

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  
 Consolidated Oil & Gas, Inc.

3. ADDRESS OF OPERATOR  
 P.O. Box 2038, Farmington, N.M.. 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)  
 At surface 2140' FNL & 600' FEL  
 At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 8-1/2 miles

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 600'

16. NO. OF ACRES IN LEASE NA

17. NO. OF ACRES ASSIGNED TO THIS WELL 80

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2500'

19. PROPOSED DEPTH 5830'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4737' GR

22. APPROX. DATE WORK WILL START\* February 1983

5. LEASE DESIGNATION AND SERIAL NO.  
 SL 071403-A FED

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME  
 BLUFF

8. FARM OR LEASE NAME  
 Bluff

9. WELL NO.  
 42-5

10. FIELD AND POOL, OR WILDCAT  
 Desert Creek BLUFF

11. TOWNSHIP, R., M., OR BLK. AND QUARTER OR AREA  
 Sec 5, T40S, R23E

12. COUNTY OR PARISH San Juan

13. STATE Utah

22. APPROX. DATE WORK WILL START\* February 1983

RECEIVED  
 JAN 05 1983  
 DIVISION OF OIL, GAS & MINING  
 Desert Creek

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"	48.0#	40'	117 cuft, circ to surface
12-1/4"	8-5/8"	24.0#	1500'	670 cuft, circ to surface
7-7/8"	5-1/2"	15.5#	5830'	To be determined at TD

1. Drill 17-1/2" hole to 40'. Run 13-3/8" casing to surface & cement. WOC 12 hours.
2. Drill 12-1/4" hole to 1500'. Run 8-5/8" casing & cement. WOC 12 hours.
3. Install 10", 900# BOP. Pressure test BOP & casinghead to 1000 psi, 30 min.
4. Drill 7-7/8" hole to estimated TD, 5830'.
5. Run electric logs. Based on logs complete or abandon well.
6. If completed, run 5-1/2" production casing & cement.
7. If abandoned, plugging instructions will be obtained from the proper agencies.

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 Drilling Foreman DATE 12-28-82

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
 APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_  
 CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY THE STATE  
 OF UTAH DIVISION OF  
 OIL, GAS, AND MINING  
 DATE: 1-6-83  
 BY: [Signature]

COMPANY CONSOLIDATED OIL & GAS, INC.

LEASE BLUFF WELL NO. #42-5

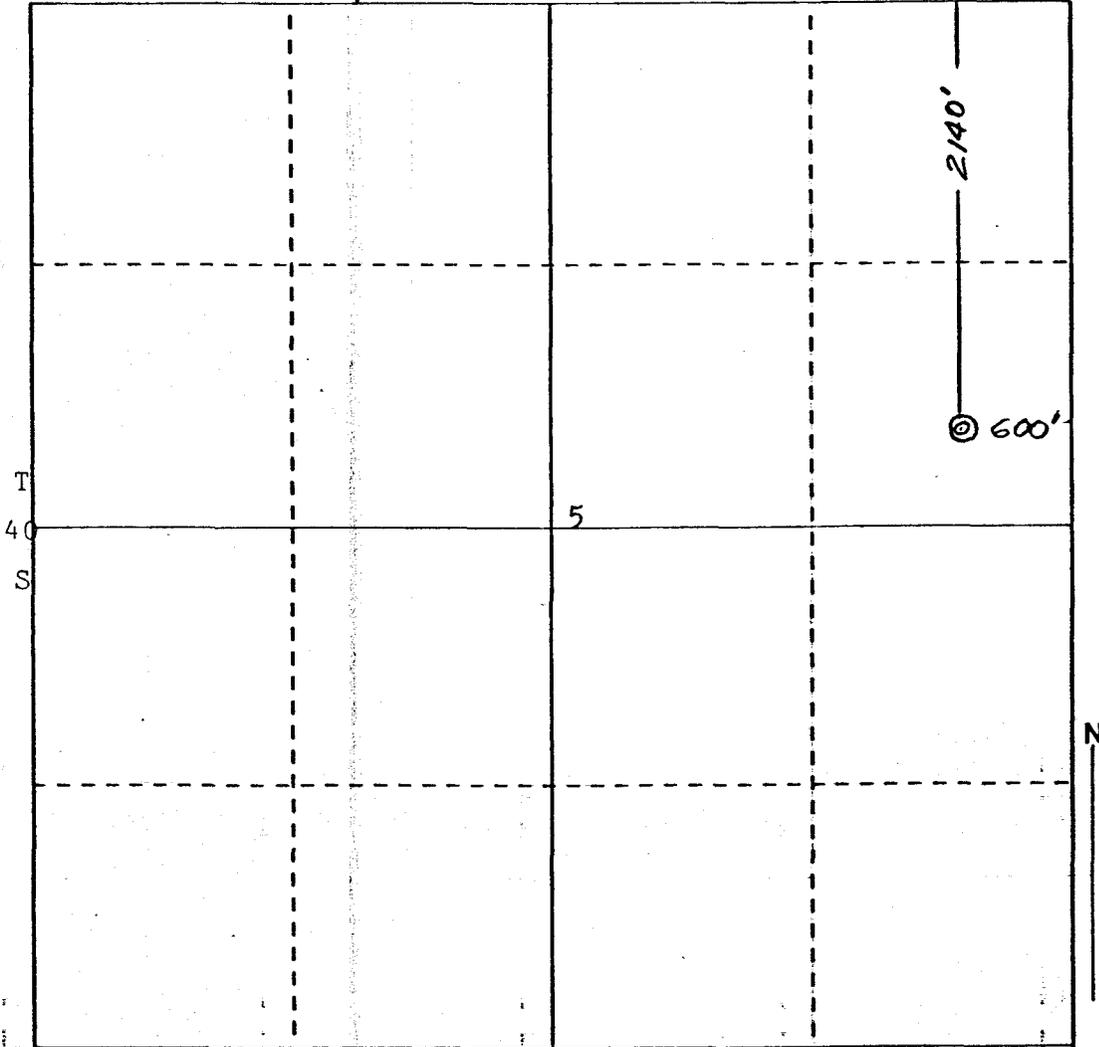
SEC. 5 T. 40 SOUTH R. 23 EAST, S. L. M.,

LOCATION 2140 FEET FROM THE NORTH LINE AND  
600 FEET FROM THE EAST LINE

ELEVATION 4737 UNGRADED GROUND

SAN JUAN COUNTY,

UTAH



SCALE - 1 INCH EQUALS 1000 FEET

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

SEAL:

*James P. Leese*  
Registered Land Surveyor.

JAMES P. LEESE  
Utah Reg. # 1472

SURVEYED December 16, 19 82

CONSOLIDATED OIL & GAS, INC.

OPERATIONS PLAN

U. S. Dept. of the Interior

Minerals Management Service

1745 West 1700 South

Salt Lake City, Utah 84104

Re: Application for Permit to Drill

Bluff 42-5

Sec 5, T40S, R23E

San Juan County, Utah

Gentlemen:

Following is the information requested in NTL-6 to accompany the permit to drill.

1. Location: 2140' FNL & 600' FEL  
Sec 5, T40S, R23E  
San Juan County, Utah
2. Elevation of Unprepared Ground: 4737'GR
3. Geologic Name of Surface Formation: Bluff Ss.

4. Type Drilling Tools:

Rotary

5. Proposed Drilling Depth:

5830'

6. Estimated Tops of Geologic Markers:

Ismay	5480'
Paradox Shale	5630'
Desert Creek	5670'

7. Estimated Depths at which Anticipated Gas or Oil Bearing Formations

Expected: 5670'

8. Casing Program and Setting Depth:

	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Condition</u>	<u>Setting</u>
Conductor	13-3/8"	48.0#	H-40	New	40'
Surface	8-5/8"	24.0#	K-55	New	1500'
Production	5-1/2"	15.5#	K-55	New	5830'

9. Casing Setting Depth and Cement:

- a. Conductor casing will be set at 40' & cement circulated to surface with 117 cuft Class "B" containing 2% CaCl<sub>2</sub>.
- b. Surface casing (8-5/8") will be set at 1500' & cement circulated to surface with 670 cuft Class "B" containing 2% CaCl<sub>2</sub>.
- c. Production casing (5-1/2") will be set at TD & cemented.

10. Pressure Control Equipment:

See attached Diagram "A"

11. Circulating Media:

0-40' - Fresh water  
40-1500' - Spud mud  
1500'-TD - Low solids mud, 30-38 vis with 8.5-9.0 PPG  
(Heavier weight mud if required by well conditions)

12. Testing, Logging and Coring Programs:

Open hole logs will be run at TD.  
No cores or DST's are planned.

13. Abnormal Pressure or Temperature and Hydrogen Sulfide Gas:

None anticipated.

14. Anticipated Starting Date:

February 1983

15. Other Facets of the Proposed Operations:

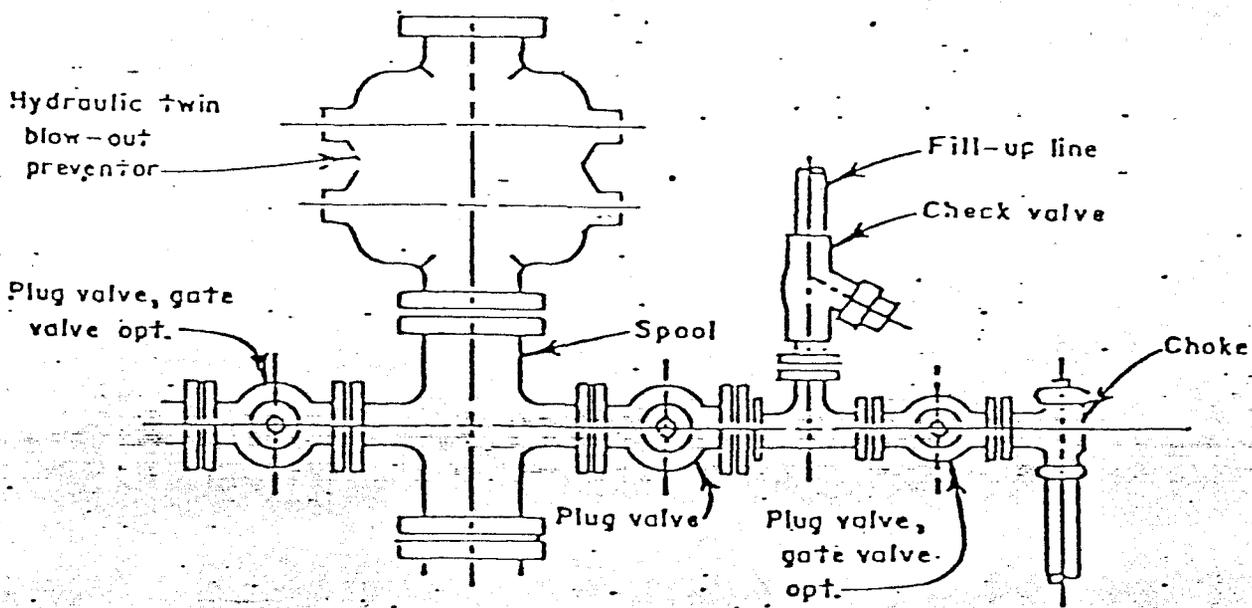
None

Yours very truly,

CONSOLIDATED OIL & GAS, INC.



Barney Jones  
Drilling Foreman



OPERATIONS PLAN  
 DIAGRAM "A" - PRESSURE CONTROL EQUIPMENT  
 CONSOLIDATED OIL & GAS, INC.

Bluff 42-5  
 NE/4 Sec 5, T40S, R23E  
 San Juan County, Utah

Development Plan For Surface Use

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Consolidated Oil & Gas, Inc. - Operator

Bluff 42-5

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NE/4 Sec 5, T40S, R23E

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San Juan County, Utah

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1. Existing Roads

See enclosed topographic map (Exhibit I) which shows existing improved and unimproved roads.

2. Planned Access Roads

See enclosed topographic map. Existing road runs past location.

3. Location of Existing Wells

See enclosed topographic map.

4. Location of Existing and/or Proposed Facilities

See enclosed topographic map showing location of wells and facilities operated by Consolidated Oil & Gas, Inc. If production is established, the tank battery and other required producing equipment will be located per attached completion plat. (Exhibit II)

5. Location and Type of Water Supply

Water for drilling will be hauled from Hay Hot Oil water hole.

6. Source of Construction Materials

No additional construction materials required.

7. Methods of Handling Waste Disposal

All waste material will be contained by earthen and steel pits. The earthen pits will be subsequently backfilled and buried. A portable chemical toilet will be furnished for drilling personnel.

8. Ancillary Facilities

No separate campsites or air strips are proposed.

9. Wellsite Layout

The drillsite location will be graded and will be approximately 200 ' by 250 ' with natural drainage to the north . Care will be taken while grading to control erosion.

10. Plans for Restoration of Surface

A. Following drilling and completion operations all equipment and material not needed for operations will be removed. Pits containing fluid will be fenced until they dry out and will then be filled and the location cleaned of all trash and junk.

B. After abandonment, any special rehabilitation and/or re-vegetation requirements (specified by regulatory agency) will be complied with and accomplished as expeditiously as possible.

11. Other Information

If, during operations, any historic or prehistoric ruin, monument or site, or any object of antiquity is discovered, work will be suspended and the discovery will be reported to the appropriate regulatory agency.

The area covered by the location and proposed access road is - -  
BLM

12. Operator's Representative:

Barney Jones  
P.O. Box 2038  
Farmington, New Mexico 87401  
Phone: Office (505) 632-8056  
Home (505) 325-1672

13. Certification:

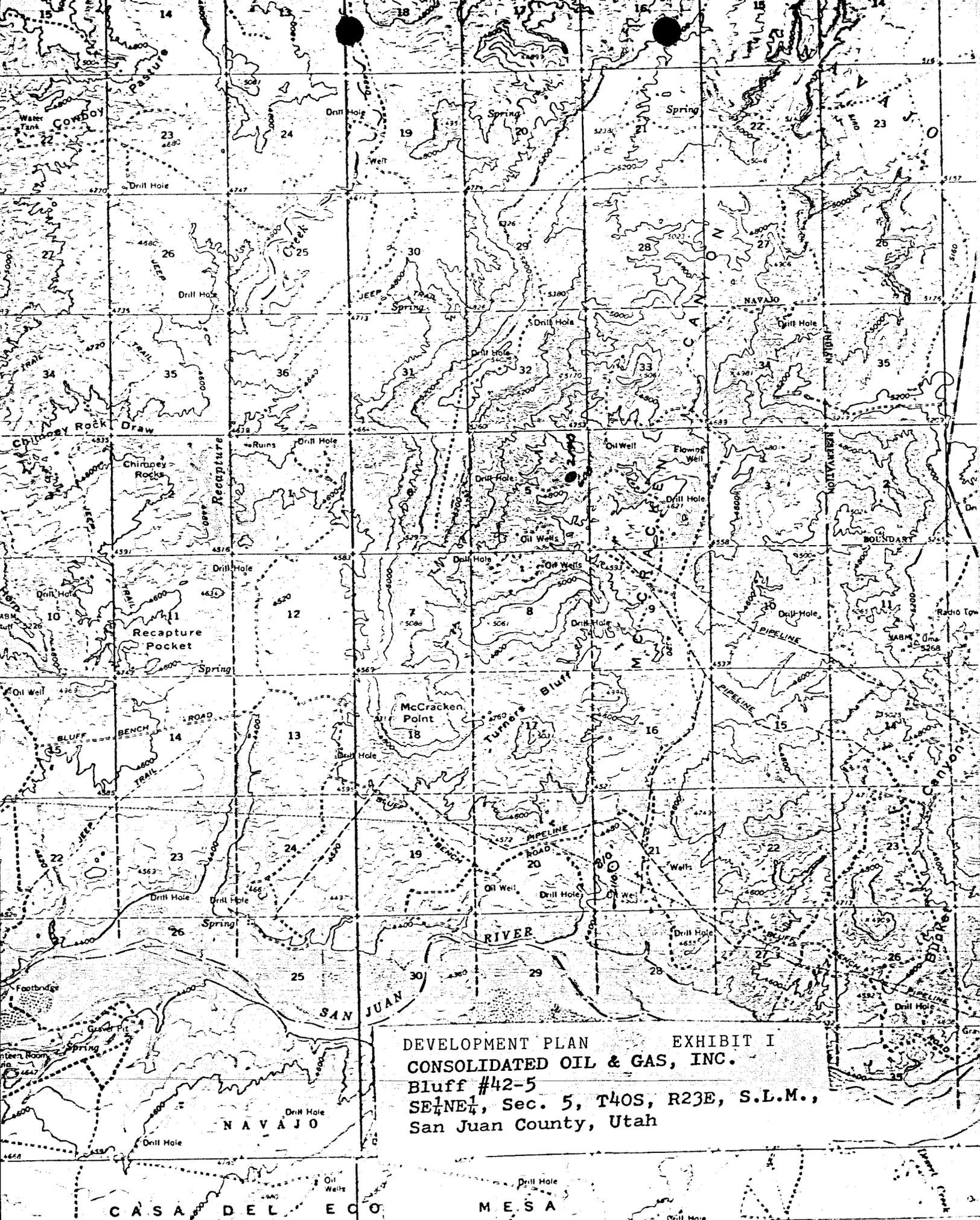
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Consolidated Oil & Gas, Inc., its Contractors and Subcontractors in conformity with this plan and the terms and conditions under which it is approved.

December 28, 1982

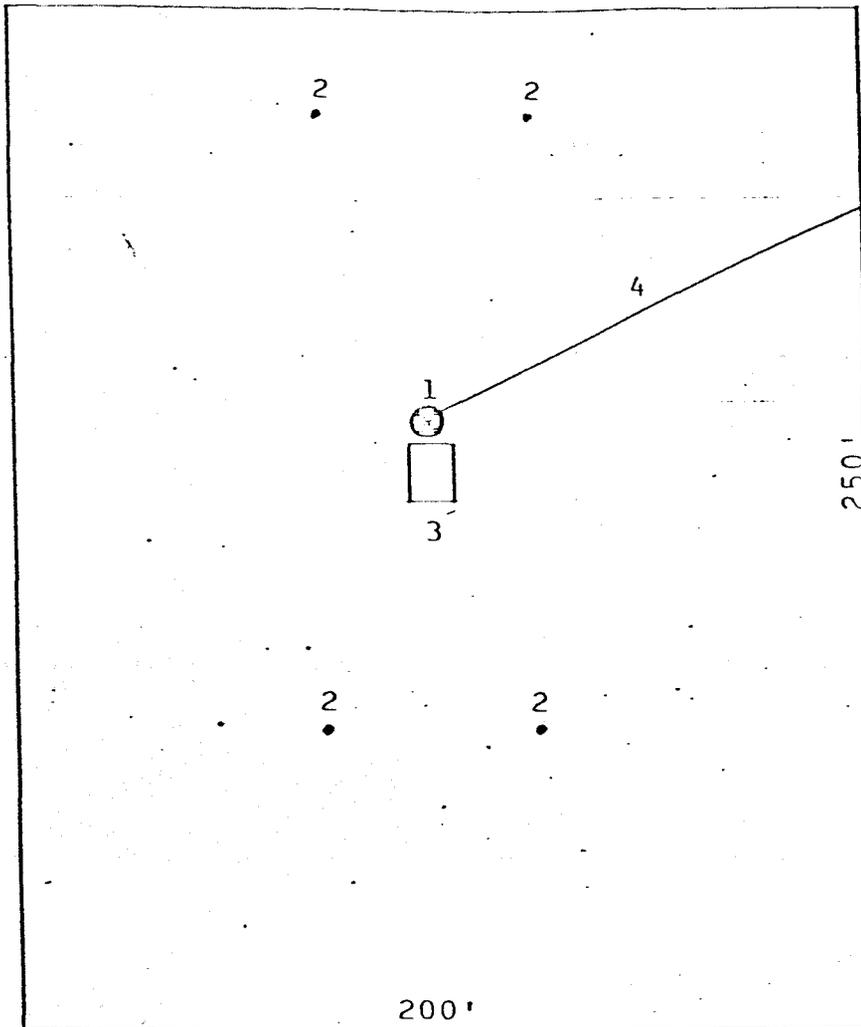
Date

  
Barney Jones  
Drilling Foreman

Consolidated Oil & Gas, Inc.



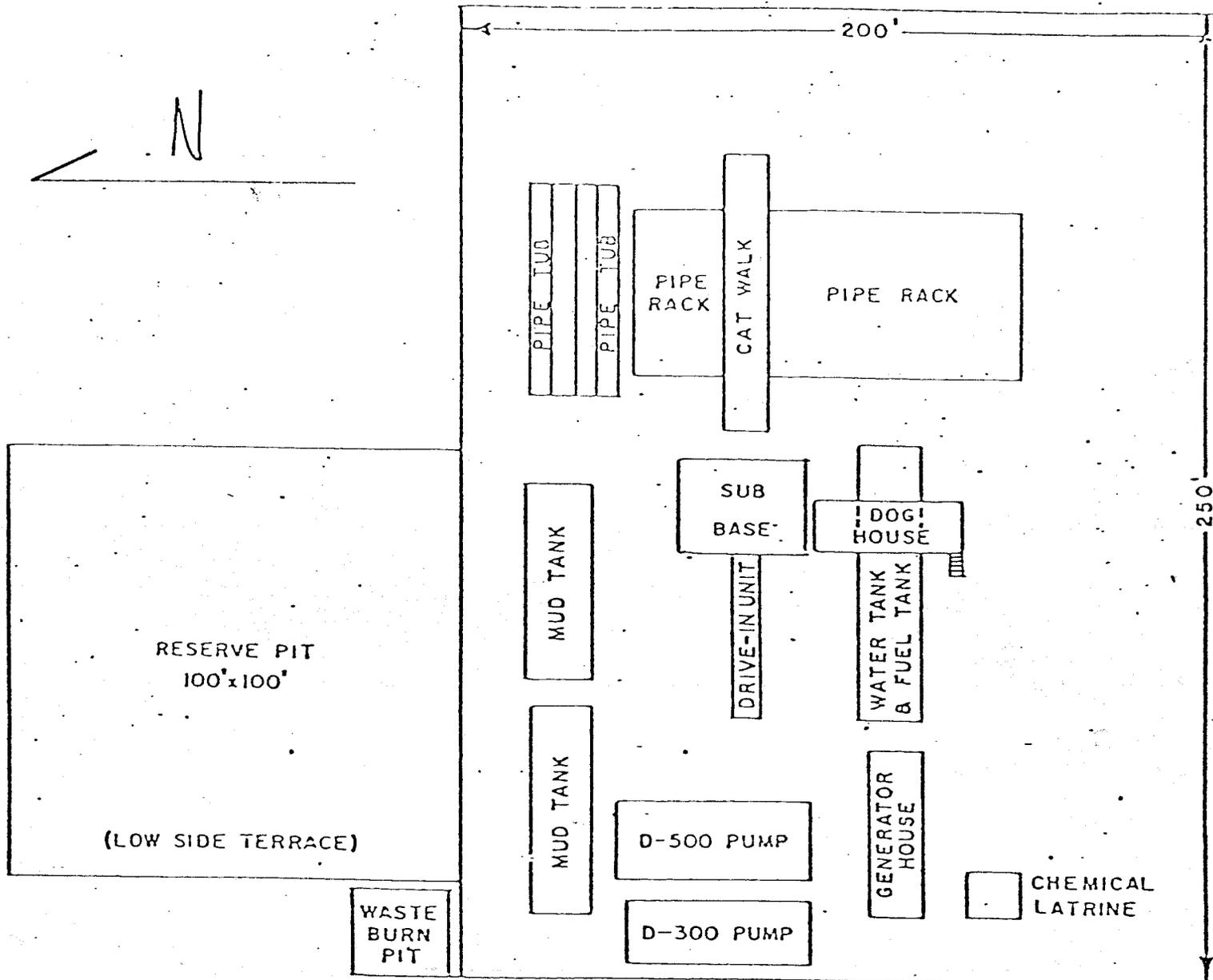
DEVELOPMENT PLAN EXHIBIT I  
 CONSOLIDATED OIL & GAS, INC.  
 Bluff #42-5  
 SE $\frac{1}{4}$ NE $\frac{1}{4}$ , Sec. 5, T40S, R23E, S.L.M.,  
 San Juan County, Utah



1" = 50'

1. Well
2. Dead Men
3. Pump Jack
4. Flow Line to Production Battery

DEVELOPMENT PLAN FOR SURFACE USE  
 EXHIBIT II - PROPOSED PRODUCING FACILITIES  
 CONSOLIDATED OIL & GAS, INC.  
 Bluff 42-5  
 NE/4 Sec 5, T40S, R23E  
 San Juan County, Utah



DEVELOPMENT PLAN FOR SURFACE USE  
 EXHIBIT III - DRILLSITE LAYOUT  
 CONSOLIDATED OIL & GAS, INC.  
 BLUFF 42-5  
 NE/4 Sec 5, T40S, R23E  
 San Juan County, Utah



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

AUTHENTICATE LEASE AND OPERATOR INFORMATION *THE UNUSUAL LEASE NO. STEMS FROM AN OLD FED NUMBERING SYSTEM*

VERIFY ADEQUATE AND PROPER BONDING *FED*

AUTHENTICATE IF SITE IS IN A NAMED FIELD, ETC.

APPLY SPACING CONSIDERATION

ORDER ND

UNIT BLUFF *FEB 13, 1968*

c-3-b

c-3-c

OUTSTANDING OR OVERDUE REPORTS FOR OTHER WELLS OF THE OPERATOR.

IF POTASH DESIGNATED AREA, SPECIAL LANGUAGE ON APPROVAL LETTER

January 6, 198<sup>3</sup>

Consolidated Oil & Gas Inc.  
P. O Box 2038  
Farmington, New Mexico 87499

RE: Well No. Bluff 42-5  
SENE Sec. 5, T.40S, R.23E  
San Juan County, Utah

Gentlemen:

Insofar as this office is concerned, approval to drill the above referred to oil well is hereby granted in accordance with Section 40-6-11, Utah Code Annotated 1953; and predicated on Rule A-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 immediately notify the following:

RONALD J. FIRTH - Engineer  
Office: 533-5771  
Home: 571-6068

OR

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 43-037-30866.

Sincerely,

  
Norman C. Stout  
Administrative Assistant

NCS/as  
cc: MMS  
Enclosure

Your Application for Permit to Drill also included submittal for production facilities. These production facilities are approved for the lessee and his designated operator under Section 1 of the Oil and Gas Lease with the following conditions:

- (1) The oil and gas measurement facilities must be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy are to be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. Please provide this office with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports are to be submitted to the Salt Lake City District Oil and Gas Supervisor. Royalty payments will be made on all production volume as determined by the meter measurements or the tank measurements. All measurement facilities must conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.
- (2) Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs must be housed and/or fenced.
- (3) All disturbed areas not required for operations will be rehabilitated.
- (4) All produced liquids must be contained including the dehydrator vent/condensate line effluent. All production pits must be fenced.
- (5) The well activity, the well status and the date the well is placed on production must be reported on Lessee's Monthly Report of Operations, Form 9-329.
- (6) All off-lease storage, off-lease measurement, or commingling on lease or off-lease must have written approval.
- (7) All product lines entering and leaving hydrocarbon storage tanks must be locked/sealed.
- (8) You are reminded of the requirements for handling, storing, or disposing of water produced from oil and gas wells under NTL-2B.
- (9) All materials, trash, junk, debris, etc. not required for production must be removed from the well site and production facility site at the completion of these operations.
- (10) A copy of the Gas Sales Contract will be provided to this office and the Royalty Accounting Department as directed.
- (11) Construction and maintenance for surface use approved under this plan should be in accordance with the surface use standards as set forth in the BLM/GS Oil and Gas Brochure entitled, "Surface Operating Standards for Oil and Gas Exploration and Development." This includes, but is not limited to, such items as road construction and maintenance, handling of top soil and rehabilitation.
- (12) "Sundry Notice and Reports on Wells" (form 9-331) will be filed for all changes of plans and other operations in accordance with 30 CFR 221.58. Emergency approval may be obtained verbally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alternations of facilities, including roads, gathering lines, batteries, measurement facilities, etc., will require the filing of a suitable plan and prior approval by the survey.

|||  
dp  
|||

# dugan production corp.

January 13, 1983

State of Utah  
Division of Oil, Gas and Mining  
4241 State Office Bldg.  
Salt Lake City, UT 84114

Attn: Director

Re: Bluff Unit (Agreement No. I-SecI-No. 782)  
San Juan County, Utah  
Plan of Development for 1983

Gentlemen:

Enclosed for your records is a copy of proposed Plan of Development for the Bluff Unit for the calendar year 1983. Also enclosed is a copy of Designation of Agent applicable to the operations to be conducted by Consolidated Oil and Gas, Inc. on its Bluff Unit #42-5 Well.

Please advise should you have any questions.

Sincerely,

Tommy Roberts  
General Counsel

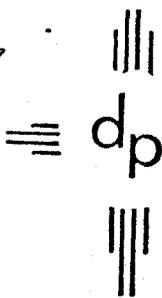
TR:nw

enc.

cc: Century Oil and Gas Corp.  
Tenneco Oil Company  
Consolidated Oil and Gas, Inc.

RECEIVED  
JAN 17 1983

DIVISION OF  
OIL GAS & MINING



# dugan production corp.

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January 13, 1983

Mr. Don Jones  
Supervisor, Oil and Gas Section  
Minerals Management Service  
Central Region  
Denver, CO 80225  
Mail Stop 600

Re: Bluff Unit (Agreement No. I-Sec. No. 782)  
San Juan County, Utah  
Plan of Development for 1983

Dear Mr. Jones:

As Operator of the above referenced Unit, Dugan Production Corp. submits this letter as its Plan of Development for calendar year 1983.

It is proposed that the following wells be drilled during 1983:

1. Dugan Production Corp. Bluff Unit #16 Well in the SE/4 SW/4 of Section 29, Township 39 South, Range 23 East, SLM, to test the Ismay-Desert Creek formation; and
2. Consolidated Oil and Gas, Inc. Bluff Unit #42-5 Well in the SE/4 NE/4 of Section 5, Township 40 South, Range 23 East, SLM, to test the Desert Creek formation.

During 1982, Dugan Production Corp. drilled and completed its Bluff Unit #14 Well in the NE/4 SE/4 of Section 30, Township 39 South, Range 23 East, and Consolidated Oil and Gas, Inc. drilled and completed its Bluff Unit #13-4 Well in the NW/4 SW/4 of Section 4, Township 40 South, Range 23 East. Both of these wells were completed in the Desert Creek formation and both wells are in a producing status at this time. We have temporarily abandoned our plans to drill our Bluff Unit #15 Well. This decision was based upon our re-evaluation of the geology of the area subsequent to the drilling of our Bluff Unit #14 Well.

Minerals Management Service  
Page Two

In conjunction with the submission of this Plan of Development, we are enclosing herewith a Designation of Agent, in quadruplicate, applicable to the operations to be conducted by Consolidated Oil and Gas, Inc. on its Bluff Unit #42-5 Well.

Please advise should you require additional information.

Sincerely,



Tommy Roberts  
General Counsel

TR:nw

enc.

xc: Century Oil and Gas Corp.  
Tenneco Oil Company  
Consolidated Oil and Gas, Inc.

DESIGNATION OF AGENT

Supervisor, Oil and Gas Operations:

The undersigned is, on the records of the Minerals Management Service, unit operator under the Bluff unit agreement, I Sec. No. 782, approved May 17, 1951, and hereby designates:

NAME: Consolidated Oil and Gas, Inc.

ADDRESS: Lincoln Tower Building, 1860 Lincoln Street  
Denver, Colorado 80295

as its agent, with full authority to act in its behalf in complying with the terms of the unit agreement 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 drilling, testing, and completing the Consolidated Oil and Gas, Inc. Bluff Unit #42-5 Well in the SE/4 NE/4, of Sec. 5, Township 40 South, Range 23 East, San Juan County, Utah.

It is understood that this designation of agent does not relieve the unit operator of responsibility for compliance with the terms of the unit agreement and the Oil and Gas Operating Regulations. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

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

The unit operator agrees promptly to notify the Oil and Gas Supervisor of any change in the designated agent.

This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

This designation is given only to enable the agent herein designated to drill the above specified unit well. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate District Office of the Minerals Management Service a completed file of all required Federal reports pertaining to the subject well. It is also understood that this designation of agent is limited to field operations and does not cover administrative action requiring specific authorization of the unit operator.

UNIT OPERATOR

DUGAN PRODUCTION CORP.

By: Thomas A. Dugan

Title: President

January 13, 1983  
Date

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

MINERALS MANAGEMENT  
SERVICE  
OIL & GAS OPERATIONS  
RECEIVED  
JAN 11 1983  
SALT LAKE CITY, UTAH

LEASE	
SL 071403-A	
8. IF INDIAN, ALLOTTEE OR TRIBE NAME	
7. UNIT AGREEMENT NAME BLUFF	
FARM OR LEASE NAME BLUFF	
9. WELL NO. 42-5	
10. FIELD OR WILDCAT NAME BLUFF	
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SEC. 5, T40S, R23E	
12. COUNTY OR PARISH SAN JUAN	13. STATE UTAH
14. API NO.	
15. ELEVATIONS (SHOW DF, KDB, AND WD) 4737' GR	

**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  
CONSOLIDATED OIL & GAS, INC.

3. ADDRESS OF OPERATOR  
P.O. BOX 2038, FARMINGTON, NEW MEXICO 87499

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)  
AT SURFACE: 2140' FNL & 600' FEL  
AT TOP PROD. INTERVAL: "  
AT TOTAL DEPTH: "

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

REQUEST FOR APPROVAL TO:	SUBSEQUENT REPORT OF:
TEST WATER SHUT-OFF <input type="checkbox"/>	<input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	<input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	<input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	<input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	<input type="checkbox"/>
MULTIPLE COMPLETE <input type="checkbox"/>	<input type="checkbox"/>
CHANGE ZONES <input type="checkbox"/>	<input type="checkbox"/>
ABANDON* <input type="checkbox"/>	<input type="checkbox"/>
(other) <u>Change Item 23 in APD</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.)\*

Delete drilling 17½" Conductor.  
Change surface to 12½" hole & 8-5/8" 24.0# Csg.  
Set @ 500' & cmt w/412 ft.<sup>3</sup> & circulate to surface.

Subsurface Safety Valve: Manu. and Type \_\_\_\_\_ Set @ \_\_\_\_\_ Ft.

18. I hereby certify that the foregoing is true and correct  
SIGNED Benny Jones TITLE DRILLING FOREMAN DATE January 28, 1982

(This space for Federal or State office use)

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

\*See Instructions on Reverse Side

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  
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 At proposed prod. zone 555' ✓  
 Same

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 Sec 5, T40S, R23E

12. COUNTY OR PARISH  
 San Juan

13. STATE  
 Utah

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 8-1/2 miles

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 February 1983

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24. SIGNED [Signature] TITLE Drilling Foreman DATE 12-28-82

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE  
 APPROVED BY [Signature] E. W. Guynn  
 TITLE District Oil & Gas Supervisor DATE MAR 24 1983

CONDITIONS OF APPROVAL, IF ANY:

NOTICE OF APPROVAL CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY FLARING OR VENTING OF GAS IS SUBJECT TO NTL 47, DATED 1/1/80

State Oil & Gas

COMPANY CONSOLIDATED OIL & GAS, INC.

LEASE BLUFF WELL NO. #42-5

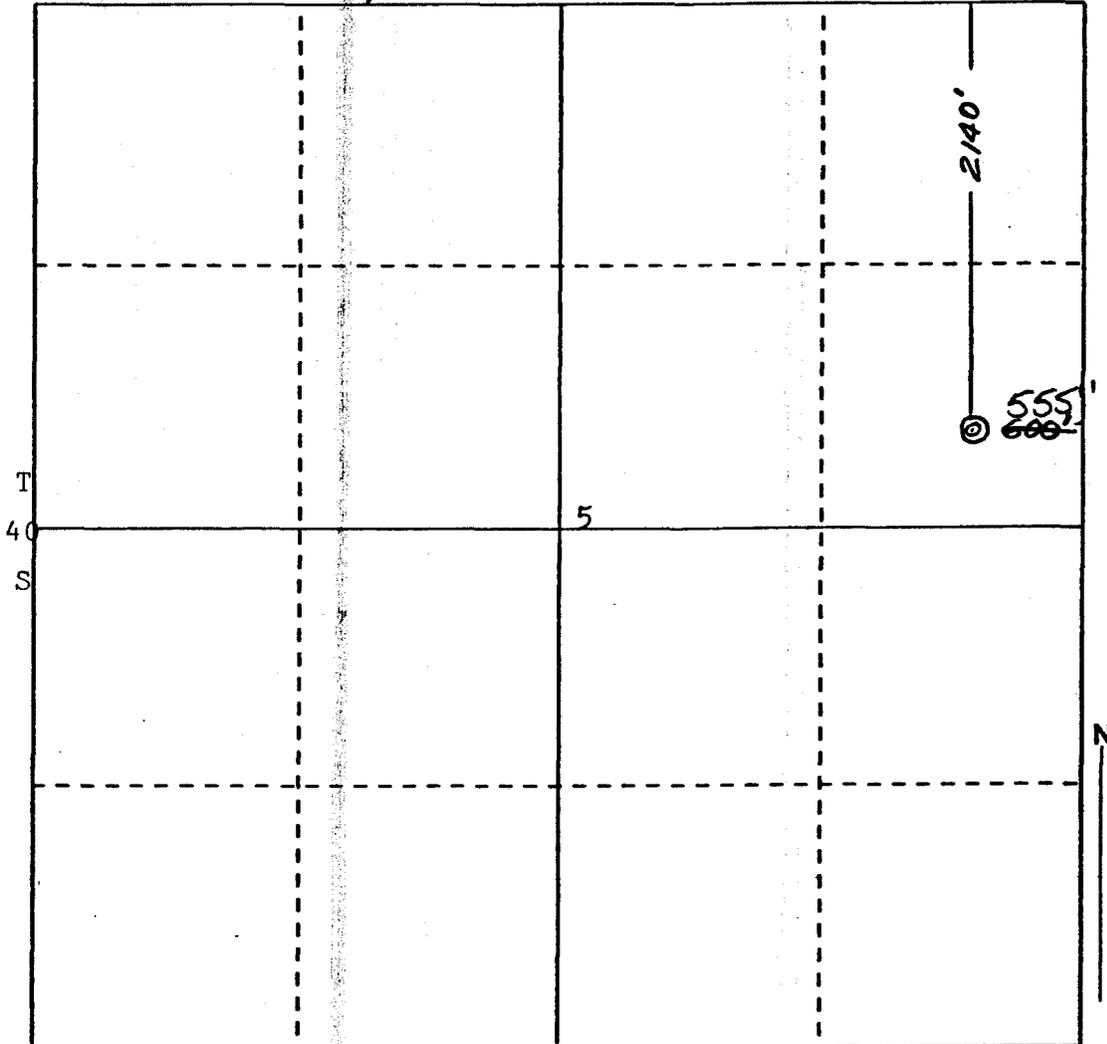
SEC. 5 T. 40 SOUTH R. 23 EAST, S. L. M.,

LOCATION 2140 FEET FROM THE NORTH LINE AND  
600 FEET FROM THE EAST LINE

ELEVATION 4737 UNGRADED GROUND

SAN JUAN COUNTY,

UTAH



SCALE - 1 INCH EQUALS 1000 FEET

R 23 E

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

SEAL:

*James P. Leese*  
Registered Land Surveyor.

JAMES P. LEESE  
Utah Reg. # 1472

SURVEYED December 16, 19 82

Consolidated Oil & Gas, Inc.  
Well No. 42-5  
Section 5, T. 40 S., R. 23 E.  
San Juan County, Utah  
Lease SL-071403-A

Supplemental Stipulations

CONSTRUCTION:

- 1) The operator will give the dirt contractor a copy of the Surface Use Plan and any additional BLM stipulations before any work begins.
- 2) The San Juan County Road Department (801) 587-2231, Ext. 43, will be contacted before county roads are used.
- 3) Use of water for this operation will be approved by obtaining a temporary use permit from the Utah State Engineer (801) 637-1303 and by receiving permission from the land owner or surface managing agency to use the land containing the water source.
- 4) If subsurface cultural material is exposed during construction, work in that spot will stop immediately and the San Juan Resource Area Office will be contacted. Salvage or excavation of identified archaeological sites will only be done if damage occurs.
- 5) Improvement to existing access will be necessary and will be limited to a total disturbed width of 20 feet. Surfacing material will not be placed on the access road or location without prior BLM approval.
- 6) Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.
- 7) The top 6 inches of soil material will be removed from the location and stockpiled separate from the trees on the west side. Topsoil along the access road will be reserved in place.
- 8) A trash cage will be used.
- 9) At least half of the reserve pit capacity will be in cut.
- 10) Four sides of the reserve pit will be fenced with four strands of barbed wire before drilling starts.
- 11) A burning permit will be required before burning trash between May 1 and October 31. This can be acquired by contacting the State Fire Warden, John Baker at (801) 587-2705.

RECLAMATION:

- 1) Immediately on completion of drilling, all trash and debris will be collected from the location and surrounding area. All trash and debris will be disposed of in a county dump.
- 2) The operator or his contractor will contact the BLM office 48 hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.
- 3) All disturbed areas will be recontoured to blend as nearly as possible with the natural topography. This includes removing all berms and refilling all cuts.
- 4) The stockpiled topsoil will be spread evenly over the disturbed area.
- 5) All disturbed area will be scarified with the contour to a depth of 12 inches.
- 6) Water bars will be built as follows to control erosion:

<u>Grade</u>	<u>Spacing</u>
2%	Every 200 feet
2-4%	Every 100 feet
4-5%	Every 75 feet
+5%	Every 50 feet

- 7) Seed will be broadcast between October 1 and February 28 with the following prescription. When broadcast seeding, a harrow or similar implement will be dragged over the seeded area to assure seed cover.

2 lbs/acre Indian ricegrass (Oryzopsis hymenoides)  
2 lbs/acre Fourwing saltbush (Atriplex canescens)  
2 lbs/acre Shadscale (Atriplex confertifolia)  
1 lb/acre Curleygrass (Hilaria jamesii)

- 8) The access will be blocked to prevent vehicular access.

PRODUCTION:

- 1) The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed as described in the reclamation section. Enough topsoil will be kept to reclaim the remainder of the location at a future date. This remaining stockpile of topsoil will be seeded in place using the prescribed seed mixture.
- 2) All above-ground production facilities will be painted a neutral color to be approved by the BLM.
- 3) The access shall be upgraded to BLM Class III road specifications.

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  
Consolidated Oil & Gas, Inc.

3. ADDRESS OF OPERATOR  
P.O. Box 2038, Farmington, N.M. 87499

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)  
AT SURFACE: 2140' FNL & 600' FEL  
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"/>	X Lay Flow Lines	<input checked="" type="checkbox"/>

5. LEASE  
SL 071403-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME  
Bluff

8. FARM OR LEASE NAME  
Bluff

9. WELL NO.  
42-5

10. FIELD OR WILDCAT NAME  
Desert Creek

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
Sec 5, T40S, R23E

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

14. API NO.  
43-037-30866

15. ELEVATIONS (SHOW DF, KDB, AND WD)  
4749' 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.)\*

Flow lines will be laid on the surface and follow existing roads.

RECEIVED  
SEP 09 1983

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 Barbara C. Rex TITLE Prod. & Drlg. Tech. DATE 9-6-83

(This space for Federal or State office use)

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

NOTICE OF SPUD

Company: Consolidated Oil & Gas Inc.

Caller: \_\_\_\_\_

Phone: \_\_\_\_\_

Well Number: 42-5

Location: Sec 5-40S-23E

County: San Juan State: Utah

Lease Number: SL-071403-A

Lease Expiration Date: \_\_\_\_\_

Unit Name (If Applicable): \_\_\_\_\_

Date & Time Spudded: 8-11-83

Dry Hole Spudder Rotary: \_\_\_\_\_

Details of Spud (Hole; Casing, Cement, etc.) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Rotary Rig Name & Number: Jew Bears Dalg

Approximate Date Rotary Moves In: \_\_\_\_\_

FOLLOW WITH SUNDRY NOTICE

Call Received By: De Loo

Date: 8-10-83

RECEIVED  
SEP 15 1983

UNITED STATES  
DEPARTMENT OF THE DIVISION OF  
GEOLOGICAL SURVEY GAS & MINING

5. LEASE SL 071403A
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME Bluff
8. FARM OR LEASE NAME Bluff
9. WELL NO. 42-5
10. FIELD OR WILDCAT NAME Desert Creek
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 5, T40S, R23E
12. COUNTY OR PARISH   13. STATE San Juan   Utah
14. API NO. 43-037-30866
15. ELEVATIONS (SHOW DF, KDB, AND WD) 4749' KB

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  
Consolidated Oil & Gas, Inc.

3. ADDRESS OF OPERATOR  
P.O. Box 2038, Farmington, N.M. 87499

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)  
AT SURFACE: 2140' FNL & 600' FEL  
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) "Completion Operations" <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.)\*

- 8-26-83 MOL & RU. Set BOP & pressure test to 1200 psi, OK
- 8-27-83 RU & run Cement Bond Log. Perf 5608-9-19-20-21-22-23-28 & 29 (9 perfs, .34"). Top of cement @ 4976'.
- 8-29-83 Set pkr @ 5648'. Acidize w/ 1000 gal 28% HCl w/ 16 balls. Swabbed.
- 8-30-83 Acidized w/ 3150 gal 28% HCl. Swabbed & flowed.
- 9-1-83 Perfed 5638-50' & 5655-63' w/ 2 SPF (44 perfs, .45"). Acidized w/ 12,000 gal HCl, NE-FE: 4000 gal acid then 275# rock salt; 4000 gal acid then 275# rock salt; 4000 gal acid then overflush w. 1000 gal water. Swabbed.
- 9-8-83 Released pkr. Ran production tubing: 178 jts of 2-7/8", 6.4# landed @ 5682'. Swabbed.

Subsurface Safety Valve: Manu. and Type \_\_\_\_\_ Set @ \_\_\_\_\_ Ft.

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

SIGNED Barbara C. Rex TITLE Prod. & Drlg. Tech. DATE 9-9-83

(This space for Federal or State office use)

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

(See instructions on reverse side)

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

4 11  
8

WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

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

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

2. NAME OF OPERATOR  
Consolidated Oil & Gas, Inc.

3. ADDRESS OF OPERATOR  
P.O. Box 2038, Farmington, New Mexico 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*  
At surface 2140' FNL & 600' FEL  
At top prod. interval reported below Same 555  
At total depth Same

14. PERMIT NO. API # 43-037-30866 DATE ISSUED

5. LEASE DESIGNATION AND SERIAL NO.

SL 071403A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

Bluff

8. FARM OR LEASE NAME

Bluff

9. WELL NO.

42-5

10. FIELD AND POOL, OR WILDCAT

Desert Creek

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

Sec 5, T40S, R23E

12. COUNTY OR PARISH

San Juan

13. STATE

Utah

15. DATE SPUNDED 8-11-83 16. DATE T.D. REACHED 8-21-83 17. DATE COMPL. (Ready to prod.) 9-8-83 18. ELEVATIONS (DF, REB, RT, GR, ETC.)\* 4749' KB; 4737' GR 19. ELEV. CASINGHEAD 4737

20. TOTAL DEPTH, MD & TVD 5718' 21. PLUG, BACK T.D., MD & TVD 5698' (FC) 22. IF MULTIPLE COMPL., HOW MANY\* 23. INTERVALS DRILLED BY → All 23. ROTARY TOOLS 23. CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\* 5608'-5663'; Desert Creek 25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN DIL, FDC/CNL 27. WAS WELL COBED No

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24	484'	12-1/4"	396 cu ft	16 bbl
5-1/2"	15.5#	5710'	7-7/8"	250 cu ft	-

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-7/8"	5682'	none

31. PERFORATION RECORD (Interval, size and number) 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

INTERVAL	SIZE	NUMBER	DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5608, 9, 19, 20, 21, 22, 23, 28, & 29'	w/ 1 SPF (0.34")		5608'-5663'	See reverse side of form
5638-50' & 5655-63'	w/ 2 SPF (0.45")			
Total of 53 perfs.				

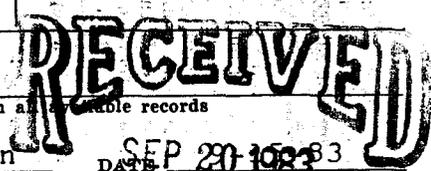
33.\* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)					
9-2-83	Flowing	SI					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
9-7-83	24	-	→	110	125	2	1136:1
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
25	0	→	110	125	2	44°	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Vented while testing; to be sold when producing TEST WITNESSED BY

35. LIST OF ATTACHMENTS

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



SIGNED Barbara C. Rex TITLE Prod. & Drlg. Technician DATE SEP 20 1983

\*(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: "Socks-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.)

Cementing:

Surface- Ran 8-5/8", 24# csg set @ 484'. Cmt w/ 396 cu ft Cl"B" w/ 2% CaCl<sub>2</sub> & 1/4# celloflake/sk.  
 Production-Ran 5-1/2", 15.5# csg set @ 5710'. Pump 23 bbl mud flush & cmt w/ 250 cu ft 50/50 poz, 2% gel, & 5# salt/sk.

**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.	GEOLOGIC MARKERS		
				NAME	MEAS. DEPTH	TRUE VERT. DEPTH
Desert Creek	5550'	5668'	Ls, gy, platy, dolo in pt, vfg, no visible por, good fl.  Completion Operations: Perf 5608, 9, 19, 20, 21, 22, 23, 28, & 29'. Acidize w/ 1000 gal 28% HCl w/ 16 balls Swabbed. Acidized w/ 3150 gal 28% HCl. Swabbed & flowed. Perfed 5638-50' & 5655-63' w/ 2 SPF. Acidized w/ 12,000 gal HCl. NE-FE. 4000 gal acid then 275# rock salt; 4000 gal acid then 275# rock salt; 4000 gal acid then overflush w/ 1000 gal water. Swabbed.	Morrison	surface	same
				Navajo	647	same
				Kayenta	1149	same
				Wingate	1214	same
				Chinle	1600	same
				Moenkopi	2355	same
				DeChelley	2659	same
				Cutler	2699	same
				Hermosa	4476	same
				Ismay	5356	same
				Lower Ismay	5463	same
				Gothic Shale	5521	same
				Desert Creek	5550	same
"C" Shale	5668	same				
Akah	5695	same				
PBTD(FC)	5698	same				
TD	5718	same				

EL PASO NATURAL GAS COMPANY  
POST OFFICE BOX 990  
FARMINGTON, NEW MEXICO

RECEIVED  
OCT 7 1983

DIVISION OF  
OIL, GAS & MINING

NOTICE OF GAS CONNECTION

DATE October 4, 1983

THIS IS TO NOTIFY THE OIL CONSERVATION COMMISSION THAT CONNECTION FOR PURCHASE OF

GAS FROM Consolidated Oil & Gas  
Operator

✓ Bluff Unit 42 #5  
Well Name

78-142-01  
Meter Code

38882-01  
Site Code

---  
Well Unit

5-40S, 23E  
S-T-R

Aneth  
Pool

El Paso Natural Gas Company  
Name of Purchaser

WAS MADE ON September 22, 1983  
Date

FIRST DELIVERY September 23, 1983  
Date

AOF ---

CHOKE ---

El Paso Natural Gas Company  
Purchaser

  
Representative

Coordinator Production San Juan  
Title

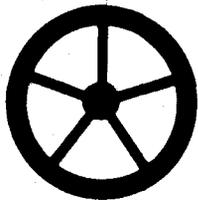
cc: Operator Farmington  
Oil Conservation Commission - 2  
~~Production~~ El Paso Production Control  
Contract Administration  
File

RECEIVED

FEB - 3 1986

DIVISION OF OIL  
GAS & MININGCONSOLIDATED OIL & GAS, INC. - SAN JUAN COUNTY, UTAH WELLS

<u>WELL NAME</u>	<u>LOCATION</u>	<u>COUNTY</u>	<u>LEASE NO.</u>
AKAH 1	NE/4 33-42S-22E	SJ	14-20-603-236
BLUFF 3	NW/NW/4 4-40S-23E	SJ	SL 071403A
BLUFF 13-4	"	SJ	"
BLUFF 24-5	"	SJ	"
BLUFF 42-5	5 "	SJ	"
BLUFF 44-5	"	SJ	"
DESERT CREEK 2	SE/4 35-41S-23E	SJ	14-20-603-248
RECAPTURE CREEK 1	SE/SW/4 21-40S-23E	SJ	U 01890
RECAPTURE CREEK 2	SW/4 21-40S-23E	SJ	"
RECAPTURE CREEK 3	SE/4 21-40S-23E	SJ	"
TOHONADLA 1	SE/4 35-41S-21E	SJ	14-20-603-229
TOHONADLA 23-35	SW/4 35-41S-21E	SJ	"
TOHONADLA 32-35	NE/4 35-41S-21E	SJ	"
TOHONADLA 36-1	SW/4 36-41S-21E	SJ	"
TOHONADLA 41-25	NE/4 25-41S-21E	SJ	"
TOHONADLA 41-35	NE/4 35 41S-21E	SJ	"
TOHONADLA 43-35	SE/4 35-41S-21E	SJ	"
TOHONADLA TRACT 23-1	NE/4 02-42S-21E	SJ	14-20-603-270



RECEIVED

FEB - 3 1986

DIVISION OF OIL  
GAS & MINING

*Consolidated Oil & Gas, Inc.*

P. O. BOX 2038  
FARMINGTON, NEW MEXICO 87499  
(505) 632-8056

January 29, 1986

State of Utah  
Division of Oil, Gas & Mining  
3 Triad Center, Suite 350  
Salt Lake City, Utah

RE: Name Change of Principal  
from Consolidated Oil & Gas, Inc.  
to Columbus Energy Corporation

Gentlemen:

Consolidated Oil & Gas, Inc. requests a name change of principal to Columbus Energy Corporation. This name change will include all Federal, Indian, State and Fee wells operated by Consolidated Oil & Gas, Inc. in Utah. The attached list contains well names, lease numbers and locations for all Federal and Indian leases operated in Utah.

Well signs have been changed to Columbus Energy Corp. and the required oil & gas bonds have been filed.

Please contact our Farmington office if you need any additional information.

Thank you,

*Dale Richardson*  
Dale Richardson

Production & Drilling Sup't.

Attach.



# Columbus Energy Corp.

**RECEIVED**

AUG 13 1990

DIVISION OF  
OIL, GAS & MINING

LINCOLN TOWER BUILDING  
1860 LINCOLN STREET  
DENVER, COLORADO 80295  
(303) 861-5252

August 9, 1990

Bluff #13-4 43-037-30726 <sup>Sec</sup> 4, 405, 23E  
Bluff #42-5 43-037-30866 <sup>20w Sec</sup> 5, 405, 23E

State of Utah  
Division of Oil, Gas & Mining  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180-1203

Re: Bluff Unit  
Hermosa (Penn) Participating  
Area

Gentlemen:

Attached for your file and information is a copy of our application to the Bureau of Land Management to place the Bluff 13-4 and Bluff 42-5 in the Hermosa (Penn) Participating Area. The two wells are within the boundary of the established participating area but have never been officially brought into the participating area.

As mentioned in our application, Columbus has treated both wells as if they were in participating area from the date of first production.

Should you have any questions, please let us know.

Yours very truly,

COLUMBUS ENERGY CORP.

*J. D. Stewart, Jr.*  
J. D. Stewart, Jr.  
Operations Manager

JDS:bl

Enclosures

cc: P. Meyer  
J. Sundine  
L. Berglund

OIL AND GAS		
DFN	2	RJF
4 JPB	3	GLH
DIS	5	SLS
1-TAS		
6-SBH		
7-LCR		
MICROFILM		
8		F&E



# Columbus Energy Corp.

LINCOLN TOWER BUILDING  
1860 LINCOLN STREET  
DENVER, COLORADO 80295  
(303) 861-5252

August 9, 1990

Bureau of Land Management  
324 S. State, Suite 301  
Salt Lake City, UT 84111

Re: Application to Include  
Bluff 13-4 and Bluff 42-5 Wells  
Hermosa (Penn) Participating Area  
Bluff Unit  
San Juan County, Utah

Gentlemen:

Columbus Energy Corp. is making application to include the Bluff 13-4 well and the Bluff 42-5 well in the established Hermosa (Penn) Participating Area. The Bluff 13-4, located in the NW/4 SW/4 of Section 4, T40S, R23E, was completed September 14, 1982. The initial potential for the well was 47 BOPD with a GOR of 2191. The Bluff 42-5, located in the SE/4 NE/4 of Section 5, T40S, R23E, was completed September 8, 1983. The initial potential for this second well was 110 BOPD with a GOR of 1136.

Both wells are physically located within the Hermosa (Penn) Participating Area as is shown in Figure No. 1, "Bluff Unit, San Juan County, Utah." Since the date of first production, both wells have been treated with respect to royalty and production taxes as being included in the participating area. Columbus has inadvertently overlooked making application to the BLM to have these wells officially included in the Hermosa (Penn) Participating Area and is now making the application to be effective from the date of first production for each well. As previously indicated, production taxes and royalties to date have been distributed as if each well had been a Participating Area well.

Each well can be considered as a well capable of producing in paying quantities. Also, log and pressure data show that each well is producing from the same formation as other wells already included in the participating area. To avoid confusion, the data for each well will be presented separately.

The production curve for Bluff 13-4 is shown in Figure No. 2. As of May 31, 1990, this well has produced 28,142 BO and 211,300 mcf gas, resulting in approximate revenue of \$1,093,312 (\$652,204 from oil sales and \$441,108 from gas and NGL sales) after taxes and transportation charges. After deducting for royalties, \$927,129 has been generated to provide for paying both the initial cost of the well (\$392,532) and the monthly operating costs. The well continues to be profitable, producing 8 BOPD and 53 mcfd. Operating expenses

Bureau of Land Management  
Bluff 13-4 and Bluff 42-5  
August 9, 1990  
Page 2

are \$1200/month and expense to income ratio is 0.29. From all indications, the well is capable of producing in pay quantities.

In support of our application for Bluff 13-4 attached is Figure No. 3, a copy of the bottom hole pressure measurement results from measurements taken on September 13, 1982. The pressure, 883 psi, was taken after the well had been shut in for 66½ hours. The pressure was representative of the Desert Creek formation pressure at the well since very little oil had been produced up to the time of the test. The well had only been perforated, acidized and swabbed to remove the acid prior to the test. As a comparison, initial reservoir pressure in the Desert Creek obtained from a DST on the Bluff #3 well in 1956 was 2260 psi at 5642'. The Bluff #3 was the initial well in the participating area. The BHP taken from the Bluff 44-5, a second well in the participating area, was 1536 psi at 5512' on July 12, 1959. Additional depletion of reservoir pressure occurred as these two wells along with the third well in the participating area, the Bluff 24-5, continued to produce. The cumulative production from the three wells at the time the Bluff 13-4 was completed was 572,964 BO and 663,192 mcf. From the pressure data then, it appears the Bluff 13-4 is in communication with the other wells in the Hermosa (Penn) Participating Area.

Finally, in support of our application for inclusion of the Bluff 13-4 in the participating area, copies of a portion of the porosity logs for the Bluff 13-4, Bluff #3 and the Bluff 44-5 are attached as Figure Nos. 4, 5, and 6. On each log the following tops are indicated: Gothic Shale, Desert Creek, 'C' Shale below the Desert Creek and Akah. The perforated intervals are also shown for the Bluff 13-4 and Bluff 3 wells. The Bluff 44-5 was completed open hole. From the Figures it can be seen that the producing interval in the lower portion of the Desert Creek is the same producing interval in the two other wells that are within the participating area. On this basis, the Bluff 13-4 should be included in the participating area. Columbus does not recommend expanding the participating area at this time, since the production history of the well does not support an enlargement.

The production curve for Bluff 42-5 is shown in Figure No. 7. As of May 31, 1990, this well has produced 11,652 BO and 28,276 mcf resulting in approximate revenue of \$263,322 (\$177,305 from oil sales and \$86,016 from gas and NGL sales) after taxes and transportation charges. After deducting for royalties, \$223,297 has been generated to provide for paying the cost of the well and for operating cost. The initial cost of the well was \$302,492 and the well has not yet paid out. However, the well is currently producing 4.5 BOPD and 6 mcfd and the operating costs are less than \$1000/month. With current net income of about \$2100/month the well continues to produce in paying quantities and, as such, should be officially included in the participating area.

Bureau of Land Management  
Bluff 13-4 and Bluff 42-5  
August 9, 1990  
Page 3

Pressure data for the Bluff 42-5 is also available. As shown on Figure No. 8, the BHP taken on September 12, 1983, was 692 psi at 5650'. Again, this is well below the original pressure of 2260 psi initially taken from the Bluff #3 well. Also, this pressure was taken one year after the pressure from the Bluff 13-4 well presented previously. As with the Bluff 13-4, the pressure taken from the Bluff 42-5 should be representative of the Desert Creek reservoir pressure in the area since only a minimal amount of production occurred from the well prior to running the pressure test. Cumulative production from the three Bluff Unit wells at the time of the pressure test was 579,653 BO and 682,076 mcf and cumulative production from the Bluff 13-4 at the same time was 8,497 BO and 42,311 mcf. It is clear that the pressure exhibited in the Bluff 42-5 resulted from depletion of reservoir pressure by producing the other wells within the participating area.

To further substantiate communication of the Desert Creek formation in the Bluff 42-5 well with the other wells in the participating are, attached is Figure No. 9, a porosity log from the well. Note that the same markers are indicated on the log and that the producing interval is the same lower Desert Creek marked on the logs previously described. On this basis the Bluff 42-5 well should be included in the Hermosa (Penn) Participating Area as well. As with the Bluff 13-4, expansion of the participating area beyond the Bluff 42-5 is not warranted based on the available production data.

From the evidence shown, both the Bluff 13-4 and Bluff 42-5 should be included in the Hermosa (Penn) Participating Area. If you have any questions in this regard or if you need further information, please advise.

Yours very truly,

COLUMBUS ENERGY CORP.

  
J. D. Stewart, Jr.  
Operations Manager

JDS:bl

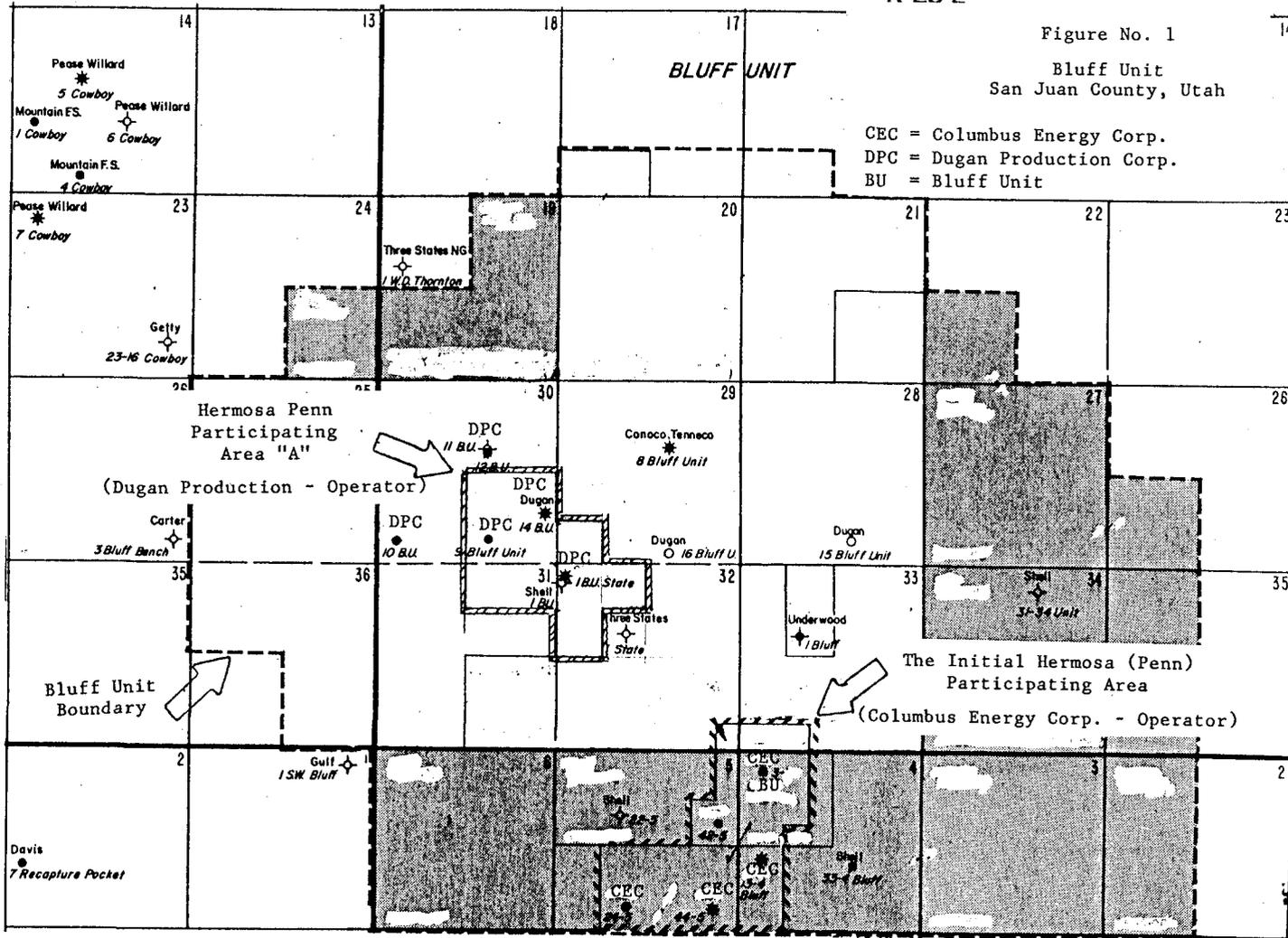
Enclosures

cc: State of Utah  
Division of Oil, Gas & Mining  
P. Meyer  
J. Sundine  
L. Berglund

Figure No. 1  
Bluff Unit  
San Juan County, Utah

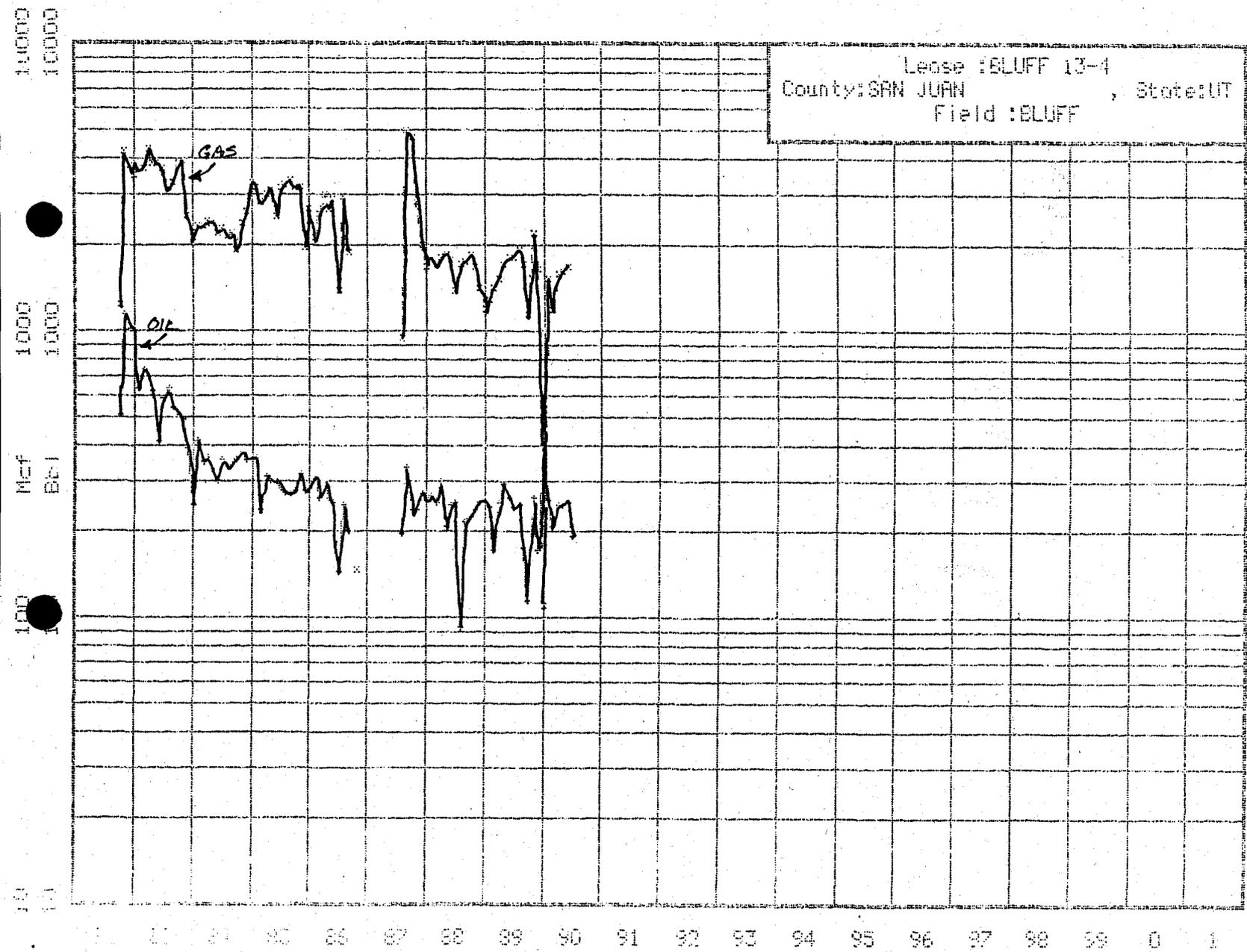
CEC = Columbus Energy Corp.  
DPC = Dugan Production Corp.  
BU = Bluff Unit

T  
39  
S



T  
40  
S

FIGURE NO. 2





**EFTELLER, INC.**

reservoir engineering data

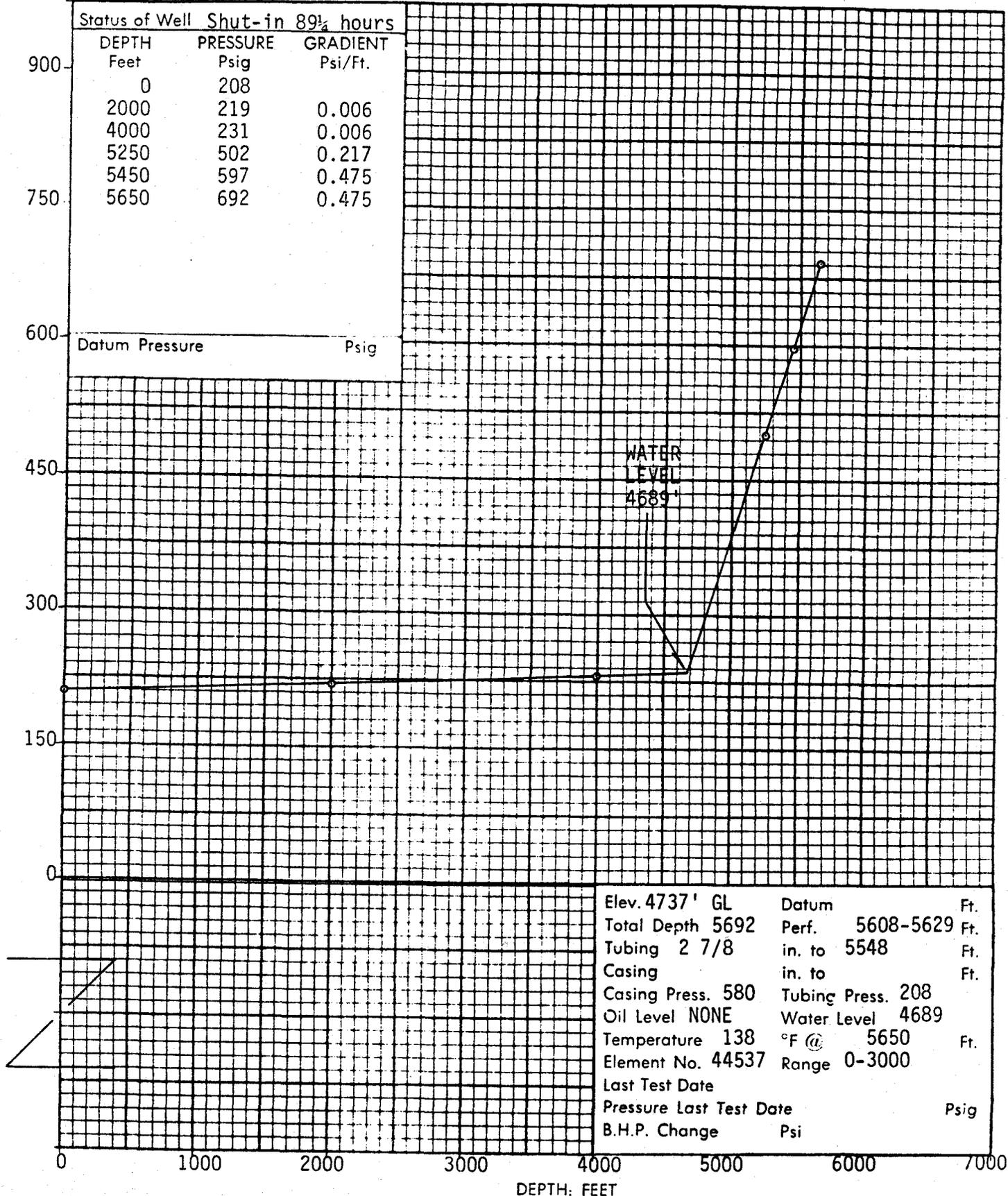
MIDLAND, TEXAS

Company CONSOLIDATED OIL & GAS, INC. Lease BLUFF Well No. 42-5  
Field BLUFF County SAN JUAN State UTAH  
Formation DESERT CREEK Test Date SEPTEMBER 12, 1983

Status of Well Shut-in 89 1/2 hours

DEPTH Feet	PRESSURE Psig	GRADIENT Psi/Ft.
0	208	
2000	219	0.006
4000	231	0.006
5250	502	0.217
5450	597	0.475
5650	692	0.475

PRESSURE POUNDS PER SQUARE INCH GAUGE



Datum Pressure Psig

WATER LEVEL  
4689'

Elev. 4737' GL	Datum	Ft.
Total Depth 5692	Perf. 5608-5629	Ft.
Tubing 2 7/8	in. to 5548	Ft.
Casing	in. to	Ft.
Casing Press. 580	Tubing Press. 208	
Oil Level NONE	Water Level 4689	
Temperature 138 °F @	5650	Ft.
Element No. 44537	Range 0-3000	
Last Test Date		
Pressure Last Test Date		Psig
B.H.P. Change	Psi	

0 1000 2000 3000 4000 5000 6000 7000  
DEPTH: FEET

FIGURE NO. 7

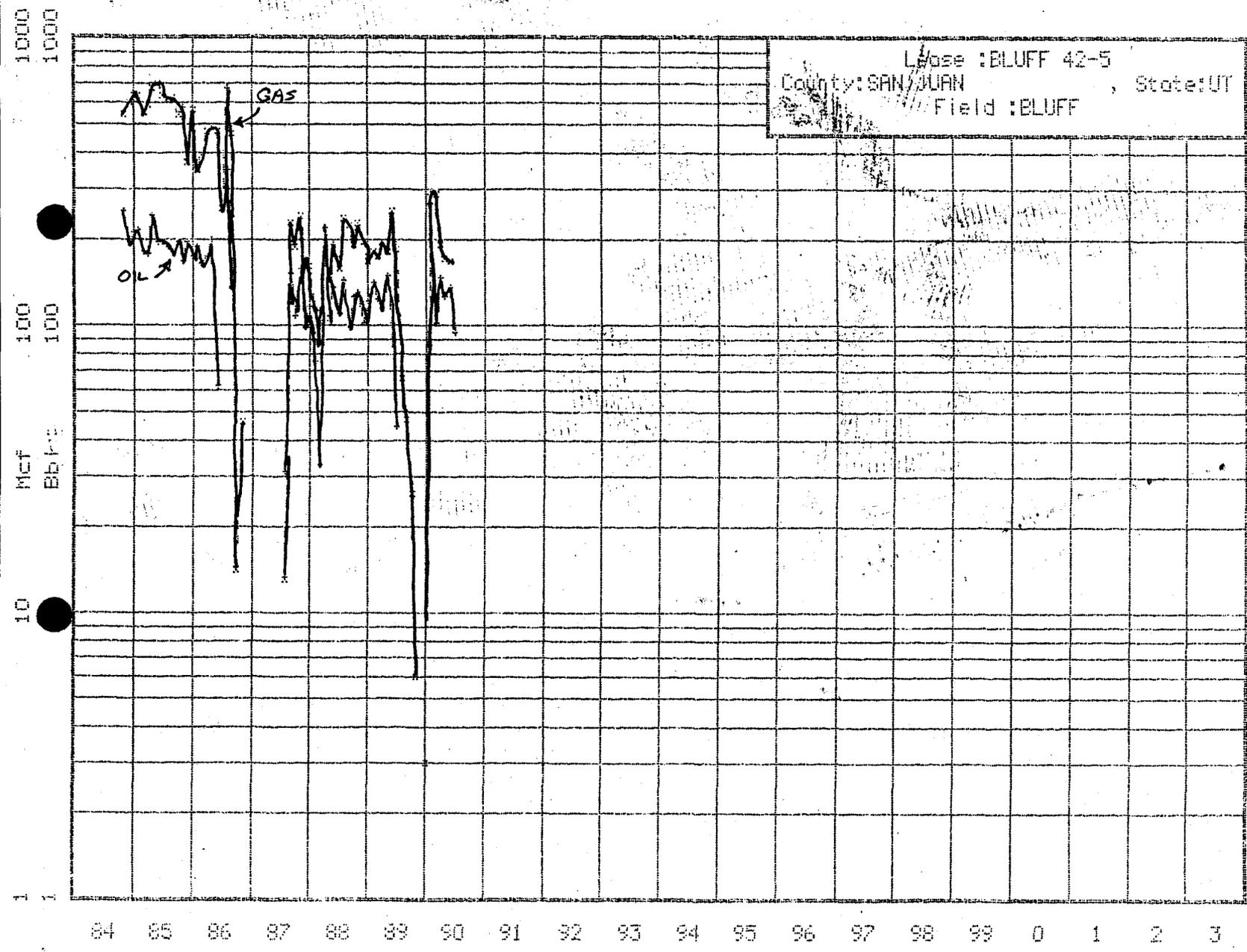
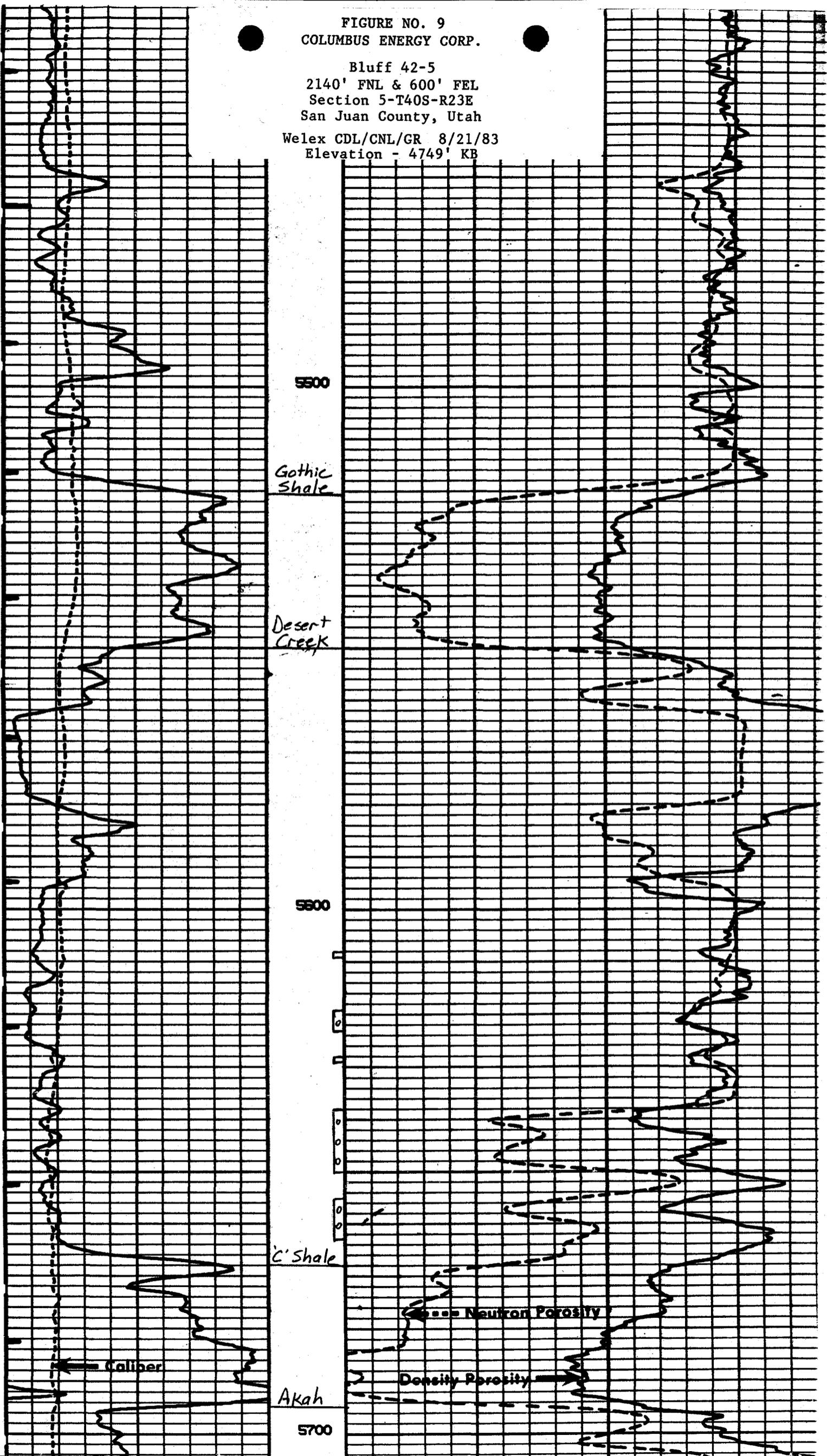
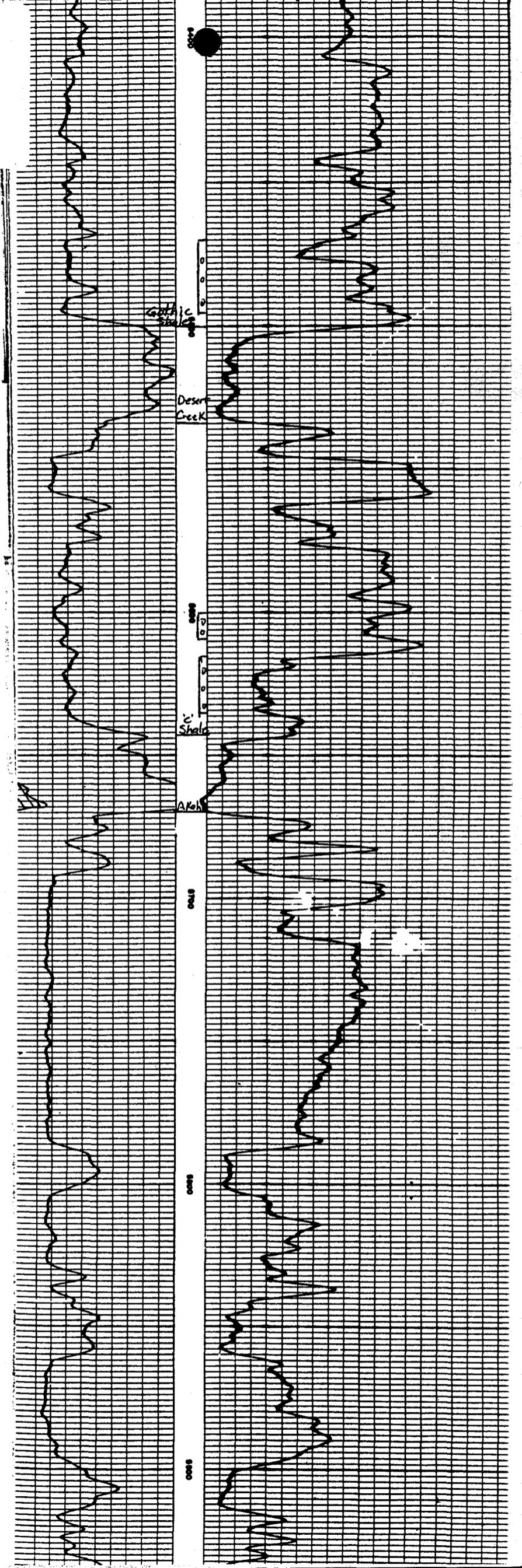
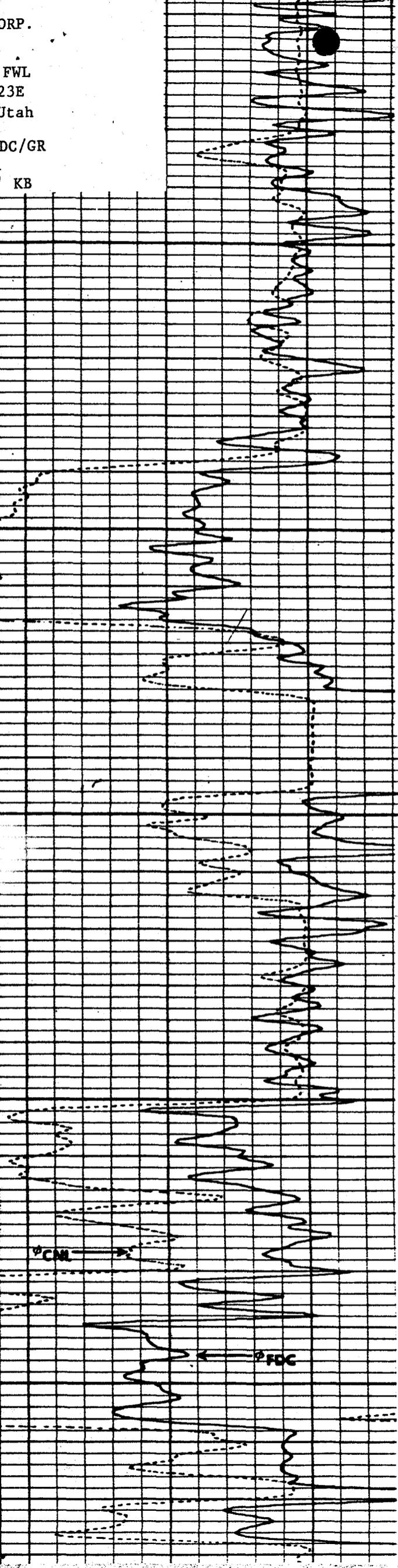


FIGURE NO. 9  
COLUMBUS ENERGY CORP.

Bluff 42-5  
2140' FNL & 600' FEL  
Section 5-T40S-R23E  
San Juan County, Utah  
Welex CDL/CNL/GR 8/21/83  
Elevation - 4749' KB





**NOTICE OF TRANSFER OF OWNERSHIP**

Present operator: CONSOLIDATED OIL & GAS, INC. Telephone: (505)632-8056

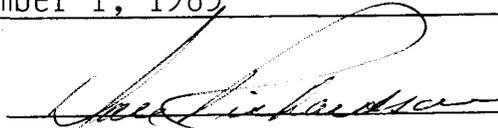
Address: P.O. BOX 2038

City: FARMINGTON State: N.M. Zip: 87499

Well no.: 42-5 Field or Unit name: BLUFF

Sec.: 5 Twp.: 40S Rng.: 23E County: SAN JUAN Lease no. SL 071403A

Effective date of transfer: December 1, 1985

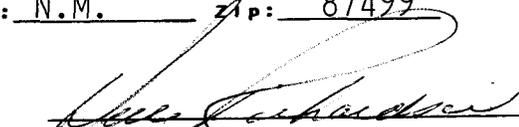
  
\_\_\_\_\_  
Signature of present operator

April 7, 1986  
\_\_\_\_\_  
Date

New operator: COLUMBUS ENERGY CORPORATION

Address: P.O. BOX 2038

City: FARMINGTON State: N.M. Zip: 87499

  
\_\_\_\_\_  
Signature of new operator

\_\_\_\_\_  
Date

(This space for DOGM approval)

Approved by: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

RECEIVED  
SEP 24 1990

DESCRIPTION & SERIAL NO.

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.)

DIVISION OF OIL, GAS & MINING  
INDIAN, ALLOTTEE OR TRIBE NAME

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER		7. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR Sterling Energy Corporation		8. FARM OR LEASE NAME	
3. ADDRESS OF OPERATOR 1801 Broadway, Suite 600, Denver, CO 80202		9. WELL NO.	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface At proposed prod. zone		10. FIELD AND POOL, OR WILDCAT	
*See attached exhibit		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA	
14. API NO.	15. ELEVATIONS (Show whether DF, RT, GR, etc.)	12. COUNTY 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>	
(Other)		(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	
APPROX. DATE WORK WILL START _____		DATE OF COMPLETION <u>New Operator</u>	

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.)

9/21/90

\* Must be accompanied by a cement verification report.

Gentlemen:

Effective October 1, 1990, Sterling Energy Corporation will become operator of the wells listed on the attached schedule. Columbus Energy Corp. is the current operator of record. Sterling has been record title owner since August of 1989.

OIL AND GAS	
DFN	RJF
JTB	GLH
DVS	SLS
<i>[Handwritten Signature]</i>	
MICROFILM	
FILE	

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

SIGNED Jerry D. Smothermon TITLE Engineer DATE 9/21/90 ✓

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

Exhibit to Sundry Notice  
 State of Utah  
 Sterling Energy Corporation  
 (owner of record)

**RECEIVED**

SEP 24 1990

Well Name	1/4/14	Sec.	Twn.	Rge.	Field	County	State
Bluff(Unit)##3*	NWNW	4	40S	23E	Bluff 43-037-15864	San Juan	Utah
Bluff(Unit)##24-5	SESW	5	40S	23E	Bluff 43-037-15865	San Juan	Utah
Bluff(Unit)##44-5	SESE	5	40S	23E	Bluff 43-037-15867	San Juan	Utah
Bluff##42-5	SENE	5	40S	23E	Bluff 43-037-30866	San Juan	Utah
Bluff##13-4	NWSW	4	40S	23E	Bluff 43-037-30726	San Juan	Utah
Desert Creek # 2	SESE	35	41S	23E	Desert Ck.	San Juan	Utah
Recapture Creek # 1	SESW	21	40S	23E	Recapture Ck.	San Juan	Utah
Recapture Creek # 2	NWSW	21	40S	23E	Recapture Ck.	San Juan	Utah
Recapture Creek # 3	NWSE	21	40S	23E	Recapture Ck.	San Juan	Utah
Tohonadla # 1	SWSE	35	41S	21E	Tohonadla	San Juan	Utah
Tohonadla # 41-25	NENE	25	41S	21E	Tohonadla	San Juan	Utah
Tohonadla # 23-35	NESW	35	41S	21E	Tohonadla	San Juan	Utah
Tohonadla # 36-1	SWSW	36	41S	21E	Tohonadla	San Juan	Utah
Tohonadla # 41-35	NENE	35	41S	21E	Tohonadla	San Juan	Utah
Navajo Tr. #23-1	NENE	2	42S	21E	Tohonadla	San Juan	Utah

Desert Creek #2 — 43-037-15868

Recapture Creek #1 - 43-037-15871

Recapture Creek #2 - 43-037-30727

Recapture Creek #3 - 42-037-30926

Tohonadla #1 — 42-027-15872

Tohonadla #41-25 - 43-027-15876

Tohonadla #23-35 - 43-037-15874

Tohonadla #36-1 — 43-037-30854

Tohonadla #41-35 - 43-037-15877

NAVajo Tr. #23-1 — 43-037-15540

RECEIVED  
SEP 24 1990

DESIGNATION OF AGENT OR OPERATOR - FORM 5

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: See attached exhibit

LEASE NUMBER: See attached exhibit

and hereby designates

NAME: Trinity Petroleum Management, Inc.

ADDRESS: 1801 Broadway, Suite 600, Denver, CO 80202

as his agent/operator with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to (describe acreage to which this designation is applicable):

See attached exhibit

*\* 901205 per "Sub-Operating Agreement" for the Bluff Unit, Sterling Energy has to do the reporting for these wells, and cannot designate Trinity Petro. as Agent to report for them.*

OIL AND GAS	
DFN	RJF
JFB	GIH
DIS	SLS
<i>Jef</i>	
1-CCR	
MICROFILM	
F&E	

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees promptly to notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation 10/1/90

By: *J. Samuel Butler*

Company Sterling Energy Corporation  
Address 1801 Broadway, Suite 600  
Denver, CO 80202

Title: President (signature) J. Samuel Butler  
Phone: 303-296-1908

Exhibit to Sundry Notice  
 State of Utah  
 Sterling Energy Corporation  
 (owner of record)

**RECEIVED**

SEP 24 1990

DIVISION OF  
 OIL, GAS & MINING

Well Name	1/4/14	Sec.	Twn.	Rge.	Field	County	State
=====	=====	=====	=====	=====	=====	=====	=====
Bluff(Unit) # 3	NWNW	4	40S	23E	Bluff 43-037-15864	San Juan	Utah
Bluff(Unit) # 24-5	SESW	5	40S	23E	Bluff 43-037-15865	San Juan	Utah
Bluff(Unit) # 44-5	SESE	5	40S	23E	Bluff 43-037-15867	San Juan	Utah
Bluff # 42-5	SENE	5	40S	23E	Bluff 43-037-30866	San Juan	Utah
Bluff # 13-4	NWSW	4	40S	23E	Bluff 43-037-30726	San Juan	Utah
Desert Creek # 2	SESE	35	41S	23E	Desert Ck.	San Juan	Utah
Recapture Creek # 1	SESW	21	40S	23E	Recapture Ck.	San Juan	Utah
Recapture Creek # 2	NWSW	21	40S	23E	Recapture Ck.	San Juan	Utah
Recapture Creek # 3	NWSE	21	40S	23E	Recapture Ck.	San Juan	Utah
Tohonadla # 1	SWSE	35	41S	21E	Tohonadla	San Juan	Utah
Tohonadla # 41-25	NENE	25	41S	21E	Tohonadla	San Juan	Utah
Tohonadla # 23-35	NESW	35	41S	21E	Tohonadla	San Juan	Utah
Tohonadla # 36-1	SWSW	36	41S	21E	Tohonadla	San Juan	Utah
Tohonadla # 41-35	NENE	35	41S	21E	Tohonadla	San Juan	Utah
Navajo Tr. #23-1	NENE	2	42S	21E	Tohonadla	San Juan	Utah

Desert Creek #2 — 43-037-15868  
 Recapture Creek #1 — 43-037-15871  
 Recapture Creek #2 — 43-037-20727  
 Recapture Creek #3 — 43-037-30926  
 Tohonadla #1 — 43-037-15872  
 Tohonadla #41-25 — 43-037-15876  
 Tohonadla #23-35 — 43-037-15874  
 Tohonadla #36-1 — 43-037-30854  
 Tohonadla #41-35 — 43-037-15877  
 Navajo Tr. #23-1 — 43-037-15540

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

3. LEASE DESIGNATION & SERIAL NO.  
\*

INDIAN ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

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

RECEIVED  
SEP 24 1990

1. OIL WELL  GAS WELL  OTHER

UNIT AGREEMENT NAME

2. NAME OF OPERATOR  
Columbus Energy Corp.

4. FARM OR LEASE NAME

3. ADDRESS OF OPERATOR  
1860 Lincoln Street, Suite 1100, Denver, CO 80295

WELL NO.

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

10. FIELD AND POOL, OR WILDCAT

\*See attached exhibit

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

14. API NO.

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

12. COUNTY

13. STATE

San Juan

Utah

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

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF

PULL OR ALTER CASING

WATER SHUT-OFF

REPAIRING WELL

FRACTURE TREAT

MULTIPLE COMPLETE

FRACTURE TREATMENT

ALTERING CASING

SHOOT OR ACIDIZE

ABANDON

SHOOTING OR ACIDIZING

ABANDONMENT\*

REPAIR WELL

CHANGE PLANS

(Other) \_\_\_\_\_

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

(Other)

To resign as operator

APPROX. DATE WORK WILL START \_\_\_\_\_

DATE OF COMPLETION \_\_\_\_\_

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.)

9/21/90

\* Must be accompanied by a cement verification report.

Gentlemen:

Effective 12:01 A.M. October 1, 1990, Columbus Energy Corp. will resign as operator of the wells listed on the attached Exhibit. Sterling Energy Corporation, the record title owner, will become the successor operator.

OIL AND GAS	
DN	RJF
PH	GIH
PS	SLS
MICROFILM	
FILE	

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

SIGNED

Gary M. Ahlfenger

TITLE

Land Manager

DATE

9/21/90

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_

TITLE \_\_\_\_\_

DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

See Instructions On Reverse Side

Routing:	
1-DCR	<input checked="" type="checkbox"/>
2-DTS	<input checked="" type="checkbox"/>
3-VLC	<input checked="" type="checkbox"/>
4-RJF	<input checked="" type="checkbox"/>
5-RWM	<input checked="" type="checkbox"/>
6-LOR	<input checked="" type="checkbox"/>

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

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

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 10-1-90)

TO (new operator)	<u>STERLING ENERGY CORPORATION</u>	FROM (former operator)	<u>COLUMBUS ENERGY CORP.</u>
(address)	<u>1801 BROADWAY, SUITE 600</u>	(address)	<u>1860 LINCOLN ST., #1100</u>
	<u>DENVER, CO 80202</u>		<u>DENVER, CO 80295</u>
	<u>phone (303 ) 296-1908</u>		<u>phone (303 ) 861-5252</u>
	<u>account no. N 5945</u>		<u>account no. N0255</u>

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

Name: <u>BLUFF #42-5/DSCR</u>	API: <u>4303730866</u> <sup>POV</sup>	Entity: <u>6245</u>	Sec <u>5</u> Twp <u>40S</u> Rng <u>23E</u>	Lease Type: <u>U0714003</u>
Name: <u>BLUFF #3/DSCR</u>	API: <u>4303715864</u>	Entity: <u>6250</u>	Sec <u>4</u> Twp <u>40S</u> Rng <u>23E</u>	Lease Type: <u>"</u>
Name: <u>BLUFF #24-5/PRDX</u>	API: <u>4303715865</u>	Entity: <u>6250</u>	Sec <u>5</u> Twp <u>40S</u> Rng <u>23E</u>	Lease Type: <u>"</u>
Name: <u>BLUFF #44-5/PRDX</u>	API: <u>4303715867</u>	Entity: <u>6250</u>	Sec <u>5</u> Twp <u>40S</u> Rng <u>23E</u>	Lease Type: <u>"</u>
Name: <u>BLUFF #13-4/DSCR</u>	API: <u>4303730726</u>	Entity: <u>6250</u>	Sec <u>4</u> Twp <u>40S</u> Rng <u>23E</u>	Lease Type: <u>"</u>
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____

**OPERATOR CHANGE DOCUMENTATION**

- See 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form).
- See 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form).
- See 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) yes If yes, show company file number: # 141334 (10-1-90)
- See 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.
- See 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. (12-17-90)
- See 6. Cardex file has been updated for each well listed above.
- See 7. Well file labels have been updated for each well listed above.
- See 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission.
- See 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.

INDEXING

1. All attachments to this form have been microfilmed. Date: December 19 1990.

FILED

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

REMARKS

901205 Bbm/mcab Approved eff. 10-1-90. "See Sub-Operating Agreement - Bluff Unit"

November 26, 1990

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

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

~~Gentlemen:~~

We have received a copy of "Sub-Operating Agreement" executed by Dugan Production Corporation, unit operator of the Bluff Unit Agreement, San Juan County, Utah, and by Sterling Energy Corp., dated ~~October 7, 1990~~. ~~The agreement makes Sterling Energy Corp. the sub-operator as to the Desert Creek Formation for the lands described therein.~~

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

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

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

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

Robert A. Henricks  
Chief, Branch of Fluid Minerals

Enclosure

cc: Dugan Production Corp. w/enclosure

~~bcc: Bill Hoob w/enclosure~~  
Bluff Unit File w/enclosure  
Agr. Sec. Chron.  
Fluid Chron

MCoulthard:jw:11/23/90  
0128V

cc: SJR  
AKS

Home 1-311-110

P.

OPERATOR STERLING ENERGY CORPORATION

OPERATOR ACCT. NO. N 5945

ADDRESS 1801 BROADWAY, SUITE 600

DENVER, CO 80202

(303)296-1908

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
D	6245	11146	43-037-30866	BLUFF #42-5	SENE	5	40S	23E	SAN JUAN	8-11-83	10-1-90
WELL 1 COMMENTS: <b>**OPERATOR CHANGE FROM COLUMBUS ENERGY CORP. **BLUFF UNIT/HRMS PA (PER UIC/DAN DSCR IS A MEMBER OF THE PRDX PZ, AND THE PRDX PZ IS A MEMBER OF THE HERMOSA GROUP)</b>											
D	6250	11146	43-037-15864	BLUFF #3	NWNW	4	40S	23E	SAN JUAN	5-17-56	10-1-90
WELL 2 COMMENTS:											
D	6250	11146	43-037-15865	BLUFF #24-5	SESW	5	40S	23E	SAN JUAN	12-27-57	10-1-90
WELL 3 COMMENTS:											
D	6250	11146	43-037-15867	BLUFF #44-5	SESE	5	40S	23E	SAN JUAN	5-30-59	10-1-90
WELL 4 COMMENTS:											
D	6250	11146	43-037-30726	BLUFF #13-4	NWSW	4	40S	23E	SAN JUAN	8-14-82	10-1-90
WELL 5 COMMENTS:											

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

L. ROMERO (DOGM)

Signature

ADMIN. ANALYST

12-17-90

Title

Date

Phone No. ( )

**STATE OF UTAH**  
**DIVISION OF OIL, GAS AND MINING**  
 355 West North Temple, 3 Triad, Suite 350, Salt Lake City, UT 84180-1203

## MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

STERLING ENERGY CORP  
 1801 BROADWAY STE 600  
 DENVER CO 80202

UTAH ACCOUNT NUMBER: N5945

REPORT PERIOD (MONTH/YEAR): 10 / 94

AMENDED REPORT  (Highlight Changes)

Well Name API Number	Entity	Location	Producing Zone	Well Status	Days Oper	Production Volumes		
						OIL(BBL)	GAS(MCF)	WATER(BBL)
RECAPTURE CREEK 1 4303715871	06265	40S 23E 21	IS-DC			U-01890	Recapture Creek Unit	
BLUFF #3 4303715864	11146	40S 23E 4	DSCR			SL071463A	"Bluff Unit"	
BLUFF #24-5 4303715865	11146	40S 23E 5	PRDX			"	"	
BLUFF 44-5 4303715867	11146	40S 23E 5	PRDX			"	"	
BLUFF #13-4 4303730726	11146	40S 23E 4	DSCR			"	"	
BLUFF #42-5 4303730866	11146	40S 23E 5	DSCR			"	"	
Recapture Creek 2 43-037-30727	06255	40S 23E 21	IS-DC			U-01890	Non-Unit Well	
Recapture Creek 3 43-037-30926	08450	40S 23E 21	DSCR			U-01890	Non-Unit Well	
<b>TOTALS</b>								

COMMENTS: \_\_\_\_\_

I hereby certify that this report is true and complete to the best of my knowledge.

Date: \_\_\_\_\_

Name and Signature: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

**Basin Operating Company**

370 17th Street, Suite 1800

Denver, CO 80202

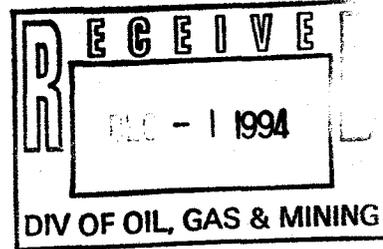
Office 303/685-8000

Fax 303/685-8010



November 30, 1994

Ms. Lisha Cordova  
State of Utah Department of Natural Resources  
Division of Oil, Gas and Mining  
3 Triad Center, Suite 350  
355 West North Temple  
Salt Lake City, Utah 84180-1203



Re: **Sterling Energy Corporation Merger  
and Change of Name**

Dear Ms. Cordova:

On November 22, 1994, Basin Energy, Inc., a Colorado corporation, merged into Sterling Energy Corporation, a Colorado corporation, and became Basin Sterling, Inc., a wholly owned subsidiary of Basin Exploration, Inc. Immediately thereafter, Basin Sterling, Inc. merged into its parent corporation, Basin Exploration, Inc., a Delaware corporation.

Sterling Energy Corporation is now, for all purposes, Basin Exploration, Inc. Attached are copies of Certificates of Merger from the states of Colorado and Delaware, evidencing the corporate mergers described above.

The address of Basin Exploration, Inc. is 370 17th Street, Suite 1800, Denver, Colorado. Please change all Sterling Energy Corporation records to reflect the new name and address.

Basin Operating Company (the wholly owned operating subsidiary of Basin Exploration, Inc.) will, by operation of law, become the operator of the properties on December 1, 1994. Sundry notices (Form 9) and exhibits for the properties are enclosed.

Please contact me if you have any additional questions regarding this merger.

Yours very truly,

**BASIN OPERATING COMPANY**

  
Judi Roys  
Production

Enclosure

Office of the Secretary of State

---

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE CERTIFICATE OF OWNERSHIP, WHICH MERGES:

"BASIN STERLING, INC.", A COLORADO CORPORATION, WITH AND INTO "BASIN EXPLORATION, INC." UNDER THE NAME OF "BASIN EXPLORATION, INC.", A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, WAS RECEIVED AND FILED IN THIS OFFICE THE TWENTY-SECOND DAY OF NOVEMBER, A.D. 1994, AT 4:30 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CORPORATION SHALL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE.



A handwritten signature in cursive script, reading "Edward J. Freel".

Edward J. Freel, Secretary of State

2289801 8330

944226741

AUTHENTICATION:

7312955

DATE:

11-23-94

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. Lease Designation and Serial Number:
Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.		6. If Indian, Allocated or Tribe Name:
		7. Unit Agreement Name:
1. Type of Well: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER: <input type="checkbox"/>		8. Well Name and Number:
2. Name of Operator: <b>BASIN OPERATING COMPANY</b>		9. API Well Number:
3. Address and Telephone Number: <b>370 17TH STREET, SUITE 1800, DENVER, CO 80202 (303) 685-8500</b>		10. Field and Pool, or Wildcat:
4. Location of Well Footages: <b>SEE ATTACHED</b>		County: <b>SAN JUAN</b>
OO, Sec., T., R., M.:		State: <b>UTAH</b>

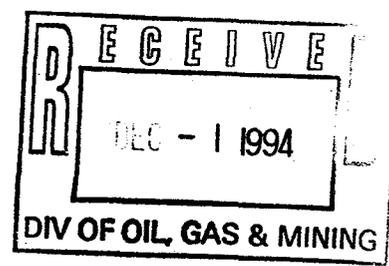
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT (Submit in Duplicate)	SUBSEQUENT REPORT (Submit Original Form Only)
<input type="checkbox"/> Abandon <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Multiple Completion <input type="checkbox"/> Other _____  Approximate date work will start _____	<input type="checkbox"/> Abandon <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input checked="" type="checkbox"/> Other <u>Change name of operator due to corporate merger.</u>  Date of work completion (effective date) <u>December 1, 1994</u> <small>Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.</small> <small>* Must be accompanied by a cement verification report.</small>
<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Recomplete <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off

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

FORMER NAME OF OPERATOR:

Sterling Energy Corporation  
 Z Trinity Petro Mgt Inc.  
 1801 Broadway, Suite 600  
 Denver, CO 80202



13. Name & Signature: *David M. Blauz* Title: V.P. & CHIEF OPERATING OFFICER Date: 11/30/94

(This space for State use only)

ARTICLES OF MERGER FOR THE MERGER OF  
BASIN ENERGY, INC.,  
a Colorado corporation, into  
STERLING ENERGY CORPORATION,  
a Colorado corporation

RECEIVED  
1994 NOV 22 PM 3:30  
SECRETARY OF STATE  
STATE OF COLORADO

Pursuant to the provisions of Section 7-111-101 of the Colorado Business Corporation Act, the undersigned corporation has caused an officer to execute these Articles of Merger for the purpose of filing with the Secretary of State of the State of Colorado.

Article I

The "Agreement and Plan of Merger" attached hereto as Exhibit A and incorporated herein by reference has been approved and adopted by the directors and the shareholders of Basin Energy, Inc., a Colorado corporation ("Basin"), in the manner provided by the laws of the State of Colorado and by the directors and the shareholders of Sterling Energy Corporation, a Colorado corporation ("Sterling"), in the manner provided by the laws of the State of Colorado. Sterling is the surviving corporation, however, the name of the surviving entity shall be Basin Sterling, Inc. ("BSI").

Article II

As to Basin, the number of shares cast for the Agreement and Plan of Merger by each voting group entitled to vote separately thereon was sufficient for approval thereof.

As to Sterling, the number of shares cast for the Agreement and Plan of Merger by each voting group entitled to vote separately thereon was sufficient for approval thereof.

Article III

The Merger is to be effective on and as of the date upon which these Articles of Merger are filed with the Secretary of State of the State of Colorado.

Article IV

BSI agrees that it will promptly pay to any dissenting shareholders the amount, if any, to which they may be entitled under the provisions of the Colorado Business Corporation Act with respect to the rights of dissenting shareholders.

Article V

BSI agrees that it may be served with process in any proceeding for the enforcement of any obligation of Basin and in any proceeding for the enforcement of the rights of a dissenting shareholder against BSI.

Such service of process, if any, shall be sent by registered or certified mail to its principal office at:

Basin Sterling, Inc.  
c/o Basin Exploration, Inc.  
370 Seventeenth Street, Suite 1800  
Denver, Colorado 80202

Attention: Howard L. Boigon  
Vice President - General  
Counsel and Secretary

Executed this 22<sup>nd</sup> day of November, 1994

STERLING ENERGY CORPORATION,  
a Colorado corporation

By   
\_\_\_\_\_  
J. Samuel Butler, President

BASIN ENERGY, INC.,  
a Colorado corporation

By   
\_\_\_\_\_  
Michael S. Smith, President

FIELD	WELL NAME	API #	COUNTY	ST	SEC	TWN	RGE	1/4 1/4	LEASE #
-------	-----------	-------	--------	----	-----	-----	-----	---------	---------

(entity#)

✓ BLUFF	BLUFF 13- 4	430373072600	SAN JUAN	UT	4	40S	23E	NWSW	11146
✓ BLUFF	BLUFF 24-5	430371586500	SAN JUAN	UT	5	40S	23E	SESW	
✓ BLUFF	BLUFF 3	430371586400	SAN JUAN	UT	4	40S	23E	NWNW	
✓ BLUFF	BLUFF 42- 5	430373086600	SAN JUAN	UT	5	40S	23E	SENE	
✓ BLUFF	BLUFF 44-5	430371586700	SAN JUAN	UT	5	40S	23E	SESE	
DESERT CREEK	DESERT CREEK 2	430371586800	SAN JUAN	UT	35	41S	23E	SESE	06270
✓ RECAP . CREEK	RECAPTURE CREEK 1	430371587100	SAN JUAN	UT	21	40S	23E	SESW	06265
✓ RECAP . CREEK	RECAPTURE CREEK 2	430373072700	SAN JUAN	UT	21	40S	23E	NWSW	06255
✓ RECAP . CREEK	RECAPTURE CREEK 3	430373092600	SAN JUAN	UT	21	40S	23E	NWSE	08450
TOHONADLA	NAVAJO TR #23-1	430371056500	SAN JUAN	UT	2	42S	21E	NENE	06230
TOHONADLA	TOHONADLA 1	430371587200	SAN JUAN	UT	35	41S	21E	SWSE	11202
TOHONADLA	TOHONADLA <del>1</del> 23-35	430371587400	SAN JUAN	UT	35	41S	21E	SWSE	
TOHONADLA	TOHONADLA <del>1</del> 41-25	430371587600	SAN JUAN	UT	35	41S	21E	SWSE	
TOHONADLA	TOHONADLA <del>1</del> 2-35	31568 430371587200	SAN JUAN	UT	35	41S	21E	SWSE	
TOHONADLA	TOHONADLA <del>1</del> 36-1	30854 430371587200	SAN JUAN	UT	35	41S	21E	SWSE	6/2/00

ARTICLES OF MERGER FOR THE MERGER OF  
BASIN STERLING, INC.,  
a Colorado corporation, into  
BASIN EXPLORATION, INC.,  
a Delaware corporation

RECEIVED  
1994 NOV 22 PM 3:35  
SECRETARY OF STATE  
STATE OF COLORADO

Pursuant to the provisions of Sections 7-111-107 and 7-111-104 of the Colorado Business Corporation Act, the undersigned corporation has caused an officer to execute these Articles of Merger for the purpose of filing with the Secretary of State of the State of Colorado.

Article I

The "Plan of Merger" attached hereto as Exhibit A and incorporated herein by reference has been approved and adopted by the directors of Basin Exploration, Inc., a Delaware corporation ("Basin"), in the manner provided by the laws of the states of Delaware and Colorado.

Article II

Basin owns 100% of each class of the issued and outstanding capital stock of BSI.

ARTICLE III

As to BSI, no shareholder approval was required for the merger.

As to Basin, no stockholder approval was required for the merger.

Article IV

The Merger is to be effective on and as of the date upon which these Articles of Merger are filed with the Secretary of State of the State of Colorado.

Article V

Basin agrees that it may be served with process in any proceeding for the enforcement of any obligation of BSI.

Such service of process, if any, shall be sent by registered or certified mail to its principal office at:

Basin Exploration, Inc.  
Suite 1800  
370 17th Street  
Denver, Colorado 80202

Attention: Howard L. Boigon, Vice President -  
General Counsel and Secretary

Executed this 22<sup>nd</sup> day of November, 1994

Basin Exploration, Inc.,  
a Delaware corporation

By

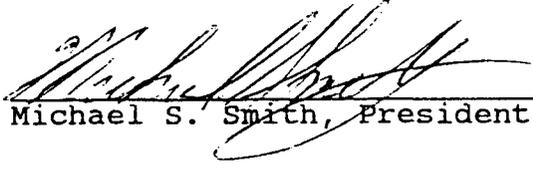
  
Michael S. Smith, President

Exhibit A

PLAN OF MERGER

THIS PLAN OF MERGER, dated as of November 22, 1994, is to provide for the merger of Basin Sterling, Inc., a Colorado corporation ("BSI"), into Basin Exploration, Inc., a Delaware corporation ("Basin"). BSI and Basin are sometimes hereafter together referred to as the "Constituent Corporations."

WHEREAS, BSI is a corporation duly organized and existing under the laws of the State of Colorado, having an authorized capital stock of 10,000 shares of Common Stock, \$.01 par value (the "BSI Common Stock");

WHEREAS, 1,000 shares of BSI Common Stock are issued and outstanding and owned by Basin, and are the only shares of capital stock of BSI issued and outstanding;

WHEREAS, the board of directors of Basin has determined that it is advisable and in the best interests of such corporations that BSI merge with and into Basin as authorized by the statutes of the states of Colorado and Delaware and upon the terms and subject to the conditions of this Agreement; and

WHEREAS, the board of directors of Basin has, by resolutions duly adopted, approved this Plan and, pursuant to the statutes of the states of Colorado and Delaware, no shareholder or stockholder approval was required.

NOW, THEREFORE, it is resolved as follows:

1. **Merger.** Upon the terms and subject to the conditions set forth in this Plan, BSI shall be merged with and into Basin (the "Merger"), and Basin shall be the surviving corporation (sometimes hereafter referred to as the "Surviving Corporation"). The name of the Surviving Corporation shall be Basin Exploration, Inc. The Merger shall become effective (the "Effective Time") upon the time and date of filing of such documents as required under applicable law.

2. **Governing Documents.** The certificate of incorporation of Basin, as in effect immediately prior to the Effective Time, shall be the certificate of incorporation of the Surviving Corporation without change or amendment until thereafter amended in accordance with applicable law. The bylaws of Basin, as in effect immediately prior to the Effective Time, shall be the bylaws of the Surviving Corporation without change or amendment until thereafter amended in accordance with applicable law. References to "the corporation" in Article 6 of the bylaws of Basin shall include BSI, in addition to Basin, so that any person who was a director or officer of BSI or is or was serving at the request of BSI as a director, employee, or agent

of another corporation, partnership, joint venture, trust, association, or other entity shall stand in the same position under the provisions of said Article 6 with respect to Basin as he would if he had served Basin in the same capacity or is or was so serving such other entity at the request of Basin, as the case may be.

3. **Succession; Officers and Directors.** At the Effective Time, the separate corporate existence of BSI shall cease, and Basin as the Surviving Corporation shall possess all the rights, privileges, powers and franchises of a public and private nature and be subject to all the restrictions, disabilities and duties of BSI; and all rights, privileges, powers and franchises of BSI, and all property, real, personal and mixed, and all debts due to BSI on whatever account, as well as for share subscriptions and all other things in action belonging to BSI, shall be vested in the Surviving Corporation; and all property, rights, privileges, powers and franchises, and all and every other interest shall be thereafter as effectively the property of the Surviving Corporation as they were of BSI, and the title to any real estate vested by deed or otherwise in BSI, shall not revert or be in any way impaired by reason of the Merger; but all rights of creditors and all liens upon any property of BSI shall be preserved unimpaired, and all debts, liabilities and duties of BSI shall thenceforth attach to the Surviving Corporation and may be enforced against it to the same extent as if such debts, liabilities and duties had been incurred or contracted by the Surviving Corporation. All corporate acts, plans, policies, agreements, arrangements, approvals and authorizations of BSI, its shareholders, Board of Directors and committees thereof, officers and agents which were valid and effective immediately prior to the Effective Time, shall be taken for all purposes as the acts, plans, policies, agreements, arrangements, approvals and authorizations of Basin and shall be as effective and binding thereon as the same were with respect to BSI.

At the Effective Time, except as provided elsewhere in this Plan, the officers of Basin shall become the officers of the Surviving Corporation to hold the positions in the Surviving Corporation to which they have been elected as officers of Basin and to serve in accordance with the bylaws of the Surviving Corporation.

At the Effective Time, the following persons shall become and constitute the board of directors, and the members thereof, of the Surviving Corporation until their respective successors shall have been duly elected and qualified, or until their earlier death, resignation or removal: Michael S. Smith, Arthur L. Angeli, David M. Blandford, J. Paul Hellstrom, Melvin O. Glerup, Larry D. Unruh, and Michael A. Nicolais.

4. **Further Assurances.** From time to time, as and when required by Basin, or by its successors and assigns, there

shall be executed and delivered on behalf of BSI such deeds and other instruments, and there shall be taken or caused to be taken by it all such further and other action, as shall be appropriate or necessary in order to vest, perfect or confirm, of record or otherwise, in Basin the title to and possession of all property, interests, assets, rights, privileges, immunities, powers, franchises and authority of BSI, and otherwise to carry out the purposes of this Plan, and the officers and directors of Basin are fully authorized in the name and on behalf of BSI or otherwise, to take any and all such action and to execute and deliver any and all such deeds and other instruments.

5. **Cancellation of Common Stock.** The 1,000 shares of BSI Common Stock presently issued in the name of Basin shall be cancelled and retired and no shares or other security shall be issued in respect thereof.

6. **Amendment.** Subject to applicable law, this Plan may be amended, modified or supplemented by the board of directors of Basin at any time prior to the Effective Time.

7. **Abandonment.** At any time prior to the Effective Time, this Plan may be terminated and the Merger may be abandoned by the board of directors of Basin, if circumstances arise which, in the opinion of the board of directors of Basin, make the Merger inadvisable.

8. **Service of Process.** The Surviving Corporation, from and after the Effective Time, agrees that it may be sued and served with process in the State of Colorado at 370 17th Street, Suite 1800, Denver, Colorado 80202, to the attention of Howard L. Boigon, Vice-President - General Counsel and Secretary, in any proceeding for the enforcement of any obligation of BSI.

9. **Governing Law.** This Plan shall be governed by and construed in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, Basin has caused this Plan to be signed by its duly authorized officers as of the date first above written.

ATTEST:

BASIN EXPLORATION, INC., a  
Delaware corporation

By Howard L. Boigon  
Howard L. Boigon, Secretary

By Michael S. Smith  
Michael S. Smith, President

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:  
3100  
SL-067691A et al  
(UT-923)

MAY 15 1995

### NOTICE

Basin Exploration, Inc. : Oil and Gas  
370 17th Street, Suite 1800 : SL-067691A et al  
Denver, Colorado 80202 :

### Name Change Recognized Mergers Recognized

Acceptable evidence has been filed in this office concerning the merger of Basin Energy, Inc., into Sterling Energy Corporation, which became Basin Sterling, Inc. Basin Sterling, Inc. then merged into Basin Exploration, Inc. with Basin Exploration, Inc. being the surviving entity.

For our purposes, the merger of Basin Sterling, Inc. into Basin Exploration, Inc. is recognized effective November 23, 1994.

The following lease files have been noted to reflect the above changes.

SL-067691A

SL-067700A

SL-067706A

SL-067710A

SL-071403A *Bluff Unit*

SL-071404A

U-01058

U-01890 *Recapture Creek Unit*

U-23147

U-37841

UTU-68666

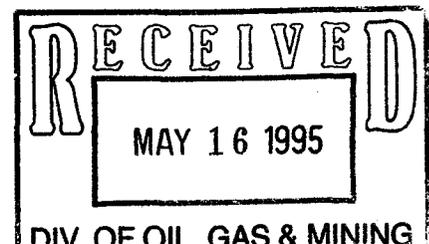
UTU-68667

A rider has been issued for Sterling Energy Corporation, Inc. Nationwide Bond No. 7525071 (BLM Bond No. CO0944) changing the name of the Principal to Basin Exploration, Inc., and Basin Operating Company.

**/s/ Robert Lopez**

Chief, Branch of Mineral  
Leasing Adjudication

bc: Moab District Office  
MMS-Data Management Division, MS 3113, P.O. Box 5860, Denver, CO 80217  
State of Utah, Attn: Lisha Cordova, Division of Oil, Gas, and Mining,  
3 Triad Center, Suite 350, Salt Lake City, Utah 84180-1204  
UT-920 (Teresa Thompson)



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

1- <del>ILEE</del>
2- <del>LWP</del> 7-PL
3- <del>DPS</del> 8-SJ
4- <del>VLG</del> 9-FILE
5- <del>RJF</del>
6- <del>LWP</del>

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: 11-22-94)

TO (new operator) <u>BASIN EXPLORATION INC</u>	FROM (former operator) <u>STERLING ENERGY CORP</u>
(address) <u>370 17TH ST STE 1800</u>	(address) <u>1801 BROADWAY STE 600</u>
<u>DENVER CO 80202</u>	<u>DENVER CO 80202</u>
<u>JUDI ROYS</u>	
phone <u>(303) 685-8000</u>	phone <u>(303) 296-1908</u>
account no. <u>N5070 (4-26-95)</u>	account no. <u>N5945</u>

**\*RECAPTURE CREEK UNIT**  
**\*BLUFF UNIT**

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

Name: <b>**SEE ATTACHED**</b>	API: <u>037-30866</u>	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____

**OPERATOR CHANGE DOCUMENTATION**

- See 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). *(Rec'd 12-1-94 / Articles of Merger)*
- See 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). *(Rec'd 12-1-94)*
- See 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: #171609. *(12-7-94) (cf. 1/3/95)*
- See 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.
- See 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. *(5-22-95)*
- See 6. Cardex file has been updated for each well listed above. *5-22-95*
- See 7. Well file labels have been updated for each well listed above. *5-22-95*
- See 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. *(5-22-95)*
- See 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

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

BOND VERIFICATION (Fee wells only)

- N/A 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
- Yes
- \_\_\_ 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

- N/A 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.
- 8/23/95
- 4/A 2. Copies of documents have been sent to State Lands for changes involving State leases.

FILMING

- ✓ 1. All attachments to this form have been microfilmed. Date: May 26 1995.

FILING

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

COMMENTS

- 950519 Basin Expl. Inc. / Judy Loys - Oper. of wells Basin Expl. Inc. Not Basin Opn. Co.  
(Corrects letter dated 11-30-94)
- \* Indian lease wells, separate chg.
- \* 950522 Sterling address updated to Sterling % Basin Expl. Inc. from Sterling % Trinity Petro. until final appr.

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

FORM 9

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

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

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

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

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

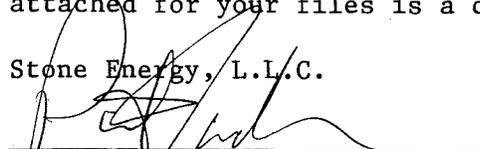
Stone Energy, L.L.C.  
1670 Broadway, Suite 2800  
Denver, CO 80202

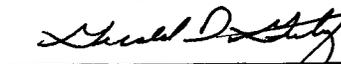
Blanket Bond #RLB0002054

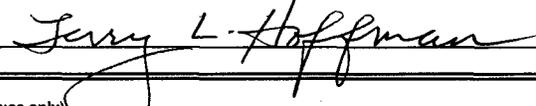
Attached is the list of wells that will be effected in the State of Utah. Also attached for your files is a copy of the merger documentation.

Stone Energy, L.L.C.

Basin Exploration, Inc.

  
Pat Jackson - Denver District  
Manager

  
Gerald D. Gentry Operations Manager

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

(This space for State use only)

**RECEIVED**

MAR 05 2001

DIVISION OF  
OIL, GAS AND MINING

<b>Lease #</b>	<b>Well Name &amp; Number</b>	<b>API Number</b>	<b>Field</b>	<b>Legal Location</b>	<b>County</b>
<del>UTU 75140</del>	<del>Bierstat #24-43</del> 11-13	<del>4303731703</del>	<del>Wildcat</del>	<del>NE NW 13-T40S-R22E</del>	<del>San Juan</del>
SL 067701	Bluff #10	4303715328	Desert Creek	SW SW 30-T39S-R23E	San Juan
SL 071403A	Bluff #13-4	4303730726	Bluff	NW SE 4-T40S-R23E	San Juan
SL 067701	Bluff #16	4303730989	Desert Creek	SW SE 29-T39S-R23E	San Juan
ML 2008	Bluff #2	4303716538	Desert Creek	SE NW 32-T39S-R23E	San Juan
SL 071403A	Bluff #42-5	4303730866	Desert Creek	SE NE 5-T40S-R23E	San Juan
SL 071403A	Bluff #44-5	4303715867	Bluff	SE SE 5-T40S-R23E	San Juan
892000782A	Bluff #9	4303715327	Desert Creek	NE SE 30-T-39S-T23E	San Juan
892000782A	Bluff State #1	4303720236	Desert Creek	NW NW 32-T39S-R23E	San Juan
SL 067701	Bluff Unit #14	4303730533	Desert Creek	NE SE 30-T-39S-T23E	San Juan
1420603248	Desert Creek #11-35	4303731806	Wildcat	NW NE 35-T41S-R23E	San Juan
1420603248	Desert Creek #2	4303715868	Desert Creek	SE SE 35-T41S-R23E	San Juan
1420603270	Navajo Tribal #23-1	4303710535	Tohonadla	NE NE 2-T42S-21E	San Juan
U-01890	Recapture Creek #1	4303715871	Recapture Creek	SE SE 21-T40S-R23E	San Juan
U-01890	Recapture Creek #2	4303730727	Recapture Creek	NW SW 21-T40S-R23E	San Juan
U-01890	Recapture Creek #3	4303730926	Recapture Creek	NW SE 21-T40S-R23E	San Juan
1420603229	Tohonadla #1	4303715872	Tohonadla	SW SE 35-T41S-R21E	San Juan
1420603229	Tohonadla #23-35	4303715874	Tohonadla	NE SW 35-T41S-R21E	San Juan
1420603229	Tohonadla #2-35	4303731568	Tohonadla	N2 S2 35-T41S-R21E	San Juan



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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

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

MAR 23 2001

### NOTICE

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

#### Name Change Recognized

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

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

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

**ROBERT LOPEZ**

Robert Lopez  
Chief, Branch of  
Minerals Adjudication

Enclosure  
Exhibit of Leases

**RECEIVED**

MAR 27 2001

DIVISION OF  
OIL, GAS AND MINING

EXHIBIT A  
LEASES AFFECTED BY NAME CHANGE

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

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

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

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

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



*Harriet Smith Windsor*  
Harriet Smith Windsor, Secretary of State

2289801 8100

AUTHENTICATION: 0958659

010060875

DATE: 02-06-01

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

February 1, 2001

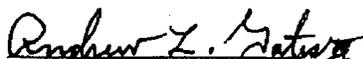
UNDER SECTION 266 OF THE GENERAL CORPORATION LAW  
OF THE STATE OF DELAWARE AND SECTION 18-214 OF THE  
DELAWARE LIMITED LIABILITY COMPANY ACT

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

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

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

BASIN EXPLORATION, INC.

By:   
Andrew L. Gates, III  
Attorney In Fact

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

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

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

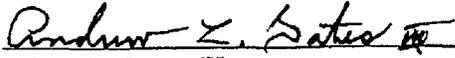
1209 Orange Street  
Wilmington, Delaware 19801

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

The Corporation Trust Company  
1209 Orange Street  
Wilmington, Delaware 19801

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

**EXECUTED** as of the date first written above.

  
Andrew L. Gates, III  
Authorized Person

State of Delaware  
Office of the Secretary of State

PAGE 2

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



*Harriet Smith Windsor*  
Harriet Smith Windsor, Secretary of State

2289801 8100V

AUTHENTICATION: 0950237

010053850

DATE: 02-01-01

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

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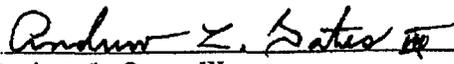
1209 Orange Street  
Wilmington, Delaware 19801

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1209 Orange Street  
Wilmington, Delaware 19801

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

EXECUTED as of the date first written above.

  
Andrew L. Gates, III  
Authorized Person

**OPERATOR CHANGE WORKSHEET**

**ROUTING**

1. GLH		4-KAS ✓
2. CDW ✓		5- <del>ST</del> ✓
3. JLT		6-FILE

Enter date after each listed item is completed

Change of Operator (Well Sold)

Designation of Agent

**X Operator Name Change (Only)**

Merger

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

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

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

**CA No.**

**Unit: BLUFF**

**WELL(S)**

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

**OPERATOR CHANGES DOCUMENTATION**

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



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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Stone Energy, L.L.C. <i>N1555</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 1801 Broadway, St. 700 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: 8920007820 <i>BLUFF</i>
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2140 FNL and 555 FEL		8. WELL NAME and NUMBER: Bluff #42-5
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 5 40S 23E		9. API NUMBER: 4303730866
COUNTY: San Juan		10. FIELD AND POOL, OR WILDCAT: Bluff Field
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 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 type="checkbox"/> OTHER: <u>Transfer of Interest/ Operations</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.

Effective June 1, 2004, Stone Energy, L.L.C. is transferring title interest and operations of this well to Matrix Production Company, whose address is 5725 Commonwealth Blvd., Sugar Land, Texas 77479, Tele: 281-265-1212. The Matrix bonding is as follows: (1) BIA lands U.S. Specialty Insurance Company Bond No. B 001183 for \$120,000.00 (2) State of Utah Trust lands, U.S. Specialty Insurance Company Bond No. B 001043 for \$10,000.00 and (3) BLM lands U.S. Specialty Insurance Company Bond No. B 001041 for \$25,000.00.

MATRIX PRODUCTION COMPANY *N2660*

By: *L. W. Lathrop*  
(Signature)  
Name: Larry W. Lathrop

Title: Vice President  
Date: 6/30/2004

NAME (PLEASE PRINT) Michael E. Cuba  
SIGNATURE *Michael E. Cuba*

TITLE Denver District Manager  
DATE 6/30/2004

(This space for State use only)

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

(See Instructions on Reverse Side)

RECEIVED  
OCT 04 2004

DIV. OF OIL, GAS & MINING

**OPERATOR CHANGE WORKSHEET**

<b>ROUTING</b>	
1. GLH	
2. CDW	
3. FILE	

**X Change of Operator (Well Sold)**

Designation of Agent/Operator

Operator Name Change

Merger

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

**6/1/2004**

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

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

CA No.

Unit:

see below

**WELL(S)**

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

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 10/4/2004
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 10/4/2004
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 8/26/2004
- Is the new operator registered in the State of Utah: YES Business Number: 5681279-0143
- If **NO**, the operator was contacted on: \_\_\_\_\_
- 6a. (R649-9-2) Waste Management Plan has been received on: \_\_\_\_\_
- 6b. Inspections of LA PA state/fee well sites complete on: n/a

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

8. **Federal and Indian Units:**

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

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

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

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

**DATA ENTRY:**

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

**FEDERAL WELL(S) BOND VERIFICATION:**

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

**INDIAN WELL(S) BOND VERIFICATION:**

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

**FEE & STATE WELL(S) BOND VERIFICATION:**

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

2. The **FORMER** operator has requested a release of liability from their bond on: held at TLA

The Division sent response by letter on: n/a

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

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