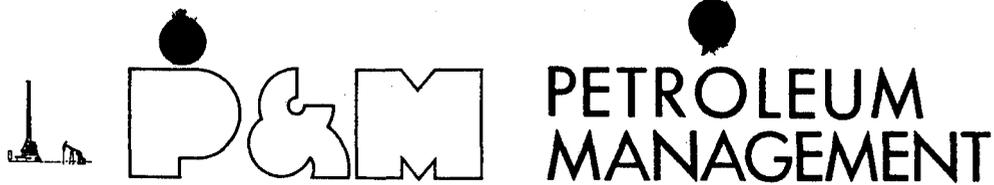


SUITE 1700 • 1600 BROADWAY • DENVER • COLORADO 80202 • PHONE (303) 861-2470



February 28, 1984

BUREAU OF LAND MANAGEMENT
DISTRICT OFFICE
P.O. BOX 970
Moab, Utah 84532

RECEIVED
MAR 2 1984

**DIVISION OF
OIL, GAS & MINING**

RE: DESIGNATION OF OPERATOR
FROM WILLIAM W. WHITLEY
TO P & M PETROLEUM MANAGEMENT -
U-18433
U-41696
U-42474
U-065

Gentlemen:

The enclosed A.P.D. & NTL-6 Surface Use Plan was prepared prior to receiving BLM approval recognizing P & M Petroleum Management as the Designated Operator from William W. Whitley on U-41696. Please advise if P & M Petroleum Management will be required to amend the enclosed to reflect this change in Operator.

Yours very truly,

A handwritten signature in cursive script that reads 'Robert W. Peterson'.

Robert W. Peterson

MM:s

cc: BLM
Box 7
Monticello, Utah 84535

BLM
1745 W. 1700 S., Suite 2000
Salt Lake City, Utah 84104

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

William W. Whitley
1600 Broadway, #1700
Denver, CO 80202



PETROLEUM MANAGEMENT

SUITE 1700 • 1600 BROADWAY • DENVER • COLORADO 80202 • PHONE (303) 861-2470

February 28, 1984

BUREAU OF LAND MANAGEMENT
DISTRICT OFFICE
P.O. Box 970
Moab, Utah 84532

RE: WILLIAM W. WHITLEY, OPERATOR
#1-26 D Federal
Surface - Sec. 25, T40S-R22E
(NW NW) (125' FNL & 150' FWL)
Sub-surface - Sec. 26, T40S-R22E
(NE NE) (1050' FNL & 330' FEL)
San Juan County, Utah

Gentlemen:

Submitted in quadruplicate please find enclosed an A.P.D. & NTL-6 Surface Use Plan on the above referenced location, proposed to be drilled by William W. Whitley approximately April 15, 1984.

Please advise at your earliest convenience as to any deficiency within the enclosed A.P.D. & NTL-6.

Yours very truly,

Robert W. Peterson
Petroleum Engineer

RWP:m
Enclosures

cc: BLM
Box 7
Monticello, Utah 84535

BLM (In duplicate)
1745 W. 1700 S., Suite 2000
Salt Lake City, Utah 84104

State of Utah (In duplicate) ✓
Division Of Oil, Gas & Mining
4241 State Office Bldg.
Salt Lake City, Utah 84114

William W. Whitley
1600 Broadway, Suite 1705
Denver, CO 80202

P & M Petroleum Management
Well No. Federal 1-26D
Sec. 25, T. 40 S., R. 22 E. (Surface)
Sec. 26, T. 40 S., R. 22 E. (Sub-surface)
San Juan County, Utah
Lease U-41696

1. Planned Access Roads:

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.

The access road will be water barred or brought to Class III Road Standards within 60 days of dismantling of the drilling rig.

If this time frame cannot be met, the San Juan Area Manager will be notified so that temporary drainage control can be installed along the access road.

The Class III Road Standards which ensure drainage control over the entire road through the use of natural, rolling topography; ditch turnouts; drainage dips; outsloping; crowning; low water crossings; and culverts will be determined at the appropriate field inspection.

2. Location of Tank Batteries and Production Facilities:

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain $1\frac{1}{2}$ times the storage capacity of the battery.

All engines will be muffled due to the well's proximity to river rafters and eagle wintering areas.

All loading lines will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.

All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

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 will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The San Juan Area Manager will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Moab District Office. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

3. Location and Type of Water Supply:

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 management agency to use the land containing the water source.

4. Methods of Handling Waste Disposal:

The reserve pit will be lined with commercial bentonite sufficient to prevent seepage.

A trash pit will be constructed near the mud tanks and dug at least six feet into solid undisturbed material. It will be totally enclosed with a fine wire mesh before the rig moves in. The road and pad will be kept litter free.

A burning permit is required for burning trash between May 1 and October 31. This can be acquired by contacting the State Fire Warden, John Baker, at (801) 587-2705.

Produced waste water will be confined to a lined pit for a period not to exceed 90 days after initial production. During the 90 day period an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manger's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance, and will be grounds for issuing a shut-in order.

5. Well Site Layout:

The top 12 inches of soil material will be removed from the location and stockpiled separate from the trees on the west side. Topsoil along the access will be reserved in place.

Contrary to Exhibit "D", no filling will be allowed in the floodplain (i.e. the southwest corner of the pad will not extend beyond th 4348' contour line).

6. Reclamation:

- a. 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 the trash pit and will then be compacted and buried under a minimum of two feet of compacted soil.
- b. 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.
- c. Water bars will be built.
- d. Seed will be broadcast between October 1 and February 28 with the following prescription. A harrow or similar implement will be dragged over the area to assure seed cover.

<u>2</u>	lbs/acre Indian ricegrass (<u>Oryzopsis hymenoides</u>)
<u>1</u>	lbs/acre Alkali sacaton (<u>Sporobolus airoides</u>)
<u>2</u>	lbs/acre Fourwing saltbush (<u>Atriplex canescens</u>)
<u>1</u>	lbs/acre Wild sunflower (<u>Helianthus annuus</u>)
<u>1</u>	lbs/acre Intermediate Wheatgrass
<u>1</u>	lbs/acre Palmer Penstemon

- e. After seeding is complete, the stockpiled trees will be scattered evenly over the disturbed areas. The access will be blocked to prevent vehicular access.
- f. 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.
- g. To lessen disturbance to eagle wintering areas the road leading to the Tiger dry hole will be blocked and reclaimed within 60 days of dismantling the drill rig.

7. Other Information: An archaeologist hired by the operator and approved by BLM will monitor construction of the pad.

There will be no change from the proposed drilling and/or workover program without prior approval from the District Manager. Safe drilling and operating practices must be used. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.2.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3164.

The dirt contractor will be provided with an approved copy of the surface use plan.

If subsurface cultural materials are exposed during construction, work in that spot will stop immediately and the San Juan Resource Area Office will be contacted. All people who are in the area will be informed by the operator/holder that they are subject to prosecution for disturbing archaeological sites or picking up artifacts. Salvage or excavation of identified archaeological sites will be done by a BLM approved archaeologist only if damage occurs.

This permit will be valid for a period of one year from the date of approval. After permit termination a new application will be filed for approval for any future operations.

8. Your contact with the District Office is: Bob Graff

Office Phone: 801-259-6111

Address: P.O. Box 970, Moab UT 84532

Resource Area Manager's address and contacts:

Address: P.O. Box 7, Monticello, UT 84535

Your contact is: Brian Wood

Office Phone: 801-587-2201

Home Phone: 801-587-2087

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 William W. Whitley
P & M PETROLEUM MANAGEMENT

3. ADDRESS OF OPERATOR
1600 Broadway, Suite 1700, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 125' FNL & 150' FWL (NW/4 NW/4) Sec. 25
 At proposed prod. zone 1050' FNL & 330' FEL (NE/4 NE/4) Sec. 26

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
10.4 miles NW of Montezuma Creek, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) Subsurface - 330'

16. NO. OF ACRES IN LEASE 280

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. 2550'

19. PROPOSED DEPTH 5600'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
4354' G.L.

22. APPROX. DATE WORK WILL START*
April 15, 1984

5. LEASE DESIGNATION AND SERIAL NO.
U-41696

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Federal

9. WELL NO.
#1-26 D

10. FIELD AND POOL, OR WILDCAT
Turner Bluff

11. SEC., T., R., M., OR BLEK. AND SURVEY OR AREA
Sec. 25, T40S-R22E (surface)
Sec. 26, T40S-R22E (sub-surf)

12. COUNTY OR PARISH 13. STATE
San Juan Utah

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13-3/8"	48	80'	100 sx.
13-3/4"	9-5/8"	36	1100'	550 sx.
7-7/8"	5 1/2"	14	5650'	150 sx.
7-7/8"	4 1/2"	10.5	5650'	150 sx.

- The well will be spudded in the Morrison Formation.
- The estimated tops of important geological formations are as follows: (T.V.D.)

Entrada	110'	Moenkopi	2000'
Carmel	160'	Cutler	2237'
Navajo	220'	Hermosa	4217'
Kayenta	730'	Ismay	5113'
Wingate	785'	Lower Ismay	5235'
Chinle	1185'	"C" Shale	5295'
Shinarump	1940'	Desert Creek	5330'

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 Robert W. Peterson TITLE Petroleum Engineer DATE 2/27/84

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
/s/ GENE MODINE DISTRICT MANAGER 2 3 APR 1984

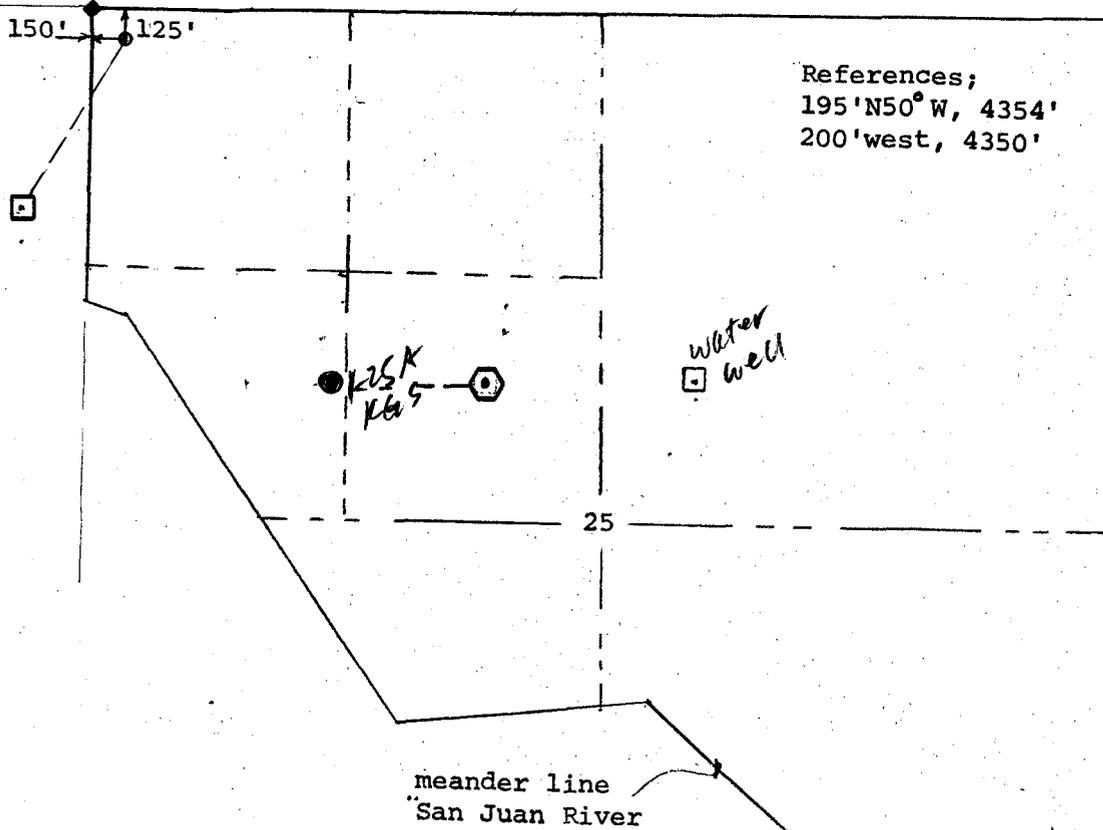
APPROVED BY _____ TITLE _____ DATE _____
 CONDITIONS OF APPROVAL, IF ANY:

SUBJECT TO RIGHT OF WAY APPROVAL
 CONDITIONS OF APPROVAL ATTACHED
 State of Utah - DOG-m

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



POWERS ELEVATION



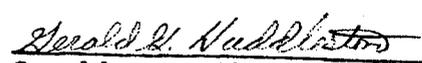
1"=1000'

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MAR 2 1984

EXHIBIT "B"

DIVISION OF OIL, GAS & MINING

Operator William Whitley		Well name 1-26 Directional Hole	
Section 25	Township 40 South	Range 22 East	Meridian SLM
Footages 125' FNL & 150' FWL			County/State San Juan, Utah
Elevation 4354'	Requested by Bob Peterson		
The above plat is true and correct to the best of my knowledge and belief.			
18 Dec. '83		 Gerald G. Huddleston, L.S.	

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 William W. Whitley

3. ADDRESS OF OPERATOR R & M PETROLEUM MANAGEMENT - OPERATOR
1600 Broadway, Suite 1700, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 125' FNL & 150' FWL (NW/4 NW/4) Sec. 25
 At proposed prod. zone 1050' FNL & 330' FEL (NE/4 NE/4) Sec. 26

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
10.4 miles NW of Montezuma Creek, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 330'

16. NO. OF ACRES IN LEASE 280

17. NO. OF ACRES ASSIGNED TO THIS WELL 80

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19. PROPOSED DEPTH 5600'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
4354' G.L.

22. APPROX. DATE WORK WILL START*
April 15, 1984

5. LEASE DESIGNATION AND SERIAL NO.
U-41696

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Federal

9. WELL NO.
#1-26 D

10. FIELD AND POOL, OR WILDCAT
Turner Bluff UNDESIGNATED

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 25, T40S-R22E (surface)
Sec. 26, T40S-R22E (sub-surf)

12. COUNTY OR PARISH 13. STATE
San Juan Utah

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
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- The well will be spudded in the Morrison Formation.
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Navajo	220'	Hermosa	4210'
Kayenta	730'	Ismay	5110'
Wingate	785'	Lower Ismay	5210'
Chinle	1185'	"C" Shale	5295'
Shinarump	1940'	Desert Creek	5330'

RECEIVED
 MAR 2 1984

**DIVISION OF
 OIL, GAS & MINING**

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.

SIGNED Robert W. Peterson TITLE Petroleum Engineer DATE 2/27/84

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____

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

DATE: 2/26/84
 BY: [Signature]

CONDITIONS OF APPROVAL, IF ANY:

WILLIAM W. WHITLEY, OPERATOR

#1-26 D Federal

Sec. 26, T40S-R22E (NE NE)
(1050' FNL & 330' FEL) Sub-surface

Sec. 25, T40S-R22E (NW NW)
(125' FNL & 150' FWL) Surface
San Juan County, Utah

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MAR 2 1984

DIVISION OF
OIL, GAS & MINING

A.P.D. - Page 2

3. Proposed Casing Program:

- A. Conductor Pipe 80', 13-3/8", 32.75#, K-55, 8 rd th., ST&C new casing.
- B. Surface Casing Approx. 1100' of 9-5/8", 36#, K-55, ST&C, 8 rd th., new casing would be run and cemented to surface, if Navajo flowing water is encountered.
- C. Production Casing 5 1/2", 14#, and 15.5#, K-55, ST&C, 8 rd th., new casing or 4 1/2", 10.5#, K-55 LT&C, 8rd th., new casing.

4. Estimated depths of anticipated water, oil or gas zones:

- A. Navajo Sand 385' (Fresh water)
- B. Lower Ismay 5300' (Oil)
- C. Desert Creek 5400' (Oil)

5. The casinghead will be a flanged 13-3/8" x 10", 900 Series, 3000 psi working pressure type. The blowout preventer will be a 10", 900 Series, 3000 psi working pressure with 4 1/2" pipe rams and blind rams with a remote hydraulic closing unit. The blowout preventer arrangement will include a kill line and choke manifold as shown in Exhibit "G" in the schematic diagram. The BOP will be tested to 1000 psi prior to drilling out the cement plug in the surface casing and once during each tour.

6. Clear water with drilling detergent will be used for a circulating medium to about 4000' depth. The well will then be mudded up properly before drilling the Ismay formation. The mud will be a fresh water gel chemical type mud. The mud weight will be maintained at about 9.5 lbs./gal., viscosity 35 to 45 sec./qt., and water loss 6 to 8 cc.

7. The following auxiliary drilling equipment will be utilized or available:

- A. Kelly Cock
- B. Float valve above bit.
- C. A 3000-psi W.P. full opening valve will be screwed into a 4 1/2" drill pipe sub to be used as a stabbing valve.
- D. No mud monitoring equipment will be used.

8. No cores are planned on this well. Lower Ismay and Desert Creek porosity with oil shows will be drill stem tested. An Induction Electric Log will be run from total depth to the base of any casing. A Borehole Compensated Sonic-Gamma Ray Caliper log will be run over any indicated porosity zones with oil shows.

9. No abnormal pressures or temperatures are encountered in the immediate area. The pressure gradient in the Lower Ismay and Desert Creek porosity zones are about 0.388 psi/ft. depth. No hydrogen sulfide has been encountered in the Ismay, Desert Creek or shallower zones in this area.

10. The perforations in either the Ismay or Desert Creek formations will be acidized unless an adequate flow of hydrocarbons into the well bore is obtained by perforating only. The acid treatments should not be over 500 gallons of acid per foot of perforations. Normal treating pressures are anticipated. If flammable liquids are used to treat the well, the pumping equipment will be at least 120 feet from the wellhead and the pumping equipment will be at least 120 feet from the storage tanks.

11. It is planned to spud this well by approximately April 15, 1984.

RECEIVED
MAR 2 1984

WILLIAM W. WHITLEY

#1-26 D Federal

SURFACE (NW NW) (125' FNL & 150' FWL) Section 25
SUB-SURFACE (NE NE) (1050' FNL & 330' FEL) Section 26
Section 26, T40S-R22E
San Juan County, Utah

DIVISION OF
OIL, GAS & MINING

NTL-6 SURFACE USE PLAN

1. Existing Roads

A portions of a U.S.G.S. topographical map is attached as Exhibit "A" showing existing roads.

- A. The location plat is attached as Exhibit "B" which shows the location as staked. The well will be drilled in the NW NW (125' FNL & 150' FWL) of Section 25, T40S-R22E, San Juan County, Utah.
- B. The location is 10.4 miles from Utah State Highway 262 which is paved. You turn off Utah State Highway 262 to the west between the airstrip and Montezuma Creek School. The first mile is paved to Montezuma Creek which must be forded. From there on the road is bladed. It is 6.3 miles on the Bluff Bench Road from Montezuma Creek Trading Post to the Turner Bluff field road which turns off to the left (SW). The #1-25 Kirkwood Federal well is 1.3 miles past the turn and 0.6 miles beyond at the bottom of the sandstone outcrop, onto the flood plain, turn right onto a trail and go through a fence gate. Follow this trail along the Bluff sandstone outcrop 0.6 of a mile to two large cottonwood trees. The surface location is on the trail at this point.
The surface pad for drilling the location will be located on the terrace between the Bluff sandstone outcrop and the San Juan River flood plain.
- C. No new access road will be necessary. A trail now goes right to the proposed location.
- D. All existing roads within a one-mile radius are shown on the attached Exhibit "A".
- E. No improvements are planned for the existing access trail for drilling the well, except for installing one 15 inch culvert if the well is completed as a producer, and blading up the trail.

2. Planned Access Road

- A. An access road approximately 0.6 miles long will be necessary. The access road is on the sandy flat flood plain in the San Juan River drainage. It will be necessary to blade the road to elevate it about 18 inches. The crown would be 16 feet wide. The ditch and crown will not be over 24 feet wide.
- B. The access road will be on the flood plain. The terrace is relatively flat with some drainage across it.
- C. No turnouts will be necessary.
- D. One 15" culvert will be necessary in the access trail if the well is completed as a producer.
- E. No cuts will be necessary.
- F. No road surfacing materials will be required.
- G. No gates, cattleguards or fence cuts will be required. One fence must be crossed, but it has a cattleguard.
- H. The access road has an established trail now in existence, it is apparent where it will be located. It will not need to be flagged.

WILLIAM W. WHITLEY, OPERATOR

#1-26 D Federal

Surface (NW NW) Section 25, T40S-R22E

(125' FNL & 150' FWL)

Sub-Surface (NE NE) Section 26, T40S-R22E

(1050' FNL & 330' FEL)

San Juan County, Utah

NTL-6 - Page 2

3. Location of Existing Wells (Exhibit "C")

For all existing wells within a one-mile radius of this well:

- A. ✓ There is a water well located in the SW/4 NE/4 about 1900 feet FNL and 2150 feet FEL of Section 25.
- B. There are 4 plugged and abandoned wells within a one-mile radius of this location. They are in the SW/4 SE/4 Section 23, SE/4 NW/4, SW/4 SW/4, and NE/4 SW/4 of Section 24-T40S-R22E, San Juan County, Utah.
- C. There are no temporarily abandoned wells within a one-mile radius of this location.
- D. There are no disposal wells within a one-mile radius of this well.
- E. ✓ There is one well presently drilling within a one-mile radius of this proposed location. Chuska Energy is drilling a well in the NE/4 SE/4 of Section 26.
- F. There are five producing wells located within a one-mile radius of this proposed location. The #1-24 Federal located in the SW/4 SE/4 Section 24-T40S-R22E; the #1-25 Kirkwood Federal located in the NE/4 NW/4 Section 25-T40S-R22E; the #1-25 3E Federal located in the NE/4 NE/4 Section 25-T40S-R22E; the #1-25A KGS Federal which the surface location is located 1650' FNL & 2175' FWL (SE/4 NW/4) Section 25-T40S-R22E; and the #2-25 3E Federal located in the SW/4 NE/4 Section 25-T40S-R22E, San Juan County, Utah.
- G. There are no shut-in wells located within a one-mile radius of this proposed location.
- H. There are no injection wells located within a one-mile radius of this proposed location. (The #1-25 3E Federal well listed above as a producing well is being converted to a water disposal well.)
- I. There are no monitoring or observation wells for other uses located within a one-mile radius of this proposed location.

4. Location of Existing and/or Proposed Facilities

- A. Within a one-mile radius of this location the following existing facilities are owned or controlled by lessee/operator:
1. Tank Batteries in a one-mile radius are as follows:
 - a. 1-24 Federal - SW/4 SE/4 Section 24
 - (2) 400 bbl welded tanks, 12' diameter X 20' high for crude oil.
 - (1) 4' X 20" vertical heater treater.
 - (1) 400 bbl welded tank, 12' diameter X 20' high for produced water.
 - b. 1-25 Kirkwood Federal - NE/4 NW/4 Section 25
 - (3) 300 bbl welded tanks, 12' diameter X 15' high for crude oil.
 - (1) 6' X 20' vertical heater treater.
 - (1) 300 bbl welded tank, 12' diameter X 15' high for produced water.
 - c. 1-25 3E Federal - NE/4 NE/4 Section 25
 - (1) 300 bbl welded tank, 12' diameter X 15' high for crude oil.
 - (1) 300 bbl fiberglass tank, 12' diameter X 15' high for produced water.
 - d. 1-25A KGS Federal - SW/4 NW/4 Section 25
 - (3) 400 bbl welded tanks, 12' diameter X 20' high for crude oil.
 - (1) 400 bbl welded tank, 12' diameter X 20' high (plastic lined) for salt water.
 - (1) 4' X 15" horizontal heater treater.

WILLIAM W. WHITLEY, OPERATOR

#1-26 D Federal

Surface (NW NW) Section 25, T40S-R22E

(125' FNL & 150' FWL)

Sub-Surface (NE NE) Section 26, T40S-R22E

(1050' FNL & 330' FEL)

San Juan County, Utah

NTL-6 - Page 3

- e. 2-25 3E Federal - SW/4 NE/4 Section 25
 - (3) 400 bbl welded tanks, 12' diameter X 20' high for crude oil.
 - (1) 400 bbl welded tank, 12' diameter X 20' high for produced water.
 - (1) 4' X 15' horizontal heater treater.

2. Production Facilities within a one-mile radius are as follows:

- a. 1-24 Federal - SW/4 SE/4 Section 24
 - 1) Lufkin 456,000 in. lb. Pumping Unit
 - 2) E-42 Ajax Engine
 - 3) Gas Meter
 - 4) 3" Flow Line and 2" Circulating Line
- b. 1-25 Kirkwood Federal - NE/4 NW/4 Section 25
 - 1) National 456,000 in. lb. Pumping Unit
 - 2) E-42 Ajax Engine
 - 3) Gas Meter
 - 4) 3" Flow Line and 2" Circulating Line
- c. 1-25 3E Federal - NE/4 NE/4 Section 25
 - 1) National 114,000 in. lb. Pumping Unit
 - 2) Climax C-96 Engine
 - 3) 3" Flow Line and 2" Circulating Line
- d. 1-25A KGS Federal - SE/4 NW/4 Section 25
 - 1) 3" Flow Line and 2" Circulating Line (Flowing Well)
 - 2) Gas Meter
- e. 2-25 3E Federal SW/4 NE/4 Section 25
 - 1) American 320 in. lb. Pumping Unit
 - 2) E-42 Ajax Engine
 - 3) Gas Meter
 - 4) 3" Flow Line and 2" Circulating Line

3. Oil Gathering Lines: None

4. Gas Gathering Lines: A gas gathering line is located across Sections 24 and 25. It has been purchased by the operator and it is collecting casinghead gas from the treaters at the 1-24 Federal and the 1-25 Kirkwood Federal. The main line is 6" steel line and 4" plastic line and the gathering line from the main line to the treaters is 3" plastic line. The 3" plastic line goes to the 2-25 3E Federal (SW/4 NE/4 Section 25) and the 1-25A KGS Federal (SE/4 NW/4 Section 25).

5. Injection Lines: None

6. Disposal Lines: None

B. If production is obtained, new facilities will be as follows:
A pumping unit, engine and gas meter.

- 1. The tank battery will consist of two or three 400 barrel welded tanks as shown on Exhibit "D" and a 4' X 20' or 6' X 20' vertical treater. If necessary, a 400 barrel water tank will be added for produced water. The treater will be located at least 125 feet

WILLIAM W. WHITLEY, OPERATOR

#1-26 D Federal

Surface (NW NW) Section 25, T40S-R22E

(125' FNL & 150' FWL)

Sub-Surface (NE NE) Section 26, T40S-R22E

(1050' FNL & 330' FEL)

San Juan County, Utah

NTL-6 - Page 4

from the wellhead and the stock tanks will be located at least 125 feet from the wellhead and the treater. The production facilities will be painted a buff color to blend in with the natural color of the area.

2. Exhibit "D" shows the location and dimensions of the proposed facilities.
3. The oil and gas flow lines will be 3" fiberglass or steel lines wrapped with a plastic protective coating buried 3 feet deep. The circulating line will be 2" in diameter steel line, also buried. When the pumping unit is installed, it will be installed on a gravel pad with a wide base.
4. The production pit will be fenced. If the well produces over 5 BWPd, the production pit will be lined and flagged unless the water is fresh. The pumping unit will have guard rails installed around the crank weights and belt guards will be installed over the V-belts from the engine to the pumping unit. A siphon pit will be installed ahead of the water disposal pit if the well produces any water.

G. Plan for Rehabilitation of Disturbed Areas no longer needed for Operations:

The reserve pit will be backfilled and recontoured to the original contour as close as practical & the topsoil replaced. If the well is plugged and abandoned, the location will be leveled and the topsoil replaced. All foreign material will be buried in the reserve pit. Topsoil will be re-seeded in a native grass seed mixture consisting of 2 lbs./acre Indian ricegrass, 2 lbs./acre Fourwing saltbush & 2 lbs./acre Sand dropseed as prescribed by the BLM. The re-seeding will be done at the appropriate time of year so that seeds will germinate properly. The same procedure will be followed for the location pad and access road if the well is plugged and abandoned.

5. Location and Type of Water Supply

The drilling water will be hauled from a water hole existing approximately 1.2 miles east by road from this proposed location. There is an existing road going directly to the water hole.

6. Source of Construction Material

The only construction material necessary will be gravel purchased from and hauled in by a commercial source for a wide based pumping unit.

7. Method for Handling Waste Disposal

- A. Cuttings: Drill cuttings will be contained in the reserve pit.
- B. Drilling Fluids: Drilling fluids will be contained in steel mud tanks and the reserve pit. The reserve pit will be fenced if it cannot be backfilled immediately after the well is drilled.

WILLIAM W. WHITLEY, OPERATOR

#1-26 D Federal

Surface (NW NW) Section 25, T40S-R22E

(125' FNL & 150' FWL)

Sub-Surface (NE NE) Section 26, T40S-R22E

(1050' FNL & 330' FEL)

San Juan County, Utah

NTL-6 - Page 5

- C. Any Produced Oil will be contained in steel swab or test tanks. Produced water, if any, will be contained in the production pit after the well is completed and in swab tanks or the reserve pit until the well is completed and the battery is installed.
 - D. Sewage will be disposed of in the reserve pit or sanitary holes.
 - E. Garbage and waste material will be contained in the trash pit to be dug by a backhoe. The trash pit will be fenced and covered with a mesh fence.
 - F. The wellsite will be policed of all foreign material after the drilling and completions rigs are moved off. All trash will be buried or burned. The reserve pit will be backfilled and reseeded.
8. Ancillary Facilities - Not applicable.
9. Wellsite Layout
- A. The surface at the location is relatively flat. A cross-section of the location pad is included as Exhibit "E".
 - B. The layout of the rig is shown on Exhibit "F".
 - C. The rig orientation, parking areas, and entrance of access road are shown on Exhibit "F".
 - D. The reserve pit will be lined if necessary. The water disposal pit will be lined if the well produces over 5 BWPD or the water will be contained in welded steel or fiberglass storage tanks.
 - E. The location of the production facilities is shown on Exhibit "D".
10. Plans for Restoration of Surface
- A. The reserve pit will be backfilled and recontoured to the original contour as closely as practical and the topsoil replaced. The location will be leveled and topsoil replaced. All foreign material will be buried in the reserve pit in accordance with BLM requirements.
 - B. The topsoil will be replaced and reseeded to native grasses according to the BLM's specifications on all the unused portions of the location and all of the reserve pit. In case of a dry hole, the road will be reseeded.
 - C. The reserve pit will be fenced on three sides while the rig is drilling and on the fourth side as soon as the rig is moved off and until it is backfilled. The reserve pit will be backfilled as soon as it dries up enough.
 - D. If any oil is left on the reserve pit, it will be removed.
 - E. The reserve pit will be backfilled as soon as it dries up enough and the weather permits. The location will be leveled as soon as the rig moves off if the well is plugged and abandoned, or after production operations are suspended if the well is a producer. The topsoil will be replaced and the location will be reseeded when the weather is right after the location is restored.

WILLIAM W. WHITLEY, OPERATOR

#1-26 D Federal

Surface (NW NW) Section 25, T40S-R22E
(125' FNL & 150' FWL)

Sub-Surface (NE NE) Section 26, T40S-R22E
(1050' FNL & 330' FEL)

San Juan County, Utah

NTL-6 - Page 6

- F. The operator or his contractor will contact the BLM office in Monticello, Utah, 801-587-2201, 48 hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.
- G. All disturbed areas will be ripped 12 inches deep with the contour.
- H. The well is planned to be drilled during April, 1984, if a rig is available. The rehabilitation operations should be completed by early fall.

11. Other Information

- A. The topography in the general area is rough, but this location is on a flat surface. The soil should be easy to doze. The surface at this location is about 70 percent bare, 10 percent broom snake weed, 15 percent native grasses, 5 percent grease wood and low growing weeds. This well will be spudded in the Morrison Formation.
- B. The surface is very arid and the only thing the land could be used for is sheep or cattle grazing. The surface is owned by the Federal Government.
- C. No occupied building, historical sites, cultural sites or archeological sites are evident from inspecting this location or the access roads.

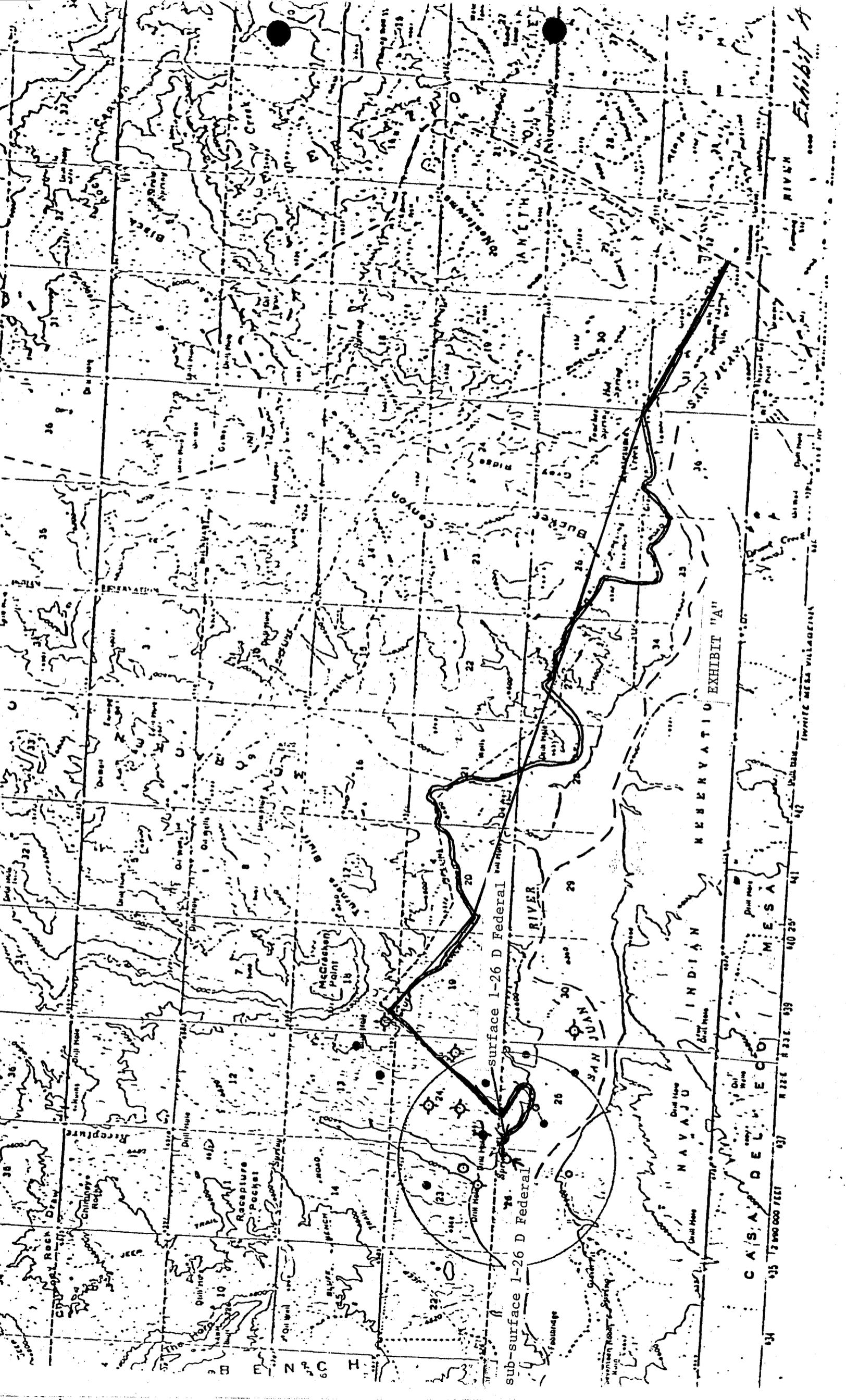
12. Lessee's or Operator's Representatives

The Operator's field representative, who will be responsible for compliance with the Surface Use and Operations Plan, is Robert W. Peterson. Mr. Peterson can be reached by telephone at (303) 861-2470. If Mr. Peterson cannot be reached, Mr. Stan Thompson will be responsible for compliance. Mr. Thompson can be reached by telephone at (307) 875-4649.

- 13. 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 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 William W. Whitley, and William W. Whitley's contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.


ROBERT W. PETERSON, Petroleum Engineer

RWP:m



sub-surface 1-26 D Federal

surface 1-26 D Federal

EXHIBIT "A"

CASA DEL ECO

NAVAJO

INDIAN

RESERVATION

0 100 200 300 400 500 600 700 800 900 1000

FEET

140 25'

141

142

143

144

145

146

147

148

149

U 056794

U 056794

PETROLEUM, INC.
Exp 9-79

CONNELLY-
LAUTH

1 LADD, PET. INC. CONSOLIDATED
ZOLLER & OIL & GAS,
DANNHEBERS PETROLEUMS
& CO.

RECEIVED
14 MAR 2 1984

DIVISION OF
OIL, GAS & MINING

U 010588 U 010588

HOLMES L & M

3 CONSOLIDATED
068

W.W.W
Propose
U 010588

U 9820

U 056794

W WHITLEY
Exp 4-89

W WHITLEY
Exp 3-82

Federal 23-32

W WHITLEY

C. BRICE

KIRKWOOD OIL CO.

W WHITLEY

DAVIS OIL CO

1-23 State

U 18433

U 10151

M 1-3587 1-260 Federal

U 42474

1-25 Mitchell W WHITLEY
Federal Exp 3-82

1-25 36 Federal

U 20536

U 18433

U 41696

1-25A-MGS
Surface

2-25 38 Federal

U 23797

U 18433

MSR

U 18433

EXHIBIT "C"

Exhibit E



POWERS ELEVATION



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1"=50'

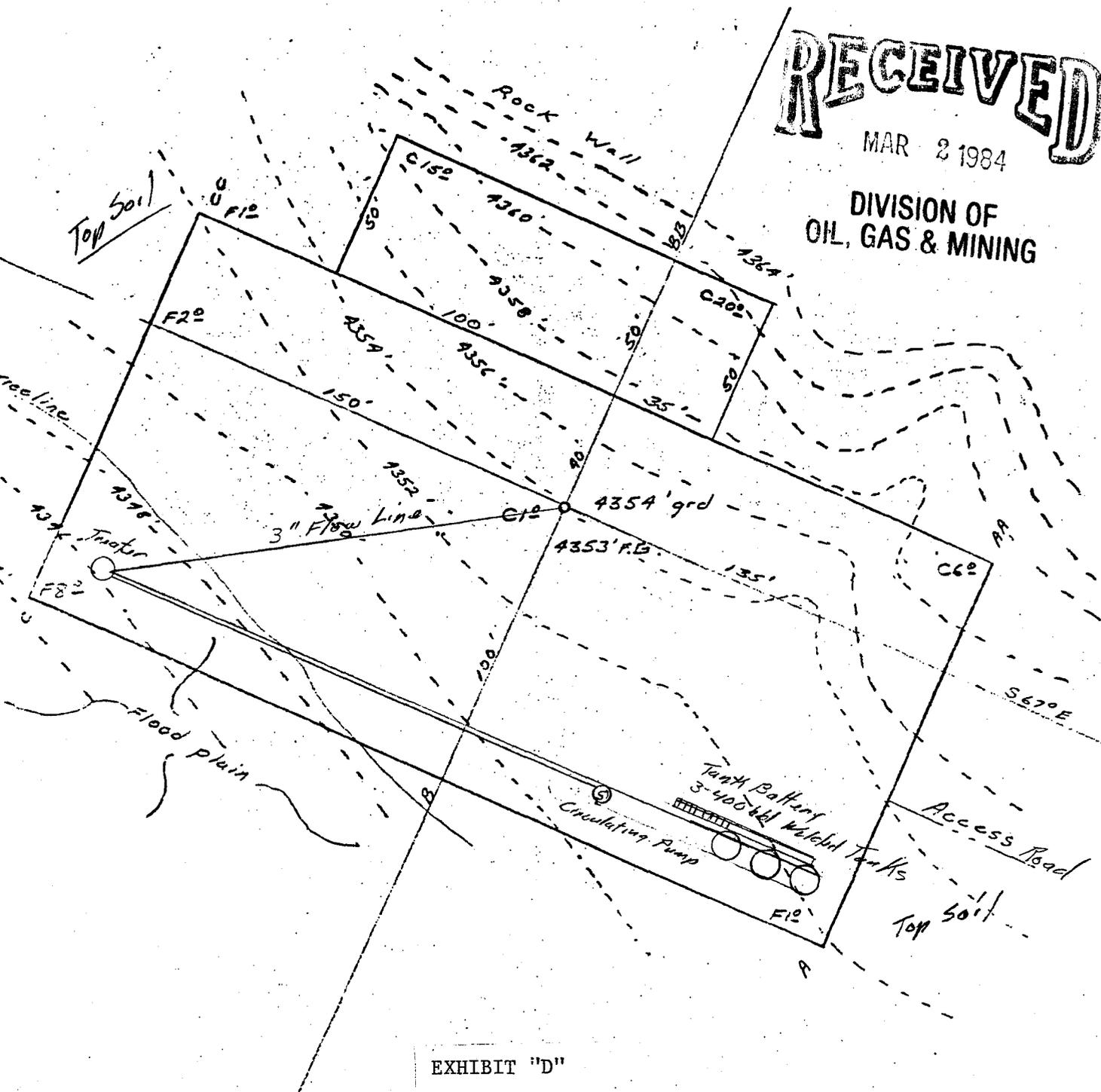


EXHIBIT "D"



POWERS ELEVATION

Well 1-26 Directional Hole

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

Cut //
Fill: - - -

Scales: 1"=50'H.
1'=20'V.

RECEIVED

MAR 2 1984

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OIL, GAS & MINING

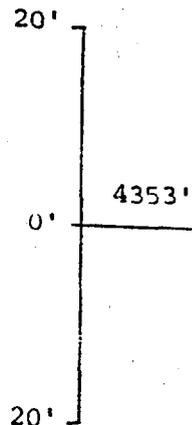
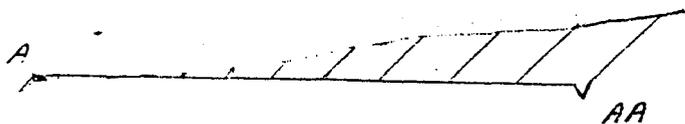
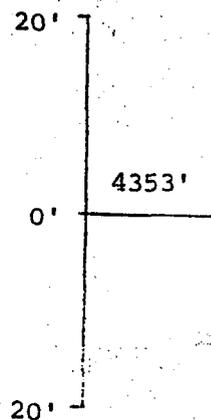
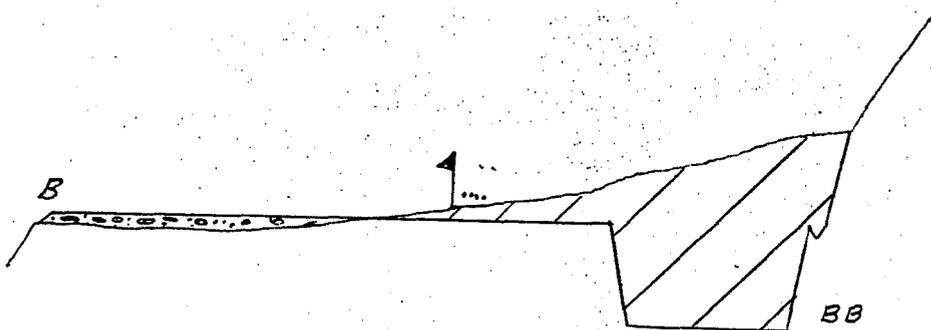
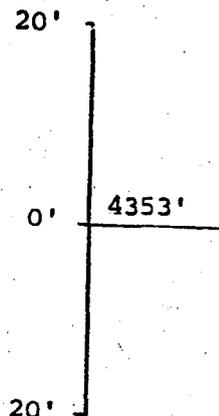
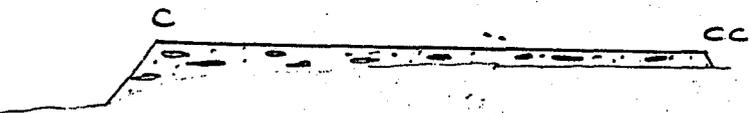
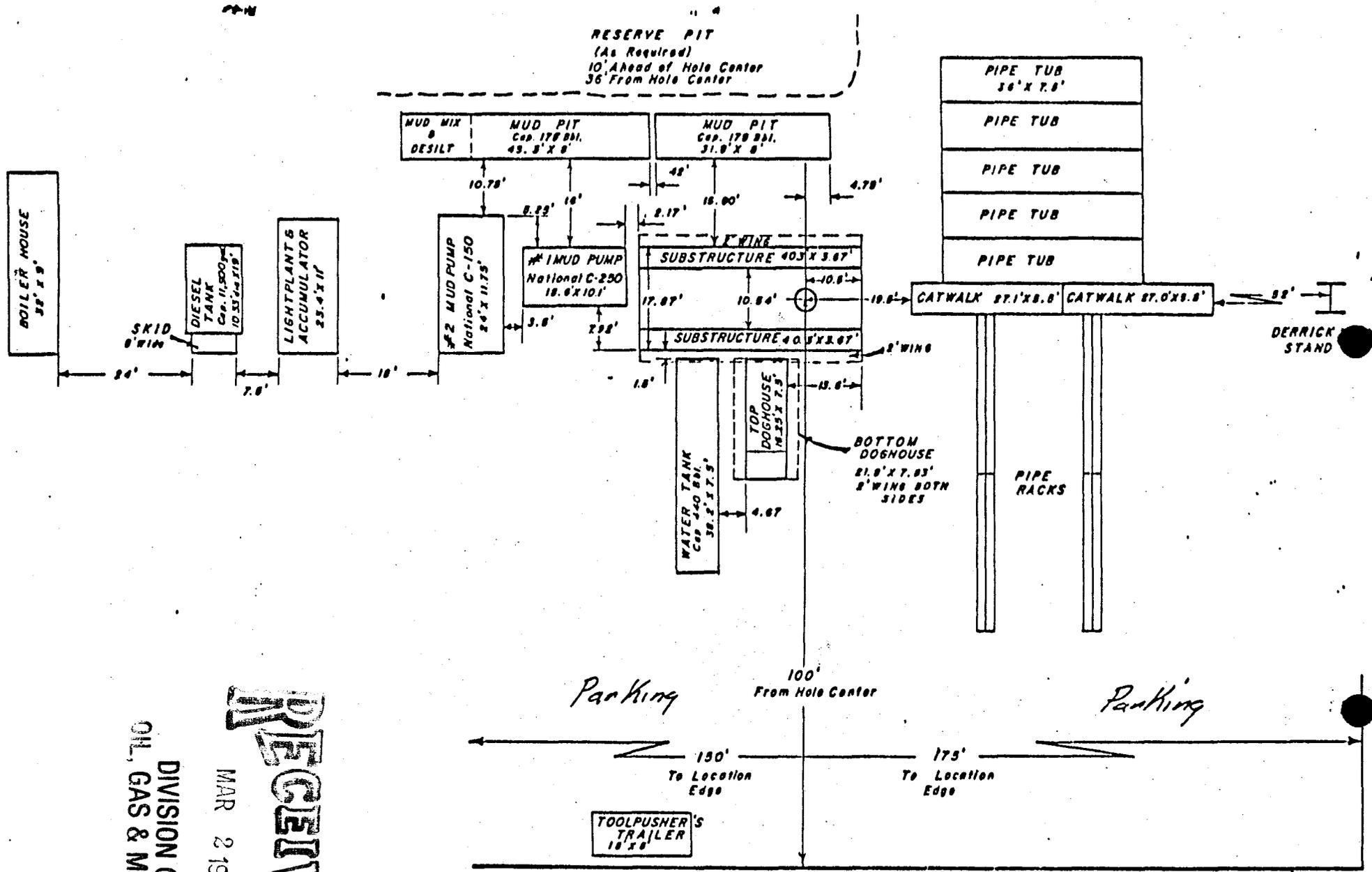


EXHIBIT "E"



DIVISION OF
OIL, GAS & MINING

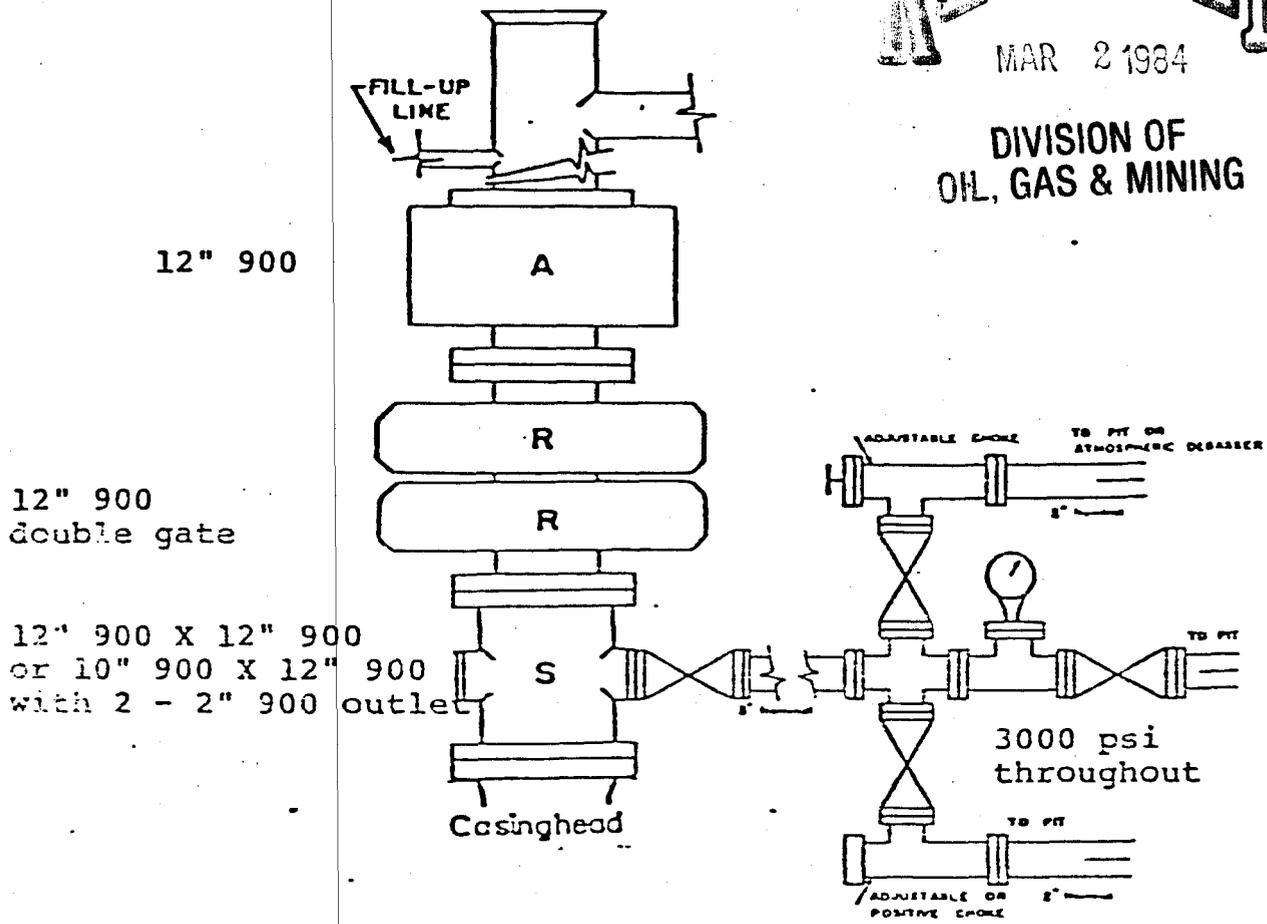
RECEIVED
MAR 2 1984

Dimensions in Feet
Lengths Measured Over Skids

EXHIBIT "F"

RECEIVED
MAR 2 1984

DIVISION OF
OIL, GAS & MINING



12" 900

12" 900
double gate

12" 900 X 12" 900
or 10" 900 X 12" 900
with 2 - 2" 900 outlet

EXHIBIT "G"

Please add or replace the enclosed material in your DST report folder.

Lease owner P & M PETROLEUM MANAGEMENT

Lease name FEDERAL Well No. 1 - 26 D

DST # 1 Halliburton Ticket No. 718224

Date of test 5-31-84

P. & M Petroleum mfg.

OPERATOR William W. Whitley

DATE 3-7-84

WELL NAME Fed. # 1-26 D

SEC (surface) 25 (NWNW) (BFL) 26 (NE) T 405 R 22E COUNTY San Juan

43-637-30994
API NUMBER

U-41696
TYPE OF LEASE

POSTING CHECK OFF:

<input type="checkbox"/>	INDEX	<input type="checkbox"/>	HL	<input type="checkbox"/>
<input type="checkbox"/>	NID	<input type="checkbox"/>	PI	<input type="checkbox"/>
<input type="checkbox"/>	MAP	<input type="checkbox"/>		<input type="checkbox"/>

PROCESSING COMMENTS:

Feed Water

APPROVAL LETTER:

SPACING: A-3 _____ UNIT

c-3-a 185-2
CAUSE NO. & DATE

c-3-b

c-3-c

SPECIAL LANGUAGE:

1. water

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

AUTHENTICATE LEASE AND OPERATOR INFORMATION

VERIFY ADEQUATE AND PROPER BONDING

AUTHENTICATE IF SITE IS IN A NAMED FIELD, ETC.

APPLY SPACING CONSIDERATION

ORDER _____

UNIT _____

c-3-b

c-3-c

CHECK DISTANCE TO NEAREST WELL.

CHECK OUTSTANDING OR OVERDUE REPORTS FOR OPERATOR'S OTHER WELLS.

IF POTASH DESIGNATED AREA, SPECIAL LANGUAGE ON APPROVAL LETTER

IF IN OIL SHALE DESIGNATED AREA, SPECIAL APPROVAL LANGUAGE.

March 27, 1984

P & M Petroleum Management
1600 Braodway, Suite 1700
Denver, Colorado 80202

RE: Well No. Federal 1-26D
(Surface) NWNW Sec. 25, 40S, R. 22E
125' FNL, 150' FWL
(BHL) NENE Sec. 26, T. 40S, R. 22E
1050' FNL, 330' FEL
San Juan County, Utah

Gentlemen:

Approval to drill the above referenced oil well is hereby granted in accordance with Order of Cause No. 185-2 dated January 20, 1980, subject to the following stipulations:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water.

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify R. J. Firth, Chief Petroleum Engineer, Telephone (801) 533-5771 (Office), 571-6068 (Home).
4. Compliance with the requirements and regulations of Rule C-27, Associated Gas Flaring, General Rules and Regulations, Oil and Gas Conservation.
5. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an

P & M Petroleum Management
Well No. Federal 1-26D
March 27, 1984
Page 2

application for an extension is made prior to the approval
expiration date.

The API number assigned to this well is 43-037-30994.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

RJF/as
cc: Branch of Fluid Minerals
Encl.

IGT

P & M PETROLEUM MANAGEMENT
1-26D FEDERAL
NE NE 26-T40S-R22E
SAN JUAN COUNTY, UTAH

INTERMOUNTAIN GEO TECH, INC.
P. O. BOX 158
DELTA, COLORADO 81416
303-874-7762

P & M PETROLEUM MANAGEMENT
1-26D FEDERAL
NE NE 26-T40S-R22E
SAN JUAN COUNTY, UTAH

CONTENTS

1. SUMMARY OF DAILY ACTIVITY	1
2. BIT RECORD SHEET	2
3. DEVIATION RECORD SHEET	3
4. DST & SHOW SHEET	4-6

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

DRILLING CONTRACTOR:	Bayless Rig #1 Farmington, New Mexico
DRILLING FOREMAN:	Mr. Stan Thompson
PUSHER:	Mr. Guy Easley
GEO TECHNOLOGISTS:	Mr. Nick Larkin Intermountain GEO TECH, Inc. Delta, Colorado
DRILLING FLUID:	Mr. John Carpenter Mr. Mike Kennedy H & W Drilling Fluids (Thymea) Denver, Colorado
DRILL STEM TESTS:	Mr. Gene Roberts Halliburton Services Farmington, New Mexico
WIRE LINE LOGS:	Ms. Shelly Williams Schlumberger Well Services Farmington, New Mexico
GEOLOGIST:	Mr. Kelly Vitali Denver, Colorado
OTHER:	Mr. Kirk Christenson Wilson Downhole Evanston, Wyoming

P & M PETROLEUM MANAGEMENT
 1-26D FEDERAL
 NE NE 26-T40S-R22E
 SAN JUAN COUNTY, UTAH

SUMMARY OF DAILY ACTIVITY

DATE	ACTIVITY	MIDNITE DEPTH	24 HOUR FOOTAGE
5-23-84	UNIT #2 ON LOCATION, RIGGED UP, DRLG	--	--
5-24-84	DRLG, SURVEY, TOH NB #10, TIH DRLG, SURVEY	3971	189
5-25-84	DRLG, SURVEY, TOH NB#11, TIH DRLG, SURVEY	4160	158
5-26-84	DRLG, SURVEY	4318	233
5-27-84	DRLG, SURVEY	4551	257
5-28-84	DRLG, SURVEY	4808	247
5-29-84	DRLG, SURVEY, TOH NB #12, TIH, DRLG	5055	195
5-30-84	DRLG, SURVEY, CIRC, TOH FOR DST #1	5250	166
5-31-84	DST #1, TIH, DRLG	5416	64
6-01-84	DRLG, TO 5590, CIRC, TOH FOR E LOGS	5480	110
6-02-84	RUNNING E LOGS, UNIT #2 RIGGED DOWN, OFF LOCATION	5590	--

P & M PETROLEUM MANAGEMENT
1-26D FEDERAL
NE NE 26-T40S-R22E
SAN JUAN COUNTY, UTAH

BIT RECORD

BIT	MAKE	SIZE	TYPE	DEPTH OUT	FOOTAGE USED	HOURS
1	STC	12 $\frac{1}{4}$	F-2	285	285	5 $\frac{1}{4}$
2	STC	12 $\frac{1}{4}$	F-3	1155	870	19 $\frac{1}{4}$
3	SEC	8 $\frac{3}{4}$	H2756	1500	345	33
4	HTC	8 $\frac{3}{4}$	J-3	1841	341	11
5	HTC	8 $\frac{3}{4}$	J-3	2059	218	7 $\frac{1}{4}$
6	VAREL	8 $\frac{3}{4}$	V527	3388	1329	46
7	VAREL	8 $\frac{3}{4}$	V537	3652	242	11 $\frac{1}{4}$
8	VAREL	8 $\frac{3}{4}$	V537 RR	3748	96	11 $\frac{1}{4}$
9	STC	8 $\frac{3}{4}$	F-3	4033	285	19
10	HTC	8 $\frac{3}{4}$	J33H	4212	179	16 $\frac{1}{4}$
11	STC	8 $\frac{3}{4}$	F-3 RR	5144	933	85
12	HTC	8 $\frac{3}{4}$	J-33H RR	5590	445	30 $\frac{1}{4}$

P & M PETROLEUM MANAGEMENT
 1-26D FEDERAL
 NE NE 26-T40S-R22E
 SAN JUAN COUNTY, UTAH

DEPTH	DEVIATION	DIRECTION	DEPTH	DEVIATION	DIRECTION
1454	1½°	S 52 W	3508	14¼°	S 19 W
1485	1½°	S 65 W	3600	15½°	S 16 W
1516	2°	S 38 W	3625	15¾°	S 16 W
1547	2½°	S 29 W	3656	15½°	S 20 W
1578	3°	S 03 W	3687	15¼°	S 24 W
1609	3½°	S 08 W	3756	15°	S 28 W
1640	4½°	S 05 W	3818	14°	S 31 W
1671	5¼°	S 07 W	3847	14½°	S 27 W
1703	6°	S 15 W	3909	14°	S 28 W
1755	7½°	S 18 W	4003	13¾°	S 25 W
1795	8¼°	S 22 W	4028	13½°	S 28 W
1826	9°	S 25 W	4059	13½°	S 30 W
1889	10¾°	S 25 W	4090	14°	S 30 W
1951	12½°	S 22 W	4122	14½°	S 29 W
2013	14¼°	S 23 W	4154	14½°	S 28 W
2046	15¼°	S 21 W	4225	15¼°	S 26 W
2107	16°	S 23 W	4286	15¼°	S 27 W
2171	16°	S 23 W	4379	15¼°	S 26 W
2265	15¾°	S 23 W	4505	14¾°	S 28 W
2358	15½°	S 23 W	4597	14½°	S 27 W
2453	15¼°	S 19 W	4691	14°	S 28 W
2582	15°	S 23 W	4785	13°	S 29 W
2707	14¾°	S 20 W	4879	12¼°	S 29 W
2862	14¼°	S 21 W	4973	11¾°	S 31 W
3019	13½°	S 22 W	5065	11¼°	S 33 W
3112	13¼°	S 24 W	5190	10¾°	S 31 W
3206	13¼°	S 24 W	5285	10¾°	S 34 W
3359	12°	S 24 W	5379	11°	S 35 W
3447	13¼°	S 22 W	5532	10½°	S 34 W

Intermountain GEO TECH
DST & SHOW SHEET

SHOW # 1 INTERVAL 5350 TO 5388 DATE 5/30/84

COMPANY: P & M PETROLEUM MANAGEMENT

WELL: 1-26D FEDERAL

FIELD: Turner Bluff

	BEFORE SHOW	DURING SHOW	AFTER SHOW
<u>DRILLING RATE</u>	3-3½ min./ft.	1½-2 min./ft.	3-3½ min./ft.
<u>TOTAL GAS UNITS</u>	21	351	78 units
<u>%METHANE</u>	.02	1.6	.05
<u>%ETHANE</u>	tr	.76	tr
<u>%PROPANE</u>	---	.39	---
<u>%BUTANE (ISO)</u>	---	.25	---
<u>%BUTANE (NORM)</u>	---	.09	---
<u>%PENTANES</u>	---	---	---

SAMPLE LITHOLOGY: 100% LS, wh lt bff

SAMPLE FLUO-CUT: _____

DST #	INTERVAL	TIME	TO	DATE
1	5336	Min.	5416	5/31/84
			PRESSURE (psi)	
Halliburton - Gene Roberts			Top Chart	Bottom Chart
<u>INITIAL HYDROSTATIC</u>			2584	2623
INITIAL OPEN	17		401-614	480-665
INITIAL SHUT-IN	60		2077	2118
SECOND OPEN	76		614-1118	612-1140
SECOND SHUT-IN	120		2024	2089
<u>FINAL HYDROSTATIC</u>			2557	2596

BHT (°F): 126° F.

1ST FLOW: Open with strong blow, 4 lb increase to 15 lb 2 min 75 lb in 7 min 90 lb 9 min 145 15 min, GIS in 16 min on ½" choke

2NE FLOW: Open ½" choke good blow, 25 lb 15 min stable at 15 lb 27 min Fluid to surface oil to tanks in 45 min

REMARKS

DRILL PIPE RECOVERY: Recovered 37 barrels in 30 minutes, 165 lb close end

SAMPLE CHAMBER REC:	WT	R/W	NITRATES	CHLORIDES	CHROMATES
	ppg		ppm	ppm	ppm
Drill Pipe: Top:	/	/	at . . . °F/	/	/
Middle:	/	/	at . . . °F/	/	/
Bottom:	/	/	at . . . °F/	/	/
SAMPLE CHMBR:	/	/	at . . . °F/	/	/
PIT MUD:	/	/	at . . . °F/	/	/

(GAUGED FLOW:)

GEO-TECHNOLOGIST: Nick Larkin

Intermountain GEO TECH
DST & SHOW SHEET

SHOW # 2 INTERVAL 5508 TO 5519 DATE 6-1-84
 COMPANY: P & M PETROLEUM MANAGEMENT
 WELL: 1-26D FEDERAL
 FIELD: Turner Bluff

	BEFORE SHOW	DURING SHOW	AFTER SHOW
DRILLING RATE	4½-5 min./ft.	2½-3 min./ft.	4 min./ft.
TOTAL GAS UNITS	3	44	10
%METHANE	.01	.07	.02
%ETHANE	tr	.02	tr
%PROPANE	--	.01	--
%BUTANE (ISO)	--	.001	--
%BUTANE (NORM)	--	--	--
%PENTANES	--	--	--

SAMPLE LITHOLOGY: 100% LS, BFF-TN, TN, BRN, INCR IN WH, WH CHKY, ANHY INCL, DOL IP, PINPOINT VUGGY TIGHT PORO

SAMPLE FLUO-CUT: _____

DST #	INTERVAL	TIME	TO	PRESSURE (psi)	DATE
		Min.	Top Chart		Bottom Chart
INITIAL HYDROSTATIC					
INITIAL OPEN					
INITIAL SHUT-IN					
SECOND OPEN					
SECOND SHUT-IN					

FINAL HYDROSTATIC

BHT (°F): _____

1ST FLOW: _____

2NE FLOW: _____

REMARKS _____

DRILL PIPE RECOVERY: _____

SAMPLE CHAMBER REC: _____

	WT ppg	R/W	NITRATES ppm	CHLORIDES ppm	CHROMATES ppm
Drill Pipe: Top:	/	/	at . . . °F/	/	/
Middle:	/	/	at . . . °F/	/	/
Bottom:	/	/	at . . . °F/	/	/
SAMPLE CHMBR:	/	/	at . . . °F/	/	/
PIT MUD:	/	/	at . . . °F/	/	/

(GAUGED FLOW:)

GEO-TECHNOLOGIST: Nick Larkin

Intermountain GEO TECH
DST & SHOW SHEET

SHOW # 3 INTERVAL 5533 TO 5539 DATE 6-1-84
 COMPANY: P & M PETROLEUM MANAGEMENT
 WELL: 1-26D FEDERAL
 FIELD: Turner Bluff

	BEFORE SHOW	DURING SHOW	AFTER SHOW
<u>DRILLING RATE</u>	4-5 min./ft.	3-3½ min./ft.	4½-5 min./ft.
<u>TOTAL GAS UNITS</u>	3	60	12
<u>%METHANE</u>	tr	.11	.01
<u>%ETHANE</u>	--	.03	tr
<u>%PROPANE</u>	--	.02	--
<u>%BUTANE (ISO)</u>	--	.01	--
<u>%BUTANE (NORM)</u>	--	.001	--
<u>%PENTANES</u>	--	--	--

SAMPLE LITHOLOGY: LS, BFF-WH, WH GY-WH, INCR IN WH CHKY, SKINNY TO PINPOINT VUGS, TIGHT PORO

SAMPLE FLUO-CUT: TR YEL FLUO - NO TO SLOW CRUSH CUT

DST #	INTERVAL	TIME	TO	PRESSURE (psi)		DATE
		Min.	Top Chart	Bottom Chart	Bottom Chart	
<u>INITIAL HYDROSTATIC</u>						
<u>INITIAL OPEN</u> -----						
<u>INITIAL SHUT-IN</u> -----						
<u>SECOND OPEN</u> -----						
<u>SECOND SHUT-IN</u> -----						

FINAL HYDROSTATIC

BHT (°F): _____

1ST FLOW: _____

2NE FLOW: _____

REMARKS _____

DRILL PIPE RECOVERY: _____

SAMPLE CHAMBER REC: _____

	WT ppg	R/W	NITRATES ppm	CHLORIDES ppm	CHROMATES ppm
Drill Pipe: Top: /	/	at . . . °F/	/	/	/
Middle: /	/	at . . . °F/	/	/	/
Bottom: /	/	at . . . °F/	/	/	/
SAMPLE CHMR: /	/	at . . . °F/	/	/	/
PIT MUD: /	/	at . . . °F/	/	/	/

(GAUGED FLOW:)

GEO-TECHNOLOGIST: Nick Larkin

*Water
K
W*

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

NAME OF COMPANY: P & M PETROLEUM MANAGEMENT

WELL NAME: 1-26 D Federal

BHL - NENE 26
SECTION (Surf) 25 TOWNSHIP 40S RANGE 22E COUNTY SAN JUAN

DRILLING CONTRACTOR Bayless

RIG # 1

SPUDDED: DATE 5-11-84

TIME 11:00 PM

How Rotary

DRILLING WILL COMMENCE _____

REPORTED BY Margo Medina

TELEPHONE # 303-861-2470

DATE 5-14-84 SIGNED CJ

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1424.

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. U-41696
2. NAME OF OPERATOR P & M PETROLEUM MANAGEMENT		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR 1600 Broadway, Suite 1700, Denver, CO 80202		7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 125' FNL & 150' FWL (NW/4 NW/4) Sec. 25 1050' FNL & 330' FEL (NE/4 NE/4) Sec. 26		8. FARM OR LEASE NAME Federal
14. PERMIT NO. 43-037-30994	15. ELEVATIONS (Show whether DF, RT, GR, etc.) 4354' G.L.	9. WELL NO. #1-26D
16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data		10. FIELD AND POOL, OR WILDCAT Turner Bluff
NOTICE OF INTENTION TO:		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 25, T40S-R22E (surface) Sec. 26, T40S-R22E (subsurface)
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	12. COUNTY OR PARISH 13. STATE San Juan Utah
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	
(Other) <input type="checkbox"/>		
SUBSEQUENT REPORT OF:		
WATER SHUT-OFF <input type="checkbox"/>		REPAIRING WELL <input type="checkbox"/>
FRACTURE TREATMENT <input type="checkbox"/>		ALTERING CASING <input type="checkbox"/>
SHOOTING OR ACIDIZING <input type="checkbox"/>		ABANDONMENT* <input type="checkbox"/>
(Other) <u>Drilling Activity</u> <input checked="" type="checkbox"/>		
(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)		
17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*		

Per State approval please find attached report of drilling activity as of today's date 5/15/84.

RECEIVED

MAY 17 1984

DIVISION OF OIL
GAS & MINING

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

SIGNED Robert J. Peterson TITLE Petroleum Eng/Agent DATE 5/15/84

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: _____

P. & M PETROLEUM MANAGEMENT, OPERATOR

#1-26 D Federal

NW NW Sec. 25, T40S-R22E (surface)

(125' FNL & 150' FWL)

NE NE Sec. 26, T40S-R22E (sub-surface)

(1050' FNL & 330' FEL)

San Juan County, Utah

- Contractor: Bayless Drilling Rig #1

EST TD: 5600' T.V.D.

Elevation: 4354' G.L.

DAILY DRILLING REPORT

5-14-84

(con't)

temperature change below 460'. Perf'd 4 holes in 9-5/8" @ 445' K.B. Squeezed perfs w/100 sx. thixotropic cement followed by 150 sx. Class B cement. Had good cement returns to surface, but did not shut off water flow on outside of 13-3/8" casing. W.O.C. 8 hrs. Squeezed same perfs w/400 sx. thixotropic cement (16 lbx/gal.). Started pumping in perfs @ 1000 psi and pressure slowly built up to 2500 psi maximum pressure and then quit moving. Left 350' of cement in casing (101 sx.) but shut off water flow to surface.

5/15/84

4 DOL, depth @ 1155', drilling out cement @ 487. Bit No. 3, Serial #944352, Size 8 3/4, SEC, 2-12's + 1 blank, New, 14'-487'. WOB 20,000, RPM 40, Pump Press 1600, SPM 92, Liner Size 6 1/2" x 8" Triplex - pumps compounded. String Assembly: Bit sub + 14 D.C.'s. Remarks: At 445' tested casing to 1500' psi. Held 10 min. then released pressure. Short 30' sample from bottom of surface casing to 4000'. Rig time: Drilling cement 10 1/2 hrs., Squeeze 1 hr., WOC 4 hrs., Weld on head 6 hrs., Nipple up 2 hrs., Weld stand pipe 1/2 hr.

P & M PETROLEUM MANAGEMENT, OPERATOR

#1-26 D Federal

NW NW Sec. 25, T40S-R22E (surface)

(125' FNL & 150' FWL)

NE NE Sec. 26, T40S-R22E (sub-surface)

(1050' FNL & 330' FEL)

San Juan County, Utah

Contractor: Bayless Drilling Rig #1

EST TD: 5600' T.V.D.

Elevation: 4354' G.L.

DAILY DRILLING REPORT

5-9-84 Building location

5-10-84 MI dry hole digger, drilled & ran 22' of 20" conductor pipe & set @ 20' w/4 yards Redi-mix.

5-11-84 Drilled 17½" hole to 80' & ran 13-3/8", 48# surface casing, set @ 78', cemented w/80 sx. Class B + 2% CaCl, left 10' inside casing - good returns.

5-12-84 1 DOL, depth @ 344' drilling, made 251' in last 24 hours. Formation is Navajo sand & shale. Drilling w/water. Bit No. 1: # JN7N5, 12¼", STC, F-2, 3-13's, used from 93-285', 192'/5-3/4 hrs., 33.4'/hr. Bit No. 2: #206023, 12¼", STC, F-3, 3-14's, used from 285-344', 59' ½ hr., 118'/hr. WOB All, ROM 120, PP 1800, SPM 92 & 96, liner 6½" X 8" triplex - pumps compounded. Deviation surveys: 1° @ 285'. Rig time: drilling 6½ hrs., tripping 1¼ hrs., drill cement ½ hr. Started drilling 11 PM 5/11/84. 20' cement in 13-3/8" conductor pipe. Water flow @ 196'. Installed 12" 900 Hydril Preventor on 13-3/8" conductor pipe.

5-13-84 2 DOL, depth @ 1155', drilling, made 811' in last 24 hours. Drilling w/water. Bit No. 2: (prev. desc.) from 285-1155', 870'/19¼ hrs., 45.2'/hr. WOB 20-30,000, RPM 100-125, PP 1800, SPM 96 & 92, liner 6½" X 8" triplex - pumps compounded. Deviation survey: 2° @ 607', 2° @ 782', 2° @ 1155'. String Assembly: 20-6" D.C. Rig time: drilling 19-3/4 hrs., tripping 2-3/4 hrs., rig serv. ½ hr., circ. ½ hr., surveys ½ hr. 2" stream of water. 1154.89' on drill pipe strap.

5-14-84 3 DOL, depth @ 1155', squeezing off water flow. Rig time: tripping 1 hr., WOC 10 hrs., run 9-5/8" casing 2 hrs., cementing 3 hrs., attempt to kill water flow 2 hrs., WO perforators 4 hrs., log & perf 1½ hrs., squeeze ½ hr.

Ran 28 jts., 1148.55' of 9-5/8", 36#, K-55 8rd th., ST&C, new casing. Cemented @ 1145' w/250 sx. Class B cement w/2% CaCl₂ & ½ lb/sx cellophane flakes, followed by 250 sx. thixotropic cement. Cement set up while displacing. Had 33 bbls cement yet to displace or 123 sx. thixotropic (425' cement to drill out). Had cement returns to surface. Closed BOP around 9-5/8" casing & water started flowing into cellar from outside 13-3/8" casing. Pumped 50 sx. regular cement down annulus between 13-3/8" casing, but cement returns right up on the outside of 13-3/8" casing, highly water cut. WO perforators 4 hrs, ran temperature log. Had large

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JUN 11 1984

DIVISION OF OIL
GAS & MINING

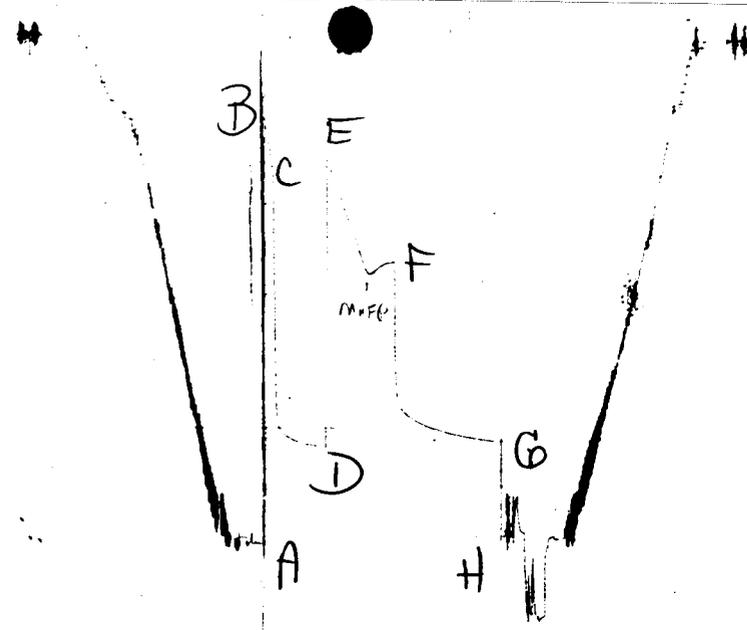


TICKET NO. 71822400
 06-JUN-84
 FARMINGTON

FORMATION TESTING SERVICE REPORT

FEDERAL	1-26 0	1	5336.1	-	5416.1	P & M PETROLEUM MANAGEMENT
LEASE NAME	WELL NO.	TEST NO.	TESTED INTERVAL			LEASE OWNER/COMPANY NAME
LEGAL LOCATION SEC. - TWP. - RNG.	26 - 40 SOUTH - 22 EAST	FIELD AREA	TURNER BLUFF	COUNTY	SNR JURN	STATE
						UTAH
						PW

541

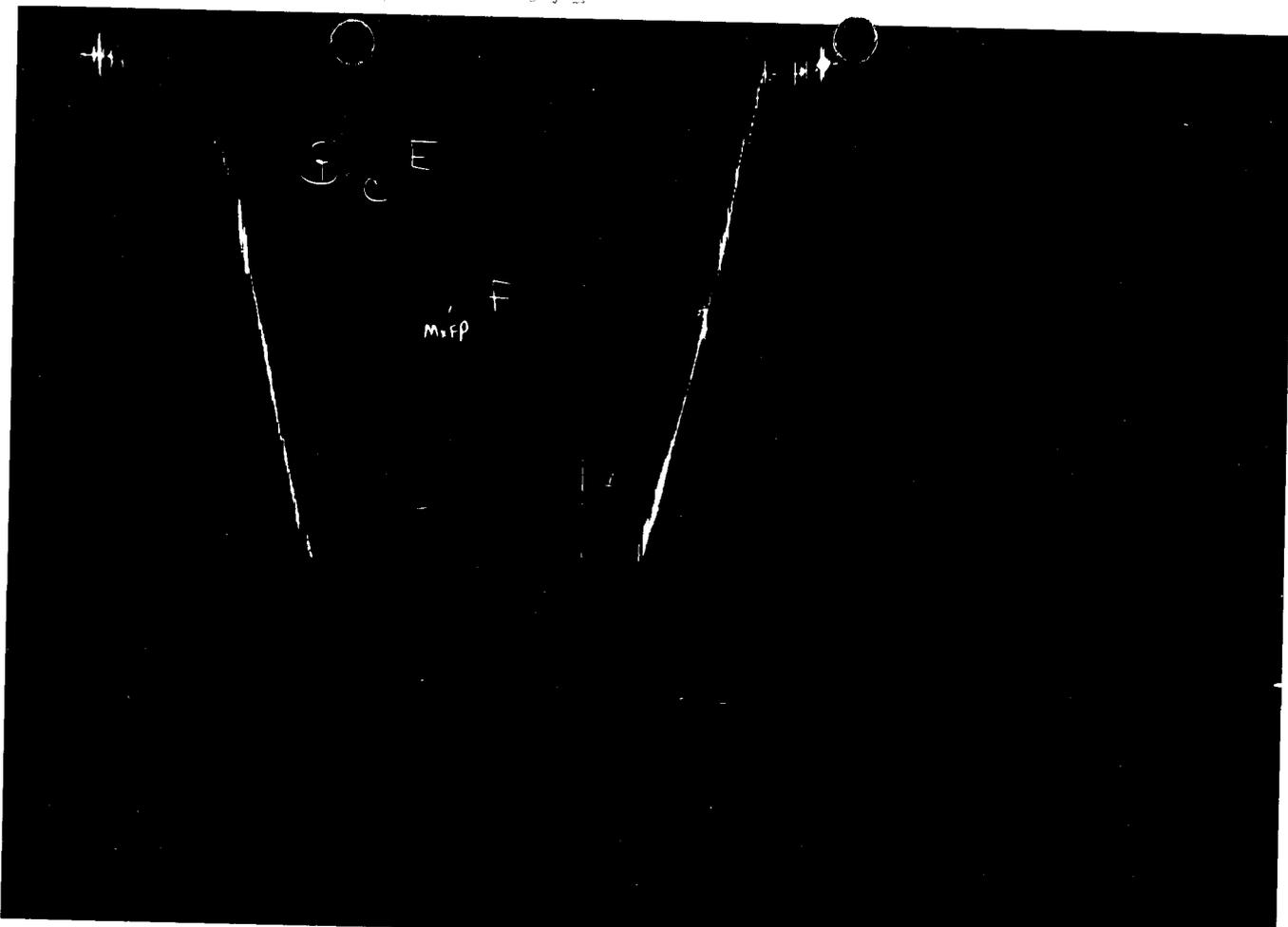


718224-2033

2460 11:21.0
 2460 11:21.0
 2460 11:21.0

GAUGE NO: 2033 DEPTH: 5316.0 BLANKED OFF: NO HOUR OF CLOCK: 24

ID	DESCRIPTION	PRESSURE		TIME		TYPE
		REPORTED	CALCULATED	REPORTED	CALCULATED	
A	INITIAL HYDROSTATIC	2584	2586.0			
B	INITIAL FIRST FLOW	401	396.1			
C	FINAL FIRST FLOW	614	630.6	15.0	15.0	F
C	INITIAL FIRST CLOSED-IN	614	630.6			
D	FINAL FIRST CLOSED-IN	2077	2084.7	61.0	60.3	C
E	INITIAL SECOND FLOW	614	616.4			
F	FINAL SECOND FLOW	1118	1133.1	77.0	78.4	F
F	INITIAL SECOND CLOSED-IN	1118	1133.1			
G	FINAL SECOND CLOSED-IN	2024	2048.4	120.0	119.3	C
H	FINAL HYDROSTATIC	2557	2534.5			



GAUGE NO: 2032 DEPTH: 5412.0 BLANKED OFF: YES HOUR OF CLOCK: 24

ID	DESCRIPTION	PRESSURE		TIME		TYPE
		REPORTED	CALCULATED	REPORTED	CALCULATED	
A	INITIAL HYDROSTATIC	2623	2638.1			
B	INITIAL FIRST FLOW	480	473.1			
C	FINAL FIRST FLOW	665	688.4	15.0	15.0	F
C	INITIAL FIRST CLOSED-IN	665	688.4			
D	FINAL FIRST CLOSED-IN	2118	2122.2	61.0	60.3	C
E	INITIAL SECOND FLOW	613	630.2			
F	FINAL SECOND FLOW	1141	1167.4	77.0	78.4	F
F	INITIAL SECOND CLOSED-IN	1141	1167.4			
G	FINAL SECOND CLOSED-IN	2089	2087.5	120.0	119.3	C
H	FINAL HYDROSTATIC	2597	2585.4			

EQUIPMENT & HOLE DATA

FORMATION TESTED: LOWER ISMAY

NET PAY (ft): 39.0

GROSS TESTED FOOTAGE: 80.0

ALL DEPTHS MEASURED FROM: KELLY BUSHING

CASING PERFS. (ft): _____

HOLE OR CASING SIZE (in): 8.750

ELEVATION (ft): 4354

TOTAL DEPTH (ft): 5416.0

PACKER DEPTH(S) (ft): 5330, 5336

FINAL SURFACE CHOKE (in): 0.500

BOTTOM HOLE CHOKE (in): 0.750

MUD WEIGHT (lb/gal): 9.40

MUD VISCOSITY (sec): 37

ESTIMATED HOLE TEMP. (°F): 110

ACTUAL HOLE TEMP. (°F): 126 @ 5412.0 ft

TICKET NUMBER: 71822400

DATE: 5-31-84 TEST NO: 1

TYPE DST: OPEN HOLE

HALLIBURTON CAMP: FARMINGTON

TESTER: GENE ROBERTS

WITNESS: STAN THOMPSON

DRILLING CONTRACTOR: BAYLESS DRILLING #1

FLUID PROPERTIES FOR RECOVERED MUD & WATER

SOURCE	RESISTIVITY	CHLORIDES
<u>PIT SOURCE</u>	<u>0.490 @ 85°F</u>	<u>_____ ppm</u>
_____	<u>_____ °F</u>	<u>_____ ppm</u>
_____	<u>_____ °F</u>	<u>_____ ppm</u>
_____	<u>_____ °F</u>	<u>_____ ppm</u>
_____	<u>_____ °F</u>	<u>_____ ppm</u>
_____	<u>_____ °F</u>	<u>_____ ppm</u>

SAMPLER DATA

Pstg AT SURFACE: 1050

cu.ft. OF GAS: 2.41

cc OF OIL: 1150

cc OF WATER: 0

cc OF MUD: 0

TOTAL LIQUID cc: 1150

HYDROCARBON PROPERTIES

OIL GRAVITY (°API): 42.2 @ 60°F

GAS/OIL RATIO (cu.ft. per bbl): _____

GAS GRAVITY: _____

CUSHION DATA

TYPE	AMOUNT	WEIGHT
_____	_____	_____
_____	_____	_____

RECOVERED:

37 BBLs. OF OIL IN TANK

MEASURED FROM TESTER VALVE

REMARKS:

REMARKS:

TYPE & SIZE MEASURING DEVICE: _____					TICKET NO: 71822400
TIME	CHOKE SIZE	SURFACE PRESSURE PSI	GAS RATE MCF	LIQUID RATE BPD	REMARKS
5-30-84					
2200					ON LOCATION
5-31-84					
0010					PICKED-UP AND MADE-UP TOOLS
0200					TRIPPED IN HOLE WITH TOOLS
0542					OPENED TOOL - GOOD BLOW
0545	BH	15			GOOD STRONG BLOW OFF BOTTOM
					OF BUCKET.
0549	BH	75			INCREASING / BOTTOM OF BUCKET
0551	BH	90			"
0554	BH	125			"
0557	BH	145			" CLOSED TOOL
0558					GAS TO THE SURFACE
0658	*	5			OPENED TOOL - GOOD BLOW AND
					INCREASING - * = OPENED ON 1/2"
					ADJ. CHOKE
0709	"	20			INCREASING BLOW - STRONGER
0713	"	25			"
0718	"	21			DECREASING BLOW
0725	"	15			"
0730	"	11			"
0733	"	11			MUD AND GAS TO THE SURFACE
0744	"	80			OIL AND GAS TO FLOW TANK
0746	"	120			INCREASING PSI
0751	"	110			DECREASING
0756	"	100			LEVELED OFF
0801	"	100			"
0806	"	120			INCREASING PSI
0808	"	135			"
0810	"	150			"
0812	"	160			"
0815	"	165			PRESSURE INCREASING - CLOSED
					TOOL.
1015					OPENED BYPASS - PULLED 2 JOINTS
1026					DROPPED BAR AND CIRCULATED HOLE
1148					TRIPPED OUT OF HOLE WITH TOOLS
1520					OUT OF HOLE WITH TOOLS

TICKET NO: 71822400
 CLOCK NO: 7276 HOUR: 24



GAUGE NO: 2033
 DEPTH: 5316.0

REF	MINUTES	PRESSURE	ΔP	$\frac{t \times \Delta t}{t + \Delta t}$	$\log \frac{t + \Delta t}{\Delta t}$
FIRST FLOW					
B 1	0.0	396.1			
2	2.0	619.1	223.0		
3	4.0	419.0	-200.1		
4	6.0	461.5	42.5		
5	8.0	505.2	43.7		
6	10.0	546.0	40.8		
7	12.0	588.9	42.8		
8	14.0	626.4	37.5		
C 9	15.0	630.6	4.2		
FIRST CLOSED-IN					
C 1	0.0	630.6			
2	1.0	1100.3	469.6	1.0	1.192
3	2.0	1429.9	799.3	1.8	0.929
4	3.0	1652.9	1022.3	2.5	0.781
5	4.0	1907.5	1276.8	3.2	0.673
6	5.0	1952.7	1322.0	3.8	0.599
7	6.0	1969.5	1338.8	4.3	0.546
8	7.0	1982.8	1352.2	4.8	0.499
9	8.0	1993.3	1362.7	5.2	0.459
10	9.0	2000.1	1369.5	5.6	0.427
11	10.0	2008.9	1378.3	6.0	0.397
12	12.0	2016.4	1385.8	6.7	0.353
13	14.0	2024.8	1394.2	7.3	0.316
14	16.0	2030.0	1399.4	7.7	0.288
15	18.0	2036.9	1406.3	8.2	0.263
16	20.0	2041.6	1411.0	8.6	0.244
17	22.0	2046.4	1415.8	8.9	0.226
18	24.0	2051.2	1420.6	9.2	0.211
19	26.0	2054.9	1424.3	9.5	0.198
20	28.0	2057.6	1427.0	9.8	0.187
21	30.0	2060.4	1429.8	10.0	0.176
22	35.0	2067.1	1436.4	10.5	0.155
23	40.0	2072.0	1441.4	10.9	0.138
24	45.0	2075.1	1444.4	11.3	0.125
25	50.0	2078.8	1448.2	11.6	0.114
26	55.0	2081.9	1451.2	11.8	0.105
D 27	60.3	2084.7	1454.0	12.0	0.097
SECOND FLOW					
E 1	0.0	616.4			
2	5.0	665.9	49.5		
3	10.0	719.1	53.2		
4	15.0	787.4	68.3		
5	20.0	853.8	66.4		
6	25.0	913.3	59.4		
7	30.0	970.6	57.3		

REF	MINUTES	PRESSURE	ΔP	$\frac{t \times \Delta t}{t + \Delta t}$	$\log \frac{t + \Delta t}{\Delta t}$
SECOND FLOW - CONTINUED					
8	35.0	1034.0	63.5		
9	40.0	1106.1	72.1		
10	45.0	1162.4	56.2		
11	50.0	1194.3	31.9		
12	55.0	1183.2	-11.0		
13	60.0	1166.5	-16.8		
14	65.0	1151.2	-15.3		
15	70.0	1140.6	-10.6		
16	75.0	1139.0	-1.6		
F 17	78.4	1133.1	-5.9		
SECOND CLOSED-IN					
F 1	0.0	1133.1			
2	1.0	1571.6	438.5	1.0	1.968
3	2.0	1682.1	549.0	2.0	1.678
4	3.0	1795.1	662.0	2.9	1.505
5	4.0	1837.2	704.1	3.9	1.383
6	5.0	1850.7	717.6	4.7	1.295
7	6.0	1860.8	727.7	5.6	1.223
8	7.0	1869.3	736.2	6.5	1.159
9	8.0	1879.6	746.5	7.4	1.101
10	9.0	1887.5	754.4	8.2	1.055
11	10.0	1893.1	760.0	9.0	1.014
12	12.0	1904.3	771.2	10.7	0.942
13	14.0	1912.4	779.3	12.2	0.885
14	16.0	1920.3	787.2	13.6	0.836
15	18.0	1926.5	793.4	15.1	0.792
16	20.0	1932.7	799.6	16.5	0.754
17	22.0	1938.5	805.4	17.8	0.719
18	24.0	1944.7	811.6	19.1	0.690
19	26.0	1949.1	816.0	20.3	0.662
20	28.0	1954.4	821.3	21.6	0.637
21	30.0	1958.4	825.3	22.7	0.614
22	35.0	1968.9	835.8	25.5	0.565
23	40.0	1978.0	844.9	28.0	0.523
24	45.0	1985.2	852.1	30.4	0.488
25	50.0	1992.8	859.7	32.6	0.457
26	55.0	1998.9	865.8	34.6	0.431
27	60.0	2005.3	872.2	36.5	0.408
28	70.0	2015.1	882.0	40.0	0.368
29	80.0	2025.1	892.0	43.1	0.336
30	90.0	2031.9	898.8	45.8	0.309
31	100.0	2038.3	905.2	48.3	0.287
32	110.0	2044.5	911.4	50.5	0.267
G 33	119.3	2048.4	915.3	52.4	0.251

LEGEND:
 [1] MAXIMUM FLOW PRESSURE
 REMARKS:

TICKET NO: 71822400

CLOCK NO: 13741 HOUR: 24



GAUGE NO: 2032

DEPTH: 5412.0

REF	MINUTES	PRESSURE	ΔP	$\frac{t \times \Delta t}{t + \Delta t}$	$\log \frac{t + \Delta t}{\Delta t}$
FIRST FLOW					
B	1	0.0	473.1		
	2	2.0	639.4	166.4	
	3	4.0	529.5	-109.9	
	4	6.0	493.9	-35.6	
	5	8.0	516.5	22.7	
	6	10.0	567.5	50.9	
	7	12.0	619.4	52.0	
	8	14.0	665.5	46.0	
C	9	15.0	688.4	22.9	
FIRST CLOSED-IN					
C	1	0.0	688.4		
	2	1.0	984.8	296.4	0.9 1.207
	3	2.0	1253.9	565.6	1.8 0.932
	4	3.0	1629.2	940.9	2.5 0.777
	5	4.0	1893.4	1205.0	3.2 0.676
	6	5.0	1980.7	1292.3	3.8 0.602
	7	6.0	2003.9	1315.5	4.3 0.546
	8	7.0	2019.0	1330.7	4.8 0.497
	9	8.0	2029.3	1340.9	5.2 0.459
	10	9.0	2037.4	1349.0	5.6 0.427
	11	10.0	2044.4	1356.1	6.0 0.398
	12	12.0	2055.9	1367.5	6.7 0.352
	13	14.0	2064.2	1375.9	7.2 0.317
	14	16.0	2070.1	1381.7	7.7 0.288
	15	18.0	2075.5	1387.2	8.2 0.264
	16	20.0	2080.3	1392.0	8.6 0.243
	17	22.0	2084.4	1396.1	8.9 0.226
	18	24.0	2088.4	1400.1	9.2 0.211
	19	26.0	2092.2	1403.8	9.5 0.198
	20	28.0	2095.5	1407.1	9.8 0.187
	21	30.0	2097.7	1409.4	10.0 0.176
	22	35.0	2104.3	1415.9	10.5 0.155
	23	40.0	2108.9	1420.5	10.9 0.138
	24	45.0	2112.9	1424.5	11.3 0.125
	25	50.0	2115.7	1427.3	11.6 0.114
	26	55.0	2119.7	1431.3	11.8 0.105
D	27	60.3	2122.2	1433.8	12.0 0.097
SECOND FLOW					
E	1	0.0	630.2		
	2	5.0	657.4	27.2	
	3	10.0	731.6	74.2	
	4	15.0	795.0	63.4	
	5	20.0	866.8	71.8	
	6	25.0	929.2	62.4	
	7	30.0	992.7	63.5	

REF	MINUTES	PRESSURE	ΔP	$\frac{t \times \Delta t}{t + \Delta t}$	$\log \frac{t + \Delta t}{\Delta t}$
SECOND FLOW - CONTINUED					
	8	35.0	1055.7	62.9	
	9	40.0	1126.8	71.2	
	10	45.0	1191.4	64.6	
I	11	50.0	1233.8	42.4	
	12	55.0	1216.7	-17.1	
	13	60.0	1199.3	-17.4	
	14	65.0	1184.3	-15.0	
	15	70.0	1175.7	-8.7	
F	16	75.0	1173.2	-2.5	
	17	78.4	1167.4	-5.8	
SECOND CLOSED-IN					
F	1	0.0	1167.4		
	2	1.0	1456.3	288.9	1.0 1.990
	3	2.0	1652.0	484.6	1.9 1.687
	4	3.0	1806.7	639.4	2.9 1.509
	5	4.0	1864.0	696.7	3.8 1.388
	6	5.0	1887.3	719.9	4.7 1.296
	7	6.0	1901.1	733.7	5.6 1.219
	8	7.0	1911.6	744.3	6.5 1.157
	9	8.0	1919.2	751.8	7.4 1.102
	10	9.0	1926.3	759.0	8.2 1.058
	11	10.0	1932.5	765.2	9.0 1.016
	12	12.0	1943.3	775.9	10.6 0.944
	13	14.0	1952.2	784.9	12.2 0.884
	14	16.0	1959.9	792.6	13.7 0.835
	15	18.0	1966.5	799.2	15.1 0.791
	16	20.0	1972.6	805.3	16.5 0.753
	17	22.0	1978.7	811.3	17.8 0.720
	18	24.0	1984.1	816.8	19.1 0.690
	19	26.0	1989.4	822.0	20.3 0.662
	20	28.0	1994.0	826.7	21.5 0.637
	21	30.0	1998.5	831.2	22.7 0.614
	22	35.0	2009.7	842.3	25.5 0.564
	23	40.0	2017.6	850.2	28.0 0.523
	24	45.0	2025.8	858.4	30.4 0.488
	25	50.0	2032.4	865.1	32.6 0.458
	26	55.0	2039.2	871.9	34.6 0.431
	27	60.0	2045.2	877.8	36.5 0.408
	28	70.0	2055.2	887.8	40.0 0.368
	29	80.0	2063.7	896.3	43.1 0.336
	30	90.0	2071.0	903.6	45.8 0.309
	31	100.0	2077.7	910.3	48.3 0.287
G	32	110.0	2082.8	915.5	50.5 0.267
	33	119.3	2087.5	920.1	52.4 0.251

LEGEND:

I MAXIMUM FLOW PRESSURE

REMARKS:

SUMMARY
OF
RESERVOIR PARAMETERS
USING CURVE MATCH METHOD

OIL GRAVITY 42.2 @60° WATER % SALT 0.0
 GAS GRAVITY 0.700 FLUID GRADIENT 0.3530 psi/ft
 GAS/OIL RATIO 0.0 cu.ft/bbl NET PAY 39.0 ft
 TEMPERATURE 126.0 °F POROSITY 10.0 %
 RADIUS OF WELLBORE 0.365 ft FLUID PROPERTIES AT 2150.3 Pstg
 VISCOSITY 1.853 cp FORMATION VOL FACTOR 1.000 vol/vol
 SYSTEM COMPRESSIBILITY 0.00000467 vol/vol/psi
 PIPE CAPACITY FACTORS 0.01422 bbl/ft

GAUGE NUMBER		2033	2032					
GAUGE DEPTH		5316.0	5412.0					
FLOW AND CIP PERIOD		2	2					UNITS
FINAL FLOW PRESSURE	P_f	1133.1	1167.4					Pstg
TOTAL FLOW TIME	t	93.5	93.5					min
PRODUCTION RATE	Q	560.0	560.0					BPD
t_d AT 1 HOUR		81759.	111801.					
P_d AT 100 pst		0.705	0.723					
C_d		332.6	479.7					
SKIN	S	0.0	0.0					
TRANSMISSIBILITY	kh/μ	557.269	571.747					$\frac{md-ft}{cp}$
FLOW CAPACITY	kh	1032.59	1059.41					md-ft
PERMEABILITY	k	26.4766	27.1645					md
DAMAGE RATIO	DR	1.00	1.00					
POTENTIAL RATE	Q_1	560.0	560.0					BPD
RADIUS OF INVESTIGATION	r_t	220.9	223.8					ft

REMARKS:

THE RESULTS FROM THE RADIAL FLOW TYPE CURVE MATCHES OF THE FINAL CIP DATA COMPARE VERY WELL WITH THE HORNER RESULTS.

AS IN THE HORNER PLOT, THE LOG-LOG PLOTS OF THE DATA AGAINST THE RADIAL FLOW TYPE CURVES SHOW AN UPTURN OF THE LATTER POINTS, INDICATING DETECTION OF A POSSIBLE BARRIER.

NOTICE:

THESE CALCULATIONS ARE BASED UPON INFORMATION FURNISHED BY YOU AND TAKEN FROM DRILL STEM PRESSURE CHARTS, AND ARE FURNISHED TO YOU FOR YOUR INFORMATION. IN FURNISHING SUCH CALCULATIONS AND EVALUATIONS BASED THEREON, HALLIBURTON IS MERELY EXPRESSING ITS OPINION. YOU AGREE THAT HALLIBURTON MAKES NO WARRANTY EXPRESS OR IMPLIED AS TO THE ACCURACY OF SUCH CALCULATIONS OR OPINIONS, AND THAT HALLIBURTON SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE, WHETHER DUE TO NEGLIGENCE OR OTHERWISE, IN CONNECTION WITH SUCH OPINIONS.

**SUMMARY
OF
RESERVOIR PARAMETERS
USING HORNER METHOD**

OIL GRAVITY <u>42.2</u> @60°	WATER % SALT <u>0.0</u>
GAS GRAVITY <u>0.700</u>	FLUID GRADIENT <u>0.3530</u> psi/ft
GAS/OIL RATIO <u>0.0</u> cu.ft/bbl	FORMATION VOL FACTOR <u>1.000</u> vol/vol
TEMPERATURE <u>126.0</u> °F	FLUID PROPERTIES AT <u>2150.3</u> Pstg
VISCOSITY <u>1.853</u> cp	NET PAY <u>39.0</u> ft
PIPE CAPACITY FACTOR(S) _____	<u>0.01422</u> bbl/ft

GAUGE NUMBER	2033	2033	2032	2032			
GAUGE DEPTH	5316.0	5316.0	5412.0	5412.0			
FLOW AND CIP PERIOD	1	2	1	2			UNITS
FINAL FLOW PRESSURE P_f	630.6	1133.1	688.4	1167.4			Pstg
TOTAL FLOW TIME t	15.0	93.5	15.0	93.5			min
EXTRAPOLATED PRESSURE P^*	2113.3	2048.5	2150.3	2088.2			Pstg
ONE CYCLE PRESSURE	1817.2	1894.3	1853.6	1934.7			Pstg
PRODUCTION RATE Q		560.0		560.0			BPD
TRANSMISSIBILITY kh/μ		590.434		593.239			md-ft cp
FLOW CAPACITY kh		1094.04		1099.24			md-ft
PERMEABILITY k		28.0523		28.1856			md
DAMAGE RATIO DR		1.09		1.10			
POTENTIAL RATE Q_1		608.3		614.8			BPD
RADIUS OF INVESTIGATION r_t		237.1		237.6			ft

REMARKS:

THE PRODUCTION RATE SHOWN WAS CALCULATED FROM THE TOTAL RECOVERY OF 37 BBLS OF OIL.

THE THE UPTURN OF THE FINAL CIP DATA POINTS OFF THE HORNER STRAIGHT LINE INDICATES THE DETECTION OF A POSSIBLE BARRIER DURING THE TEST.

THE INITIAL CIP DATA WAS NOT INFLUENCED BY THE POSSIBLE BARRIER, AND THUS THE STRAIGHT LINE THROUGH THESE POINTS EXTRAPOLATE TO TRUE STATIC RESERVOIR PRESSURE.

THE HORNER LINE THROUGH THE FINAL CIP DATA DOES NOT POINT TO TRUE RESERVOIR PRESSURE, BUT DOES YIELD THE CORRECT SLOPE WITH WHICH TO CALCULATE PERMEABILITY AND DAMAGE.

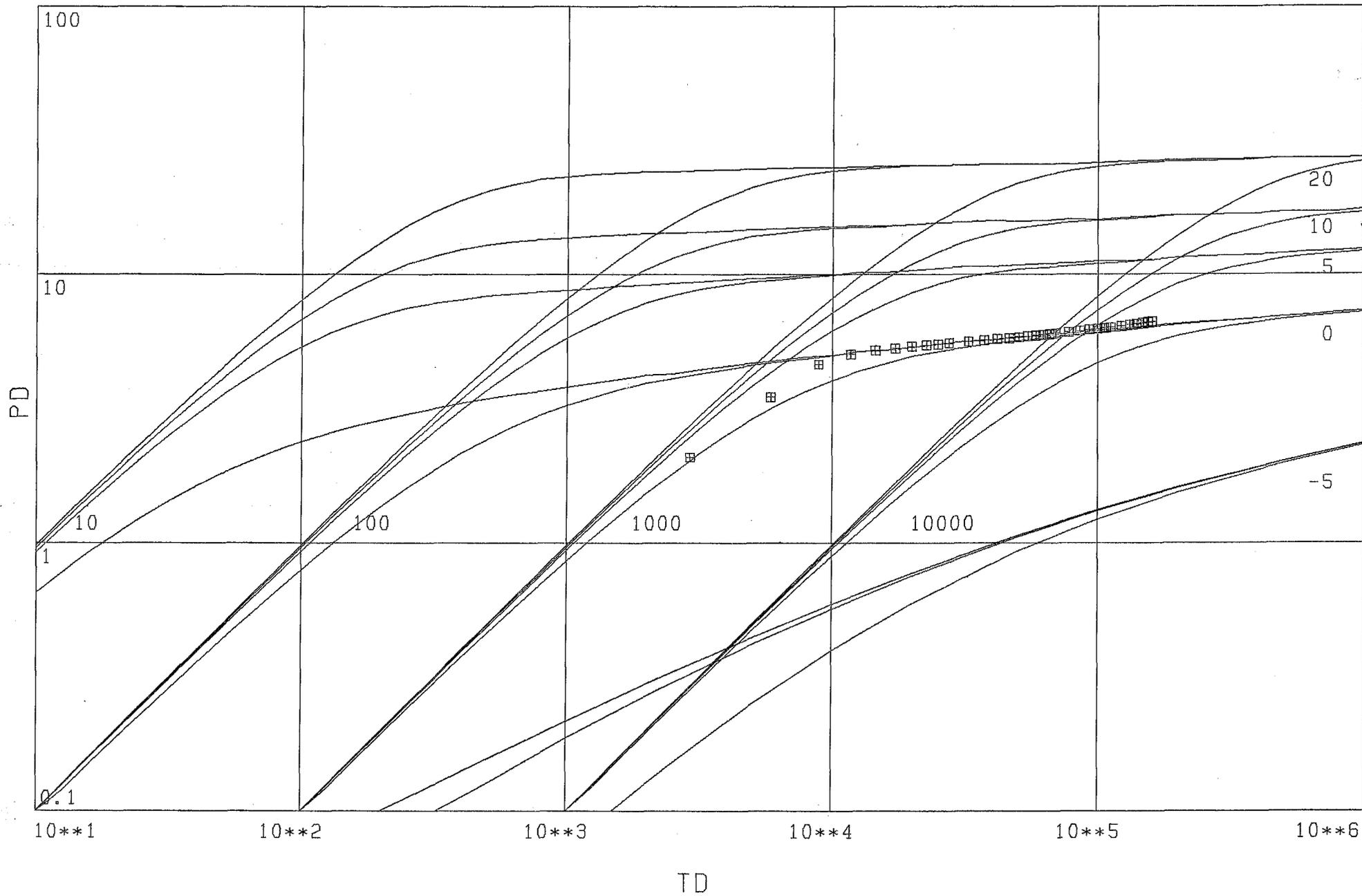
NOTICE:

THESE CALCULATIONS ARE BASED UPON INFORMATION FURNISHED BY YOU AND TAKEN FROM DRILL STEM PRESSURE CHARTS, AND ARE FURNISHED YOU FOR YOUR INFORMATION. IN FURNISHING SUCH CALCULATIONS AND EVALUATIONS BASED THEREON, HALLIBURTON IS MERELY EXPRESSING ITS OPINION. YOU AGREE THAT HALLIBURTON MAKES NO WARRANTY EXPRESS OR IMPLIED AS TO THE ACCURACY OF SUCH CALCULATIONS OR OPINIONS, AND THAT HALLIBURTON SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE, WHETHER DUE TO NEGLIGENCE OR OTHERWISE, IN CONNECTION WITH SUCH OPINIONS.

GAUGE NO 2032

CIP 2

TICKET NO 71822400

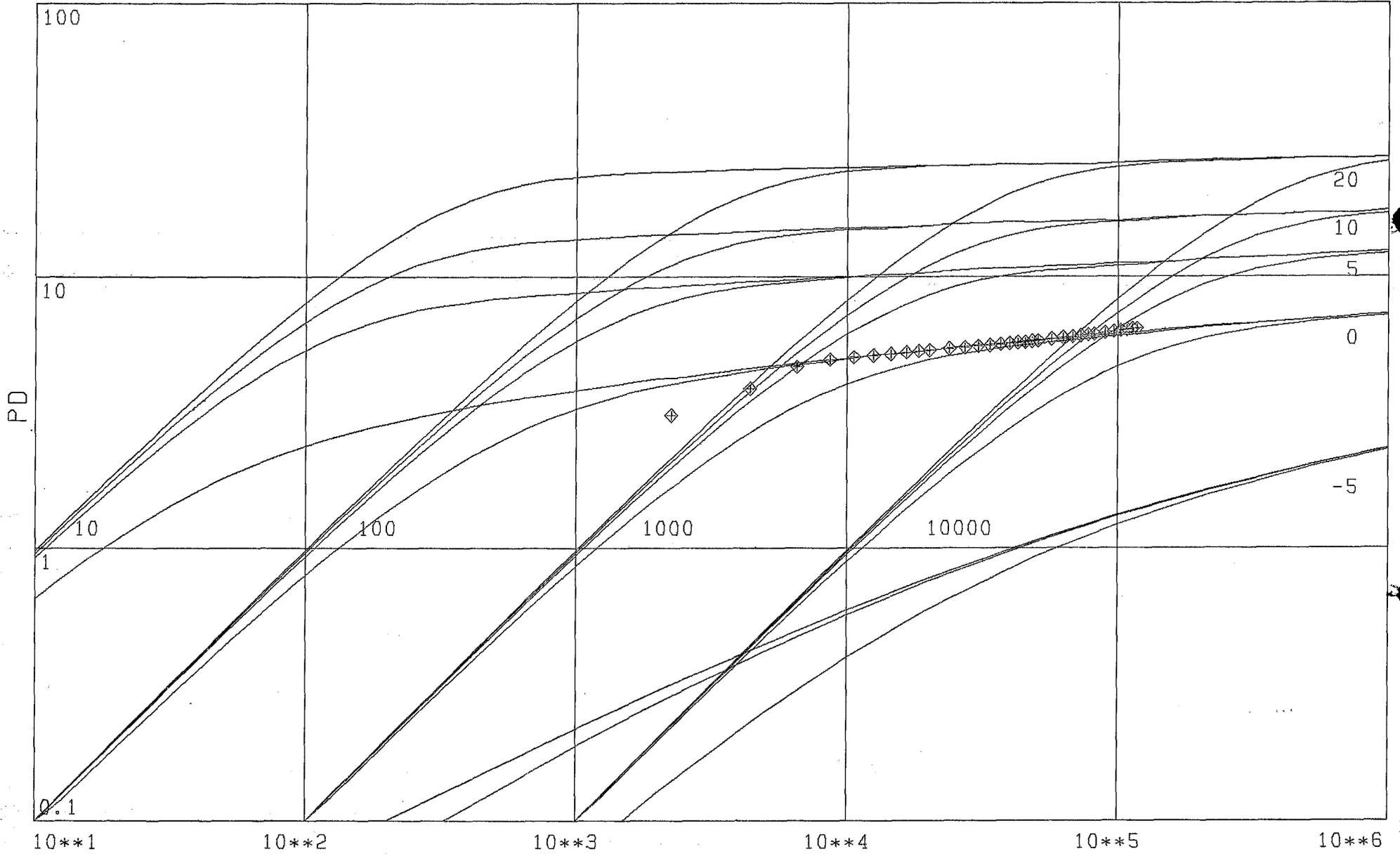


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GAUGE NO 2033

CIP 2

TICKET NO 71822400

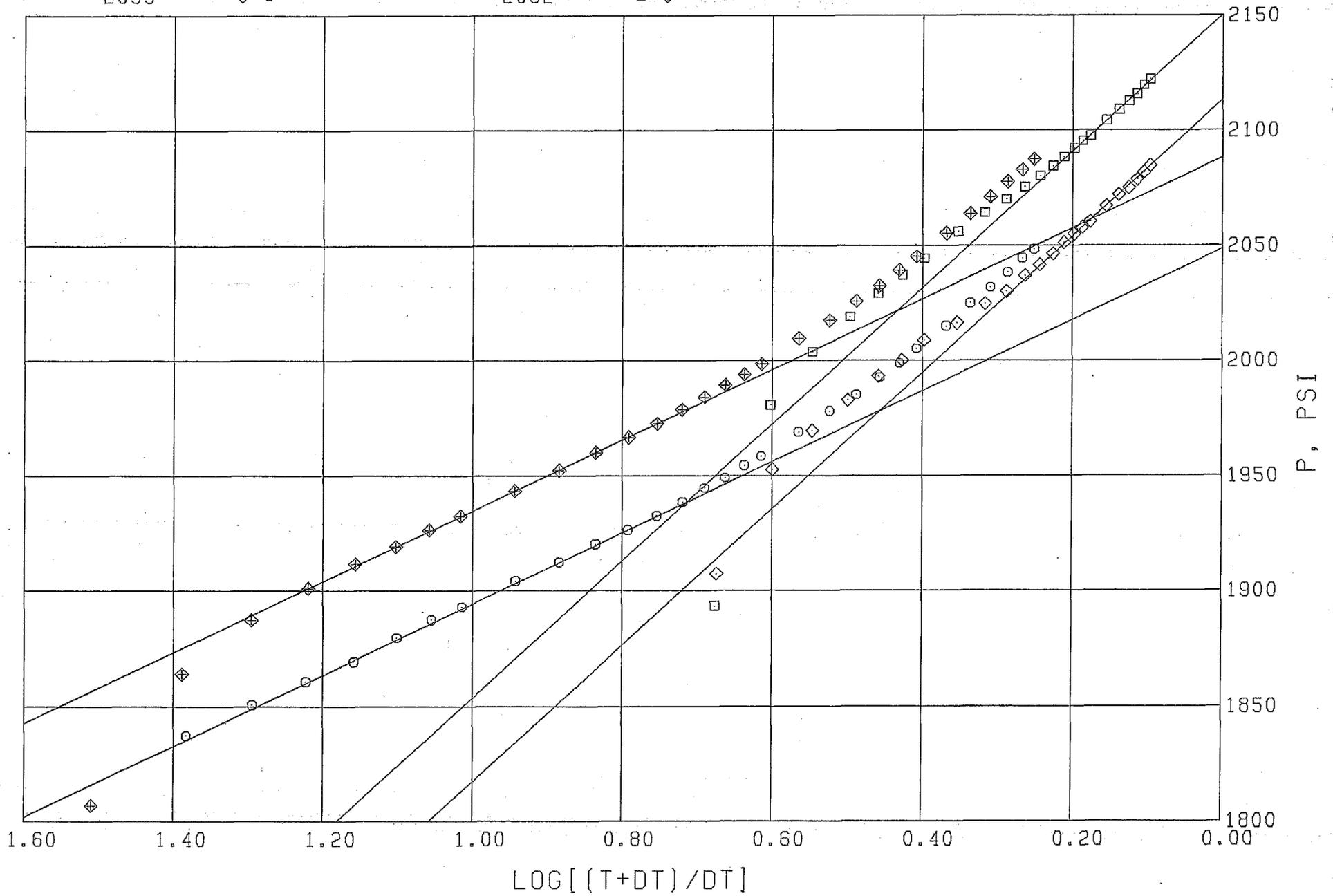


TD

TICKET NO 71822400

GAUGE NO CIP 1 2
2033 ◊ ○

GAUGE NO CIP 1 2
2032 ◻ ◊



		O.D.	I.D.	LENGTH	DEPTH	
1		DRILL PIPE.....	4.500	3.826		
3		DRILL COLLARS.....	6.000	2.250		
5		CROSSOVER.....	6.000	2.250	4.0	
5		CROSSOVER.....	6.000	3.000	1.0	
13		DUAL CIP SAMPLER.....	5.030	0.870	7.0	
60		HYDROSPRING TESTER.....	5.000	0.750	5.0	5312.0
80		AP RUNNING CASE.....	5.000	2.250	4.0	5316.0
15		JAR.....	5.030	1.750	5.0	
16		VR SAFETY JOINT.....	5.000	1.000	3.0	
70		OPEN HOLE PACKER.....	7.750	1.530	6.0	5330.0
70		OPEN HOLE PACKER.....	7.750	1.530	6.0	5336.0
5		CROSSOVER.....	6.000	3.000	1.0	
3		DRILL COLLARS.....	6.000	2.250	59.0	
5		CROSSOVER.....	6.000	3.000	1.0	
20		FLUSH JOINT ANCHOR.....	5.750	3.000	15.0	
81		BLANKED-OFF RUNNING CASE.....	5.750		4.0	5412.0
TOTAL DEPTH					5416.0	

EQUIPMENT DATA

September 20, 1984

BUREAU OF LAND MANAGEMENT
OIL & GAS
P.O. Box 970
Moab, UT 84532

RECEIVED

OCT 3 1984

**DIVISION OF OIL
GAS & MINING**

RE: P & M PETROLEUM MANAGEMENT, OPERATOR
#1-26D Federal
NW NW Sec. 25, T40S-R22E (surface
NE NE Sec. 26, T40S-R22E (sub-surface)
San Juan County, UT

Federal Lease - U-41696 (Communitized
M049P-84704C)

Gentlemen:

Enclosed in triplicate please find a Completion Report on the above referenced location in San Juan County, Utah, along with the associated logs and DST #1. Please advise as to any questions or further information required.

Yours very truly,



Margo J. Medina

MM:s
Enclosures

cc: BLM - Salt Lake City, UT
BLM - San Juan Resources Area, Monticello, UT
State of Utah
All Participants

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

SUBMIT IN DUPLICATE
(See instructions on reverse side)

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

5. LEASE DESIGNATION AND SERIAL NO.
U-41696 Communitized

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
#M049P-84704C

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

RECEIVED
OCT 3 1984

2. NAME OF OPERATOR
P&M Petroleum Management

3. ADDRESS OF OPERATOR
1600 Broadway Ste. 1700 Denver CO

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At surface 125' FNL & 150' FWL (NW 1/4 NW 1/4) Sec. 25
At top prod. interval reported below Desert Creek (927' FNL & 229' FEL) Sec. 26
At total depth 954' FNL & 247' FEL, Sec. 26 NENE

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Federal

9. WELL NO.
#1-26D

10. FIELD AND POOL, OR WILDCAT
Turner-Bluff 405

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
Sec. 25 T405N 22E (Surface)
Sec. 26 T405N 22E (Subsurface)

12. COUNTY OR PARISH
San Juan

13. STATE
Utah

14. PERMIT NO. 43-037-30994 | DATE ISSUED 4-23-84

15. DATE SPUDDED 5-11-84 | 16. DATE T.D. REACHED 6-16-84 | 17. DATE COMPL. (Ready to prod.) 6-16-84 | 18. ELEVATIONS (DF, REB, RT, GR, ETC.)* 4354' G.L. 4366' K.B. | 19. ELEV. CASINGHEAD 4353' K.B.

20. TOTAL DEPTH, MD & TVD M.D. 5590' K.B. T.V.D. 5481' K.B. | 21. PLUG, BACK T.D., MD & TVD M.D. 5552' K.B. T.V.D. 5444' K.B. | 22. IF MULTIPLE COMPL., HOW MANY* | 23. INTERVALS DRILLED BY 0-5590 | ROTARY TOOLS None | CABLE TOOLS None

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
M.D. Lower Ismay 5356-82' K.B. T.V.D. 5251-77' K.B.
M.D. Desert Creek 5506-18' K.B. T.V.D. 5398-5410' K.B.

25. WAS DIRECTIONAL SURVEY MADE
Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN
Schlumberger Dual Induction-SFL Log & Litho-Density - Compensated Neutron

27. WAS WELL CORED
No

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
20"	---	20'	25"	4 yrds redi-mix	None
13 3/8"	48	78'	17 1/2"	80sx class B+2% CaCl ₂	None
9 5/8"	36	1145'	12 1/4"	250sx class B, followed by 250sx Thixotropic squeeze	None

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	30. TUBING RECORD
None					SIZE: <u>2 7/8</u> DEPTH SET (MD): <u>5232' K.B.</u> PACKER SET (MD): <u>5200' K.B.</u>

31. PERFORATION RECORD (Interval, size and number)

Lower Ismay 5356-82' K.B. w/2-1/8" Hyperdome Jets-53 holes
Desert Creek 5506-18' K.B. w/2-1/8" Hyperdome Jets-25 holes

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
<u>5356-82' K.B.</u>	<u>2500gals 28%MSA acid</u>
<u>5506-18' K.B.</u>	<u>2000gals 28%MSA acid</u>

33. PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)					
<u>6/17-84</u>	<u>Flowing</u>	<u>Producing</u>					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
<u>6-19-84</u>	<u>24</u>	<u>12/64"</u>	<u>338</u>	<u>338</u>	<u>135 (est.)</u>	<u>None</u>	<u>400</u>
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
<u>350</u>	<u>0</u>	<u>338</u>	<u>338</u>	<u>135 (est.)</u>	<u>None</u>	<u>41.80</u>	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
Vented

TEST WITNESSED BY
Bush Chancey

35. LIST OF ATTACHMENTS
DI-SFL, Litho-Density-Compensated Neutron, DST #1, Geological

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

SIGNED Robert W. Peterson TITLE Petroleum Engineer DATE 8/23/84

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

INSTRUCTIONS

General: This form is designed for submitting a complete and correct completion report and logs for all types of wells and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions. If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

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

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

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

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

37. SUMMARY OF POROUS ZONES:

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

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
See Attached Geological Report			

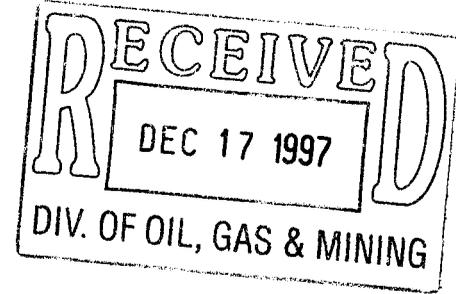
38. GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
SHINLEY	1212'	
CUTLER	2264'	
HERMOSA	4280'	
PARADOX	5030'	
ISMAY	5220'	
DESERT CREEK	5446'	



United States Department of the Interior

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



IN REPLY REFER TO
UT-931

December 16, 1997

P & M Petroleum Management, LLC
1600 Broadway, Suite 625
Denver, Colorado 80202

*43-037-30994 - Federal 1-26 D
Sec. 26, 40S, 22E*
Re: Communitization Agreement
MO49P-84704C
San Juan County, Utah

Gentlemen:

On April 5, 1984, Communitization Agreement MO49P-84704C was approved, effective April 1, 1984 and effective for a period of two years and for so long as communitized substances are, or can be produced from the communitized area in paying quantities. Communitization Agreement MO49P-84704C involves portions of Federal Leases U-18433, U-23797 and U-41696. The above mentioned communitization agreement terminated, effective as of October 4, 1997, due to the lack of production from the communitized area.

Sincerely,

/s/ Assad M. Raffoul

for Robert A. Henricks
Chief, Branch of Fluid Minerals

bcc: Mineral Adjudication Group
Division of Oil, Gas & Mining
District Manager - Vernal
Trust Lands Administration
MMS - Data Management Division
MO49P-84704C
Agr. Sec. Chron
Fluid Chron

UT931:TAThompson:tt:12/16/97

P/A

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
U-41696

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Federal #1-26 D

2. NAME OF OPERATOR:
P&M Petroleum Management, LLC

9. API NUMBER:
037-30994

3. ADDRESS OF OPERATOR:
518 17th Street, Suite 1105 CITY Denver STATE CO ZIP 80202

PHONE NUMBER:
(303) 260-7129

10. FIELD AND POOL, OR WILDCAT:
Turner Bluff

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 125' FNL & 150' FWL 26 40S 22E
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 25 40S 22E

COUNTY: San Juan

STATE: UTAH

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

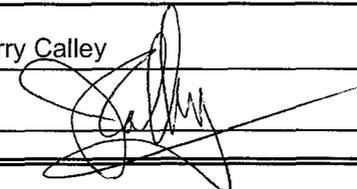
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 7/2/1997	<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.

SEE ATTACHED

NAME (PLEASE PRINT) Jerry Calley

TITLE Managing Member

SIGNATURE 

DATE 5/13/2010

(This space for State use only)

RECEIVED

MAY 18 2010

DIV. OF OIL, GAS & MINING



P.O. Drawer 3337, 700 S. Tucker, Farmington, New Mexico 87499
(505) 327-4961 • 24-Hour Dispatch (505) 325-6892 • (505) 327-0416

INVOICE NO: 14271P

JULY 7, 1996

TO: PETROLEUM MANAGEMENT
1600 BROADWAY SUITE 1700
DENVER, CO 80202

WELL: FEDERAL # 1-26D
LEGALS: SEC.25, T40S, R22E
LOCATION: SNA JUAN, UTAH
UNIT NO: 8
OPERATOR: JOE HERRERA
CODE: 37-DC-Z

ATTN: BOB PETERSON

BID PRICE TO PLUG & ABANDON WELL: \$ 17,430.00

DATE WORK STARTED: 06-26-97

DATE WORK COMPLETED: 07-02-97

ADDITIONAL CHARGES OR CREDITS

13.0 HRS RIG @ \$145.00/HR	1,885.00
4.0 HRS TRUCKING (FLOAT F/TUBING) @ \$56.00/HR	224.00
150 SX CEMENT @ \$9.00/SX	1,350.00 *
1.0 WATER	80.00
9.0 HRS TRAVEL @ \$74.00/HR	666.00
3.0 DAYS PICKUP @ \$74.00/DAY	222.00
2.0 5 1/2" RETAINERS @ \$800.00/EA	1,600.00 *
8.0 PERFORATIONS @ \$40.00/EA	320.00 *
1.0 MUD NOT USED <CREDIT>	<367.00>
1.0 CASING CUTTER <CREDIT>	<600.00>
1.0 CaCl2 NOT USED <CREDIT>	<330.00>

LISTED FOR TAXABLE PURPOSE ONLY (ITEMS INCLUDED IN BID)

1 DRY HOLE MARKER	300.00 *
750 SX CEMENT @ \$9.00/SX	5,400.00 *
9 BAGS GEL @ \$6.50/BAG	58.50 *
11 BAGS BARITE @ \$7.50/BAG	82.50 *
1 5 1/2" CIBP	400.00*

SUB TOTAL	\$ 22,480.00
5.750% UT RBM TAX	546.88
TOTAL	\$ 23,026.88

* Indicates taxable items

Thank You,
Signed

INTEREST CHARGED AT THE RATE OF 1.5% PER MONTH OR 18% PER ANNUM ON
ACCOUNTS NOT PAID WITHIN 30 DAYS. ALL COSTS AND REASONABLE ATTORNEY
FEES FOR COLLECTION WILL BE PAID BY PURCHASER.

RECEIVED JUL 21 1997



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P&A OPERATION CEMENT SERVICE REPORT

WELL NAME: FEDERAL #1-26D

TOTAL PLUGS SET: 6

DATE STARTED: 06-26-97

TOTAL SACKS USED: 766 sx.

DATE COMPLETED: 07-02-97

BLM WITNESS: JEFF BROWN
OPERATOR WITNESS: J. BINKLEY

PLUG # 1 (4985' - 5300')

CIBP WAS SET @ 5300' AND 36 SX CLASS B CEMENT WAS SPOTTED ON TOP. MUD WAS PLACED FROM 4941' TO 3700' WITH 9.0 PPG MUD.

PLUG # 2 (2070' - 2450')

PERFORATE @ 2497' AND SET RETAINER @ 1926'. SQUEEZE FORMATION WITH 195 SX CLASS B CEMENT TO 1700 PSI. 177 SX UNDER RETAINER AND 18 SX ON TOP. PULL UP TO 1765' AND REVERSE CIRCULATE. PLACE MUD FROM 1250' TO 1800' WITH 9.0 PPG MUD.

PLUG # 3 (SURFACE - 1200' [BACK SIDE OF 5 1/2"])

PERFORATE @ 1200' AND SET RETAINER @ 1143' CIRCULATE CEMENT TO SURFACE AND SQUEEZE IN WITH 397 SX CLASS B CEMENT TO 1500 PSI.

PLUG # 4 (458' - 917' [INSIDE 5 1/2"])

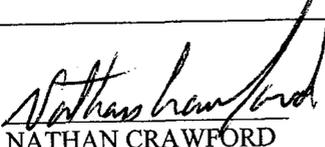
CEMENT WITH 53 SX CLASS B CEMENT.

PLUG # 5 (SURFACE - 498' [INSIDE 5 1/2"])

CEMENT CIRCULATED WITH 55 SX CLASS B CEMENT.

PLUG # 6 (TOP OFF)

CASINGS TOPPED OFF WITH 30 SX CLASS B CEMENT.


NATHAN CRAWFORD
P&A SUPERVISOR