANCHOR, TOH W/2.875" TBG
2	December 30	TIH W/4.75" MILL T/5600', TOH W/O BIT, RIH W/W/L, BIT @ 1666', TIH W/TBG, BIT FELL, TAG BIT @ 1958'
3	December 31	PUSH BIT DOWNHOLE T/4330', ROTATE BOX TAP W/CUT-LIP GUIDE, UNABLE T/WORK BIT T/BTM
4	January 02	TIH & HOT OIL TBG, TOH, TIH & SET CMT RET @ 4280', PUMP 150 SKS CMT BELOW RET, REV CIRC, TOH
5	January 03	RUN GYRO SURVEY & CBL, SPOT MUD PLUG F/4280' T/SURFACE, TOC SURFACE
6	January 07	TIH W/2.875" TBG, L/D TBG, PUMP BAL CMT PLUGS 2265', 100', L/D TBG ON TBG FLOAT
7	January 08	DIG OUT AROUND WELLHEAD, CUT-OFF CSG, FILL CSG W/CMT, INSTALL DRY HOLE MARKER BELOW GRADE, RIG DOWN, MOVE RIG



DJ SIMMONS, INC.

Nancy Federal No. 1-3



Location: Surface: 710' FNL, 1960' FWL, Sec 3, T38S, R25E, San Juan County, Utah

Field: Nancy

Zone: Upper Ismay

API #: 43-037-30741

Spud Date: March 21, 1982
Originally drilled by Tricentral Resources Inc.