

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



(See instructions on reverse side)

5. Lease Designation and Serial No.
ML-36202

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

7. Unit Agreement Name
N/A

8. Farm or Lease Name
Canyon

9. Well No.
2-36 State

10. Field and Pool, or Wildcat
Undesignated

11. Sec., T., R., M., or Bk. and Survey or Area
36-38S-25E SLBM

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
MCOR Oil and Gas Corp. (713)-953-7777

3. Address of Operator
5718 Westheimer Rd., Houston, Tx. 77057

4. Location of Well (Report location clearly and in accordance with any State requirements.)
 At surface **1250' FNL & 1700' FEL (NWNE)**
 At proposed prod. zone **Same**

14. Distance in miles and direction from nearest town or post office*
16 air miles NE of Montezuma Creek, Ut.

12. County or Parrish **San Juan** 13. State **Utah**

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. line, if any) **940'**

16. No. of acres in lease **160**

17. No. of acres assigned to this well **160**

18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this lease, ft. **N/A**

19. Proposed depth **5625'** Rotary or cable tools **Rotary**

21. Elevations (Show whether DF, RT, GR, etc.) **4899' grd.**

22. Approx. date work will start* **Upon Approval**

23. PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
	16"	CONDUCTOR PIPE	80'	
	8 5/8"	24#	1800'	
	5 1/2"	15.5#	5625'	

RECEIVED

AUG 29 1985

DIVISION OF OIL GAS & MINING

- Well is 940' from closest lease boundary line. MCOR has 100% working interest.
- This is an unorthodox location based on geologic conditions. Request an exception be granted *per* Rule C-3(c). The ownership of all oil and gas leases within a radius of 660 feet of the proposed location is common with the ownership of the oil and gas lease under the proposed location.
- Drilling program is on Pages 1-4.
- Mineral and surface owner is State of Utah.

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 Brian Wood Title Consultant Date 8-27-85

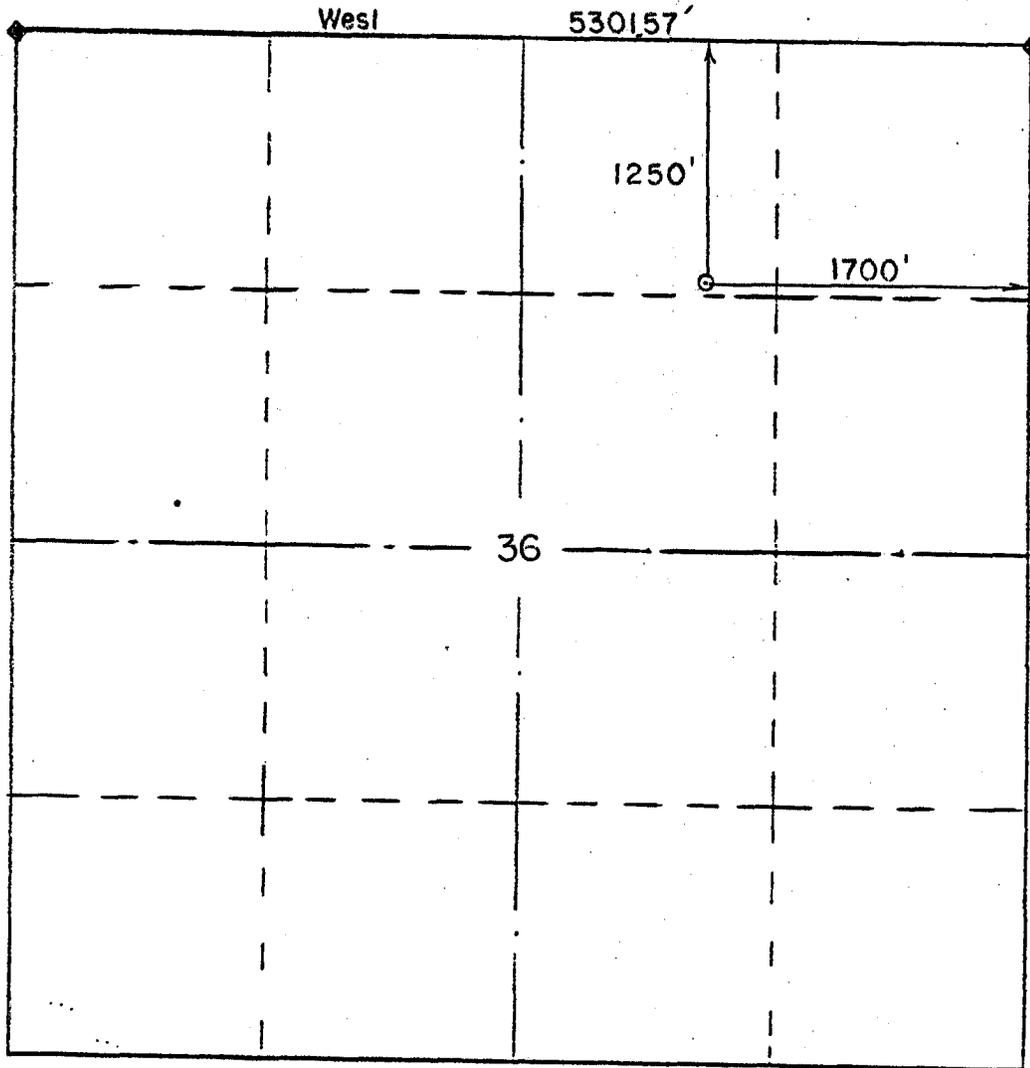
(This space for Federal or State office use)
 Permit No. 43-037-31196

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

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

DATE: 9/29/85
 BY: [Signature]
 *See Instructions on Reverse Side
 CEMENTING: C-3(c)

WELL LOCATION AND ACREAGE DEDICATION PLAT

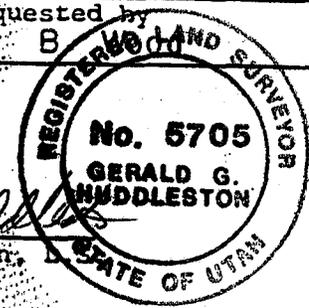


Operator MCO Resources		Well name Canyon 2-36	
Section 36	Township 38 South	Range 25 East	Meridian SLM
Footages 1250'FN & 1700'FE		County/State San Juan UT	Elevation 4899'
Formation	Dedicated Acreage	Requested by B	

The above plat is true and correct to the best of my knowledge and belief.



Gerald G. Huddleston
Gerald G. Huddleston



ONSITE PREDRILL INSPECTION FORM

COMPANY MCOR WELL NO. Canyon 2-36 State

LOCATION: SECTION NWNE36 TOWNSHIP 38S RANGE 25E COUNTY San Juan

LEASE NO. _____ ONSITE INSPECTION DATE 5 August 1985

(A) PERSONS IN ATTENDANCE Brian Wood/Permits West, Pat Hardin/La Plata Archaological,
representative from MCOR, representative from Wright's Roustabout(dirt contractor),
Pat deGruyter/State of UT - DOGM

(B) SURFACE FORMATION AND CHARACTERISTICS terrace & river sand & gravel

(C) BRIEF DESCRIPTION OF VEGETATION Russian thistle(tumbleweed), greasewood,
one large cottonwood tree

(D) ARCHAEOLOGICAL CLEARANCE: YES OR NO yes

(E) DESCRIPTION OF TOPOGRAPHY (drainages, slope, roads, etc.) location sits on
terrace adjacent to Cross Creek - location is flat - location is approximately
600' south CrossCanyon Road - will build approximately 600' of access road into
location - SE corner of pad will be approximately 100' from Cross Creek - (Closest part
of pad to creek)-creek is presently dry but flows part of the year

(F) CONDITIONS FOR APPROVAL:

PIT LINING (YES OR NO) yes

TYPE OF LINING IF NEEDED fiber reinforced plastic of at least 6 mil thickness

ADDITIONAL REQUIREMENTS _____

SIGNATURE: Patrick deGruyter TITLE Oil & Gas Field Specialist

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease ML-36202

DISTRICT LAND OFFICE: Moab, Utah, P.O. Box 970, Moab, Utah 84532

SERIAL NO.: ML-36202

and hereby designates

NAME: MCOR Oil and Gas Corporation

ADDRESS: 5718 Westheimer, Houston, Texas 77057

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

Township 38 South - Range 25 East
Section 36: NE/4
San Juan County, Utah

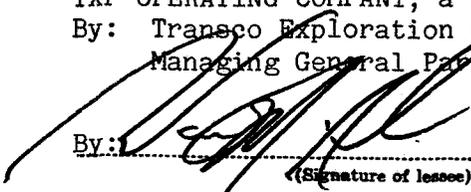
It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

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

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

TXP OPERATING COMPANY, a limited partnership

By: Transco Exploration Company, its
Managing General Partner

By: 

(Signature of lessee)

WADE S. McALISTER, Vice President, Land
1700 Lincoln Street, Suite 2100
Denver, Colorado 80203

(Address)

8/15/85

(Date)

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Department of Natural Resources, Division of State Lands, holder of lease, ML 36202 :

and hereby designates

NAME: MCOR Oil and Gas Corporation
ADDRESS: 5718 Westheimer
Houston, TX 77057.

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Director of the Division of State Lands or his representative may serve written or oral instructions in securing compliance with the Rules and Regulations Governing the Issuance of Mineral Leases with respect to (describe acreage to which this designation is applicable):

Township 38 South, Range 25 East

Section 36: NE $\frac{1}{4}$

San Juan County, Utah

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

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

The lessee agrees promptly to notify the Division of State Lands of any change in the designated operator.

RAYMOND CHORNEY


(Signature of Lessee)

555 17th Street, Ste 1000
Denver, CO 80202-3910

July 30, 1985

(Date)

(Address)

MCOR Oil and Gas Corp.
Canyon 2-36 State
1250' FNL & 1700' FEL
Sec. 36, T. 38 S., R. 25 E.
San Juan County, Utah

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8 Point Drilling Program

1. The estimated tops of important geologic markers are:

<u>Formation Name</u>	<u>Depth</u>	<u>Above Sea Level</u>
Morrison	0000'	+4899'
Chinle	1722'	+3177'
Upper Ismay (Pay)	5317'	- 418'
Lower Ismay	5340'	- 531'
Desert Creek	5494'	- 595'
Lower Desert Creek (Pay)	5566'	- 667'
Akah	5604'	- 705'
Total Depth	5625'	- 726'

2. The estimated depths at which water, oil, gas, or other mineral bearing zones are expected to be encountered are:

Upper Ismay (Oil): 5317' (Primary Objective)

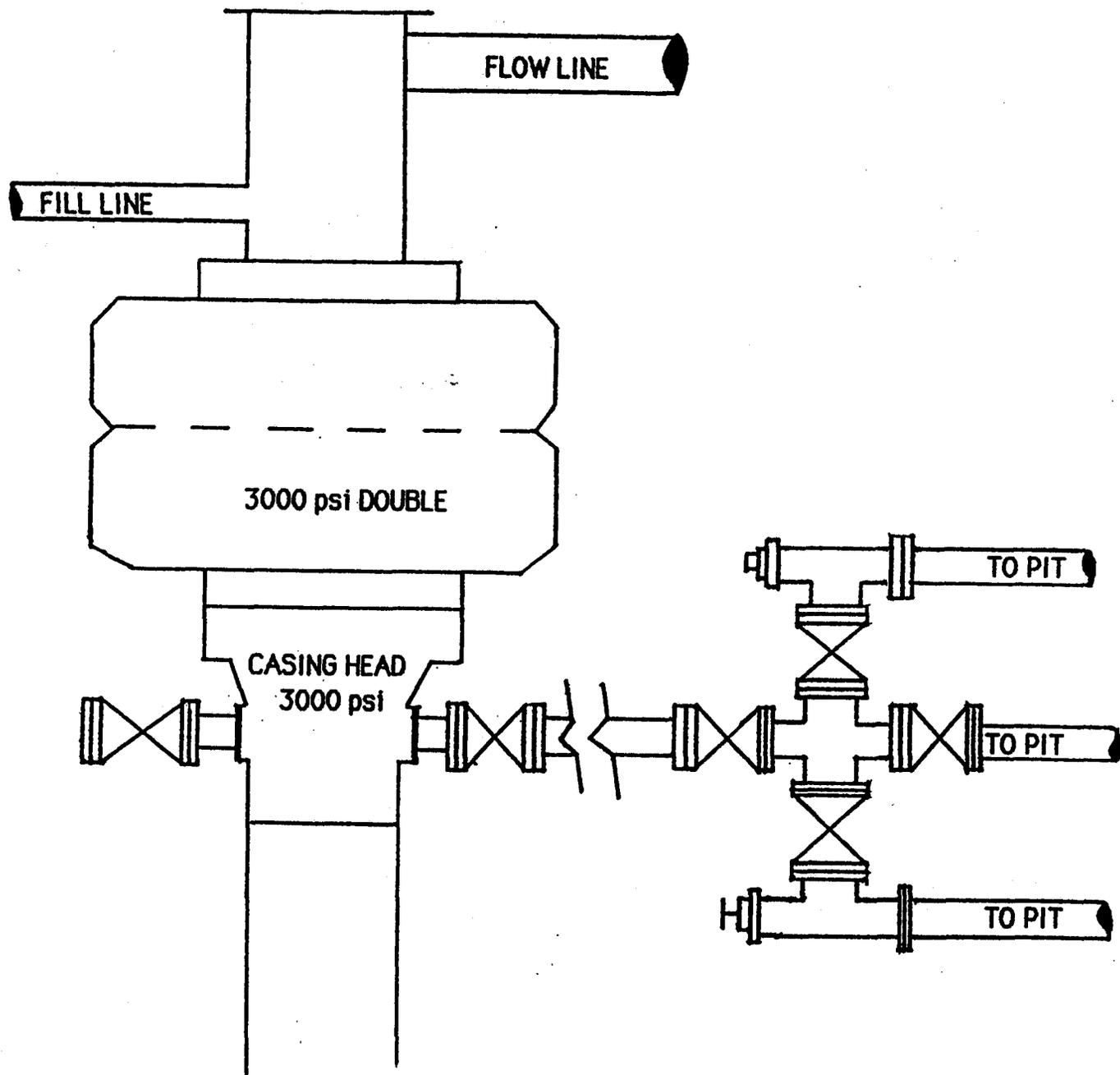
Lower Desert Creek (Oil): 5566' (Secondary Objective)

Surface casing will be set in the Chinle. Water bearing zones will be protected with weighted mud. All fresh water encountered during drilling will be recorded by depth, cased, and cemented. All oil and gas shows will be tested to determine commercial potential.

3. A schematic diagram of the 8-5/8" x 11" 3000 psi BOP is on the following page. Once nipped up, the 11" 3000 psi BOP stack and choke manifold will be tested to 1000 psi for 15 minutes, and after any use under pressure. BOPs will be inspected and operated at least daily to ensure good mechanical working order. Inspections will be recorded on the daily drilling

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Canyon 2-36 State
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BLOWOUT PREVENTER

MCOR Oil and Gas Corp.
 Canyon 2-36 State
 1250' FNL & 1700' FEL
 Sec. 36, T. 38 S., R. 25 E.
 San Juan County, Utah

report.

4. The proposed casing program is:

<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>Age</u>	<u>Setting Depth</u>
20"	16"	Conductor Pipe			New	0'- 80'
12-1/4"	8-5/8"	24*	K-55	ST&C	New	0'-1800'
7-7/8"	5-1/2"	15.5*	K-55	ST&C	New	0'-5625'

The proposed cementing program is:

Conductor Pipe: Redimix. Cement to surface

Surface Casing: First mix - 700 sx "light" cement with 2% calcium chloride and 1/4 lb/sk Flocele.

Second mix - 200 sx Class "B" cement with 2% calcium chloride.

Cement to surface.

Production Casing: 282 sx 50/50 Pozmix cement with 10% salt, 2% bentonite, 0.50% CFR-2, and 0.50% Halad.

1400' linear fill up.

There will be a stabbing valve on the floor.

5. The proposed mud program is below. Previous experience with the Canyon 1-36 State Well indicates mudding up may not be necessary until 4000'.

<u>Depth</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Water Loss</u>	<u>pH</u>
0'-1800'	Water & Gel	8.8	35	N/C	8
1800'-4500'	Chemical	9-11	35-40	15-20	11
4500'-TD	Chemical	11-12	45	8-10	11

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A mud logging unit will be used. Samples will be collected every 10' from the base of the surface casing to 4000'. Samples will be collected every 5' from 4000' to TD.

6. One drill stem test (DST) will be run in the Upper Ismay. One DST will also be run in the Lower Desert Creek if log calculations or mud log shows are favorable.

The following logs will be run:

DIL - BHC/GR: Base of Surface Casing to Total Depth
CNL - FDC/GR: 4000' to Total Depth
HDT: 4000' to Total Depth

Two 60' conventional cores will be taken in the Upper Ismay and one in the Lower Desert Creek if reservoir rock appears to be present. Full diameter analyses will be run.

7. No abnormal pressures, temperatures, or hydrogen sulfide are expected.
8. The anticipated spud date is upon approval. The well must be spudded before Sept. 15, 1985. It is expected it will take 16 days to drill the well and 10 days to complete the well.

MCOR Oil and Gas Corp.
Canyon 2-36 State
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13 Point Surface Use Plan

1. EXISTING ROADS (See Pages 9 & 10)

From the Hatch Trading Post go 2.7 miles north until the pavement ends. Then turn east on the Cross Canyon Road, crossing Montezuma Creek and Cross Creek in route, and go 6.2 miles east to the flagged point at which new construction will begin.

All access is across county roads which will need no upgrading. The roads will be maintained to a standard equal to their present condition. An Encroachment Permit has been approved by the San Juan County Road Dept.

2. PLANNED ACCESS ROAD (See Page 10)

From the flagging on the Cross Canyon Road, a road 600' long and 20' wide will be built southeast to the well. The road will be flat bladed. If the well is a producer, then the road may be crowned, ditched, and rocked. Maximum grade will be 2%. There will be no turnouts or major cuts or fills.

3. EXISTING WELLS (See Page 10)

There are two producing wells within a one mile radius:

Marathon Oil's Tin Cup 2-25: NWSW Sec. 25, T. 38 S., R. 25 E.

Marathon Oil's Tin Cup 3-25: SESW Sec. 25, T. 38 S., R. 25 E.

There is one injection well within a one mile radius:

Marathon Oil's Tin Cup 4-25: SESW Sec. 25, T. 38 S., R. 25 E.

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Canyon 2-36 State
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Sec. 36, T. 38 S., R. 25 E.
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4. PROPOSED PRODUCTION FACILITIES

The type and layout of the production facilities are not known now. A Sundry Notice will be submitted for approval before they are installed.

5. WATER SUPPLY (See Page 10)

Water will be trucked 1.9 miles from an artesian well in SENW Sec. 35, T. 38 S., R. 25 E. BLM has given MCOR permission to use this well. A temporary application to appropriate water has been approved by the State of Utah.

6. CONSTRUCTION MATERIALS

All construction materials are native *in situ* soils on lease.

7. WASTE DISPOSAL

The reserve pit will be lined with 6 mil plastic. It will be fenced on 3 sides with 4 strands of barbed wire. The 4th side will be fenced once the rig moves off. The fence will be kept in good repair while the pit is drying.

All trash will be placed in a portable trash cage. When full, it will be hauled to an approved landfill in Montezuma County, Colorado.

Human waste will be disposed of in 20' deep ratholes or chemical toilets. The ratholes will be immediately filled when the trailers are removed.

MCOR Oil and Gas Corp.
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8. ANCILLARY FACILITIES

There will be no ancillary facilities.

9. WELL SITE LAYOUT

See Pages 11-13 for depictions of the well pad, cross sections, cut and fill diagrams, reserve pit, burn pit, access road onto the pad, parking, living facilities, soil stockpile, and rig orientation.

10. RECLAMATION

Brush and the top 6" of topsoil will be stockpiled on the south side of the pad for future reclamation.

All disturbed areas will be recontoured to a natural shape to blend with the surrounding topography. Stockpiled topsoil will be evenly spread over the disturbed areas, and then ripped.

The following seed mix will be broadcast. A harrow or cable will be dragged over the area to assure seed cover.

<u>Species</u>	<u>Pounds per Acre</u>
Indian Ricegrass	2
Fourwing Saltbush	2
Wild Sunflower	2
Sand Dropseed	1

After seeding is finished, the stockpiled brush will be scattered evenly over the disturbed areas. The reclaimed road will be blocked to prevent vehicular access.

MCOR Oil and Gas Corp.
Canyon 2-36 State
1250' FNL & 1700' FEL
Sec. 36, T. 38 S., R. 25 E.
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If the well is a producer, then the reserve pit will be reclaimed in the preceding described manner.

11. SURFACE OWNER

The surface owner is the State of Utah.

12. OTHER INFORMATION

The nearest hospital is a 75 minute drive away in Monticello, Utah. It is 3 blocks northwest of the only stoplight in Monticello. Phone number is 801-587-2116.

No cultural resource sites were found during the archaeological clearance of the pad and road.

13. REPRESENTATION

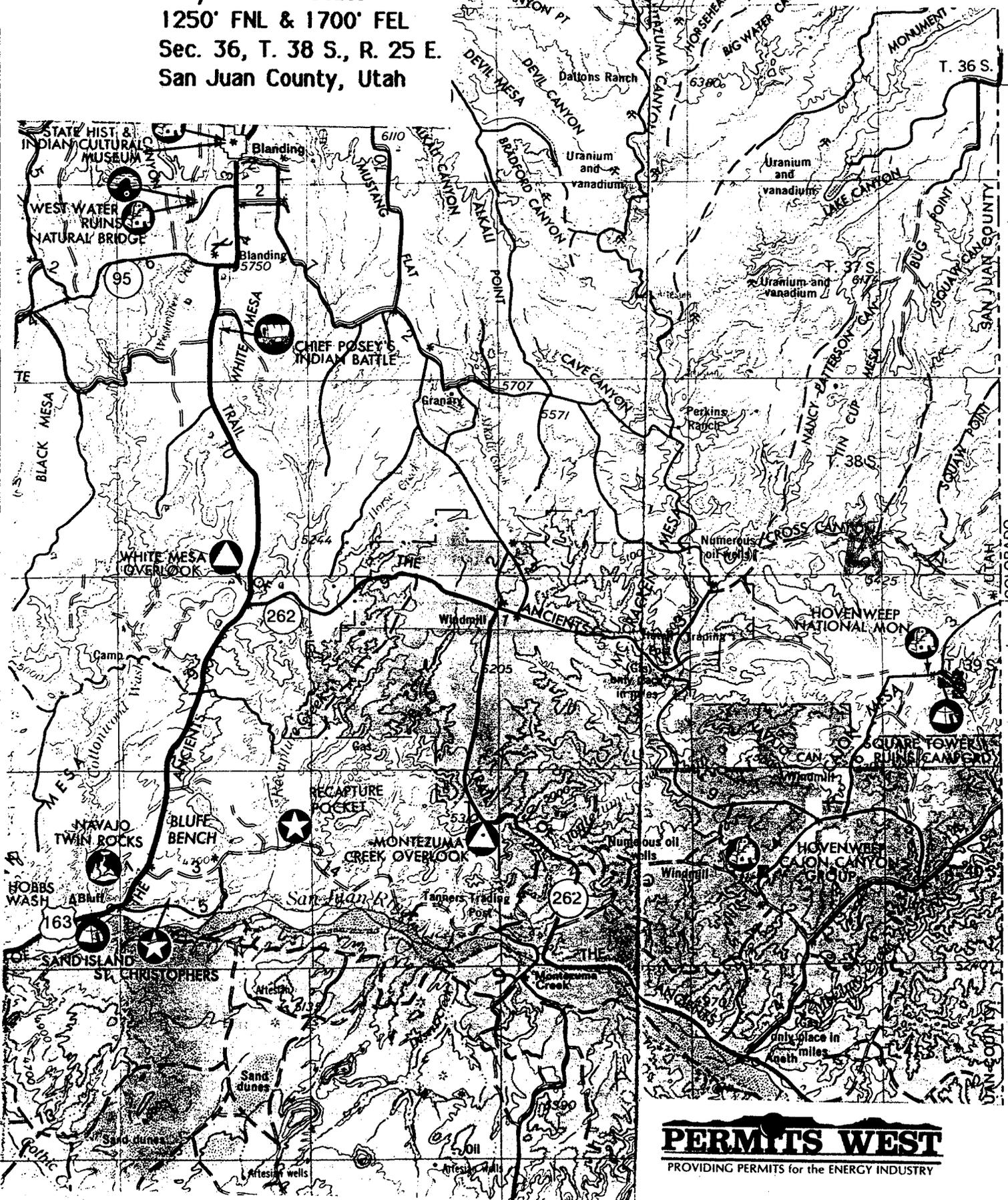
For questions concerning the APD, please contact:

Brian Wood
Permits West, Inc.
P.O. Box 1105
Monticello, Utah 84535
(801) 587-2087

MCOR Oil and Gas Corporation's field representative is:

A. Jordan McNay, Manager - Drilling Operations
MCOR Oil and Gas Corp.
5718 Westheimer Rd.
Houston, Tx. 77057
(713) 953-7777

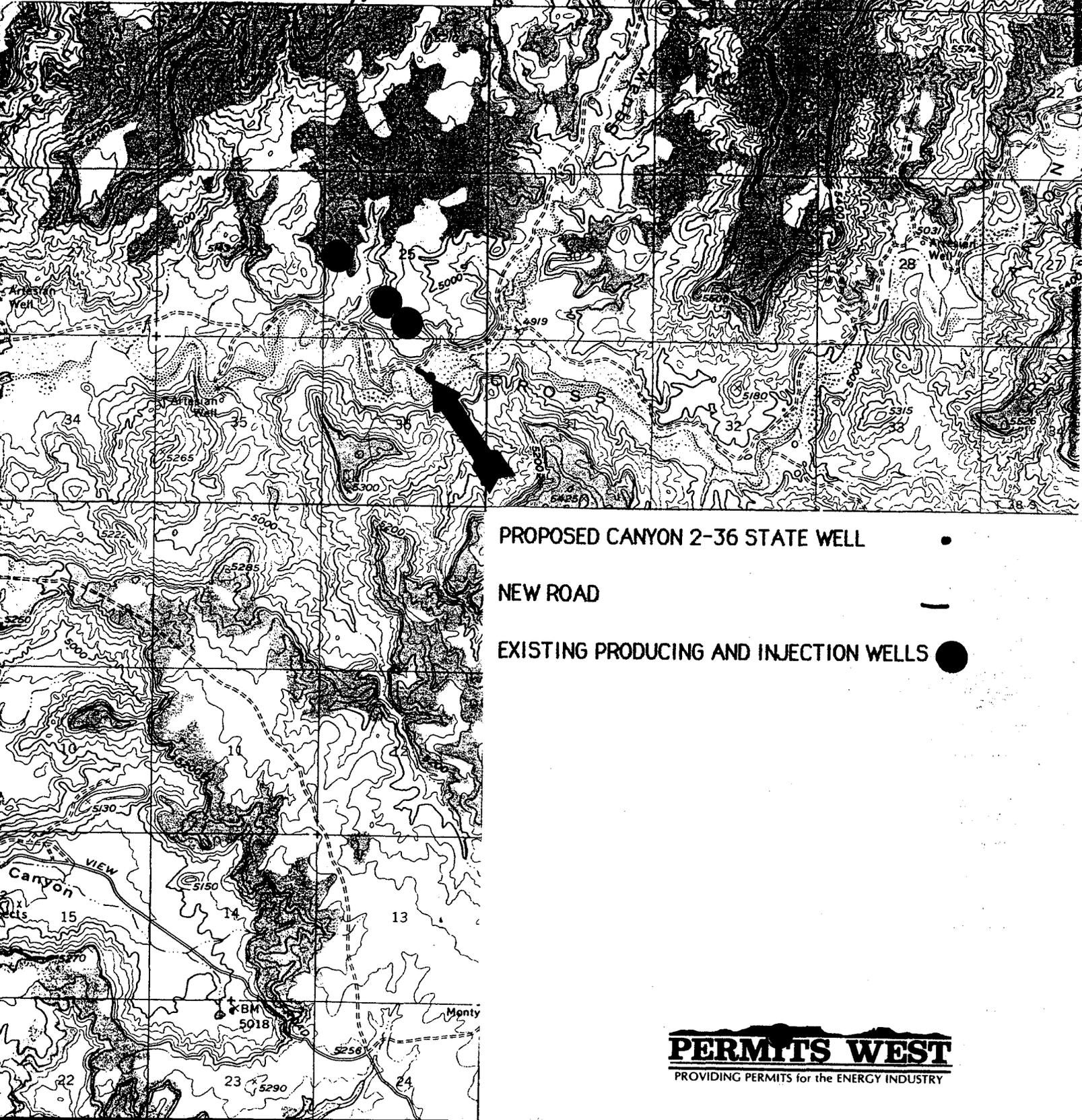
MCOR Oil and Gas Corp.
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4

5

MCOR Oil and Gas Corp.
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1250' FNL & 1700' FEL
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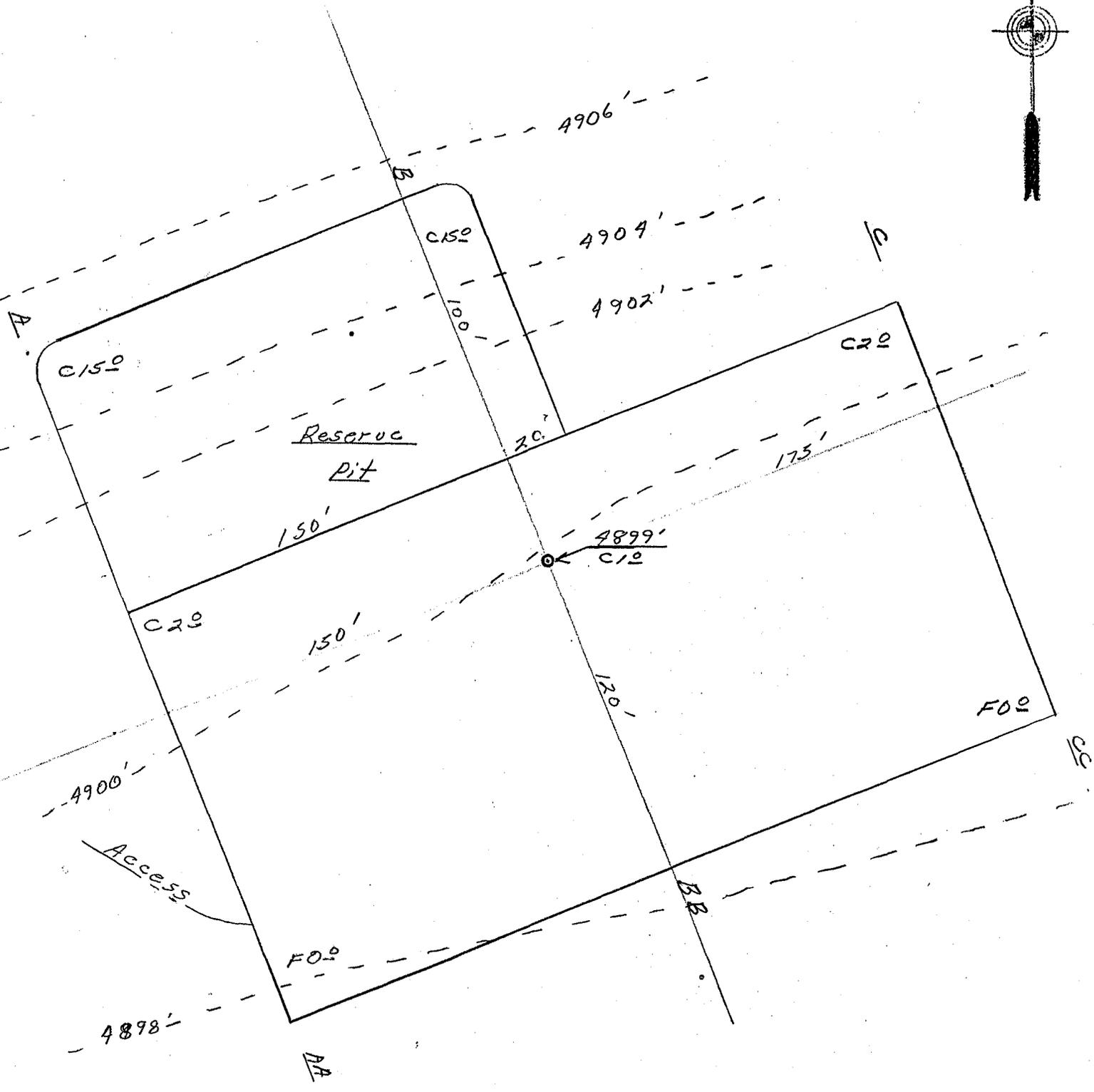


- PROPOSED CANYON 2-36 STATE WELL ●
- NEW ROAD —
- EXISTING PRODUCING AND INJECTION WELLS ●

MCOR Oil and Gas Corp.
Canyon 2-36 State
1250' FNL & 1700' FEL
Sec. 36, T. 38 S., R. 25 E.
San Juan County, Utah

WELL PAD PLAN VIEW

Well Canyon 2-36



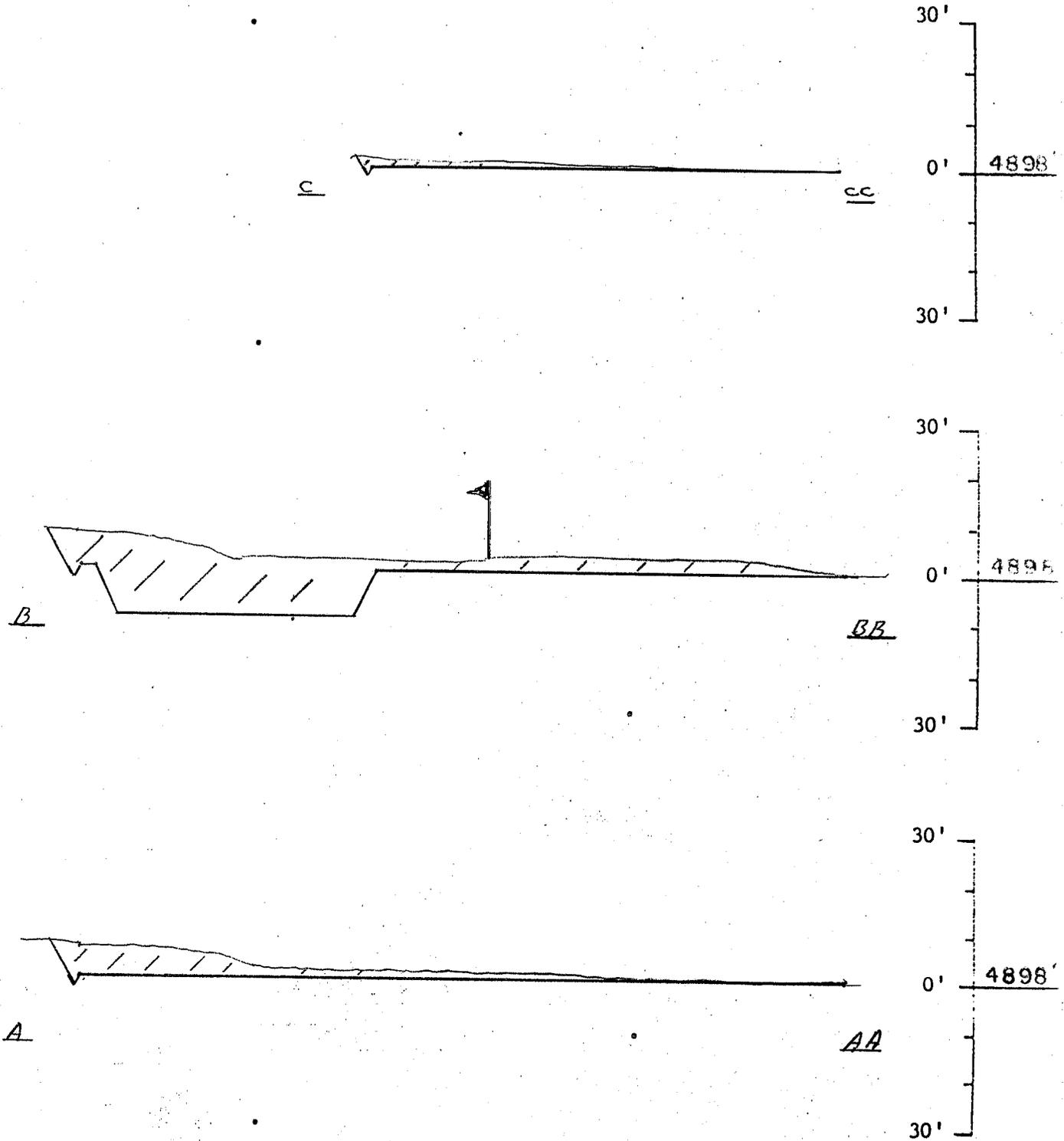
WELL PAD CROSS-SECTION

Well Canyon 2-36

Cut */////*
Fill

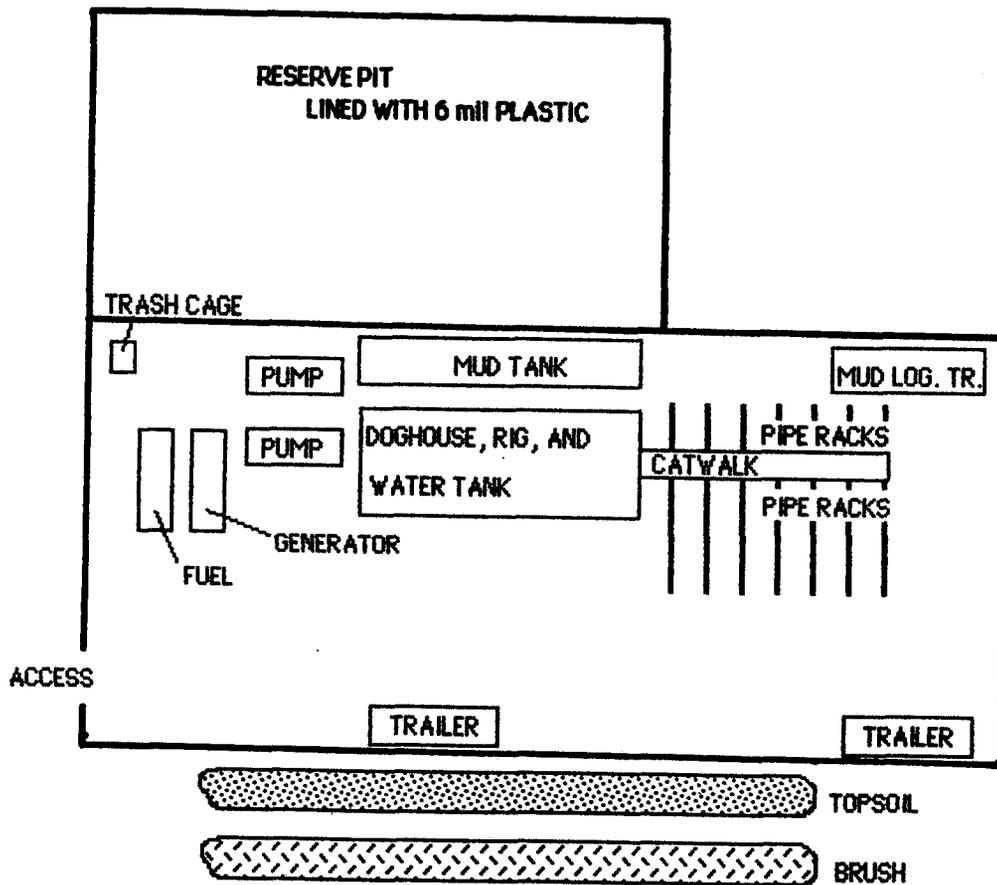
Scales: 1"=50' H.
1"=30' V.

1.7 Vertical Exaggeration



MCOR Oil and Gas Corp.
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APPLICATION TO APPROPRIATE WATER STATE OF UTAH

09-1433

RECEIVED

NOTE:--The information given in the following blanks should be free from explanatory matter, but when necessary, a complete supplementary statement should be made on the following page under the heading "Explanatory."

AUG 2 1985

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, for uses indicated by (X) in the proper box or boxes, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of the Laws of Utah.

WATER RIGHT OFFICE

1. Irrigation Domestic Stockwatering Municipal Power Mining Other Uses

2. The name of the applicant is MCOR OIL AND GAS CORP.

3. The Post Office address of the applicant is P.O. BOX 1105, MONTICELLO, UT. 84535

4. The quantity of water to be appropriated N/A acre-feet

5. The water is to be used for DRILLING MUD from AUG. 15 to DEC. 31

(Major Purpose) (Month) (Day) (Month) (Day)

other use period DUST CONTROL from AUG. 15 to DEC. 31

(Minor Purpose) (Month) (Day) (Month) (Day)

and stored each year (if stored) from N/A to N/A

(Month) (Day) (Month) (Day)

6. The drainage area to which the direct source of supply belongs is (Leave Blank)

7. The direct source of supply is UNDERGROUND WATER

which is tributary to N/A (Name of stream or other source) N/A

tributary to N/A

*Note.--Where water is to be diverted from a well, a tunnel, or drain, the source should be designated as "Underground Water" in the first space and the remaining spaces should be left blank. If the source is a stream, a spring, a spring area, or a drain, so indicate in the first space, giving its name, if named, and in the remaining spaces, designate the stream channels to which it is tributary, even though the water may sink, evaporate, or be diverted before reaching said channels. If water from a spring flows in a natural surface channel before being diverted, the direct source should be designated as a stream and not a spring.

8. The point of diversion from the source is in SAN JUAN County, situated at a point* 1974.86' S AND 565.14' W OF N1/4 CORNER OF SEC. 35, T. 38 S., R. 25 E., SLBM.

(1 1/2 MILES NE OF HATCH TRADING POST)

*Note.--The point of diversion must be located definitely by course and distance or by giving the distances north or south, and east or west with reference to a United States land survey corner or United States mineral monument, if within a distance of six miles of either, or if at a greater distance, to some prominent and permanent natural object. No application will be received for filing in which the point of diversion is not defined definitely.

9. The diverting and carrying works will consist of WATER WILL BE CARRIED BY TANK TRUCK. THERE WILL BE NO OTHER DIVERSION OR CARRYING WORKS.

10. If water is to be stored, give capacity of reservoir in acre-feet height of dam area inundated in acres legal subdivision of area inundated NO STORAGE PLANNED.

11. If application is for irrigation purposes, the legal subdivisions of the area irrigated are as follows: N/A

12. Is the land owned by the applicant? Yes No XXX Total Acres

13. Is this water to be used supplementally with other water rights? Yes No XXX If "yes," identify other water rights on page 2.

14. If application is for power purposes, describe type of plant, size and rated capacity. N/A

15. If application is for mining, the water will be used in N/A Mining District at the mine, where the following ores are mined

16. If application is for stockwatering purposes, number and kind of stock watered N/A

17. If application is for domestic purposes, number of persons N/A, or families

18. If application is for municipal purposes, name of municipality N/A

19. If application is for other uses, include general description of proposed uses WATER WILL BE USED FOR OIL & GAS DRILLING, DUST CONTROL, ETC.

20. Give place of use by legal subdivision of the United States Land Survey for all uses described in paragraphs 14 to 19, incl. AT THE 2-36 STATE WELL IN NWNE (1250 FNL & 1700 FEL) SEC. 36, T. 38 S., R. 25 E., SLBM. S. 1250 ft. & W. 1700 ft. from NE Cor. Sec. 36, T38S, R25E, SLB&M. Cajon Mesa Quad (NW 1/4 NE 1/4)

21. The use of water as set forth in this application will consume 4 second feet and/or acre-foot of water and second feet and/or acre feet will be returned to the natural stream or source at a point described as follows:

EXPLANATORY

The following additional facts are set forth in order to define more clearly the full purpose of the proposed application:

12. Land is Federal land and managed by the Bureau of Land Management. Paul Curtis and Bob Turri of the BLM (1-587-2201) have given MCOR permission to use the well.

13. Will supplement BLM's livestock watering rights as described in Application Number 40148 (09-494).

(Use page 4 if additional explanatory is needed.)

The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purpose herein described

Brian Wood Permits West, Inc.
Signature of Applicant*

*If applicant is a corporation or other organization, signature must be the name of such corporation or organization by its proper officer, or in the name of the partnership by one of the partners, and the names of the other partners shall be listed. If a corporation or partnership, the affidavit below need not be filled in. If there is more than one applicant, a power of attorney, authorizing one to act for all, should accompany the Application.

DECLARATION OF CITIZENSHIP

STATE OF UTAH, }
County of..... } ss

On the day of, 19....., personally appeared before me, a notary public for the State of Utah, the above applicant who, on oath, declared that he is a citizen of the United States, or has declared his intention to become such a citizen.

My commission expires:

(SEAL)

Notary Public

TEMPORARY

FEEES FOR APPLICATIONS TO APPROPRIATE WATER IN UTAH

Flow rate — c.f.s.	Cost	
0.0 to 0.1	\$ 15.00	
over 0.1 to 0.5	30.00	
over 0.5 to 1.0	45.00	
over 1.0 to 15.0	45.00	plus \$7.50 for each cfs above the first cubic
over 15.0	150.00	foot per second.
Storage — acre-feet		
0 to 20	22.50	
over 20 to 500	45.00	
over 500 to 7500	45.00	plus \$7.50 for each 500 a.f. above the first
over 7500	150.00	500 acre feet.

(This section is not to be filled in by applicant)

STATE ENGINEER'S ENDORSEMENTS

1. AUGUST 21, 1985 Application received by mail over counter in State Engineer's office by sp
2. Priority of Application brought down to, on account of
3. 8-6-85 Application fee, \$15.00, received by sp Rec. No. 18697
4. Application microfilmed by Roll No.
5. Indexed by Platted by
6. 8/2/85 Application examined by sp
7. Application returned, or corrected by office
8. Corrected Application resubmitted by mail over counter to State Engineer's office.
9. Application approved for advertisement by
10. Notice to water users prepared by
11. Publication began; was completed
12. Notice published in
13. Proof slips checked by
14. Application protested by
15. Publisher paid by M.E.V. No.
16. Hearing held by
17. 8/2/85 Application designated for approval sp SE
18. 8/16/85 Application copied or photostated by slm proofread by
19. 8/16/85 Application approved rejected
20. Conditions:

This Application is approved, subject to prior rights, as follows:

- a. Actual construction work shall be diligently prosecuted to completion.
- b. Proof of Appropriation shall be submitted to the State Engineer's office by NPR
- c. TEMPORARY APPROVAL -- EXPIRES December 31, 1985.

Robert L. Morgan, P.E., State Engineer

21. Time for making Proof of Appropriation extended to
22. Proof of Appropriation submitted.
23. Certificate of Appropriation, No., issued

WATER RIGHTS DATA BASE
ENTERED - DATE 7/2/85 BY MLK
VERIFIED - DATE 7/2/85 BY MLK

TEMPORARY

Application No. T. 61150

09-1433

081501

OPERATOR MCOR Oil & Gas Corp.

DATE 8-29-85

WELL NAME Canyon 2-36 State

SEC NWNE 36 T 38S R 25E COUNTY San Juan

43-037-31196
API NUMBER

State
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

Water OK - T 61150

No other wells within 1000'

APPROVAL LETTER:

SPACING: A-3 _____ UNIT

c-3-a _____ CAUSE NO. & DATE

c-3-b

c-3-c

STIPULATIONS:

1. State history



The Travelers Companies
Two NorthPark East
P.O. Box 660055
Dallas, TX 75266-0055

Daniel L. Wolfe
Manager
Surety Department

Dallas Office

September 19, 1985

Ms. Arlene Soloff
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: Bond of Lessee
MCOR Oil and Gas Corporation
Bond No. 432G8167

Dear Ms. Soloff:

Enclosed please find the above referenced bond which has been properly executed and countersigned.

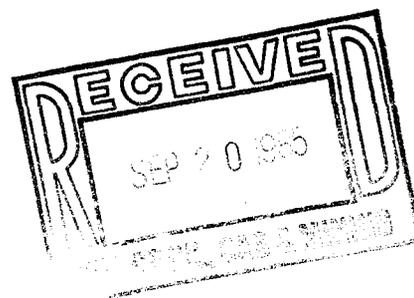
We trust this bond is suitable for filing with your department, but if not, please advise and we will do the necessary.

Sincerely,
THE TRAVELERS INDEMNITY COMPANY

Terri Luckadoo
Terri Luckadoo
Surety Operation Specialist
Dallas Surety Department

tl

cc: Carson, Luebbehusen & Burk





STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

September 20, 1985

MCOR Oil and Gas Corporation
5718 Westheimer Road
Houston, Texas 77057

Gentlemen:

Re: Well No. Canyon 2-36 State - NW NE Sec. 36, T. 38S, R. 25E
1250' FNL, 1700' FEL - San Juan County, Utah

Approval to drill the above-referenced oil well is hereby granted in accordance with Rule C-3(c), General Rules and Regulations and Rules of Practice and Procedure, subject to the following stipulations:

1. Prior to any ground-disturbing activity on state lands or lands owned or controlled by the state or its subdivisions, a cultural resource clearance report must be filed with and approved by the Division of State History, phone (801) 533-4563. A list of acceptable archaeological contractors is available from the Division of State History.

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 John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.
4. Compliance with the requirements and regulations of Rule C-27, Associated Gas Flaring, General Rules and Regulations, Oil and Gas Conservation.

Page 2
MOR Oil and Gas Corporation
Well No. Canyon 2-36 State
September 20, 1985

5. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-037-31196.

Sincerely,



R. J. Hirth
Associate Director, Oil & Gas

as
Enclosures
cc: State Lands

No
Card

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

API #43-037-31196

NAME OF COMPANY: MCOR OIL & GAS

WELL NAME: CANYON ²⁻³⁶~~3-26~~ State

SECTION NW NE 36 TOWNSHIP 38S RANGE 25E COUNTY San Juan

DRILLING CONTRACTOR Coleman

RIG # 4

SPUDDED: DATE 9-25-85

TIME 4:00 PM

HOW Rotary

DRILLING WILL COMMENCE _____

REPORTED BY Althea Schultz

TELEPHONE # 713-953-7777

DATE 9-26-85 SIGNED SB

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

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

5. LEASE DESIGNATION AND SERIAL NO.
ML 36202

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

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME
Canyon

9. WELL NO.
#2-36 State

10. FIELD AND POOL, OR WILDCAT
undesignated

11. SEC. T., R., M. OR BLK. AND SURVEY OR AREA
36-38S-25E SLBM

12. COUNTY OR PARISH
San Juan

13. STATE
Utah

SUNDRY NOTICES AND REPORTS ON WELLS

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

OCT 07 1985

DIVISION OF OIL
GAS & MINING

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
MCOR OIL & GAS CORP.

3. ADDRESS OF OPERATOR
5718 Westheimer, Suite 1100, Houston, TX

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.)
At surface
1250' FNL & 1700' FEL (NW NE)

14. PERMIT NO.
43-037-31196

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

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>Spud Notice</u>	<input checked="" type="checkbox"/>
(Other) <input type="checkbox"/>			

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

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

Well spudded @ 4:00 p.m., 9/25/85 with rotary tools.

Drilling contractor: Coleman Drilling Co., Rig #4

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

SIGNED J. McNay TITLE Manager, Drilling & Prod DATE 9/26/85

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

RECEIVED

OCT 25 1985

DIVISION OF OIL
GAS & MINING

IGT

MCO~~R~~ RESOURCES, INC.
CANYON #2-36 STATE
SEC 36, T38S, R25E
SAN JUAN COUNTY, UTAH

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

MCO RESOURCES, INC.
CANYON #2-36 STATE
SEC 36, T38S, R25E
SAN JUAN COUNTY, UTAH

TABLE OF CONTENTS

1. SUMMARY OF DAILY ACTIVITY	1
2. BIT RECORD	2
3. DEVIATION SHEET	3
4. DST AND SHOW SHEET	4-5

(1) COPY FINAL MUDLOG (5"=100')
(1) COPY FINAL MUDLOG (2.5"=100')

DRILLING CONTRACTOR: COLEMAN RIG #4
FARMINGTON, NEW MEXICO

DRILLING FOREMAN: MR. J. R. HICKMAN

PUSHER: MR. DON VESTAL

GEO TECHNOLOGIST: MR. DAVE MEADE - MR. TERRY DAOUST

DRILLING FLUID: MR. TOM AUTRY - MR. W. MCELHANON
GEO DRILLING FLUIDS
CORTEX, CO

DRILL STEM TESTS: MR. BRYON SCOTT
LYNES
CORTEZ, CO

CORING: #1 MR. MARK PARTRIDGE - Vernal, UT
#2 MR. DON SANDERS
#3 MR. DON SANDERS
CHRISTENSON
FARMINGTON, NEW MEXICO

WIRE LINE LOGS: SCHLUMBERGER
FARMINGTON, NEW MEXICO

WELLSITE GEOLOGIST: MR. CONNIE M. KRIVANEK
FARMINGTON, NEW MEXICO

MCO RESOURCES, INC.
 CANYON #2-36 STATE
 SEC 36, T38S, R25E
 SAN JUAN COUNTY, UTAH

SUMMARY OF DAILY ACTIVITY

<u>DATE</u>	<u>ACTIVITY</u>	<u>MIDNITE DEPTH</u>	<u>24 HOUR FOOTAGE</u>
9-27-85	IGT UNIT #4 ON LOCATION & RIGGED UP	1665'	
9-28-85	RUN CASING, WAIT ON CEMENT, NIPPLE UP	1665'	0
9-29-85	WAIT ON CEMENT, DRLG, SURV, DRLG, SURV, DRLG	2568'	903'
9-30-85	DRLG, SURV, WTR FLOW (2850), MUD UP, DRLG	3060'	492'
10-01-85	DRLG, SURV, DRLG	3446'	386'
10-02-85	DRLG, TRIP BIT #3, DRLG	3715'	269'
10-03-85	DRLG	3995'	280'
10-04-85	DRLG	4249'	254'
10-05-85	DRLG	4514'	265'
10-06-85	DRLG, TRIP BIT #4, DRLG	4698'	174'
10-07-85	DRLG	4914'	216'
10-08-85	DRLG	5104'	190'
10-09-85	DRLG, SURV, DRLG, TRIP FOR CORE #1	5304'	200'
10-10-85	TRIP FOR CORE #1, CORING, TOH CORE #1, TIH DST #1	5365'	61'
10-11-85	DST #1, STUCK DST TOOL	5365'	0
10-12-85	STUCK IN HOLE, UNSTUCK, TOH W/DST TOOL	5365'	0
10-13-85	TOH DST #1, TIH CORE #2, CORING, TOH W/CORE #2	5425'	60'
10-14-85	LAY DOWN CORE, TIH W/BIT #7, DRLG	5563'	138'
10-15-85	DRLG, CIRC SPLS, TOH CORE #3, TIH #3, CORING	5621'	58'
10-16-85	CORING, TOH, LAY DOWN CORE, T.D., RUN "E" LOGS, IGT UNIT #4 RELEASED	5630'	9'

MCO RESOURCES, INC.
CANYON #2-36 STATE
SEC 36, T38S, R25E
SAN JUAN COUNTY, UTAH

BIT RECORD

<u>BIT</u>	<u>MAKE</u>	<u>SIZE</u>	<u>TYPE</u>	<u>DEPTH OUT</u>	<u>FOOTAGE USED</u>	<u>HOURS</u>
1	REED	12½"	FP-52	1665'	1585'	39
2	VAREL	7 7/8"	V537C	3626'	1961'	68½
3	VAREL	7 7/8"	V-537	4602'	976'	86
4	VAREL	7 7/8"	V527	5304'	702'	78
5	CHRIS	7 7/8"	C-201	5364'	60'	8
6	RR#5 CHRIS	7 7/8"	C-201	5424'	60'	7½
7	HTC	7 7/8"	J33	5571'	147'	21½
8	RR#6 CHRIS	7 7/8"	C-201	5630"	60'	14

MCO RESOURCES, INC.
CANYON #2-36 STATE
SEC 36, T38S, R25E
SAN JUAN COUNTY, UTAH

DEVIATION SHEET FOR WELL. . . .

DEPTH	DEVIATION (DEV)
258'	$\frac{3}{4}$ °
771'	1°
1280'	$2\frac{3}{4}$ °
1665'	$1\frac{1}{4}$ °
1860'	$\frac{3}{4}$ °
2260'	$\frac{3}{4}$ °
2773'	$\frac{1}{4}$ °
3300'	$\frac{3}{4}$ °
3608'	$\frac{1}{4}$ °
4100'	$\frac{3}{4}$ °
4602'	1°
5100'	$1\frac{1}{4}$ °
5300'	1°

(IGT)
DST & SHOW SHEET

SHOW # 1 FROM 5206' TO 5216' DATE 10-9-85

COMPANY MCO RESOURCES INC.
WELL CANYON #2-36 STATE
FIELD WILDCAT

	BEFORE SHOW	DURING SHOW	AFTER SHOW
DRILLING RATE	6-7 min/ft	3.5-4.5 min/ft	6-7 min/ft
TOTAL GAS UNITS	2-3 Units	85 Units	2-3 Units
METHANE %	.04-.05%	2.4%	.04-.05%
ETHANE %	tr	.42%	tr
PROPANE %	--	--	--
BUTANE (ISO) %	--	--	--
BUTANE (NOR) %	--	--	--
PENTANE %	--	--	--

SAMPLE LITHOLOGY LS-M-DKGY GYBRN MICXL-CRPXL OCC SL RTHY SLTY IP FOS IP V DOL
TT FRM-HD N VLS Ø NESOC
SAMPLE FLOR AND CUT NONE

DST # 1 FROM 5294' TO 5364' DATE 10-11-85

UPPER ISMAY	MINUTES	TOP CHART 5266	BOTTOM CHART 5310
INITIAL HYDROSTATIC		3237	3257
INITIAL OPEN	30	387-622	497-647
INITIAL SHUT-IN	60	2094	2107
SECOND OPEN	74	588-1127	557-1142
SECOND SHUT-IN	120	2094	2097
FINAL HYDROSTATIC		NONE	STUCK IN HOLE

1ST FLOW 1" INCR TO 5# IN 5 MIN, 120# IN 25 MIN, 140# IN 30 MIN
2ND FLOW 7# (3), 10# (5), 12# (10) 13# (15) 15# (20) 35# (30) 35# (40) 20# (50)
REMARKS 60# (60) OTS 65 MINO BHT 130F

DRILL PIPE RECOVERY 75 bbls reversed out
SAMPLE CHAMBER RECOVERY 2.8 cf gas, 1000 psi, 600 cc O, 41 grvty @ 70° 400 emulsion
DRILL PIPE- TOP- R/W= at °F, MIDDLE-R/W= at °F,
DRILL PIPE- BOTTOM-R/W= at °F, SAMPLE CHMBR.- R/W= at °F,
FIT MUD-R/W₀ at 100°

GEO-TECH Terry Daoust

(IGT)
DST & SHOW SHEET

SHOW # 2

FROM 5302' TO 5304'

DATE 10-09-85

COMPANY MCO RESOURCES INC.
WELL CANYON #2-36 STATE
FIELD WILDCAT

	BEFORE SHOW	DURING SHOW	AFTER SHOW
DRILLING RATE	4 min/ft	2.5 min/ft	
TOTAL GAS UNITS	20 Units	106 Units	
METHANE %	0.33%	1.72%	
ETHANE %	0.12%	0.52%	
PROPANE %	0.03%	0.32%	
BUTANE (ISO) %	--	0.12%	
BUTANE (NOR) %	--	tr	
PENTANE %	--	--	

SAMPLE LITHOLOGY DOLO-LT-DKBRN, MICXL-VFXL RTHY LMY IP ANHY IP TT IP MHD
RR INTXL POR DK RR DKBRN STN
SAMPLE FLOR AND CUT V DULL Y FLOR ENT MKY CUT

DST # _____ FROM _____ ' TO _____ ' DATE _____
MINUTES TOP CHART BOTTOM CHART

INITIAL HYDROSTATIC
INITIAL OPEN
INITIAL SHUT-IN
SECOND OPEN
SECOND SHUT-IN
FINAL HYDROSTATIC
1ST FLOW
2ND FLOW
REMARKS _____ BHT^o
DRILL PIPE RECOVERY
SAMPLE CHAMBER RECOVERY
DRILL PIPE- TOP- R/W= at ^oF, _____ MIDDLE-R/W= at ^oF, _____
DRILL PIPE- BOTTOM-R/W= at ^oF, _____ SAMPLE CHAMBER- R/W= at ^oF, _____
FIT MUD-R/W= at ^oF _____

GEO-TECH Dave Meade

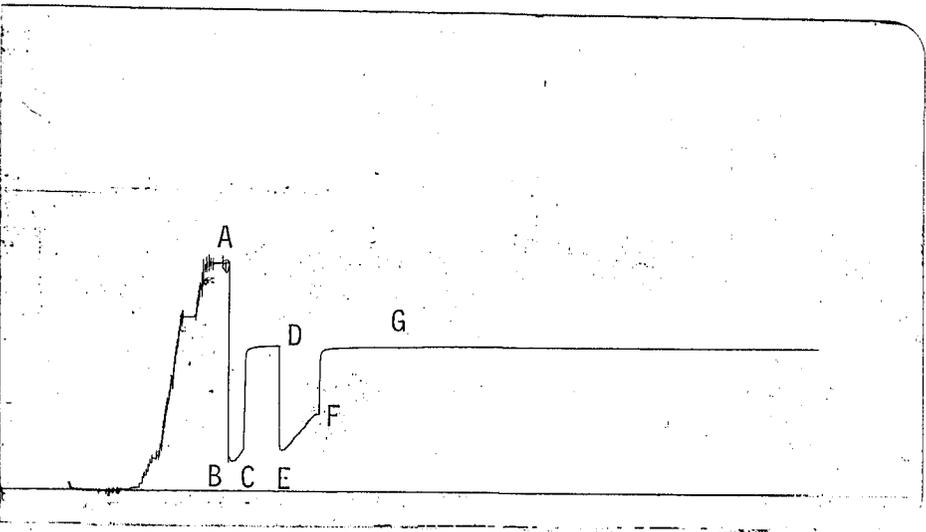
Contractor <u>Coleman</u>	Top Choke <u>1/4"</u>	Flow No. 1 <u>30</u> Min.
Rig No. <u>4</u>	Bottom Choke <u>3/4"</u>	Shut-in No. 1 <u>64</u> Min.
Spot <u>--</u>	Size Hole <u>7 7/8"</u>	Flow No. 2 <u>75</u> Min.
Sec. <u>36</u>	Size Rat Hole <u>--</u>	Shut-in No. 2 <u>120</u> Min.
Twp. <u>38S</u>	Size & Wt. D. P. <u>4 1/2" XH 16.60#</u>	Flow No. 3 <u>--</u> Min.
Rng. <u>25E</u>	Size Wt. Pipe <u>--</u>	Shut-in No. 3 <u>--</u> Min.
Field <u>Cross Canyon</u>	I. D. of D. C. <u>2 3/8"</u>	Bottom Hole Temp. <u>130^oF</u>
County <u>San Juan</u>	Length of D. C. <u>939 ft</u>	Mud Weight <u>11.6</u>
State <u>Utah</u>	Total Depth <u>5364 ft</u>	Gravity <u>--</u>
Elevation <u>--</u>	Interval Tested <u>5295-5364 ft</u>	Viscosity <u>39</u>
Formation <u>Ismay</u>	Type of Test <u>Bottom Hole Conventional</u>	

Tool opened @ 11:19 pm
Outside Recorder

PRD Make Kuster K-3
No. 24552 Cap. 6625 @ 5315'

	Press	Corrected
Initial Hydrostatic	A	3262
Final Hydrostatic	K	--
Initial Flow	B	409
Final Initial Flow	C	607
Initial Shut-in	D	2075
Second Initial Flow	E	585
Second Final Flow	F	1105
Second Shut-in	G	2072
Third Initial Flow	H	--
Third Final Flow	I	--
Third Shut-in	J	--

Lynes Dist. Cortez, CO
Our Tester: Bryan Scott
Witnessed By: Jr. Hickman



Did Well Flow - Gas Yes Oil Yes Water No

RECOVERY IN PIPE: 5300 ft of oil and gas = 65.0 bbls.

Blow Description:

1st flow: Tool opened with a 1" blow increasing to gas to surface in 21 minutes (too small to measure), increasing to 140 psi at the end of the flow.

2nd flow: Tool opened with a 5 psi blow increasing to 120 psi at the end of the flow.

Comments: The test results indicate a mechanically successful test. Reservoir calculations are enclosed. DMR pressures recorded in PSIA. The final hydrostatic pressure was not recorded, tools were stuck in the hole for 19 hours after the test was run.

Operator MCOR Oil & Gas
Address 5718 Westheimer Suite 1100 Houston, TX 77057
Well Name and No. Canyon #2-36 State
Ticket No. 00773
Date 10-11-85
DST No. 1
No. Final Copies 16

LYNES, INC.

MCOR Oil & Gas

Operator

Canyon #2-36 State

Well Name and No.

1

DST No.

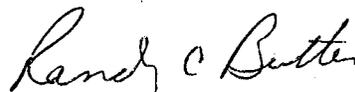
Comments relative to DST #1 run on Canyon #2-36 in San Juan County, Utah,
Sec. 36-T38S-R25E for MCOR Oil & Gas.

The calculations here-in performed were accomplished by plotting the time and pressure data on a semi-log scale and using the resulting slope and extrapolated pressure from the Horner plot.

The initial pressure of this zone for this test extrapolated to 2116 psi with a slope of 54 psi/cycle, creating a sub-surface pressure gradient of .398 psi/ft. at the recorder depth of 5310 feet.

The calculations yield 264.69 md as the average effective permeability. The skin factor and damage ratio numbers were caused by tool and surface restrictions and do not suggest any significant wellbore damage at the time of this test. The flow rate was calculated using only the surface production of 74 Bbls. The .26% depletion reflects the 5.5 psi difference between the first and second shut-in and indicate no problem with drawdown or depletion.

This analysis is based on a single phase flow model using 40 API gravity oil as the fluid. A net pay of 10 feet and a porosity of 15% were estimated. The results of this analysis are accurate and reliable to the extent of the assumptions made. If you should have any questions concerning this test or the results, please do not hesitate to call. We appreciate your business and look forward to serving you again.



R.C. Butler
Regional Engineer

RCB/bss

Operator.....: MCOR
 Well ID.....: CANYON #2-36
 Location.....: SEC. 36 T38S R25E
 DST Number.....: 1
 Formation.....: ISMAY
 Type of test....: BOTTOM HOLE CONVENTIONAL
 Test interval...: 5295 - 5364ft.
 Recorder number : 6021
 Recorder depth : 5310

RESERVOIR CALCULATIONS: Fluid calculations based on 2nd shut-in

RESERVOIR PARAMATERS USED:

Net Pay.....: 10.00 ft
 Porosity.....: 15.00 %
 Bottom Hole Temp.....: 130.00 F
 Specific Gravity.....: .825
 API Gravity.....: 40.00
 Compressibility.....: .2080E-004 /psi
 Viscosity.....: .56 cp
 Total Recovery.....: 74.00 Bbls oil
 Total flowing time....: 105.00 minutes
 Flow rate.....: 1115.00 bbl/d
 Final flowing pressure: 1142.00 psi
 Slope.....: 54.084 psi/cycle
 Extrapolation.....: 2115.96 psi
 Formation vol. factor : 1.41 Reservoir/Surface
 Wellbore radius.....: 3.94 in

RESULTS:

Effective Permeability..(k)....: 264.69 mD
 Transmissibility.....(kh/u)....: 4726.57 mD.ft/cp
 Flow capacity.....(kh)....: 2646.88 mD.ft
 Skin.....(s)....: 13.63
 Pressure drop across skin.....: 640.73 psi
 Radius of investigation.....: 472.19 ft
 Damage ratio.....: 2.92
 Productivity index.....: 1.145 bbl/psi.d
 Productivity index W/O damage : 3.345 bbl/psi.d
 Depletion factor.....: .26 %

MCOR
 DST#: 1
 CANYON #2-36
 5295 - 5364ft.

Location: SEC. 36 T38S R25E
 Test Type: BOTTOM HOLE CONVENTIONAL
 Formation: ISMAY

Recorder Number: 6021
 Recorder Depth: 5310 ft.

TIME-PRESSURE LISTING

CHART LABEL	COMMENTS	TIME MIN.	DELTA P psi	PRESSURE (T+dt)/dt psi	PRESSURE SQUARED ABSCISSA	PRESSURE SQUARED psi ² /10 ⁶
A	INITIAL HYDROSTATIC	0.00		3257.0		
B	START OF 1st FLOW	0.00		498.0		
	1st FLOW PERIOD	5.00	100.0	398.0		
		10.00	45.0	453.0		
		14.00	10.0	488.0		
		20.00	50.0	548.0		
		25.00	110.0	608.0		
C	END OF 1st FLOW	28.00	150.0	648.0		
	1st SHUTIN PERIOD	0.00	0.0	648.0	0.0000	
		1.00	435.0	1083.0	29.0000	
		2.00	450.0	1098.0	15.0000	
		4.00	1380.0	2028.0	8.0000	
		5.00	1400.0	2048.0	6.6000	
		6.00	1410.0	2058.0	5.6667	
		7.00	1420.0	2068.0	5.0000	
		8.00	1425.0	2073.0	4.5000	
		9.00	1430.0	2078.0	4.1111	
		10.00	1430.0	2078.0	3.8000	
		15.00	1440.0	2088.0	2.8667*	
		20.00	1445.0	2093.0	2.4000*	
		25.00	1450.0	2098.0	2.1200*	
		30.00	1455.0	2103.0	1.9333*	
		34.00	1455.0	2103.0	1.8235*	
		40.00	1455.0	2103.0	1.7000*	
		45.00	1460.0	2108.0	1.6222*	
		50.00	1460.0	2108.0	1.5600*	
		55.00	1460.0	2108.0	1.5091*	
		60.00	1460.0	2108.0	1.4667*	
D	END OF 1st SHUTIN	65.00	1460.0	2108.0	1.4308*	
E	START OF 2nd FLOW	0.00		728.0		
	2nd FLOW PERIOD	5.00	140.0	588.0		
		10.00	90.0	638.0		
		15.00	45.0	683.0		
		20.00	5.0	723.0		

MCOR
 DST#: 1
 CANYON #2-36
 5295 - 5364ft.

Location: SEC. 36 T38S R25E
 Test Type: BOTTOM HOLE CONVENTIONAL
 Formation: ISMAY

Recorder Number: 6021
 Recorder Depth: 5310 ft.

TIME-PRESSURE LISTING

CHART LABEL	COMMENTS	TIME MIN.	DELTA P psi	PRESSURE (T+dt)/dt psi	PRESSURE SQUARED psi ² /10 ⁶
		24.00	35.0	763.0	
		30.00	95.0	823.0	
		35.00	135.0	863.0	
		40.00	175.0	903.0	
		45.00	220.0	948.0	
		50.00	279.0	1007.0	
		55.00	329.0	1057.0	
		60.00	374.0	1102.0	
		65.00	404.0	1132.0	
		70.00	414.0	1142.0	
F END OF 2nd FLOW		73.00	414.0	1142.0	
2nd SHUTIN PERIOD		0.00	0.0	1142.0	0.0000
		1.00	160.0	1302.0	102.0000
		2.00	690.0	1832.0	51.5000
		3.00	840.0	1982.0	34.6667
		4.00	875.0	2017.0	26.2500
		5.00	895.0	2037.0	21.2000
		6.00	900.0	2042.0	17.8333
		8.00	915.0	2057.0	13.6250
		9.00	915.0	2057.0	12.2222
		10.00	915.0	2057.0	11.1000
		14.00	925.0	2067.0	8.2143
		20.00	935.0	2077.0	6.0500*
		25.00	935.0	2077.0	5.0400*
		30.00	940.0	2082.0	4.3667*
		35.00	940.0	2082.0	3.8857*
		40.00	946.0	2088.0	3.5250*
		45.00	946.0	2088.0	3.2444*
		50.00	946.0	2088.0	3.0200*
		54.00	951.0	2093.0	2.8704*
		60.00	951.0	2093.0	2.6833*
		65.00	951.0	2093.0	2.5538*
		70.00	951.0	2093.0	2.4429*
		75.00	956.0	2098.0	2.3467*
		80.00	956.0	2098.0	2.2625*
		85.00	956.0	2098.0	2.1882*
		90.00	956.0	2098.0	2.1222*
		94.00	956.0	2098.0	2.0745*

MCDR
 DST#: 1
 CANYON #2-36
 5295 - 5364ft.

Location: SEC. 36 T38S R25E
 Test Type: BOTTOM HOLE CONVENTIONAL
 Formation: ISMAY

Recorder Number: 6021
 Recorder Depth: 5310 ft.

TIME-PRESSURE LISTING

CHART LABEL	COMMENTS	TIME MIN.	DELTA P psi	PRESSURE psi	(T+dt)/dt ABSCISSA	PRESSURE SQUARED psi ² /10 ⁶
		100.00	956.0	2098.0	2.0100*	
		105.00	956.0	2098.0	1.9619*	
		110.00	956.0	2098.0	1.9182*	
		115.00	961.0	2103.0	1.8783*	
		120.00	961.0	2103.0	1.8417*	
G	END OF 2nd SHUTIN	130.00	961.0	2103.0	1.7769*	
Q	FINAL HYDROSTATIC	0.00		0.0		

* VALUES USED FOR EXTRAPOLATIONS

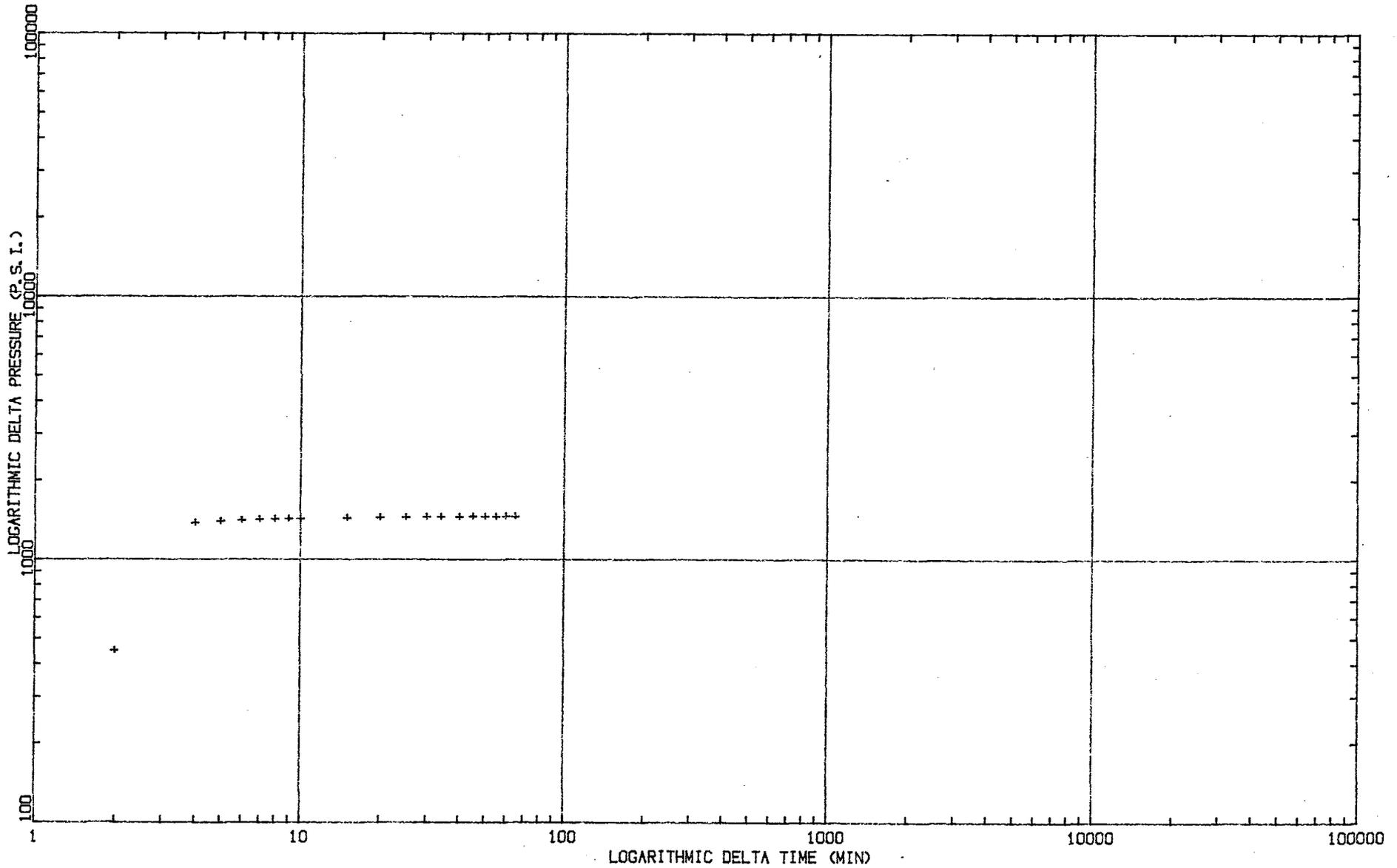
1st SHUT-IN:
 HORNER EXTRAPOLATION 2121.42 PSI
 HORNER SLOPE 72.94 psi/cycle

2nd SHUT-IN
 HORNER EXTRAPOLATION 2115.96 PSI
 HORNER SLOPE 54.08 psi/cycle

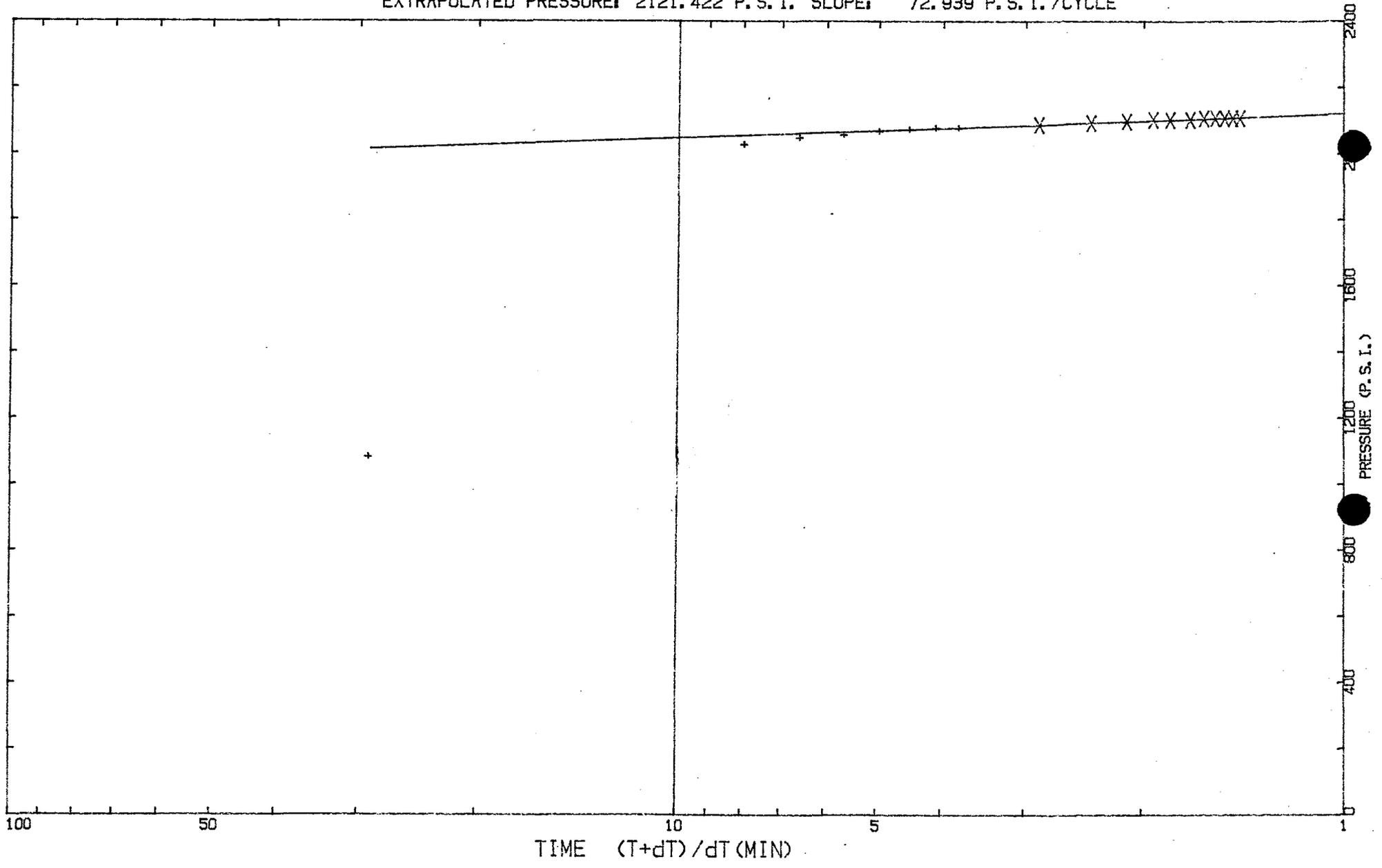
OPERATOR: MCOB
WELL NAME: CANYON #2-36
LOCATION: SEC. 36 T38S R25E
FIRST SHUT-IN
RECORDER: 6021

DST #: 1

DEPTH: 5310 ft.



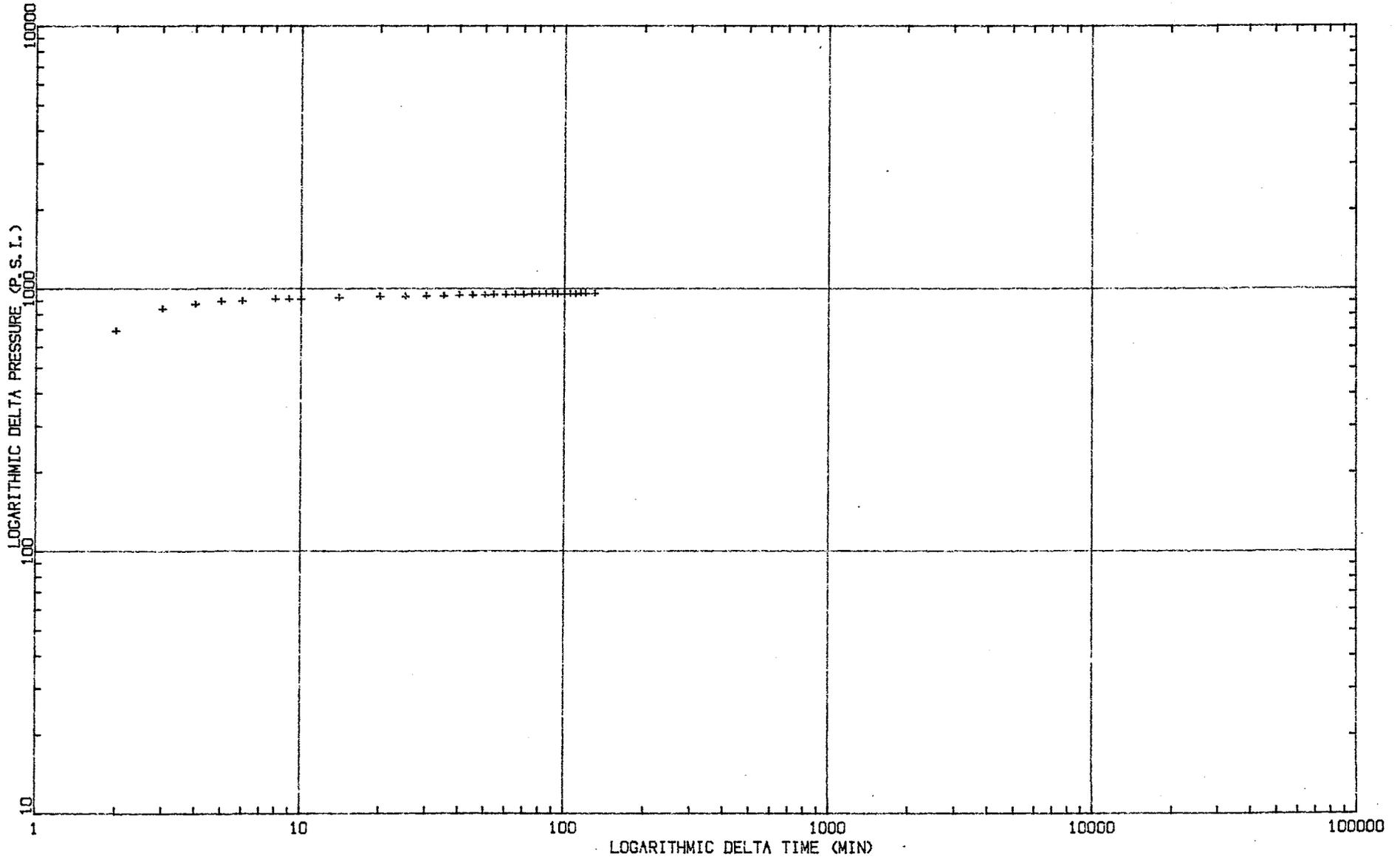
OPERATOR: M COR
 WELL NAME: CANYON #2-36
 LOCATION: SEC. 36 T38S R25E
 FIRST SHUT-IN
 RECORDER: 6021
 DST #: 1
 DEPTH: 5310 ft.
 EXTRAPOLATED PRESSURE: 2121.422 P. S. I. SLOPE: 72.939 P. S. I. /CYCLE



OPERATOR: MCOR
WELL NAME: CANYON #2-36
LOCATION: SEC. 36 T38S R25E
SECOND SHUT-IN
RECORDER: 6021

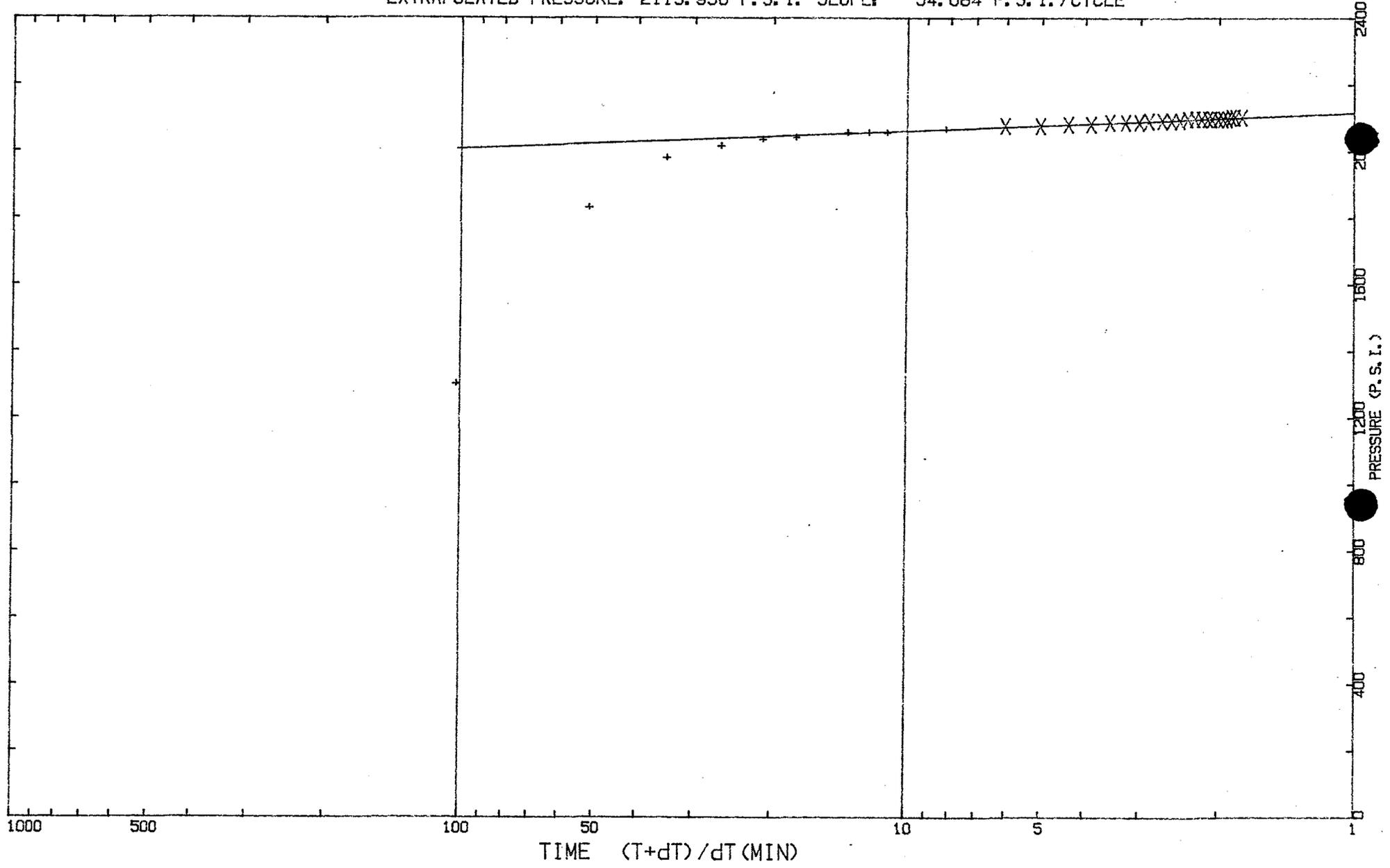
DST #: 1

DEPTH: 5310 ft.



OPERATOR: MCOR
WELL NAME: CANYON #2-36
LOCATION: SEC. 36 T38S R25E
SECOND SHUT-IN
RECORDER: 6021
EXTRAPOLATED PRESSURE: 2115.958 P. S. I.

DST #: 1
DEPTH: 5310 ft.
SLOPE: 54.084 P. S. I. /CYCLE



MCDR
DST#: 1
CANYON #2-36
5295 - 5364ft.

Location: SEC. 36 T38S R25E
Test Type: BOTTOM HOLE CONVENTIONAL
Formation: ISMAY

Recorder Number: 6021
Recorder Depth: 5310

SAMPLE DATA

SAMPLE CHAMBER:

Capacity of sample chamber 2350 cc
Volume of sample..... 1000 cc
Pressure in sampler..... 1000 psig
Where sampler was drained... on location

Sampler contained:

Oil 600 cc 41 @ 70 Degrees F
Mud 400 cc
Gas 2.8 cu-ft
GOR 746

RESISTIVITY DATA:

Top.....: OIL
Middle.....: OIL
Bottom.....: OIL
Sampler.....:
Mud pit.....: 7800 PPM NACL
Make-up Water...:



LYNES INC.

DMR-312 DIGITAL MEMORY RECORDER NO. 6021 CAP 10000 AT 5310 ft.

OPERATOR	MCOR	WELL NAME	Canyon #2-36	TICKET NO.	00773	DST. NO.	1	
*****	00:07:30 T	126.437	01:19:30 T	125.062	02:31:30 T	130.187	03:43:30 T	129.937
DMR TYPE #2		2092.50		787.500		2077.50		2097.50
SKIP = 12.0000		2097.50		797.500		2077.50		2097.50
BIAS = 19:27:00		2097.50		807.500		2077.50		2097.50
TEMP. IN DEG. F		2097.50		817.500		2082.50		2097.50
PRES. IN P.S.I.		2097.50		822.500		2082.50		2097.50
*****		2097.50		832.500		2082.50		2097.50
*****		2097.50		842.500		2082.50		2097.50
03:03:30 T	00:15:30 T	127.062	01:27:30 T	125.562	02:39:30 T	130.187	03:51:30 T	129.812
Initial Hydro. -3257.50		2097.50		857.500		2082.50		2097.50
3257.50		2102.50		862.500		2082.50		2097.50
3257.50		2102.50		867.500		2082.50		2097.50
3257.50		2102.50		872.500		2082.50		2097.50
3257.50		2102.50		882.500		2087.50		2097.50
3257.50		2102.50		892.500		2082.50		2097.50
3257.50		2102.50		902.500		2087.50		2097.50
03:11:30 T	00:23:30 T	125.937	01:35:30 T	126.062	02:47:30 T	130.187	03:59:30 T	129.937
3257.50		2102.50		922.500		2087.50		2097.50
3257.50		2102.50		927.500		2087.50		2097.50
3257.50		2102.50		937.500		2087.50		2097.50
3257.50		2102.50		947.500		2087.50		2102.50
3257.50		2102.50		952.500		2087.50		2102.50
3272.50		2107.50		957.500		2087.50		2097.50
3272.50		2107.50		962.500		2087.50		2097.50
03:19:30 T	00:31:30 T	126.062	01:43:30 T	126.687	02:55:30 T	130.062	04:07:30 T	129.812
Start 1st Flow -497.500		2107.50		992.500		2087.50	End 2nd Shutin	2102.50
502.500		2107.50		1007.50		2087.50		2097.50
467.500		2107.50		1012.50		2087.50		2097.50
412.500		2107.50		1027.50		2092.50		2097.50
397.500		2107.50		1042.50		2092.50		2102.50
397.500		2107.50		1047.50		2092.50		2102.50
407.500		2107.50		1057.50		2092.50		2102.50
03:27:30 T	00:39:30 T	126.312	01:51:30 T	127.437	03:03:30 T	130.062	04:15:30 T	129.812
422.500		2107.50		1077.50		2092.50		2102.50
442.500		2107.50		1082.50		2092.50		2102.50
452.500		2107.50		1092.50		2092.50		2102.50
457.500		2107.50		1102.50		2092.50		2102.50
462.500		2107.50		1107.50		2092.50		2102.50
472.500		2107.50		1112.50		2092.50		2102.50
487.500		2107.50		1122.50		2092.50		2102.50
03:35:30 T	00:47:30 T	125.062	01:59:30 T	127.937	03:11:30 T	129.937		
507.500		2112.50		1132.50		2092.50		
517.500		2107.50		1137.50		2092.50		
527.500		2107.50		1137.50		2092.50		
537.500		2107.50		1142.50		2092.50		
547.500		2107.50		1142.50		2092.50		
562.500	End 1st Shutin	2107.50		1142.50		2092.50		
572.500	Start 2nd Flow	727.500		1137.50		2092.50		
03:43:30 T	00:55:30 T	124.062	02:07:30 T	128.437	03:19:30 T	129.937		
597.500		557.500	End 2nd Flow	1142.50		2092.50		
607.500		562.500		1302.50		2092.50		
622.500		572.500		1832.50		2097.50		
637.500		587.500		1982.50		2097.50		
End 1st Flow -647.500		597.500		2017.50		2092.50		
1082.50		607.500		2037.50		2097.50		
1697.50		622.500		2042.50		2097.50		
03:51:30 T	01:03:30 T	123.937	02:15:30 T	129.312	03:27:30 T	129.937		
2027.50		637.500		2057.50		2097.50		
2047.50		647.500		2057.50		2097.50		
2057.50		657.500		2057.50		2097.50		
2067.50		667.500		2062.50		2097.50		
2072.50		672.500		2067.50		2097.50		
2077.50		682.500		2067.50		2097.50		
2077.50		692.500		2067.50		2097.50		
03:59:30 T	01:11:30 T	125.312	02:23:30 T	129.937	03:35:30 T	129.937		
2082.50		707.500		2067.50		2097.50		
2082.50		717.500		2072.50		2097.50		
2087.50		722.500		2072.50		2097.50		
2087.50		732.500		2072.50		2097.50		
2087.50		737.500		2077.50		2097.50		
2092.50		752.500		2077.50		2097.50		
2092.50		762.500		2077.50		2097.50		

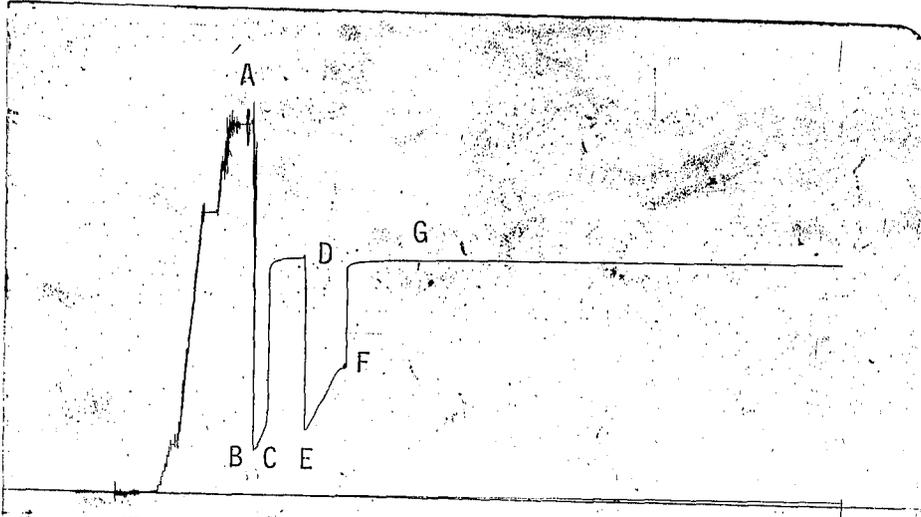
MCDR
DST#: 1
CANYON #2-36
5295 - 5364ft.

PRESSURE RECORDER NUMBER : 7653

DEPTH : 5266.00ft. LOCATION : INSIDE
TYPE : K-3 CAPACITY : 4000.00psi

PRESSURE
psi

A)Initial Hydro : 3237.0
B)1st Flow Start: 402.0
C)1st Flow End : 750.0
D)END 1st Shutin: 2079.0
E)2nd Flow Start: 580.0
F)2nd Flow End : 1129.0
G)END 2nd Shutin: 2074.0



TEST TIMES(MIN)
1st FLOW : 30
SHUTIN: 64
2nd FLOW : 75
SHUTIN: 120

PRESSURE RECORDER NUMBER : 6021

DEPTH : 5310.00ft. LOCATION : OUTSIDE
TYPE : DMR CAPACITY : 10000.00psi

PRESSURE
psi

A)Initial Hydro : 3257.0
B)1st Flow Start: 498.0
C)1st Flow End : 648.0
D)END 1st Shutin: 2108.0
E)2nd Flow Start: 728.0
F)2nd Flow End : 1142.0
G)END 2nd Shutin: 2103.0



MCO RESOURCES, INC.

MCO PLAZA
5718 Westheimer, Houston, Texas 77057
713-953-7777

October 29, 1985

RECEIVED

NOV 04 1985

DIVISION OF OIL
GAS & MINING

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

RE: Canyon #2-36 State
Sec. 36, T38S, R25E, SLM
San Juan County, Utah

This letter is to confirm our request for the "confidential" status for the referenced well.

Sincerely,

MCOR OIL & GAS CORPORATION

A. J. McNay
Manager, Drilling & Production
Western Region

AJMcN/ALS/sgp

CORE LABORATORIES, INC.
Petroleum Reservoir Engineering
DALLAS, TEXAS

RECEIVED

NOV 18 1985

DIVISION OF OIL
GAS & MINING

CORE ANALYSIS REPORT

FOR

MCOR OIL & GAS CORP.

CANYON # 2-36 STATE
WILDCAT
SAN JUAN, UTAH

CORE LABORATORIES, INC.
Petroleum Reservoir Engineering

DALLAS, TEXAS

MCOR OIL & GAS CORP.
 CANYON # 2-36 STATE
 WILDCAT
 SAN JUAN, UTAH

DATE : 14-OCT-1985
 FORMATION : PARADOX
 DRLG. FLUID: WBM
 LOCATION : SE, SW SEC. 36-T38S-R25E

FILE NO : 38030-3412
 ANALYSTS : DS/EV
 ELEVATION: 4899 GL

FULL DIAMETER ANALYSIS-BOYLE'S LAW POROSITY

SAMPLE NUMBER	DEPTH	PERM. TO AIR (MD) MAXIMUM	POR. 90 DEG	FLUID SATS. OIL WTR	GRAIN DEN	DESCRIPTION		
UPPER ISMAY ZONE CORE # 1 5304-5364								
1	5304.0-05.0	19.	17.	22.5	14.8	36.9	2.81	DOL BRN VFXLN P-P SL/CALC
2	5305.0-06.0	28.	25.	25.1	14.4	36.1	2.83	DOL BRN VFXLN P-P SL/CALC
3	5306.0-07.0	21.	21.	21.9	15.7	38.2	2.82	DOL BRN VFXLN P-P SL/CALC
4	5307.0-08.0	13.	13.	17.5	15.9	38.0	2.85	DOL LTBRN VFXLN SL/VUG SL/ANHY
5	5308.0-09.0	12.	11.	16.3	17.9	35.7	2.86	DOL LTBRN VFXLN SL/VUG SL/ANHY
6	5309.0-10.0	4.54	4.30	12.9	15.8	33.8	2.85	DOL LTBRN VFXLN SL/VUG SL/ANHY
7	5310.0-11.0	2.15	2.06	13.5	11.4	43.0	2.81	DOL LTBRN VFXLN P-P SL/CALC
8	5311.0-12.0	1.29	1.13	11.0	11.5	44.1	2.81	DOL LTBRN VFXLN P-P SL/CALC
9	5312.0-13.0	1.89	1.85	12.8	10.1	41.9	2.80	DOL LTBRN VFXLN P-P SL/CALC
10	5313.0-14.0	1.09	1.09	10.5	12.7	43.5	2.81	DOL LTBRN VFXLN P-P SL/CALC
11	5314.0-15.0	2.81	2.81	10.0	12.3	25.8	2.82	DOL LTBRN VFXLN P-P SL/CALC
12	5315.0-16.0	8.76	8.63	17.5	14.0	28.9	2.87	DOL LTBRN VFXLN P-P SL/ANHY
13	5316.0-17.0	8.76	8.41	16.1	15.4	35.0	2.86	DOL LTBRN VFXLN P-P SL/ANHY
14	5317.0-18.0	16.	15.	19.3	17.6	37.5	2.86	DOL LTBRN VFXLN P-P SL/ANHY
15	5318.0-19.0	1.65	1.51	15.6	16.7	37.2	2.82	DOL LTBRN VFXLN P-P SL/CALC
16	5319.0-20.0	0.62	0.54	10.2	9.5	49.1	2.83	DOL LTBRN VFXLN P-P SL/CALC STYL **
17	5320.0-21.0	0.28	0.21	8.5	2.1	67.0	2.83	DOL LTBRN VFXLN P-P SL/CALC STYL **
18	5321.0-22.0	0.06	0.05	3.3	0.0	76.1	2.78	LM LTBRN VFXLN SL/DOL
19	5322.0-23.0	0.21	0.13	4.8	0.0	76.3	2.79	LM LTBRN VFXLN SL/DOL STYL **
20	5323.0-24.0	0.39	0.39	8.8	9.9	39.6	2.80	DOL LTBRN VFXLN SL/CALC
21	5324.0-25.0	5.43	3.12	6.6	9.8	51.0	2.79	DOL LTBRN VFXLN SL/CALC **
22	5325.0-26.0	0.75	0.64	9.0	9.5	40.5	2.79	DOL LTBRN VFXLN SL/CALC
23	5326.0-27.0	0.42	0.35	7.0	12.4	39.1	2.78	DOL LTBRN VFXLN SL/CALC
24	5327.0-28.0	1.79	1.73	9.0	7.2	43.3	2.72	LM GRY VFXLN VUG
25	5328.0-29.0	7.85	6.91	11.9	6.5	41.5	2.73	LM GRY VFXLN VUG

These analyses, opinions or interpretations are based on observations and materials supplied by the client to whom, and for whose exclusive and confidential use, this report is made. The interpretations or opinions expressed represent the best judgment of Core Laboratories, Inc. (all errors and omissions excepted); but Core Laboratories, Inc. and its officers and employees, assume no responsibility and make no warranty or representations, as to the productivity, proper operations, or profitability of any oil, gas or other mineral well or sand in connection with which such report is used or relied upon.

CORE LABORATORIES, INC.
Petroleum Reservoir Engineering

DALLAS, TEXAS

MCOR OIL & GAS CORP.
 CANYON # 2-36 STATE

DATE : 14-OCT-1985
 FORMATION : PARADOX

FILE NO : 38030-3412
 ANALYSTS : DS/EV

FULL DIAMETER ANALYSIS--BOYLE'S LAW POROSITY

SAMPLE NUMBER	DEPTH	PERM. TO AIR (MD) MAXIMUM	90 DEG	POR. He	FLUID OIL	SATS. WTR	GRAIN DEN	DESCRIPTION
26	5329.0-30.0	6.28	4.81	10.9	7.1	40.8	2.72	LM GRY VFXLN VUG
27	5330.0-31.0	11.	8.87	12.5	6.3	36.1	2.73	LM GRY VFXLN VUG
28	5331.0-32.0	8.75	8.02	11.7	7.6	47.2	2.76	LM GRY VFXLN VUG SL/ANHY
29	5332.0-33.0	9.39	8.90	12.7	6.4	36.6	2.73	LM GRY VFXLN VUG
30	5333.0-34.0	2.07	1.76	11.3	10.8	40.9	2.73	LM GRY VFXLN VUG
31	5334.0-35.0	2.59	2.15	10.3	5.6	41.5	2.73	LM GRY VFXLN VUG
32	5335.0-36.0	4.12	3.08	11.9	10.5	39.5	2.72	LM GRY VFXLN VUG
33	5336.0-37.0	5.97	3.23	13.6	3.8	61.2	2.74	LM GRY VFXLN VUG SL/DOL
34	5337.0-38.0	5.12	2.36	11.4	2.8	41.7	2.75	LM GRY VFXLN VUG SL/DOL
35	5338.0-39.0	2.87	2.67	11.5	6.6	52.5	2.74	LM GRY VFXLN VUG SL/DOL
36	5339.0-40.0	1.37	1.05	8.6	7.8	31.2	2.75	LM GRY VFXLN VUG SL/DOL
37	5340.0-41.0	1.53	1.41	6.9	6.6	39.5	2.78	DOL LTBRN VFXLN SL/CALC
38	5341.0-42.0	0.46	0.29	6.9	9.0	28.3	2.77	DOL LTBRN VFXLN SL/CALC
39	5342.0-43.0	0.21	0.14	3.9	11.5	36.7	2.77	DOL LTBRN VFXLN SL/CALC
40	5343.0-44.0	0.53	0.45	4.9	3.5	69.3	2.79	DOL LTBRN VFXLN SL/CALC
41	5344.0-45.0	1.74	1.68	21.2	0.9	81.9	2.81	DOL LTBRN VFXLN P-P SL/CALC
42	5345.0-46.0	2.51	2.51	22.8	0.8	64.1	2.83	DOL LTBRN VFXLN P-P SL/CALC
43	5346.0-47.0	3.81	3.65	22.6	3.4	64.8	2.83	DOL LTBRN VFXLN P-P SL/CALC
44	5347.0-48.0	11.	5.40	8.0	2.6	62.5	2.80	DOL LTBRN VFXLN SL/CALC
45	5348.0-49.0	11.	7.37	11.2	7.9	62.8	2.82	DOL LTBRN VFXLN SL/CALC
46	5349.0-50.0	4.41	4.27	10.1	5.6	37.0	2.81	DOL LTBRN VFXLN SL/CALC
47	5350.0-51.0	2.99	2.43	12.1	9.2	55.2	2.79	DOL LTBRN VFXLN SL/CALC
48	5351.0-52.0	3.02	1.90	12.5	14.8	55.2	2.80	DOL LTBRN VFXLN SL/CALC
49	5352.0-53.0	2.27	1.16	9.3	7.2	45.5	2.79	DOL LTBRN VFXLN SL/CALC STYL
50	5353.0-54.0	0.84	0.75	9.0	6.0	39.1	2.79	DOL LTBRN VFXLN SL/CALC STYL
51	5354.0-55.0	6.21	3.73	7.2	3.0	59.1	2.80	DOL LTBRN VFXLN SL/CALC VUG
52	5355.0-56.0	7.59	4.45	9.6	8.0	41.5	2.75	LM GRY VFXLN SL/DOL VUG
53	5356.0-57.0	0.70	0.62	6.7	2.5	66.1	2.78	DOL LTBRN VFXLN SL/CALC VUG
54	5357.0-58.0	0.12	0.11	6.3	0.0	81.0	2.77	DOL LTBRN VFXLN SL/CALC VUG
55	5358.0-59.0	0.84	0.76	11.4	1.8	50.7	2.77	DOL LTBRN VFXLN SL/CALC VUG

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CORE LABORATORIES, INC.
Petroleum Reservoir Engineering

DALLAS, TEXAS

MCOR OIL & GAS CORP.
 CANYON # 2-36 STATE

DATE : 14-OCT-1985
 FORMATION : PARADOX

FILE NO : 38030-3412
 ANALYSTS : DS/EV

FULL DIAMETER ANALYSIS-BOYLE'S LAW POROSITY

SAMPLE NUMBER	DEPTH	PERM. TO MAXIMUM	AIR (MD) 90 DEG	POR. He	FLUID OIL	SATS. WTR	GRAIN DEN	DESCRIPTION
56	5359.0-60.0	7.31	3.66	9.8	3.3	52.7	2.75	DOL LTBRN VFXLN SL/CALC
57	5360.0-61.0	3.09	1.95	5.0	3.4	57.7	2.77	DOL LTBRN VFXLN SL/CALC
58	5361.0-62.0	0.38	0.27	4.7	2.0	50.7	2.79	DOL LTBRN VFXLN SL/CALC
59	5362.0-63.0	0.29	*	15.5	0.0	72.7	2.79	DOL LTBRN VFXLN SL/CALC
	5363.0-64.0							CORE LOSS
UPPER ISMAY ZONE CORE # 2 5364-5424								
60	5364.0-65.0	0.42	0.40	16.5	3.9	72.0	2.80	DOL DKBRN VFXLN SL/CALC
61	5365.0-66.0	0.56	0.51	19.3	1.2	69.7	2.80	DOL DKBRN VFXLN SL/CALC
62	5366.0-67.0	0.07	0.07	4.9	4.0	65.0	2.73	LM GRY VFXLN VUG
63	5367.0-68.0	0.42	0.33	9.4	1.6	51.2	2.73	LM GRY VFXLN VUG
64	5368.0-69.0	0.25	0.25	9.4	1.1	48.4	2.73	LM GRY VFXLN VUG
65	5369.0-70.0	0.33	0.33	9.6	1.2	59.1	2.78	DOL LTBRN VFXLN SL/CALC VUG
66	5370.0-71.0	10.	9.92	11.4	4.2	49.2	2.76	DOL LTBRN VFXLN SL/CALC VUG
67	5371.0-72.0	15.	13.	15.7	3.6	51.4	2.75	DOL LTBRN VFXLN SL/CALC VUG
68	5372.0-73.0	20.	*	15.5	3.6	61.9	2.74	DOL LTBRN VFXLN SL/CALC VUG
69	5373.0-74.0	17.	*	14.3	4.4	56.3	2.74	LM LTBRN VFXLN VUG
70	5374.0-75.0	13.	4.91	11.4	4.1	48.6	2.74	LM GRY VFXLN VUG
71	5375.0-76.0	2.41	2.15	10.9	0.0	69.8	2.74	LM GRY VFXLN VUG
72	5376.0-77.0	18.	16.	21.2	0.0	85.9	2.87	DOL GRY VFXLN ANHY P-P
73	5377.0-78.0	5.57	4.94	15.4	0.0	81.5	2.82	DOL GRY VFXLN SL/CALC P-P
74	5378.0-79.0	1.42	1.21	8.3	0.0	47.8	2.75	LM GRY VFXLN SL/DOL
75	5379.0-80.0	0.09	0.08	3.0	0.0	44.9	2.75	LM GRY VFXLN SL/DOL
76	5380.0-81.0	1.10	1.02	20.8	0.0	68.9	2.83	DOL GRY VFXLN SL/ANHY
77	5381.0-82.0	0.04	0.02	4.6	0.0	80.6	2.78	DOL GRY VFXLN SL/CALC SL/ANHY
78	5382.0-83.0	0.06	0.06	5.9	0.0	61.4	2.79	DOL GRY VFXLN SL/CALC SL/ANHY
79	5383.0-84.0	0.01	0.01	3.2	0.0	86.8	2.75	DOL GRY VFXLN SL/CALC
80	5384.0-85.0	0.09	0.06	6.3	0.0	81.5	2.78	DOL LTGRY VFXLN SL/CALC
81	5385.0-86.0	0.19	0.18	6.2	0.0	62.8	2.75	DOL LTGRY VFXLN SL/CALC

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CORE LABORATORIES, INC.
Petroleum Reservoir Engineering

DALLAS, TEXAS

MCOR OIL & GAS CORP.
 CANYON # 2-36 STATE

DATE : 14-OCT-1985
 FORMATION : PARADOX

FILE NO : 38030-3412
 ANALYSTS : DS/EV

FULL DIAMETER ANALYSIS--BOYLE'S LAW POROSITY

SAMPLE NUMBER	DEPTH	PERM. TO AIR (MD) MAXIMUM	90 DEG	POR. He	FLUID SATS. OIL	WTR	GRAIN DEN	DESCRIPTION	
82	5386.0-87.0	1.52	1.40	13.4	0.0	70.9	2.80	DOL LTGRY VFXLN SL/CALC SL/ANHY	
83	5387.0-88.0	0.23	0.20	7.6	0.0	25.6	2.76	DOL LTGRY VFXLN SL/CALC	
84	5388.0-89.0	0.61	0.60	9.9	0.0	60.5	2.77	DOL GRY VFXLN SL/CALC	
85	5389.0-90.0	1.18	1.16	11.3	0.0	64.0	2.77	DOL GRY VFXLN SL/CALC	
86	5390.0-91.0	4.14	3.38	13.9	0.0	46.7	2.76	DOL GRY VFXLN SL/CALC	
87	5391.0-92.0	4.21	4.17	14.6	0.0	50.7	2.75	LM GRY VFXLN SL/DOL	
88	5392.0-93.0	2.99	2.74	13.5	0.7	51.3	2.73	LM GRY VFXLN SL/VUG	
89	5393.0-94.0	19.	16.	17.2	0.7	66.5	2.86	DOL GRY VFXLN SL/ANHY	
90	5394.0-95.0	34.	25.	16.3	0.8	80.4	2.75	DOL LTGRY VFXLN SL/CALC	**
91	5395.0-96.0	34.	28.	16.2	4.6	71.7	2.74	LM GRY VFXLN SL/DOL SL/VUG	**
92	5396.0-97.0	27.	16.	16.0	0.7	80.6	2.76	DOL GRY VFXLN SL/CALC	**
93	5397.0-98.0	36.	15.	15.4	5.5	73.0	2.74	LM GRY VFXLN SL/DOL STYL	**
94	5398.0-99.0	22.	21.	15.7	0.7	65.6	2.74	LM GRY VFXLN SL/DOL	
95	5399.0-00.0	3.09	2.54	11.0	0.0	57.5	2.76	DOL GRY VFXLN CALC ANHY SL/VUG	
96	5400.0-01.0	1.66	1.62	9.8	0.0	53.6	2.79	DOL GRY VFXLN CALC ANHY SL/VUG	
97	5401.0-02.0	3.00	2.91	10.4	0.0	59.3	2.82	DOL GRY VFXLN CALC ANHY SL/VUG	
98	5402.0-03.0	33.	26.	10.3	0.0	69.1	2.79	DOL GRY VFXLN CALC ANHY SL/VUG	**
99	5403.0-04.0	0.48	0.48	6.5	0.0	48.9	2.80	DOL GRY VFXLN CALC ANHY SL/VUG	
100	5404.0-05.0	0.56	0.48	6.8	0.0	54.0	2.78	DOL GRY VFXLN CALC ANHY SL/VUG	
101	5405.0-06.0	1.48	0.97	7.6	1.3	57.6	2.80	DOL GRY VFXLN CALC ANHY	*
102	5406.0-07.0	1.07	1.04	7.7	2.0	60.9	2.78	DOL GRY VFXLN CALC ANHY	
103	5407.0-08.0	1.45	1.43	5.4	6.9	44.3	2.79	DOL GRY VFXLN CALC ANHY	**
104	5408.0-09.0	4.66	1.99	6.1	2.0	59.6	2.78	DOL GRY VFXLN CALC ANHY	**
105	5409.0-10.0	0.48	0.44	6.4	0.0	54.5	2.81	DOL GRY VFXLN CALC ANHY	
106	5410.0-11.0	0.70	0.65	6.7	0.0	61.8	2.79	DOL GRY VFXLN CALC ANHY	
107	5411.0-12.0	0.44	0.31	6.5	0.0	56.2	2.80	DOL GRY VFXLN CALC ANHY	
108	5412.0-13.0	0.28	0.28	6.8	0.0	56.2	2.89	DOL GRY VFXLN CALC ANHY	
109	5413.0-14.0	0.29	0.26	6.6	0.0	55.6	2.80	DOL GRY VFXLN CALC ANHY	
110	5414.0-15.0	0.33	0.30	5.1	0.0	44.8	2.79	DOL GRY VFXLN CALC ANHY	
111	5415.0-16.0	0.27	0.24	5.2	0.0	34.8	2.79	DOL GRY VFXLN CALC ANHY	

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CORE LABORATORIES, INC.
Petroleum Reservoir Engineering

MCOR OIL & GAS CORP.
 CANYON # 2-36 STATE

DATE : 14-OCT-1985
 FORMATION : PARADOX

FILE NO : 38030-3412
 ANALYSTS : DS/EV

FULL DIAMETER ANALYSIS-BOYLE'S LAW POROSITY

SAMPLE NUMBER	DEPTH	PERM. TO MAXIMUM	AIR (MD) 90 DEG	POR. He	FLUID OIL	SATS. WTR	GRAIN DEN	DESCRIPTION
112	5416.0-17.0	0.48	0.38	6.2	0.0	39.0	2.82	DOL GRY VFXLN CALC ANHY
113	5417.0-18.0	0.33	0.29	7.4	0.0	60.8	2.83	DOL GRY VFXLN CALC ANHY
114	5418.0-19.0	0.09	0.08	2.7	0.0	38.4	2.78	DOL GRY VFXLN CALC ANHY
115	5419.0-20.0	0.30	0.17	3.7	0.0	36.1	2.79	DOL GRY VFXLN CALC ANHY
116	5420.0-21.0	0.20	0.11	3.1	0.0	48.6	2.84	DOL GRY VFXLN CALC ANHY
117	5421.0-22.0	0.51	*	15.0	0.0	40.3	2.80	DOL GRY VFXLN CALC ANHY
118	5422.0-23.0	0.30	0.27	11.4	0.0	52.8	2.80	DOL GRY VFXLN CALC ANHY
119	5423.0-24.0	0.45	0.25	13.3	0.0	46.3	2.81	DOL GRY VFXLN CALC ANHY
	5424.0-70.0							DRILLED TO DESERT CREEK
DESERT CREEK ZONE CORE # 3 5570-5630								
	5570.0-85.0							ANHYDRITE -- NO ANALYSIS
120	5585.0-86.0	0.18	0.14	12.3	7.7	70.0	2.76	DOL DKGRY VFXLN SL/CALC
121	5586.0-87.0	0.01	0.01	7.4	12.6	75.5	2.77	DOL DKGRY VFXLN SL/CALC
122	5587.0-88.0	0.01	0.01	5.1	15.0	59.8	2.74	LM DKGRY VFXLN SHY
123	5588.0-89.0	<0.01	<0.01	6.2	16.0	73.2	2.76	LM DKGRY VFXLN SHY
124	5589.0-90.0	0.23	0.05	7.3	13.5	50.2	2.74	LM DKGRY VFXLN SHY
125	5590.0-91.0	0.02	0.02	3.1	7.2	50.4	2.74	LM DKGRY VFXLN SHY
126	5591.0-92.0	0.05	0.04	4.4	0.0	78.8	2.74	LM DKGRY VFXLN SHY
127	5592.0-93.0	0.02	0.01	2.2	0.0	43.4	2.72	LM DKGRY VFXLN SHY
128	5593.0-94.0	0.04	0.01	1.2	0.0	80.2	2.73	LM DKGRY VFXLN SHY
129	5594.0-95.0	0.02	0.02	3.2	4.7	85.2	2.73	LM DKGRY VFXLN SHY
	5595.0-01.0							SHALE/DOL -- NO ANALYSIS
	5601.0-24.0							SHALE -- NO ANALYSIS
	5624.0-30.0							LM/SHALE -- NO ANALYSIS

** DENOTES FRACTURE PERMEABILITY

* SAMPLE NOT SUITABLE FOR FULL DIAMETER ANALYSIS

CORE LABORATORIES, INC.
Petroleum Reservoir Engineering
DALLAS, TEXAS

MCOR OIL & GAS CORP.
CANYON # 2-36 STATE

DATE : 14-OCT-1985
FORMATION : PARADOX

FILE NO. : 38030-3412
ANALYSTS : DS;EV

*** CORE SUMMARY AVERAGES FOR 1 ZONE ***

DEPTH INTERVAL: 5585.0 TO 5595.0

FEET OF CORE ANALYZED : 10.0 FEET OF CORE INCLUDED IN AVERAGES: 10.0

--- SAMPLES FALLING WITHIN THE FOLLOWING RANGES WERE AVERAGED ---

PERMEABILITY MAXIMUM RANGE (MD.)	:	0.00 TO 50.	(UNCORRECTED FOR SLIPPAGE)
HELIUM POROSITY RANGE (%)	:	0.0 TO 100.0	
OIL SATURATION RANGE (%)	:	0.0 TO 100.0	
WATER SATURATION RANGE (%)	:	0.0 TO 100.0	

SHALE SAMPLES EXCLUDED FROM AVERAGES.

AVERAGES FOR DEPTH INTERVAL: 5585.0 TO 5595.0

AVERAGE PERMEABILITY (MILLIDARCIES)		PRODUCTIVE CAPACITY (MILLIDARCY-FEET)	
ARITHMETIC PERMEABILITY	: 0.06	ARITHMETIC CAPACITY	: 0.58
GEOMETRIC PERMEABILITY	: 0.02	GEOMETRIC CAPACITY	: 0.24
HARMONIC PERMEABILITY	: 0.01	HARMONIC CAPACITY	: 0.07
GEOMETRIC MAXIMUM & 90 DEG PERM.	: 0.02	GEOMETRIC MAXIMUM & 90 DEG CAPACITY:	0.20
AVERAGE POROSITY (PERCENT)	: 5.2	AVERAGE TOTAL WATER SATURATION	: 67.0
		(PERCENT OF PORE SPACE)	
AVERAGE RESIDUAL OIL SATURATION	: 9.5	AVERAGE CONNATE WATER SATURATION **	: 67.0
(PERCENT OF PORE SPACE)		(PERCENT OF PORE SPACE)	

** ESTIMATED FROM TOTAL
WATER SAUTRATION.

CORE LABORATORIES, INC.
Petroleum Reservoir Engineering

DALLAS, TEXAS

MCOR OIL & GAS CORP.
CANYON # 2-36 STATE

DATE : 14-OCT-1985
FORMATION : PARADOX

FILE NO. : 38030-3412
ANALYSTS : DS:EV

*** CORE SUMMARY AVERAGES FOR 1 ZONE ***

DEPTH INTERVAL: 5304.0 TO 5424.0

FEET OF CORE ANALYZED : 119.0 FEET OF CORE INCLUDED IN AVERAGES: 119.0

--- SAMPLES FALLING WITHIN THE FOLLOWING RANGES WERE AVERAGED ---

PERMEABILITY MAXIMUM RANGE (MD.)	:	0.00 TO 100.	(UNCORRECTED FOR SLIPPAGE)
HELIUM POROSITY RANGE (%)	:	0.0 TO 100.0	
OIL SATURATION RANGE (%)	:	0.0 TO 100.0	
WATER SATURATION RANGE (%)	:	0.0 TO 100.0	

SHALE SAMPLES EXCLUDED FROM AVERAGES.

AVERAGES FOR DEPTH INTERVAL: 5304.0 TO 5424.0

AVERAGE PERMEABILITY (MILLIDARCIES)		PRODUCTIVE CAPACITY (MILLIDARCY-FEET)	
ARITHMETIC PERMEABILITY	: 5.4	ARITHMETIC CAPACITY	: 641.
GEOMETRIC PERMEABILITY	: 1.6	GEOMETRIC CAPACITY	: 194.
HARMONIC PERMEABILITY	: 0.35	HARMONIC CAPACITY	: 42.
GEOMETRIC MAXIMUM & 90 DEG PERM.	: 1.3	GEOMETRIC MAXIMUM & 90 DEG CAPACITY:	154.
AVERAGE POROSITY (PERCENT)	: 10.9	AVERAGE TOTAL WATER SATURATION	: 53.5
		(PERCENT OF PORE SPACE)	
AVERAGE RESIDUAL OIL SATURATION	: 5.2	AVERAGE CONNATE WATER SATURATION **	: 52.8
(PERCENT OF PORE SPACE)		(PERCENT OF PORE SPACE)	

** ESTIMATED FROM TOTAL
WATER SAUTRATION.

PERMEABILITY VS POROSITY

COMPANY: MCOR OIL & GAS CORP.
 FIELD : WILDCAT

WELL : CANYON # 2-36 STATE
 COUNTY, STATE: SAN JUAN, UTAH

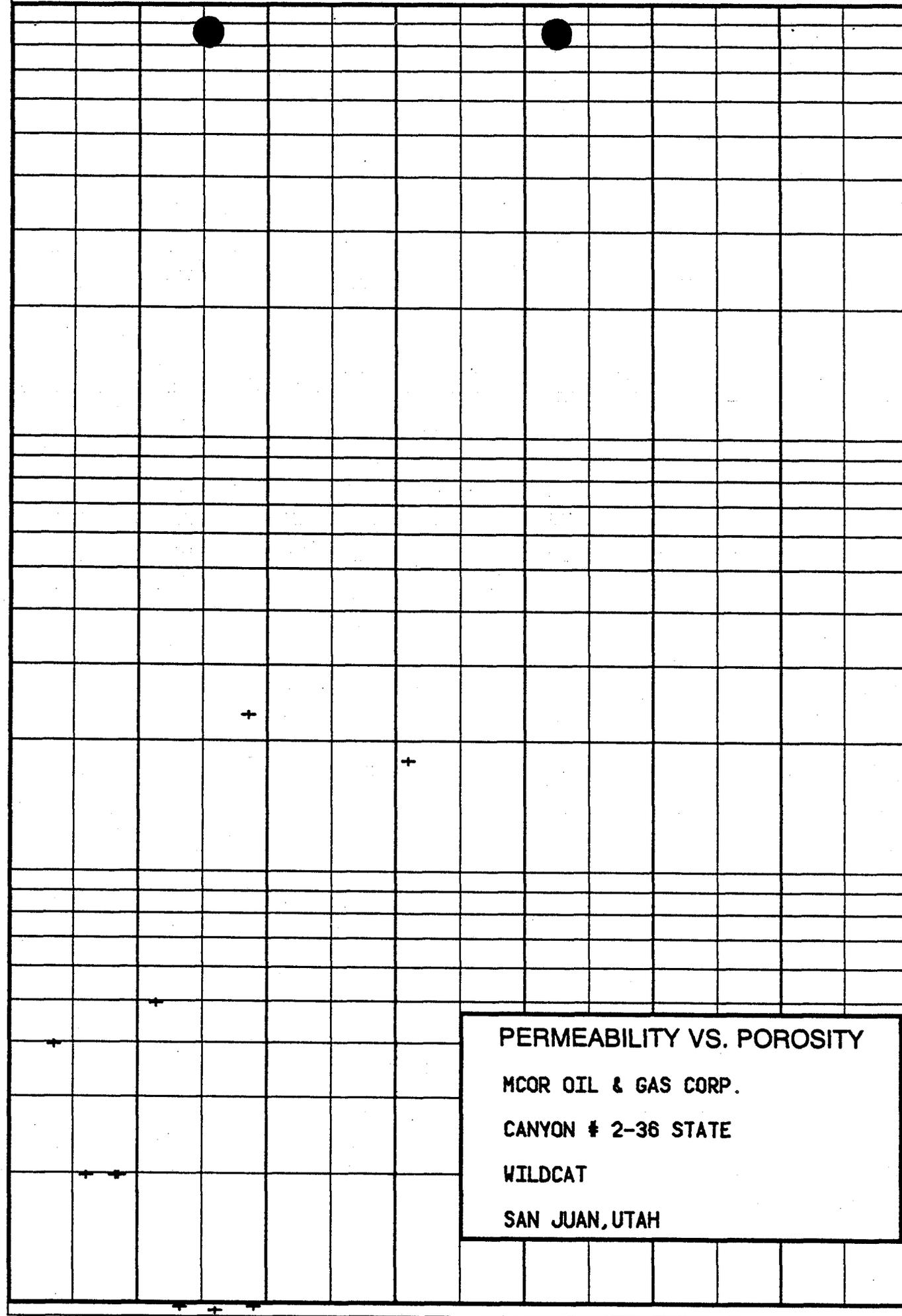
AIR PERMEABILITY : MD - HORIZONTAL (UNCORRECTED FOR SLIPPAGE)
 POROSITY : PERCENT (HELIUM)

DEPTH INTERVAL	RANGE & SYMBOL	PERMEABILITY		POROSITY		POROSITY AVERAGE	PERMEABILITY AVERAGES		
		MINIMUM	MAXIMUM	MIN.	MAX.		ARITHMETIC	HARMONIC	GEOMETRIC
5304.0 - 5424.0	1 (+)	0.000	50.0	0.0	30.0	10.9	5.4	0.35	1.6

PERMEABILITY: MILLIDARCIES

0.1

0.01



0.0 4.0 8.0 12.0 16.0 20.0 24.0

POROSITY: PERCENT

PERMEABILITY VS. POROSITY
MCOR OIL & GAS CORP.
CANYON # 2-36 STATE
WILDCAT
SAN JUAN, UTAH

PERMEABILITY VS POROSITY

COMPANY: MCOR OIL & GAS CORP.
 FIELD : WILDCAT

WELL : CANYON # 2-36 STATE
 COUNTY, STATE: SAN JUAN, UTAH

AIR PERMEABILITY : MD - HORIZONTAL (UNCORRECTED FOR SLIPPAGE)
 POROSITY : PERCENT (HELIUM)

DEPTH INTERVAL	RANGE & SYMBOL	PERMEABILITY		POROSITY		POROSITY AVERAGE	PERMEABILITY AVERAGES		
		MINIMUM	MAXIMUM	MIN.	MAX.		ARITHMETIC	HARMONIC	GEOMETRIC
5585.0 - 5595.0	1 (+)	0.000	50.0	0.0	30.0	5.2	0.06	0.01	0.02

1000

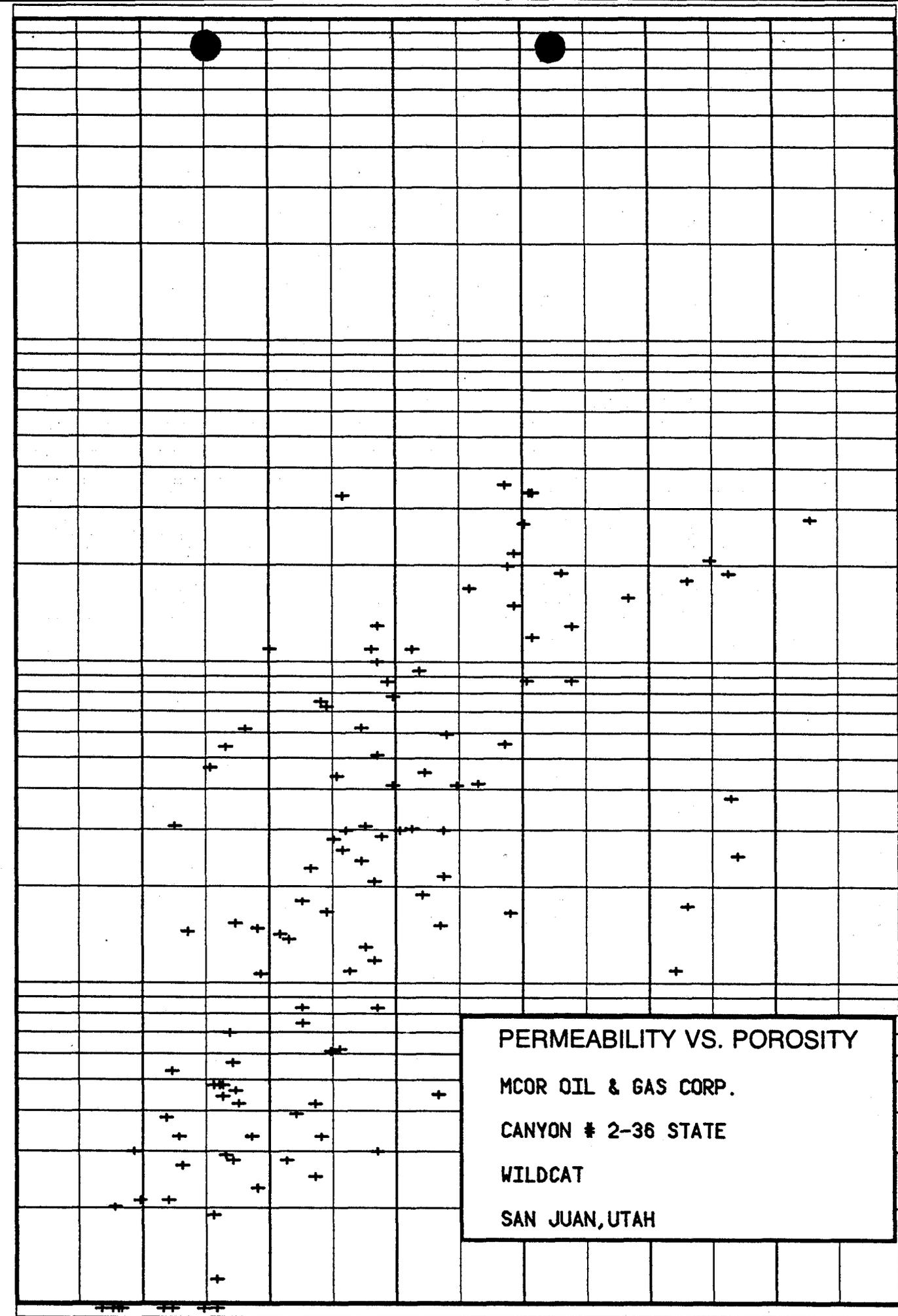
100

10

1.0

0.1

PERMEABILITY: MILLIDARCIES



PERMEABILITY VS. POROSITY
 MCOR OIL & GAS CORP.
 CANYON # 2-36 STATE
 WILDCAT
 SAN JUAN, UTAH

0.0

4.0

8.0

12.0

16.0

20.0

24.0

POROSITY: PERCENT

STATISTICAL DATA FOR POROSITY AND PERMEABILITY HISTOGRAM

COMPANY: MCDOR OIL & GAS CORP.
FIELD : WILDCAT

WELL : CANYON # 2-36 STATE
COUNTY, STATE: SAN JUAN, UTAH

AIR PERMEABILITY : MD. (HORIZONTAL) RANGE USED 0.000 TO 100.
POROSITY : PERCENT (HELIUM) RANGE USED 0.0 TO 46.0

(PERMEABILITY UNCORRECTED FOR SLIPPAGE)

DEPTH LIMITS : 5304.0 - 5424.0 INTERVAL LENGTH : 120.0
FEET ANALYZED IN ZONE : 119.0 LITHOLOGY EXCLUDED : NONE

DATA SUMMARY

POROSITY AVERAGE	PERMEABILITY AVERAGES		
	ARITHMETIC	HARMONIC	GEOMETRIC
10.9	5.4	0.35	1.6

CORE LABORATORIES, INC.
Petroleum Reservoir Engineering
 DALLAS, TEXAS

STATISTICAL DATA FOR POROSITY AND PERMEABILITY HISTOGRAM

COMPANY: MCDOR OIL & GAS CORP.
 FIELD : WILDCAT

WELL : CANYON # 2-36 STATE
 COUNTY, STATE: SAN JUAN, UTAH

GROUPING BY POROSITY RANGES

POROSITY RANGE	FEET IN RANGE	AVERAGE POROSITY	AVERAGE PERM. (GEOM.)	AVERAGE PERM. (ARITH)	FREQUENCY (PERCENT)	CUMULATIVE FREQUENCY (%)
2.0 - 4.0	7.0	3.3	0.093	0.137	5.9	5.9
4.0 - 6.0	10.0	5.1	0.279	0.643	8.4	14.3
6.0 - 8.0	22.0	6.8	0.598	1.2	18.5	32.8
8.0 - 10.0	16.0	9.1	1.2	2.4	13.4	46.2
10.0 - 12.0	23.0	11.0	3.2	5.6	19.3	65.5
12.0 - 14.0	12.0	13.1	3.1	4.2	10.1	75.6
14.0 - 16.0	10.0	15.3	5.4	12.	8.4	84.0
16.0 - 18.0	9.0	16.6	11.	17.	7.6	91.6
18.0 - 20.0	2.0	19.3	3.0	8.3	1.7	93.3
20.0 - 22.0	4.0	21.3	5.2	10.	3.4	96.6
22.0 - 24.0	3.0	22.6	5.7	8.4	2.5	99.2
24.0 - 26.0	1.0	25.1	28.	28.	0.8	100.0

TOTAL NUMBER OF FEET = 119.0

STATISTICAL DATA FOR POROSITY AND PERMEABILITY HISTOGRAM

COMPANY: MCOB OIL & GAS CORP.
 FIELD : WILDCAT

WELL : CANYON # 2-36 STATE
 COUNTY, STATE: SAN JUAN, UTAH

GROUPING BY PERMEABILITY RANGES

PERMEABILITY RANGE	FEET IN RANGE	AVERAGE PERM. (GEOM.)	AVERAGE PERM. (ARITH)	AVERAGE POROSITY	FREQUENCY (PERCENT)	CUMULATIVE FREQUENCY (%)
0.010 - 0.020	1.0	0.010	0.010	3.2	0.8	0.8
0.039 - 0.078	4.0	0.056	0.058	4.7	3.4	4.2
0.078 - 0.156	4.0	0.097	0.097	4.6	3.4	7.6
0.156 - 0.312	13.0	0.251	0.254	7.1	10.9	18.5
0.312 - 0.625	20.0	0.452	0.460	9.0	16.8	35.3
0.625 - 1.250	9.0	0.901	0.919	10.3	7.6	42.9
1.250 - 2.500	16.0	1.7	1.7	10.9	13.4	56.3
2.500 - 5.000	17.0	3.4	3.5	12.4	14.3	70.6
5.- 10.	13.0	7.0	7.2	11.9	10.9	81.5
10.- 20.	13.0	14.	14.	15.3	10.9	92.4
20.- 40.	9.0	28.	28.	16.9	7.6	100.0

TOTAL NUMBER OF FEET = 119.0

CORE LABORATORIES, INC.
Petroleum Reservoir Engineering
 DALLAS, TEXAS

STATISTICAL DATA FOR POROSITY AND PERMEABILITY HISTOGRAM

COMPANY: MCOR OIL & GAS CORP.
 FIELD : WILDCAT

WELL : CANYON # 2-36 STATE
 COUNTY, STATE: SAN JUAN, UTAH

POROSITY-FEET OF STORAGE CAPACITY LOST FOR SELECTED POROSITY CUT OFF

POROSITY CUT OFF	FEET LOST	CAPACITY LOST (%)	FEET REMAINING	CAPACITY REMAINING (%)	ARITH MEAN	MEDIAN
0.0	0.0	0.0	119.0	100.0	10.9	10.4
2.0	0.0	0.0	119.0	100.0	10.9	10.4
4.0	7.0	1.8	112.0	98.2	11.4	10.7
6.0	17.0	5.7	102.0	94.3	12.0	11.1
8.0	39.0	17.1	80.0	82.9	13.4	12.2
10.0	55.0	28.4	64.0	71.6	14.5	13.5
12.0	78.0	47.9	41.0	52.1	16.5	15.7
14.0	90.0	60.0	29.0	40.0	17.9	17.0
16.0	100.0	71.8	19.0	28.2	19.3	18.5
18.0	109.0	83.3	10.0	16.7	21.7	21.5
20.0	111.0	86.3	8.0	13.7	22.3	22.0
22.0	115.0	92.8	4.0	7.2	23.3	
24.0	118.0	98.1	1.0	1.9	25.1	
26.0	119.0	100.0	0.0	0.0		

TOTAL STORAGE CAPACITY IN POROSITY-FEET = 1297.5

CORE LABORATORIES, INC.
Petroleum Reservoir Engineering
 DALLAS, TEXAS

STATISTICAL DATA FOR POROSITY AND PERMEABILITY HISTOGRAM

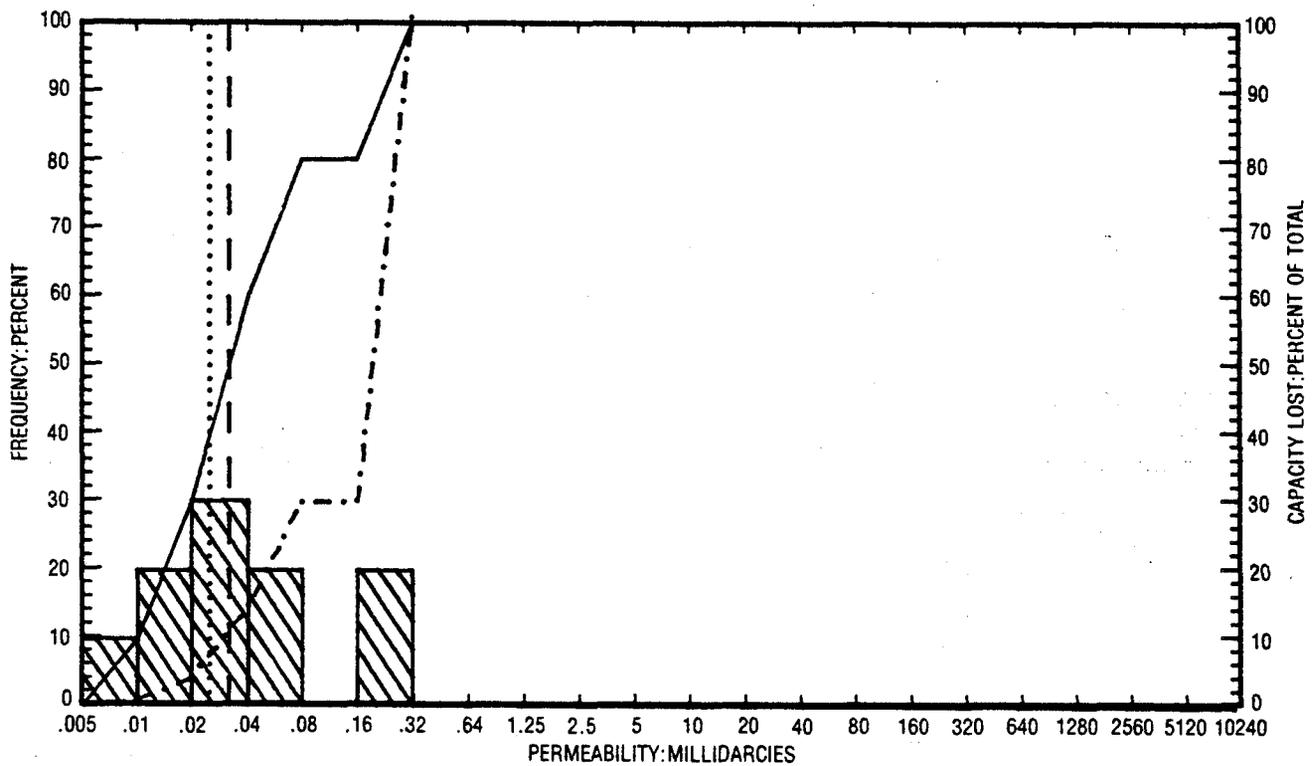
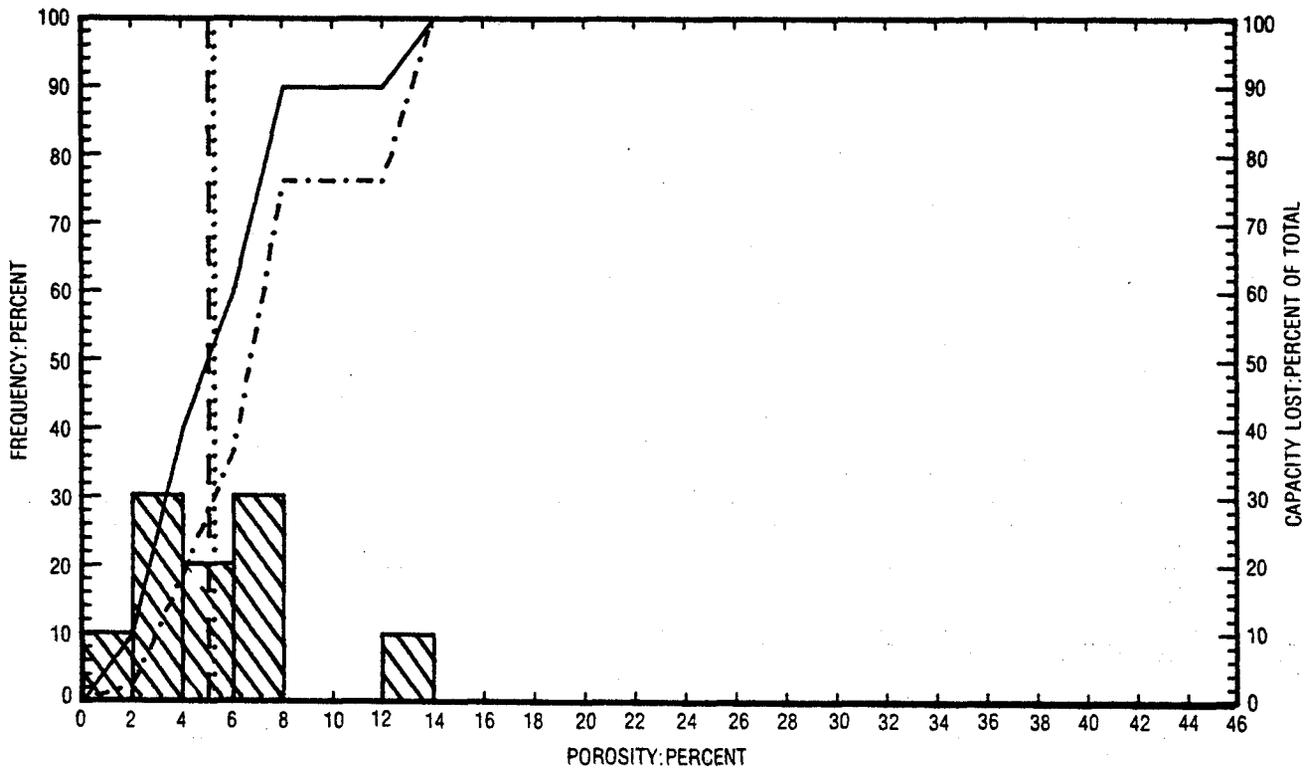
COMPANY: MCOR OIL & GAS CORP.
 FIELD : WILDCAT

WELL : CANYON # 2-36 STATE
 COUNTY, STATE: SAN JUAN, UTAH

MILLIDARCY-FEET OF FLOW CAPACITY LOST FOR SELECTED PERMEABILITY CUT OFF

PERMEABILITY CUT OFF	FEET LOST	CAPACITY LOST (%)	FEET REMAINING	CAPACITY REMAINING (%)	GEOM MEAN	MEDIAN
0.005	0.0	0.0	119.0	100.0	1.63	1.81
0.010	0.0	0.0	119.0	100.0	1.69	1.81
0.020	1.0	0.0	118.0	100.0	1.71	1.85
0.039	1.0	0.0	118.0	100.0	1.71	1.85
0.078	5.0	0.0	114.0	100.0	1.92	2.01
0.156	9.0	0.1	110.0	99.9	2.14	2.20
0.312	22.0	0.6	97.0	99.4	2.86	2.88
0.625	42.0	2.0	77.0	98.0	4.61	4.34
1.250	51.0	3.3	68.0	96.7	5.73	5.27
2.500	67.0	7.7	52.0	92.3	8.32	8.08
5.	84.0	16.8	35.0	83.2	12.87	12.71
10.	97.0	31.3	22.0	68.7	18.42	
20.	110.0	60.2	9.0	39.8	27.70	
40.	119.0	100.0	0.0	0.0		

TOTAL FLOW CAPACITY IN MILLIDARCY-FEET (ARITHMETIC) = 640.93



PERMEABILITY AND POROSITY HISTOGRAMS

MCOR OIL & GAS CORP.
 CANYON # 2-36 STATE
 WILDCAT
 SAN JUAN, UTAH

LEGEND

- ARITHMETIC MEAN POROSITY (dotted line)
- GEOMETRIC MEAN PERMEABILITY (dotted line)
- MEDIAN VALUE ----- (dashed line)
- CUMULATIVE FREQUENCY _____ (solid line)
- CUMULATIVE CAPACITY LOST (dash-dot line)

CORE LABORATORIES, INC.
Petroleum Reservoir Engineering
DALLAS, TEXAS

STATISTICAL DATA FOR POROSITY AND PERMEABILITY HISTOGRAM

COMPANY: MCOB OIL & GAS CORP.
FIELD : WILDCAT

WELL : CANYON # 2-36 STATE
COUNTY, STATE: SAN JUAN, UTAH

AIR PERMEABILITY : MD, (HORIZONTAL) RANGE USED 0.000 TO 50.
POROSITY : PERCENT (HELIUM) RANGE USED 0.0 TO 46.0

(PERMEABILITY UNCORRECTED FOR SLIPPAGE)

DEPTH LIMITS : 5585.0 - 5595.0 INTERVAL LENGTH : 10.0
FEET ANALYZED IN ZONE : 10.0 LITHOLOGY EXCLUDED : NONE

DATA SUMMARY

POROSITY AVERAGE	PERMEABILITY AVERAGES		
	ARITHMETIC	HARMONIC	GEOMETRIC
5.2	0.06	0.01	0.02

These analyses, opinions or interpretations are based on observations and materials supplied by the client to whom, and for whose exclusive and confidential use, this report is made. The interpretations or opinions expressed represent the best judgment of Core Laboratories, Inc. (all errors and omissions excepted); but Core Laboratories, Inc. and its officers and employees, assume no responsibility and make no warranty or representations, as to the productivity, proper operations, or profitability of any oil, gas or other mineral well or sand in connection with which such report is used or relied upon.

STATISTICAL DATA FOR POROSITY AND PERMEABILITY HISTOGRAM

COMPANY: MCDOR OIL & GAS CORP.
 FIELD : WILDCAT

WELL : CANYON # 2-36 STATE
 COUNTY, STATE: SAN JUAN, UTAH

GROUPING BY POROSITY RANGES

POROSITY RANGE	FEET IN RANGE	AVERAGE POROSITY	AVERAGE FERM. (GEOM.)	AVERAGE FERM. (ARITH)	FREQUENCY (PERCENT)	CUMULATIVE FREQUENCY (%)
0.0 - 2.0	1.0	1.2	0.040	0.040	10.0	10.0
2.0 - 4.0	3.0	2.8	0.020	0.020	30.0	40.0
4.0 - 6.0	2.0	4.8	0.022	0.030	20.0	60.0
6.0 - 8.0	3.0	7.0	0.022	0.082	30.0	90.0
12.0 - 14.0	1.0	12.3	0.180	0.180	10.0	100.0

TOTAL NUMBER OF FEET = 10.0

STATISTICAL DATA FOR POROSITY AND PERMEABILITY HISTOGRAM

COMPANY: MCOR OIL & GAS CORP.
 FIELD : WILDCAT

WELL : CANYON # 2-36 STATE
 COUNTY, STATE: SAN JUAN, UTAH

GROUPING BY PERMEABILITY RANGES

PERMEABILITY RANGE	FEET IN RANGE	AVERAGE PERM. (GEOM.)	AVERAGE PERM. (ARITH)	AVERAGE POROSITY	FREQUENCY (PERCENT)	CUMULATIVE FREQUENCY (%)
0.005 - 0.010	1.0	0.005	0.005	6.2	10.0	10.0
0.010 - 0.020	2.0	0.010	0.010	6.2	20.0	30.0
0.020 - 0.039	3.0	0.020	0.020	2.8	30.0	60.0
0.039 - 0.078	2.0	0.045	0.045	2.8	20.0	80.0
0.156 - 0.312	2.0	0.203	0.205	9.8	20.0	100.0

TOTAL NUMBER OF FEET = 10.0

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STATISTICAL DATA FOR POROSITY AND PERMEABILITY HISTOGRAM

COMPANY: MCOR OIL & GAS CORP.
 FIELD : WILDCAT

WELL : CANYON # 2-36 STATE
 COUNTY, STATE: SAN JUAN, UTAH

POROSITY-FEET OF STORAGE CAPACITY LOST FOR SELECTED POROSITY CUT OFF

POROSITY CUT OFF	FEET LOST	CAPACITY LOST (%)	FEET REMAINING	CAPACITY REMAINING (%)	ARITH MEAN	MEDIAN
0.0	0.0	0.0	10.0	100.0	5.2	5.0
2.0	1.0	2.3	9.0	97.7	5.7	5.5
4.0	4.0	18.5	6.0	81.5	7.1	6.7
6.0	6.0	36.6	4.0	63.4	8.3	
8.0	9.0	76.5	1.0	23.5	12.3	13.0
10.0	9.0	76.5	1.0	23.5	12.3	
12.0	9.0	76.5	1.0	23.5	12.3	
14.0	10.0	100.0	0.0	0.0		

TOTAL STORAGE CAPACITY IN POROSITY-FEET = 52.4

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 DALLAS, TEXAS

STATISTICAL DATA FOR POROSITY AND PERMEABILITY HISTOGRAM

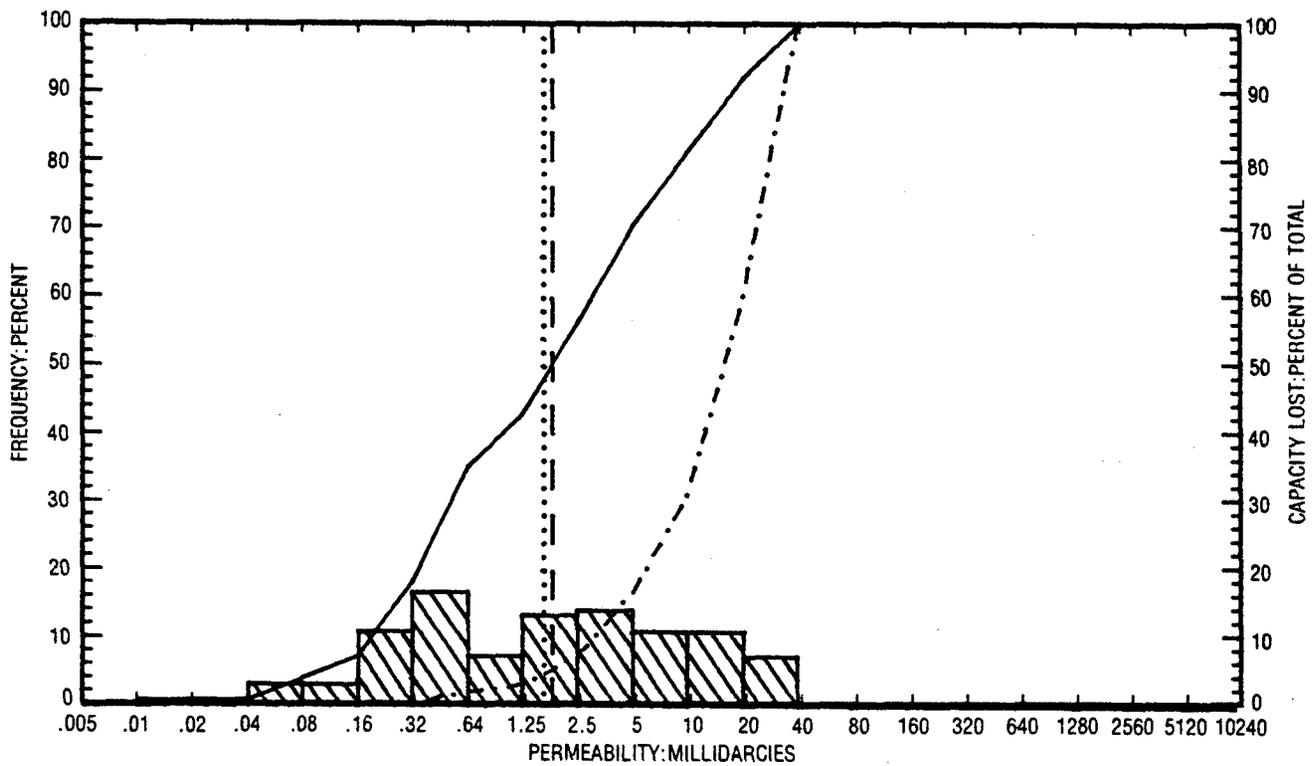
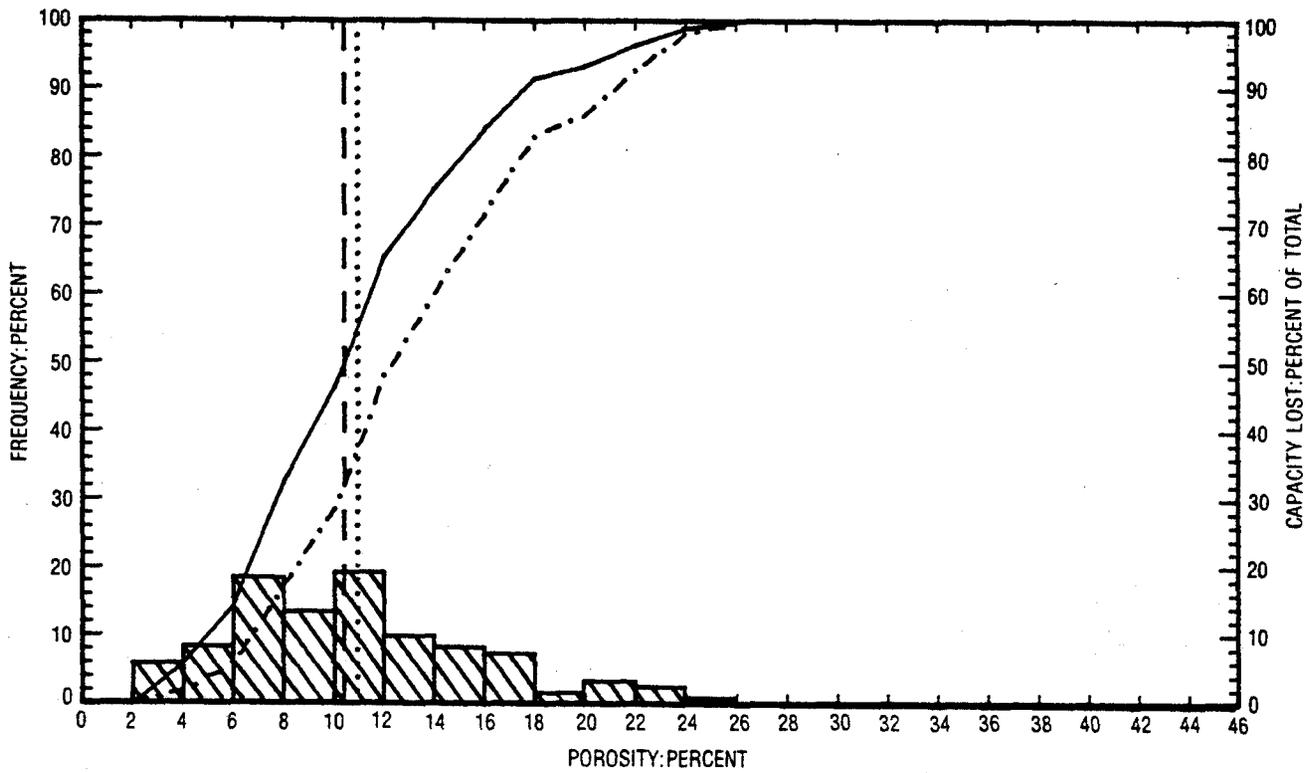
COMPANY: MCOR OIL & GAS CORP.
 FIELD : WILDCAT

WELL : CANYON # 2-36 STATE
 COUNTY, STATE: SAN JUAN, UTAH

MILLIDARCY-FEET OF FLOW CAPACITY LOST FOR SELECTED PERMEABILITY CUT OFF

PERMEABILITY CUT OFF	FEET LOST	CAPACITY LOST (%)	FEET REMAINING	CAPACITY REMAINING (%)	GEOM MEAN	MEDIAN
0.005	0.0	0.0	10.0	100.0	0.02	0.03
0.010	1.0	0.8	9.0	99.2	0.03	0.03
0.020	3.0	4.3	7.0	95.7	0.05	0.05
0.039	6.0	14.6	4.0	85.4	0.10	0.08
0.078	8.0	30.1	2.0	69.9	0.20	
0.156	8.0	30.1	2.0	69.9	0.20	
0.	10.0	100.0	0.0	0.0		

TOTAL FLOW CAPACITY IN MILLIDARCY-FEET (ARITHMETIC) = 0.58



PERMEABILITY AND POROSITY HISTOGRAMS

MCOR OIL & GAS CORP.
 CANYON # 2-36 STATE
 WILDCAT
 SAN JUAN, UTAH

LEGEND

- ARITHMETIC MEAN POROSITY (vertical dotted line)
- GEOMETRIC MEAN PERMEABILITY (vertical dotted line)
- MEDIAN VALUE ——— (solid line)
- CUMULATIVE FREQUENCY ——— (solid line)
- CUMULATIVE CAPACITY LOST -.-.-.- (dash-dot line)

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**CORE LABORATORIES, INC.***Petroleum Reservoir Engineering*

COMPANY MCOR OIL & GAS CORP. FILE NO. 38030-3412
 WELL CANYON # 2-36 STATE DATE 14-OCT-1985 ENGRS. DB:EV
 FIELD WILDCAT FORMATION PARADOX ELEV. 4899 GL
 COUNTY SAN JUAN STATE UTAH DRLG. FLD. WMI CORES _____

CoRes Log

CORE and RESISTIVITY EVALUATION

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RESISTIVITY PARAMETERS: $a = \frac{1.0}{1.0}$ $m = \frac{2.0}{2.0}$ $n = \frac{2.0}{2.0}$ Depths 5304.0 to 5424.0
 $a = \frac{1.0}{1.0}$ $m = \frac{2.0}{2.0}$ $n = \frac{2.0}{2.0}$ Depths 5585.0 to 5595.0

PERMEABILITY
MILLIDARCIES

CORE ANALYSIS CALCULATED RESISTIVITY

R_0 = OHM-METERS AT 100% S_w _____

R_{mp} = OHM-METERS AT CRITICAL S_w _____

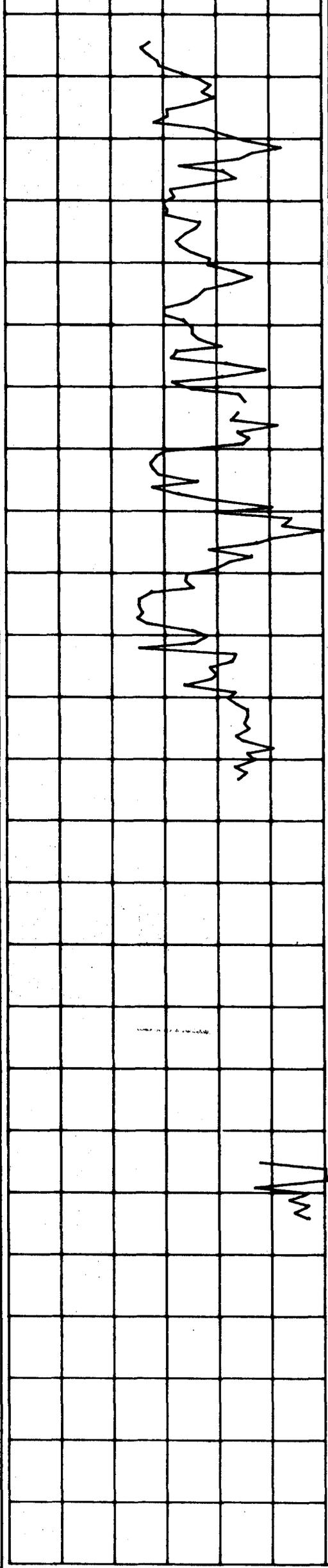
DEPTH
FEET

1000 100 10 1.0 0.1 0.01

5250

← ONE OHM-METER REFERENCE FOR $R_w = 0.01$

UPPER ISMAY ZONE



5300

5350

5400

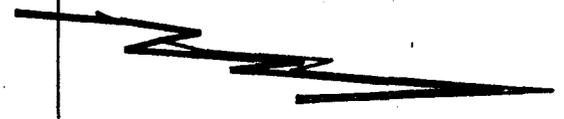
5550

5600

5650



DESERT CREEK ZONE



5300

5350

5400

DRILLED

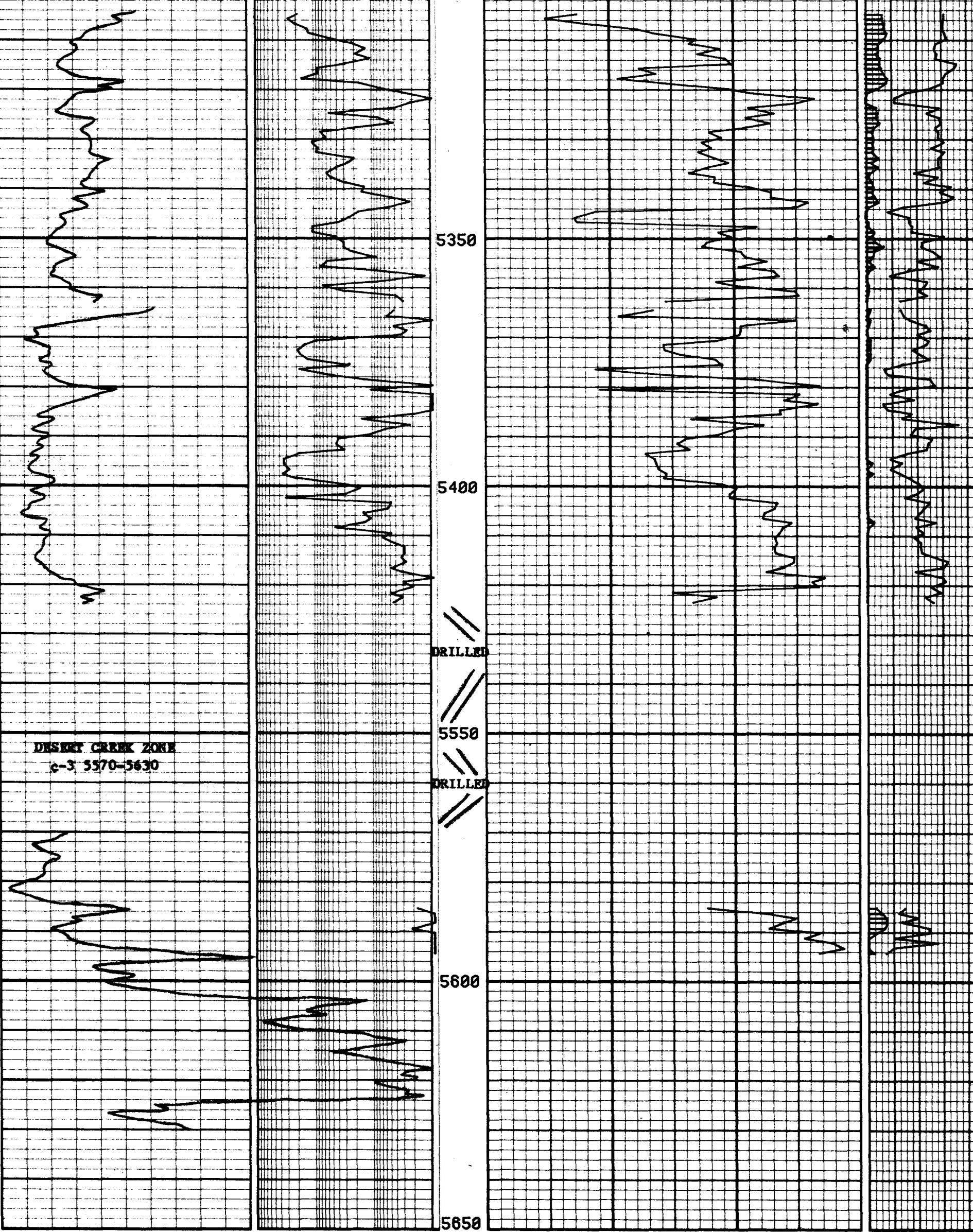
5550

DRILLED

5600

5650

DESERT CREEK ZONE
c-3 5570-5630





MCO RESOURCES, INC.

MCO PLAZA
5718 Westheimer, Houston, Texas 77057
713 · 953-7777

November 21, 1985

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DIVISION OF OIL
GAS & MINING

Mr. R. J. Firth
Associate Director, Oil & Gas
State of Utah Natural Resources
355 W. North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: Canyon #2-36 State
Sec. 36, T38S, R25E, SLB&M
San Juan County, Utah
API #43-037-31196

Enclosed are duplicate copies of the Well Completion Report and Well History for the referenced well. Confidential Status was requested for this well. Final copies of the Electric Logs will be mailed directly to you by the service company.

Sincerely,

MCOR OIL & GAS CORPORATION

A. J. McNay
Manager, Drilling & Production
Western Region

AJMcN:ALS:sgp

enclosures

CONFIDENTIAL

2

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

WELL COMPLETION OR RECOMPLETION REPORT

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: MCOR Oil & Gas Corporation

3. ADDRESS OF OPERATOR: 5718 Westheimer, Suite 1100, Houston, Texas 77057

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 1250' FNL & 1700' FEL (NW NE)
At top prod. interval reported below same
At total depth same

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GAS & MINING

5. LEASE DESIGNATION AND SERIAL NO. ML 36202

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

7. UNIT AGREEMENT NAME N/A

8. FARM OR LEASE NAME Canyon

9. WELL NO. 2-36 State

10. FIELD AND POOL, OR WILDCAT Undesignated

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Sec. 36, T38S, R25E SLBM

12. COUNTY OR PARISH San Juan

13. STATE Utah

14. PERMIT NO. 43-037-31196 DATE ISSUED 8/27/85

15. DATE SPOCDED 9/25/85 16. DATE T.D. REACHED 10/15/85 17. DATE COMPL. (Ready to prod.) 11/11/85

18. ELEVATIONS (DP, RKB, RT, GR, ETC.)* 4899' G.R. 19. ELEV. CASINGHEAD 4913'

20. TOTAL DEPTH, MD & TVD 5630' 21. PLUG, BACK T.D., MD & TVD 5590' PBSD 22. IF MULTIPLE COMPL., HOW MANY* -- 23. INTERVALS DRILLED BY -- ROTARY TOOLS 0-5630' CABLE TOOLS --

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* Upper Ismay 5336=5350' 5310-5328'

25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN #DC-CNL/GR, DIL-SFL, BHC Sonic, Dipmeter Cyberlock Sample

27. WAS WELL CORRED. Yes

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24#	1648'	12-1/4"	1000 sx #1 w/additives & 200 sx #2 w/additives	
5-1/2"	20#	5630'	7-7/8"	390 sx 50/50 Poz mix w/additives	

29. LINER RECORD

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

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-7/8"	5168'	5037'

31. PERFORATION RECORD (Interval, size and number)

4 JSPF	5349-5350'
2 JSPF	5336-5348'
2 JSPF	5310-5328'

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5310-5350'	3000 gals 28% HCL acid w/12 gals F-78, 6 gals A-250, 15 gals U-42, 9 gals W 52.1

33. PRODUCTION

DATE FIRST PRODUCTION 11/10/85 PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing WELL STATUS (Producing or shut-in) Producing

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
11/18/85	21	38/64"	→	556	555	0	998

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
300 psi	0	→	635	634	0	44.5

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

TEST WITNESSED BY Ted's Oilfield Service (Robt. Whitely)

35. LIST OF ATTACHMENTS Well History

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

SIGNED *A.J. McNay* A.J. McNay TITLE Mgr, Drlg & Prod, Western Region DATE 11/21/85

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

INSTRUCTIONS

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

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

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

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

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

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

FORMATION		TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	GEOLOGIC MARKERS		
NAME	MEAS. DEPTH	TOP	BOTTOM	NAME	MEAS. DEPTH	TRUE VERT. DEPTH	
Upper Ismay	5267'	5430'	5430'	Core #1 5304-5364' Core #2 5364-5424' DST #1 5295-5364' IH 5266' *5310' IF 3237 3257 IF 387-588 497-557 ISI 2094 2107 FF 622-1127 647-1142 FSI 2094 2097 FH Not recorded - Not recorded - *Electronic Recorder Total Sample Rec - 1000 CC's @ 1000 psi: 600 CC's oil, 400 CC's gas (2.8 CF), BHT 130°, Oil Gravity 41 @ 70°.	Honaker Trail Upper Ismay Hovenweep Lower Ismay Gothic Desert Creek Chimney Rock Akah	4240 5267 5430 5464 5512 5530 5610 5630	
Desert Creek	5530'	5610'	5610'	Core #3 5570-5630'			

WELL NAME CANYON #2-36 STATE
FIELD/PROSP SE TIN CUP MESA
COUNTY NAME SAN JUAN, UT (MCR)
TARGET ZONE U ISMAY/DESERT CREEK

WELL TYPE
WELL STATUS
WELL OBJECTIVE

DEVELOPMENT
DRILLING
OIL

CONFIDENTIAL

OPERATIONS IN SEQUENCE

- 09-24-85 -----
NEW LOCATION: 1250' FNL & 1700' FEL, SEC 36, T38S, R25E, SAN JUAN COUNTY, UTAH. GL - 4899'.
KB - 14'.
PREP TO MI COLEMAN RIG #4.
- 09-25-85 -----
MI & RU.
- 09-26-85 -----
562'. (482'). 1D. MW H2O. DART.
RU. DRLD RAT & MOUSEHOLES. PU BHA. DRILLED. SURVEYED. SPUDDOED @ 4 PM, 9/25/85.
DEV: 258' 3/4 DEG.
- 09-27-85 -----
1122'. (560'). 2D. MW H2O. DART.
DRLD TO 717'. HIT WATER FLOW. RETURNS BEGAN COMING UP MOUSEHOLE. POH. MIXED 180 BBLS 10.8#/G MUD. RIH TO 550'. PUMPED 180 BBLS 10.8#/G MUD. KILLED WATER FLOW. POH. INSTALLED PLATE ON CONDUCTORS. CMTD W/13 SX LIGHT CMT W/3% CACL2 (12.4#/G) PLUS 60 SX "B" CMT W/3% CACL2 (150#/G). WOC. RIH. LOC CMT @ 76'. CD 76-86'. NO CMT BELOW 86'. WOC AND REDRILLED MOUSEHOLE RIH TO 717'. STARTED DRILLING @ 11 PM. DRILLED TO 1122'. STARTED DAYWORK 9:30 AM - 11:00 PM, 9/26/85 (13-1/2 HRS DAYWORK).
FM: SD, SLT, ANHYD.
DEV: 771' 1 DEG.
- 09-28-85 -----
1665'. (543'). 3D. MW 10.6. VIS 37. PREP TO RUN CSG ART. DRLD. SUR @ SERVICED RIG. DRLD. WATER BEGAN FLOWING ON OUTSIDE OF COND PIPE. STOPPED DRLG @ 11 PM, 9/27/85. MIXED MUD TO KILL WATER FLOW. CIRC & KILLED WATER FLOW. POH TO RUN CSG. DOWN 11 PM, 9/27/85 - 5:30 AM, 9/28/85. 6-1/2 HRS DAY WORK.
FM: SD, SH, ANHYD.
DEV: 1280' 2-3/4 DEG, 1650' 1-1/4 DEG.
- 09-29-85 -----
1680'. (15'). 4D. MW H2O. DART.
RU & RAN 8-5/8" CSG. 40 JTS 8-5/8" 24# J-55 ST&C 1648.29'
GUIDE SHOE 1.15'
1649.44'
CSG SET @ 1648'. FC @ 1607'. CIRC. CMTD 8-5/8" CSG. CIP @ 11 AM, 9/28/85 W/800 PSI. PRESSURED TO 1100#. INSERT FLOAT FAILED. PRESS DROPPED FROM 1100-300#. UNABLE TO PRESS UP. FLOAT NOT HOLDING. CMT W/1000 SX LIGHT III CMT W/O.3% CACL2, 1/4#/SK D-29 AND 200 SX B CMT W/2% CACL2. WOC. INSTALLED CSG HEAD. INSTALLED BOPE. TESTED BOPE & CSG TO 1000 PSI, OK. RIH. CD CMT & SHOE. 1563-1648'. DRLD TO 1680'.
- 09-30-85 -----
FM: LM, SH.
2830'. (1150'). 5D. MW H2O. DART.
DRLD. SUR. DRLD. SUR. DRLD. SUR. DRLD TO 2830'.
FM: SH, SITS, SD.
DEV: 1860' 3/4 DEG, 2260' 3/4 DEG, 2773' 1/4 DEG.
- 10-01-85 -----
3167'. (337'). 6D. MW 10.8. VIS 40. DART.
DRLD. DRLD IN TO WATER FLOW @ 2850'. DRLD TO 2940' CLOSED WELL IN. SIP 250 PSI. WENT UP TO 275 PSI IN 2-1/2 HRS. MIXED MUD TO 10.7 WGT & 38 VIS. KILLED WTR FLOW. DRLD TO 3167'. POSSIBLE WATER FLOW 3108-3130'. CL UP TO 3100. MIXING MUD AND RAISING MW TO 11# WHILE DRILLING. TESTED WTR FLOW @ 2850'. CL 10,600. CA 1800, PH 6.0.
FM: SD, SITS, SH.
DART.
- 10-02-85 -----
3533'. (366'). 7D. MW 11.1. VIS 42. DART.
DRLD 7-7/8" HOLE. SERVICED RIG. DRLD. SUR @ 3300'. DRLD TO 3533'.

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NOV 25 1985

DIVISION OF GAS & MINING

=====

PROPERTY A147001 FOR 11-19-85 *****CONTINUED*****

WELL NAME CANYON #2-36 STATE FIELD/PROSP SE TIN CUP MESA

COUNTY NAME SAN JUAN, UT (MCO)

10-02-85-----

FM: SITS, SH, SD.
DEV: 3300' 3/4 DEG.

10-03-85-----

3792'. (259'). 8D. MW 11.2. VIS 42. DART.
DRILLED. SURV. TRIPPED. DRILLED.
FM: SH, SLTS, SD.
DEV: 3608' 1/4 DEG.

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10-04-85-----

4064'. (272'). 9D. MW 11.3. VIS 41. DART.
DRLD 7-7/8" HOLE. SERVICED RIG. DRLD TO 4064'.
FM: SH, SITSTN, LM.

10-05-85-----

4320'. (256'). 10D. MW 11.3. VIS 39. DART.
DRLD. SUR - N.G. DRLD. SUR @ 4100'. DRLD.
FM: SH, SILTST, LM.
DEV: 4100' 3/4 DEG.

10-06-85-----

4564'. (244'). 11D. MW 11.2. VIS 43. DART.
DRLD.
FM: SH, LS.

10-07-85-----

4758'. (194'). 12D. MW 11.6. VIS 44. DART.
DRLD. TRIPPED AND SURVEYED. DRLD. SERVICED RIG. DRLD.
FM: SH, LM, SD.
DEV: 4602' 1 DEG.

10-08-85-----

4960'. (202'). 13D. MW 11.3. VIS 45. DART.
DRLD. SERVICED RIG. DRLD.
FM: LM, SH, CHT, SITSTN.

10-09-85-----

5160'. (200'). 14D. MW 11.4. VIS 45. DART.
DRILLED. SERVICED RIG. DRILLED TO 5160'.
FM: LS.

10-10-85-----

5304'. (144'). 15D. MW 11.4. VIS 41. CORING ART (CORE #1).
DRLD. SURVEYED & SERVICED RIG. DRLD. CIRC FOR SAMPLE. TRIPPED
FOR CORE BARREL. PU & MU CORE BARREL. TH W/CORE BARREL.
PUMPED BALL DOWN. STRAPPED PIPE - 5306.05'. DRILLER'S DEPTH-
5304'. NO CORRECTION. REACHED CORE POINT @ 9:30 PM, 10/9/85.
RIG ON DAY WORK. DRLD BRK @ 5302': 6-7 MIN/FT TO 2-1/2 MIN/FT
PU 106 UN GAS.
FM: LM, SH, ANHYD.
DEV: 5100' 1-1/4 DEG, 5300' 1 DEG.

10-11-85-----

*****TIGHT HOLE - CONFIDENTIAL*****

5364'. (CORED 60'). 16D. MW 11.5. VIS 39. WORKING STUCK PIPE
ART.
CORED 60' 5304-5364'. POH W/CORE BARREL. LD CORE. REC'D 60'
PU DST TOOLS. RIH W/DST TOOLS. RU TESTHEADS & MANIFOLD. TESTD
DST #1 (5295-5364'). PKRS SET @ 5286 & 5295'. OPENED TSTR FOR
30 MIN IF. INSTANT BLOW IN BOTTOM OF BUCKET. GTS - 21 MIN.
OPENED ON 1/4" CK. CLOSED TOOL FOR 60 MIN ISI. OPENED TOOL
FOR 75 MIN FF ON 1/4" CK: 10# IN 5 MIN, 13# IN 15 MIN, 35# IN
30 MIN, 35# IN 40 MIN. 1/4" CK PLUGGED. OPENED WELL ON 1/2"
CH. 20# IN 5 MIN, FLUID TO SURFACE IN 55 MIN: OIL & MUD. OIL
TO SURFACE IN 65 MIN. PRESS - 100 PSI. 120 PSI IN 75 MIN.
CLOSED TSTR FOR 120 MIN FSI. TRIED TO PULL TSTR LOOSE. PIPE
STUCK. REVERSED OIL OUT OF DP. REC'D APPROX 75 BO. CIRC &
WORKED STUCK PIPE.

10-12-85-----

5364'. (0'). 17D. MW 11.6. VIS 37. WORKING STUCK PIPE ART.
WORKED STUCK DRILLPIPE. EST STUCK 2800-3200'. SPOTTED 67 BBL
DIESEL OIL CONTAINING PIPELAX 1900-3500'. WORKED STUCK PIPE.

10-13-85-----

5364'. (0'). 18D. MW 11.4. VIS 41. PU CORE BARREL ART.
WORKED STUCK DP. CIRC DIESEL OIL OUT OF HOLE. CIRC & COND
MUD. RU PETROLOG. RAN FREEPOINT. DP STUCK @ 2700'. PIPE
WORKED FREE WHILE APPLYING TORQUE. PIPE STUCK @ 5480'. SPOT-
TED 70 BBL DIESEL OIL CONTAINING PIPELAX 5364-4400'. WORKED
STUCK DP. PIPE CAME FREE. CIRC DIESEL OIL OUT OF HOLE. POH
W/TESTER. BRK DWN TEST TOOLS. SLIPPED & CUT DRLG LINE. PU

PROPERTY A147001 FOR 11-19-85 *****CONTINUED*****
WELL NAME CANYON #2-36 STATE FIELD/PROSP SE TIN CUP MESA
COUNTY NAME SAN JUAN, UT (MCO) 10-13-85

CORE BARREL.

DST #1	5295-5364'	5266'	5310' *	5315'
		3237	3257	3253
30 MIN IH	387-588		497-557	412-577
64 MIN ISI	2094		2107	2064
75 MIN FF	622-1127	647-1142	604-1126	
120 MIN FSI	2094	2097	2064	
	FH	NOT RECORDED	NOT RECORDED	NOT RECORDED

*ELECTRONIC RECORDER.

TOTAL SAMPLE REC - 1000 CC'S @ 1000 PSI: 600 CC'S OF OIL, 400 CC'S OF GAS (2.8 CF), BHT - 130 DEG, OIL - GRAVITY 41 @ 70 DEG.

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10-14-85 5439'. (75' CORED 60' DRLD 15'). 19D. MW 11.4. VIS 42. DART. RIH W/CORE BARREL. WASHED 100' TO BTM. CUT CORE #2: 5364-5424'. POH W/CORE #2. LD CORE #2. CUT 60', REC 60'. SERVICED CORE BARREL. RIH W/BIT. DRLD TO 5439. FM: SH, ANHYD.

10-15-85 5565'. (126'). 20D. MW 11.4. VIS 40. REPAIRING RIG ART. DRLD. SERV RIG. DRLD. SERV RIG. DRLD. CIRC FOR SAMPLES. POH FOR CORE #3. REPAIRED RIG. REACHED CORE POINT @ 1 AM-10/15/85 (5 HRS DAYWORK). FM: ANHYD, SH, DOLO, LM.

10-16-85 5630' - CORRECTED DEPTH. (65'). 21D. MW 11.6. VIS 50. LD CORE ART. REPAIRED RIG. POH. PU CORE BARREL & RIH. WASHED 150' TO BTM. CUT CORE #3 (5570-5630'). POH W/CORE BARREL. LD CORE. FM: ANHYD, DOL, SH.

10-17-85 5630'. (0'). 22D. MW 11.6. VIS 53. RIH ART. LD CORE #3 & CORE BARREL. CUT 60', REC 60'. RIH. CIRC. POH. RU SCHLUMBERGER. RAN LOGS. FDC-CNL/GR: 5629-4000'. DIL-SFL: 5623-1646'. BHC SONIC/GR: 5629-1646'. DIPMETER: 5623-4000'. RIH. FM: TOP OF DESERT CREEK - 5585'.

10-18-85 5630'. (0'). 23D. MW 11.5. VIS 52. PREP TO MO RIG. FINISHED RIH. UNPLUGGED BIT. CIRC. LD DP & DC'S. BROKE KELLY & CHGD RAMS TO 5-1/2". RAN 5-1/2" CSG. CIRC. CMTD CSG W/390 SX 50/50 POZ MIX, 10% SALT, 2% BENTONITE, 0.50 CFR-2, 0.50 HALAD-9, BUMPED PLUG @ 8:10 PM, 10/17/85. EST CMT TOP 4300'. CIRC THRU OUT JOB. ND BOPE & CUT OFF CSG. JET & CLEANED PITS. RR 3 AM 10/18/85. RAN 5-1/2" CSG AS FOLLOWS:
GUIDE SHOE
1 JT 20# N-80 LT&C 36.98'
1 FC 1.64'
1 X-0 JT 20# N-80 LT&C PIN TO SEU BOX 37.95'
54 JTS 20# P-110 SEU 2065.12'
90 JTS 20# N-80 SEU 3472.04'
1 X-0 JT 20# N-80 SEU TO LT&C BOX 35.48'
TOTAL 5650.06'
CSG SET @ 5630'. TOP OF FC @ 5593.02'.

10-19-85 WOCU.

10-20-85 WOCU.

10-21-85 WOCU.

10-22-85 W.O.C.U.

10-23-85 W.O.C.U.

10-24-85 W.O.C.U.

10-25-85 W.O.C.U.

PROPERTY A147001 FOR 11-19-85 *****CONTINUED*****
WELL NAME CANYON #2-36 STATE FIELD/PROSP SE TIN CUP MESA
COUNTY NAME SAN JUAN, UT (MCOR)

10-28-85 W.O.C.U.

10-29-85 W.O.C.U.

10-30-85 W.O.C.U.

10-31-85 MI POOL COMPLETION RIG, MONDAY 11/4/85.

11-02-85 MI COMPLETION RIG.

11-03-85 MI COMPLETION RIG.

11-04-85 5590' PBD. 1D. MI & RU POOL COMPLETION RIG 11/4/85.

11-05-85 5590' PBD. 2D.

FINISHED RU. UNLOADED 2-7/8" TBG. INSTALLED "8" SECTION & PRESSURE TESTED TO 1200 PSI. NU BOP'S. PU 4-5/8" BIT, CSG SCRAPER & 181 (5582.36') JTS 2-7/8" TBG. TAGGED CMT @ 5574'. RU POWER SWIVEL & CIRC UNIT. MIXED KCL WATER. SDFN.

11-06-85 5590' 3D.

RU POWER SWIVEL. CO CMT 5574-5590'. CIRC. POH. RU WELEX. RAN CBL-GR COLLAR LOG - 5581-3592'. GOOD CEMENT BOND - 5385-4380'. RIH W/PERF GUN. SHOT 4 HOLES 5349-5350'. SDFN.

11-07-85 5590' PBD. 4D.

PU HALLIBURTON TEST TOOL. RIH ON 2-7/8" TBG. SET PKR @ 5291' TESTED PERFS 5349-5350'. OPENED TESTER @ 11 AM. INSTANT STRONG BLOW TO SURFACE. GTS - 8 MIN. TP - 56 PSI ON 1/4" CHOKE. OTS - 70 MIN. CHOKE PLUGGED. OPENED TO 3/4" CHOKE. FLOWED WELL TO TANK FOR 1 HR. FTP - 20-100 PSI ON 3/4" CH. REC 21 BO. NO WATER. CLOSED TESTER. UNABLE TO OPEN BY-PASS SWABBED OIL OUT OF TBG. REC 14 BO. PULLED 9 STDS OF TBG TO 4736'. STARTED FILLING HOLE W/KCL WATER. TESTER BY-PASS OPENED. WELL BEGAN FLOWING THRU TBG. PUMPED KCL WATER DOWN 5-1/2" CSG ANNULUS. CIRC OUT OIL & GAS. CUT KCL WTR. WELL DEAD. SION.

11-08-85 5590' PBD. 5D. PREP TO RIH W/TBG & PKR.

MIXED 9.2# KCL WATER. DISPLACED 8.4#/GEL KCL WTR W/9.2#/GEL KCL WTR. POH W/TESTER. DST #1: 5349-5350'.

CHARTS @ 5284' 5299'
IH 2272 2314
IF 84 126
FF. 695 695
FH 2251 2252

RU WELEX. RIH W/4" CSG GUN. PERF'D 2HPF 5336-5348', 5310-5328'. (CNL-FDC LOG). SION.

11-09-85 5590' PBD. 6D.

RU TO PRESS TEST TBG. PU MTN STATES 2-7/8" X 5-1/2" - 20# MODEL R DOUBLE GRIP PKR (2.375" ID). (PRESS TESTED 72 JTS TBG TO 5000 PSI. TESTING UNIT BROKE DOWN.). RIH W/2-7/8" TBG. SET PKR W/20,000# WT. LANDED TBG.

4 JTS 2-7/8" 6.5# N-80 EUE TBG 123.79
MODEL R PKR (2.375" BORE) 7.30
1 JT 2-7/8" TBG 30.83
SEATING NIPPLE (2.25" BORE) 1.10
163 JTS 2-7/8" 6.5# N-80 EUE TBG 4993.70
BELOW K.B. 11.00
TOTAL 5167.72

TAIL @ 5167.72'. PKR @ 5036.63'. SN @ 5004.70'. INSTALLED OCT 2-9/16" X 5000 PSI WELLHEAD. PRESS TESTED ANNULUS & PKR TO 1500 PSI - OK. RU & SWABBED WELL. REC'D KCL WATER & 19 BO SION.

11-10-85 5590' PBD. 7D.

SITP 775 PSI. CP - 0. OPENED WELL ON 1/4" CHOKE. OIL TO SURFACE IMMEDIATELY. FTP - 300 PSI. FLOWED WELL 1 HR. REC 22 BO. FINAL TP - 50 PSI. SHUT WELL IN. RU DOWELL. PRESS

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PROPERTY A147001 FOR 11-19-85 *****CONTINUED*****

WELL NAME CANYON #2-36 STATE FIELD/PROSP SE TIN CUP MESA

COUNTY NAME SAN JUAN, UT (MCR)

11-10-85

TESTED ANNULUS TO 1500 PSI. PUMPED DOWN TBG 3000 GALS 28%
HCL ACID W/12 GALS F-78, 6 GALS A-250, 15 GALS U-42, 9 GALS
W 52.1 & 92 BALL SEALERS. STARTED PUMPING ACID DOWN TBG.
RATE 2 BPM. MAX PRESS 4300 PSI. STARTED BALL SEALERS AFTER
PUMPING 10 BBLs ACID. ACID HIT PERFS. PRESS DROPPED TO 1500
PSI. RATE 5 BPM. HAD GOOD BALL ACTION. WITH 40 BBLs OF
ACID TO FORMATION, HAD BALL OFF. SD 6 MIN TO LET BALLS FALL.
PUMPED LAST 31 BBLs ACID @ RATE OF 5 BPM. PRESS 800-1000 PSI
DISPLACED W/38 BBLs OF 2% KCL, INCLUDING 5 BBLs OVERFLUSH.

ISI - 700 PSI

5 MIN SI - 450 PSI

10 MIN SI - 100 PSI

RD DOWELL. SWABBED WELL. WELL STARTED FLOWING. OPENED ON
1/4" CHOKE. FTP - 475 PSI. OIL TO SURFACE IN 2 MIN. FLOWED
WELL.

2 HRS: 1/4" CK, FTP 660 PSI, REC 66 BO, CHGD TO 1/2" CK.

1-3/4 HR: 1/2" CK, FTP 535-500 PSI, REC 121 BO, CHGD TO

7/16" CK.

3 HRS: 7/16" CK. FTP 510-500 PSI. REC 183 BO, CHGD TO

24/64" CK.

13 HRS: 24/64" CK. FTP 500-465 PSI. REC 626 BO. FIRST 11

FTP 500 PSI, LAST 2 HRS, FTP - 480 & 465 PSI.

TOTAL OIL PRODUCED: 996 BO IN 19-3/4 HRS.

11-11-85

24 HRS - 22/64" CHOKE. 1009 BO, FTP 440#. PREP TO INSTALL
TEST UNIT. GR - 40 DEG @ 50 DEG F. CUT 0.5%.

CONFIDENTIAL

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

5. LEASE DESIGNATION AND SERIAL NO.	ML 36202
6. IF INDIAN, ALLOTTEE OR TRIBE NAME	N/A
7. UNIT AGREEMENT NAME	N/A
8. FARM OR LEASE NAME	Canyon
9. WELL NO.	2-36 State
10. FIELD AND POOL, OR WILDCAT	Undesignated
11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA	Sec. 36, T38S, R25E SLB&M
12. COUNTY OR PARISH	San Juan
13. STATE	Utah

SUNDRY NOTICES AND REPORTS ON WELLS

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

RECEIVED
DEC 05 1985

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
MCOR OIL & GAS CORPORATION

3. ADDRESS OF OPERATOR
5718 Westheimer, Suite 1100, Houston, Texas

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)
At surface
1250' FNL & 1700' FEL (NW NE)

14. PERMIT NO.
43-037-31196

15. ELEVATIONS (Show whether OF, RT, GR, etc.)
4899' GR

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) flare produced gas <input checked="" type="checkbox"/>	
(Other) <input type="checkbox"/>			

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

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

A six (6) month's permit to flare the gas is requested. (See attached letter for detailed information.)

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

DATE: 12/16/85
BY: John R. Dan

See conditions of approval per letter dated 12/16/85

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

SIGNED A. J. McNay TITLE Mgr, Drlg & Prod, Western Region DATE 12/4/85

(This space for Federal or State office use)

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



MCO RESOURCES, INC.

MCO PLAZA
5718 Westheimer, Houston, Texas 77057
713-953-7777

December 4, 1985

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
355 W. N. Temple, 3 Triad Center
Salt Lake City, Utah 84180-1203

Attention: Mr. John Baza

Re: Request for Permit to Flare Gas
Canyon #2-36 State Well
Section 36, Township 38S, Range 25E
San Juan County, Utah

RECEIVED

DEC 05 1985

**DIVISION OF OIL
GAS & MINING**

Gentlemen:

MCOR Oil & Gas Corporation has recently completed the Canyon #2-36 State well located in Section 36, Township 38S, Range 25E, San Juan County, Utah as a flowing oil well from the Ismay Formation. Production from the well has averaged 471 BOD, 6.6 BWD and 566 MCFD for the last 72 hours of production. It is planned to spud a second well in December to further delineate the extent of the reservoir.

We are currently pursuing potential sales outlets for the gas production and have determined that Koch Hydrocarbons has a gas line approximately 7 miles northwest of the Canyon #2-36 State well. Koch is reviewing the potential gas reserves available from the #2-36 well, but it is not likely the reserves from this one well will justify extension of their line. Additional testing and further drilling will be required to establish gas reserves for the entire reservoir. A preliminary estimate of line costs indicates that a cost of approximately \$70,000/mile may be anticipated due to the rugged terrain of the area. Based on gas prices in the current market conditions we would expect a gas price in the range of \$1.50-\$1.75/MMBTU, although a potential purchaser may also require a portion of the gas and the natural gas liquids to amortize the cost of the line.

An alternative method of handling gas production by re-injection into the reservoir can be examined at a later date if subsequent development drilling provides that reservoir size and conditions are favorable for a re-injection project.

State of Utah
December 4, 1985
Page 2

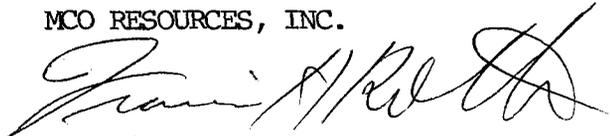
We are attaching the following additional information in support of our request for permission to flare gas production:

- 1) Analysis of produced gas
- 2) Sundry Notice
- 3) Completion Report and Well History

MCOR requests the Division authorize the flaring of gas production from the Canyon #2-36 State well for a period of six (6) months to allow evaluation of the reservoir while additional drilling delineates the size of the reservoir and a gas sale can be negotiated. It is anticipated that approximately 100 MCFD of the produced gas will be consumed on the lease for operation of lease facilities.

Very truly yours,

MCO RESOURCES, INC.



Francis H. Roth
Vice President
Drilling and Production

FHR/sc
Attachments

CORE LABORATORIES, INC.
Reservoir Fluid Analysis

Page 1 of 1
File ARFL-850187
Well Canyon 2-36 State
Field Wildcat

HYDROCARBON ANALYSIS OF GAS SAMPLE

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DEC 05 1985

DIVISION OF OIL
GAS & MINING

<u>Component</u>	<u>Mol Percent</u>
Hydrogen Sulfide	0.00
Carbon Dioxide	0.16
Nitrogen	0.94
Methane	58.06
Ethane	18.01
Propane	8.83
iso-Butane	1.26
n-Butane	3.23
iso-Pentane	1.37
n-Pentane	1.52
Hexanes plus	<u>6.62</u>
	100.00

Calculated gas gravity (air=1.000) = 1.03

Calculated gross heating value = 1.727 BTU per
cubic foot of gas saturated with water vapor
at 14.65 psia and 60°F. (Hydrocarbon Components Only).

Collected at 49 psig and 87°F. on 11-20-85.

Gas Cylinder: DEN-057

Opening Pressure: 38 psig at 75°F.

CORE LABORATORIES, Inc.

Matt Ostrand

Matt Ostrand
RFL Supervisor

4 cc Mr. Jordan McNay
MCO Resources, Inc.
5718 Westheimer
Houston, TX 77057

CORE LABORATORIES, INC.
Reservoir Fluid Analysis

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Well Canyon 2-36 State
Field Wildcat

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GAS & MINING

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MCO RESOURCES, INC.

MCO PLAZA
5718 Westheimer, Houston, Texas 77057
713-953-7777

December 4, 1985

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
355 W. N. Temple, 3 Triad Center
Salt Lake City, Utah 84180-1203

RECEIVED

DEC 05 1985

Attention: Mr. John Baza

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GAS & MINING

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State of Utah
December 4, 1985
Page 2

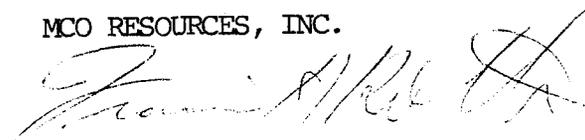
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Francis H. Roth
Vice President
Drilling and Production

FHR/sc
Attachments

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

5. LEASE DESIGNATION AND SERIAL NO.	ML 36202
6. IF INDIAN, ALLOTTEE OR TRIBE NAME	N/A
7. UNIT AGREEMENT NAME	N/A
8. FARM OR LEASE NAME	Canyon
9. WELL NO.	2-36 State
10. FIELD AND POOL, OR WILDCAT	Undesignated
11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA	Sec. 36, T38S, R25E SLB&M
12. COUNTY OR PARISH	San Juan
13. STATE	Utah

SUNDRY NOTICES AND REPORTS ON WELLS

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DEC 05 1985

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MCOR OIL & GAS CORPORATION

3. ADDRESS OF OPERATOR
5718 Westheimer, Suite 1100, Houston, Texas

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At surface
1250' FNL & 1700' FEL (NW NE)

14. PERMIT NO.
43-037-31196

15. ELEVATIONS (Show whether OF, RT, GR, etc.)
4899' GR

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
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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) flare produced gas <input checked="" type="checkbox"/>	

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APPROVED BY THE STATE
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OIL, GAS, AND MINING

DATE: 12/16/85
BY: John R. Dan

See conditions of approval per letter dated 12/16/85

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

SIGNED A. J. McNay TITLE Mgr, Drlg & Prod, Western Region DATE 12/4/85

(This space for Federal or State office use)

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

DATE 6-4-86

WELLS TO POSSIBLY CHECK ON
(FROM SPOT CHECK OF DISPOSITION REPORTS)

EXCESSIVE FLARING

DTS

ENTITY NO. WELL NAME	VOL REPORTED OPERATOR	DAYS OPER. SEC-TWP-RNG	DAILY AVG	MONTH
✓ 1 10350 CANYON 2-36 STATE	11971 TOTAL PETROLEUM	27 36-38S-25E	443	APRIL
2 10185 NOVA 31-20 NGL FED	2169 NOVA PETROLEUM	30 20-9S-16E	72	APRIL
✓ 3 9975 NAVAJO FED. 9-1; 4-1; 4-4	✓ 9942 ✓ (3 wells) MERIDIAN	17 AVG./WELL 9-39S-25E	195	MARCH
4 " 5402	"	27 AVG./WELL	67	APRIL
5 10450 BROTHERSON 2-14B4	2168 UTEX	16 14-25-4W	136	APRIL
6				
7	Board approval good till Oct 86 @ 100 MCFD			
8				
9				

EXCESSIVE "USED ON LEASE" (?)

ENTITY NO. WELL NAME	VOL REPORTED OPERATOR	DAYS OPER. SEC-TWP-RNG	DAILY AVG	MONTH
✓ 1 9975 NAVAJO FED. 9-1; 4-1; 4-4	✓ 2800 ✓ (3 wells) MERIDIAN	17 AVG./WELL 9-39S-25E	55	MARCH
2 " 6000	"	27 AVG./WELL	74	APRIL
3				
4				
5				
6				
7				
8				
9				



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple - 3 Triad Center - Suite 350 - Salt Lake City, UT 84180-1203 - 801-538-5340

December 16, 1985

Mr. Francis H. Roth
MCO Resources, Inc.
MCO Plaza
5718 Westheimer
Houston, Texas 77057

*Extended by Board
to Oct 1 86 - 100 MCFD
per J. Boza
7-28-86*

Dear Mr. Roth:

RE: Request to Flare Gas, Well No. Canyon State #2-36, Sec.36,
T.38S, R.25E, San Juan County, Utah

The Division of Oil, Gas and Mining has received your request to vent or flare associated gas from the referenced well. The Board of Oil, Gas and Mining normally reviews all such requests, but will be unable to do so until the scheduled Board session on January 23, 1986. Therefore, the Division will extend administrative approval to conditionally flare associated gas from the well pending Board review in January. At that time, the Board may affirm the administrative action taken by the Division or it may take any other action it deems appropriate.

The approval granted by the Division shall be for a temporary period of six months to expire on June 15, 1986, unless modified by the Board. The conditions under which MCO Resources may vent or flare associated gas from the referenced well are as follows:

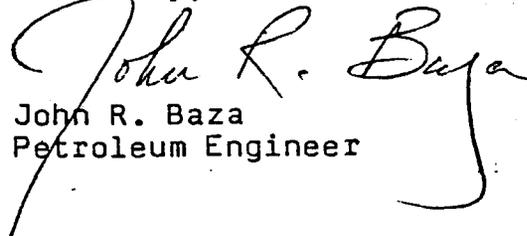
1. The well may be fully produced and associated gas vented or flared as long as the gas oil ratio (GOR) remains 2000:1 or less.
2. If the GOR exceeds 2000:1, the well may be produced on a restricted basis, the restricted rate being equivalent to what a well having a GOR of 2000:1 would produce at 100 percent deliverability. Alternatively, the well may vent or flare up to 100 MCF per day maximum. The operator may vent or flare the greater of either amount.

Page Two
MCO Resources, Inc.
December 16, 1985

Please note that if gas gathering facilities become available in the area of the subject well or if gas production significantly increases, the Board may choose to reevaluate your request to flare, and it may require additional justification for continued gas flaring from the well. You will be notified by the Division in the event that more information is necessary.

Please contact this office if you have additional questions concerning this matter.

Sincerely,



John R. Baza
Petroleum Engineer

sb

cc: D. R. Nielson

R. J. Firth

Well file

01551-72-75

WELL NAME CANYON 2-36
ENTITY 10350
API 4303731196 1 Smg

VOL. VENT/FLARE DAYS OPER. AVG.

CONFIDENTIAL FILE

No Reports — Completed 11-11-85

4-85			
5			
6			
7			
8			
9			
10			
11	14855	22	675
12	14602	27	541
1-86	13994	31	451
2-86	13479	28	481
3-	16165	31	521
4	11971	27	443
5	2280	31	74

43-037-31196

ONSITE PREDRILL INSPECTION FORM

Spud date will be
5 Sept 85 or
earlier

COMPANY MEOR WELL NO. Canyon 2-36 State

LOCATION: SECTION NWNE (1700 FEL 1250 ENL) 36 TOWNSHIP 38S RANGE 25E COUNTY San Juan

LEASE NO. _____ ONSITE INSPECTION DATE 5 Aug 85

(A) PERSONS IN ATTENDANCE Brian Wood/Permits West, Pat Hardin/La Plata Archaeological, representative from MEOR, representative from Wrights Roubabout (dirt contractor), Patrick deGruyter State of UT DEGM

(B) SURFACE FORMATION AND CHARACTERISTICS terrace & river sand & gravel

(C) BRIEF DESCRIPTION OF VEGETATION tumbleweeds (Russian thistle), greese wood, one large cotton wood tree

(D) ARCHAEOLOGICAL CLEARANCE: YES OR NO yes

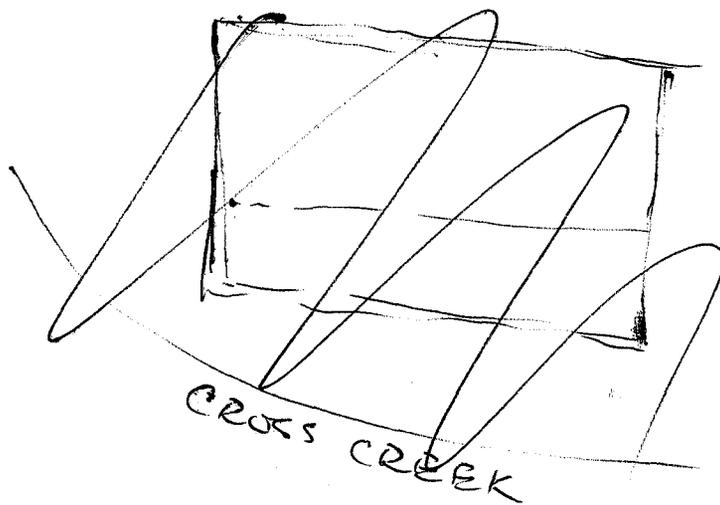
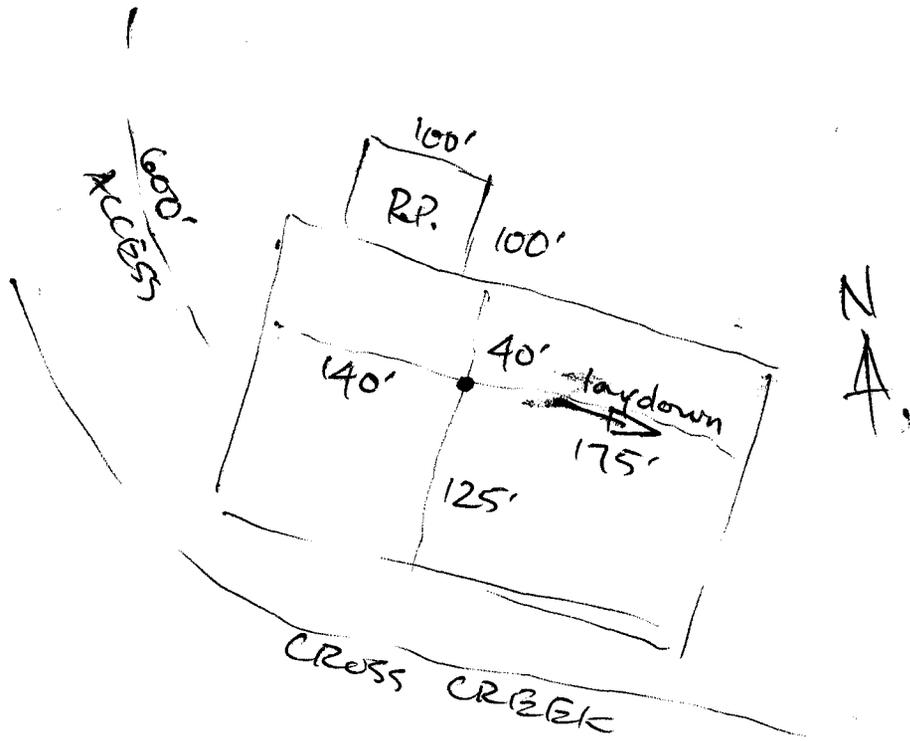
(E) DESCRIPTION OF TOPOGRAPHY (drainages, slope, roads, etc.) location sits on terrace adjacent to Cross Creek - location is flat - approx 600' south of Cross Canyon Road - will build approx 600' of access road into location - SE corner of pad will be approx 100' from Cross Creek - (closest part of the pad to creek) - check

(F) CONDITIONS FOR APPROVAL: is presently dry but flows part of the year
PIT LINING (YES OR NO) yes
TYPE OF LINING IF NEEDED fiber reinforced plastic at least 6 mil thickness

ADDITIONAL REQUIREMENTS _____

SIGNATURE: Patrick deGruyter TITLE Oil & Gas Field Spec

CROSS CANYON ROAD





STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple - 3 Triad Center - Suite 350 - Salt Lake City, UT 84180-1203 - 801-538-5340

December 16, 1985

Mr. Francis H. Roth
MCO Resources, Inc.
MCO Plaza
5718 Westheimer
Houston, Texas 77057

Dear Mr. Roth:

RE: Request to Flare Gas, Well No. Canyon State #2-36, Sec.36,
T.38S, R.25E, San Juan County, Utah

The Division of Oil, Gas and Mining has received your request to vent or flare associated gas from the referenced well. The Board of Oil, Gas and Mining normally reviews all such requests, but will be unable to do so until the scheduled Board session on January 23, 1986. Therefore, the Division will extend administrative approval to conditionally flare associated gas from the well pending Board review in January. At that time, the Board may affirm the administrative action taken by the Division or it may take any other action it deems appropriate.

The approval granted by the Division shall be for a temporary period of six months to expire on June 15, 1986, unless modified by the Board. The conditions under which MCO Resources may vent or flare associated gas from the referenced well are as follows:

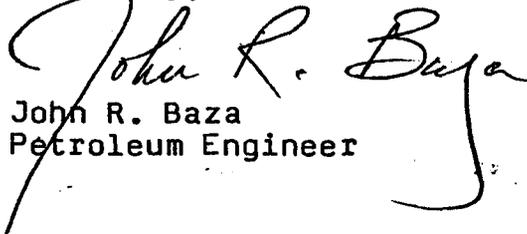
1. The well may be fully produced and associated gas vented or flared as long as the gas oil ratio (GOR) remains 2000:1 or less.
2. If the GOR exceeds 2000:1, the well may be produced on a restricted basis, the restricted rate being equivalent to what a well having a GOR of 2000:1 would produce at 100 percent deliverability. Alternatively, the well may vent or flare up to 100 MCF per day maximum. The operator may vent or flare the greater of either amount.

Page Two
MCO Resources, Inc.
December 16, 1985

Please note that if gas gathering facilities become available in the area of the subject well or if gas production significantly increases, the Board may choose to reevaluate your request to flare, and it may require additional justification for continued gas flaring from the well. You will be notified by the Division in the event that more information is necessary.

Please contact this office if you have additional questions concerning this matter.

Sincerely,


John R. Baza
Petroleum Engineer

sb

cc: D. R. Nielson

R. J. Firth

Well file

01551-72-75

Bond on file
state lands

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

5. LEASE DESIGNATION AND SERIAL NO.	ML-36202
6. IF INDIAN, ALLOTTEE OR TRIBE NAME	N/A
7. UNIT AGREEMENT NAME	N/A
8. FARM OR LEASE NAME	Canyon
9. WELL NO.	2-36 State
10. FIELD AND POOL, OR WILDCAT	Undesignated
11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA	36-38S-25E SLBM
12. COUNTY OR PARISH	San Juan
13. STATE	Utah

SUNDRY NOTICES AND REPORTS ON WELLS

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

CONFIDENTIAL

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>
2. NAME OF OPERATOR MCOR Oil and Gas Corp.
3. ADDRESS OF OPERATOR 5718 Westheimer Rd., Houston, Tx. 77057
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1250' FNL & 1700' FEL (NW NE)
14. PERMIT NO. 43-037-31196
15. ELEVATIONS (Show whether OF, RT, GR, etc.) 4899' Gr

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) <input type="checkbox"/>	

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

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

MCOR Oil and Gas Corporation is transferring Operatorship of the above well
N7160
to TOTAL PETROLEUM, INC. effective as of 12/20/85.

10350

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

SIGNED *A. J. McNay* TITLE Manager, Drilling & Production DATE 12/20/85
A. J. McNay Western Region

(This space for Federal or State office use)

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

TOTAL

Total Petroleum, Inc.

ONE DENVER PLACE - SUITE 3100
999 18TH STREET
DENVER, COLORADO

TELEPHONE 303 291-2000

MAILING ADDRESS

P. O. BOX 500
DENVER, COLORADO 80201-0500

CONFIDENTIAL

RECEIVED

January 15, 1986

JAN 20 1986

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

DIVISION OF OIL
GAS & MINING

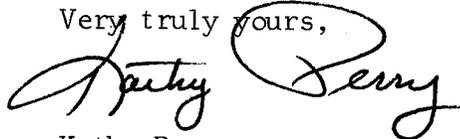
RE: Canyon 2-36 State
Section 36-38S-25E
San Juan County, Utah

Gentlemen:

Enclosed please find a Change of Operator on the above referenced well. Please be advised that Total Petroleum, Inc. is still waiting on the Designation of Operator on this well.

If you need additional information, please advise.

Very truly yours,



Kathy Perry
Production Technician

KP:raa

Enclosures

DESIGNATION OF OPERATOR

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

DISTRICT LAND OFFICE: Salt Lake City, Utah
SERIAL NO.: ML-36202

and hereby designates TOTAL PETROLEUM, INC.
One Denver Place, Suite 3100
NAME: 999 18th Street
ADDRESS: P.O. Box 500
Denver, Colorado 80201

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

TOWNSHIP 38 SOUTH - RANGE 25 EAST

Section 36: NE4

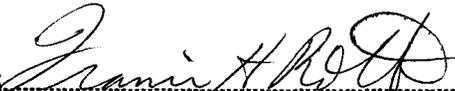
SAN JUAN COUNTY, UTAH

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

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

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

MCOR OIL AND GAS CORPORATION

BY: 

(Signature of lessee)

Francis H. Roth
VICE PRESIDENT

5718 Westheimer, Houston, Tx. 77057

(Address)

01/23/86

(Date)

Well file

Copy
D.J.

081110

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES,
THE STATE OF UTAH

IN THE MATTER OF THE APPLICA-)	FINDINGS OF FACT, CONCLUSIONS
TION OF MCOR OIL & GAS)	OF LAW, AND ORDER
CORPORATION AND TOTAL)	
PETROLEUM, INC. TO FLARE)	
GAS FROM THE CANYON STATE)	DOCKET NO. 86-005
<u>#2-36 WELL LOCATED IN</u>)	
<u>SECTION 36, TOWNSHIP 38 SOUTH</u>)	CAUSE NO. 196-18
<u>RANGE 25 EAST, S.L.M.,</u>)	
<u>SAN JUAN COUNTY, UTAH.</u>)	

The above-entitled matter was heard before the Board of Oil, Gas and Mining ("Board") on April 24, 1986, in the boardroom of the Division of Oil, Gas and Mining ("Division"), 355 West North Temple, III Triad Center, Suite 350, Salt Lake City, Utah. The following board members, constituting a quorum, were present and participated in the hearing and the decision and order embodied herein:

- Gregory P. Williams, Chairman
- James W. Carter
- Charles R. Henderson
- Richard B. Larsen
- E. Steele McIntyre
- John M. Garr
- Judy Lever

Mark C. Moench, Assistant Attorney General of the State of Utah, participated on behalf of the Board.

Members of the staff of the Division present at and participating in the hearing included:

- Dr. Dianne R. Nielson, Director
- Ronald J. Firth, Associate Director

Barbara W. Roberts, Assistant Attorney General of the State of Utah, participated on behalf of the Division.

Total Petroleum, Inc. ("Total") was present and represented by John S. Kirkham.

Assod Raffoul and Steve Jones were present on behalf of the Bureau of Land Management ("BLM").

The Board, having received evidence and sworn testimony, and having heard arguments of counsel and being otherwise fully advised in the premises, now enters its:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Total is the operator of the Canyon State #2-36 Well.
2. The Canyon State #2-36 Well was completed during 1985. By letter dated December 4, 1985, filed with the Division December 5, 1985, MCO Resources, Inc. ("MCOR"), then the operator of the well, requested authority from the Division to flare produced gas for a period of six (6) months.
3. By letter dated December 16, 1985 the Division granted administrative approval to conditionally flare gas from the well for a period of six months subject to Board review in January, 1986.
4. At its January briefing session the Board set the request by MCOR for hearing at the February meeting of the Board. Extensions granted by the Board postponed the hearing on this matter until April 24, 1986.

5. The provisions of Rule 311.3(a) require Board approval to flare gas in amounts greater than 25 Mcf per day during periods after one month following completion of the GOR test contemplated by Rule 311.1.

6. The letter of MCOR dated December 4, 1985 and the evidence submitted by Total at the hearing of this matter satisfy the requirements of Rule 311.3(c) with regard to the information to be submitted to the Board to justify the flaring of gas in excess of the allowable amount specified in Rule 311.3(a).

7. The evidence adduced by Total at the hearing provides reasonable justification for the flaring of gas from the Canyon State #2-36 Well in excess of the allowable amount specified in Rule 311.3(a) until the Board hearing in September.

8. The Board has determined that waste will occur if Total is allowed to flare gas from the Canyon State #2-36 Well in excess of 100 Mcf per day during said period.

9. The Board has determined that it must maintain continuing jurisdiction of this matter.

ORDER

It is, therefore, ADJUDGED AND ORDERED that:

A. Total as operator of the Canyon State #2-36 Well shall not flare produced gas in excess of an average daily rate of 100 Mcf per day.

B. The reduced rate of flaring specified shall be effective as soon as reasonably possible and not later than May 1, 1986.

C. The authority to flare produced gas from the Canyon State #2-36 Well in excess of the amount specified in Rule 311.3(a) shall extend from the effective date of this Order until the regularly scheduled hearing of the Board in September, 1986. Following the September hearing of the Board the limitations of Rule 311.3(a) shall apply unless otherwise ordered by the Board.

D. Prior to the regularly scheduled hearing of the Board in July, 1986 Total shall submit a written report to the Board concerning Total's efforts to market the produced gas from the Canyon State #2-36 Well, including, but not limited to, the status of the construction of a gas gathering pipeline.

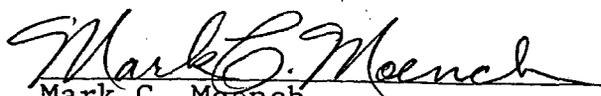
DATED this 9th day of May, 1986.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING

By


Gregory F. Williams, Chairman

Approved as to Form:


Mark C. Moench
Attorney for the Board

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPlicate
(Other instructions on reverse side)

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

CONFIDENTIAL 76202

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. N/A
2. NAME OF OPERATOR Total Petroleum, Inc. (303) 291-2000		7. UNIT AGREEMENT NAME N/A
3. ADDRESS OF OPERATOR P.O. Box 500, Denver, Co. 80201		8. FARM OR LEASE NAME Canyon
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1250' FNL & 1700' FEL (NWNE)		9. WELL NO. 2-36 State
14. PERMIT NO. 43037 31196 ISM		10. FIELD AND POOL, OR WILDCAT Undesignated
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 4,899' ungraded ground		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 36-38S-25E SLBM
		12. COUNTY OR PARISH San Juan
		13. STATE Utah

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

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

Production facilities will be installed northwest of the reserve pit at an elevation of 4,906'+. This is within the 660' x 660' area which was archaeologically cleared on August 5, 1985. It is also more than 250' from the nearest watercourse.

RECEIVED

JAN 29 1986

**DIVISION OF OIL
GAS & MINING**

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

SIGNED *Brian Wood* TITLE Consultant DATE 1-25-86

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

cc: C. Farmer

*See Instructions on Reverse Side

TOTAL

Total Petroleum, Inc.

ONE DENVER PLACE - SUITE 3100
999 18TH STREET
DENVER, COLORADO

TELEPHONE 303 291-2000

MAILING ADDRESS
P. O. BOX 500
DENVER, COLORADO 80201-0500

February 13, 1986

RECEIVED
FEB 6 1986

**DIVISION OF
OIL, GAS & MINING**

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

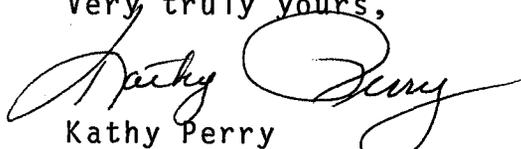
RE: Canyon State 2-36
Section 36-T38S-R25E
San Juan County, Utah
4303731196 ISMY

Gentlemen:

Enclosed please find the Designation of Operator on the above referenced well.

If additional information is required, please advise.

Very truly yours,


Kathy Perry
Production Technician

KP:raa

Bond on file with State Lands

TOTAL

Total Petroleum, Inc.

SUITE 2950, ONE ALLEN CENTER

HOUSTON, TEXAS 77002

TELEPHONE 713 658-0972

RECEIVED
APR 06 1987

April 1, 1987

**DIVISION OF
OIL, GAS & MINING**

State of Utah Natural Resources
Oil, Gas & Mining
355 W. North Temple
3 Triad Center
Suite 350
Salt Lake City, UT 84180-1203

Re: Canyon State #2-36
Section 36-T38S-R25E
San Juan County, Utah

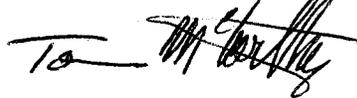
Gentlemen:

Please find enclosed four copies of the Notice of First Gas Sales on the subject well.

If you have any questions please call me at (713) 655-5231.

Very truly yours,

TOTAL PETROLEUM, INC.



Tom R. McCarthy
Area Engineer

TRM/jd
Enclosures

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

SUBMIT TRIPLICATE
(Other instructions on reverse side)

040723
POW

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. ML-36202
2. NAME OF OPERATOR TOTAL PETROLEUM, INC.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
3. ADDRESS OF OPERATOR 2950 ONE ALLEN CENTER, 500 DALLAS, HOUSTON, TEXAS 77002		7. UNIT AGREEMENT NAME N/A
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1250' FNL & 1700' FEL (NW NE)		8. FARM OR LEASE NAME CANYON
14. PERMIT NO. 43-037-31196		9. WELL NO. 2-36 STATE
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 4899' GR		10. FIELD AND POOL, OR WILDCAT UNDESIGNATED
		11. SEC., T., R., M., OR BLK. AND SURVEY OR ABBA 36-38S-25E SLBM
		12. COUNTY OR PARISH SAN JUAN
		13. STATE UTAH

ISmy

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>FIRST GAS SALES</u> <input checked="" type="checkbox"/>	
(Other) <input type="checkbox"/>		(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

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

INITIAL GAS SALES COMMENCED AT 5:00 PM ON 2/6/87 TO KOCH HYDROCARBONS.

RECEIVED
APR 06 1987

DIVISION OF
OIL, GAS & MINING

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

SIGNED TOM R. MCCARTHY TITLE AREA ENGINEER DATE 4/1/87

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:



Total Minatome Corporation

Certified Mail/RRR

January 4, 1989

RECEIVED
JAN 09 1989

Ms. Dianne R. Nielson, Division Director
Department of Natural Resources
Division of Oil, Gas & Mining
335 W. North Temple
3 Triad Center - Suite 350
Salt Lake City, UT 84180-1203

DIVISION OF
OIL, GAS & MINING

Dear Ms. Nielson:

Re: Canyon State 2-36
ML-36202
Sec. 36 T38S-R25E
San Juan County, Utah

Please be advised that effective December 1, 1988, TOTAL MINATOME CORPORATION became operator/owner of the captioned well, formerly operated by Total Petroleum, Inc.

Enclosed please find fully executed Form OGC-1b, Sundry Notice and Report on Well. TOTAL MINATOME CORPORATION is currently covered by Bond No. 400-HT-0651 in the amount of \$80,000.

If you require additional information, please do not hesitate to contact the undersigned at (713) 739-3383.

Sincerely,

Pamela Grantham

Pamela Grantham
Regulatory Administrator

Enclosures

c: Kirby Barry
Liz Dunn
Patti Carroll
Tom Wolter

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

5. LEASE DESIGNATION AND SERIAL NO.
ML-36202

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

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME
Canyon

9. WELL NO.
2-36 State

10. FIELD AND POOL, OR WILDCAT
Undesignated

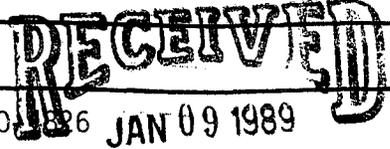
11. SEC., T., R., M., OR BLK. AND SUBST OR AREA
36-38S-25E
SLBM

12. COUNTY OR PARISH
San Juan

13. STATE
Utah

SUNDRY NOTICES AND REPORTS ON WELLS

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



DIVISION OF
OIL, GAS & MINING

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
TOTAL Minatome Corporation

3. ADDRESS OF OPERATOR
P. O. Box 4326 Houston, Texas 77210-1886

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)
At surface
1250' FNL & 1700' FEL (NW NE)

14. PERMIT NO.
43-037-31196

15. ELEVATIONS (Show whether OF, RT, GR, etc.)
4899 GR

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"/>	FULL 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) <input type="checkbox"/>	
(Other) <input type="checkbox"/>	Other <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.)

TOTAL Petroleum, Inc. is transferring Operatorship of the above well to TOTAL Minatome Corporation, Inc. effective 12/1/88. If you have any questions, please contact the undersigned at (713) 739-3383.

Former Operator:

TOTAL Petroleum, Inc.
One Allen Center
Suite 2950
Houston, Texas 77002
(713) 658-0972

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

SIGNED Pamela Grantam TITLE Regulatory Administrator DATE 1/3/89

(This space for Federal or State office use)

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



TOTAL Minatome Corporation

May 24, 1991

State of Utah
Department of Natural Resources
Division of Oil, Gas & Mining
4241 State Office Building
Salt Lake City, Utah 84114

Attn: Ron Firth

Re: Canyon State 2-36
Permit #43-037-31196
Section 36, T38S, R25E
San Juan County, Utah

Gentlemen:

TOTAL Minatome Corporation hereby request your approval of a Suspension of Production of the subject well. Attached in triplicate is a Sundry Notice covering this request. For your information, Ed Bonner of Utah State Lands and Forestry granted approval on May 17, 1991.

If you require additional information, please contact me at (713) 739-3383.

Sincerely,

Cammye Singletary
Regulatory Administrator

xc: Utah State Lands & Forestry
Attn: Ed Bonner
4241 State Office Building
Salt Lake City, Utah 84114

CS:csh
(CS1253)
Attachments

RECEIVED

MAY 28 1991

DIVISION OF
OIL GAS & MINING

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

5. LEASE DESIGNATION AND SERIAL NO.
ML-36202

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

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME
Canyon

9. WELL NO.
2-36 State

10. FIELD AND POOL, OR WILDCAT
Undesignated

11. SEC., T., R., M., OR BLK. AND SURVEY OR ABBA
36-38S-25E
SLBM

12. COUNTY OR PARISH
San Juan

13. STATE
Utah

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
TOTAL Minatome Corporation Attn: Cammye Singletary

3. ADDRESS OF OPERATOR
P. O. Box 4326 Houston, Texas 77210-4326

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.
See also space 17 below.)
At surface
1250' FNL & 1700' FEL (NW NE)

14. PERMIT NO.
43-037-31196

15. ELEVATIONS (Show whether OP, RT, GR, etc.)
4899 GR

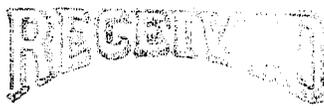
16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

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>Suspension of Production</u> <input checked="" type="checkbox"/>	
(Other) <input type="checkbox"/>	Other <input checked="" type="checkbox"/>	(NOTE: Report results of multiple completion on Well Completion of 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.)

TOTAL Minatome Corporation hereby request your approval of a Suspension of Production (SOP) pending an alternative means of disposing of the water produced from this well.

Ed Bonner of Utah State Lands and Forestry gave oral approval on 05/17/91.



MAY 28 1991

DIVISION OF
OIL GAS & MINING

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

SIGNED: Cammye Singletary TITLE Regulatory Administrator DATE 05/24/91

(This space for Federal or State office use)

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

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

3. LEASE DESIGNATION AND SERIAL NO
ML-36202

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

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME
Canyon

9. WELL NO.
2-36 State

10. FIELD AND FOOT, OR WILDCAT
Undesignated

11. ABC, T, R, M, OR BLM, AND SURVEY OR ABBA
36-38S-25E
SLBM

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
TOTAL Minatome Corporation Attn: Cammye Singletary

3. ADDRESS OF OPERATOR
P. O. Box 4326 Houston, Texas 77210-4326

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)
At surface
1250' ENL & 1700' FEL (NW NE) *T38S 25E Sec. 36*

16. PERMIT NO. 43-037-31196 | 18. ELEVATIONS (Show whether OF, ST, OR, etc.) 4899 GR

18. 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>Suspension of Production</u> <input checked="" type="checkbox"/>	
(Other) <input type="checkbox"/>	Other <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.)

TOTAL Minatome Corporation hereby request your approval of a Suspension of Production (SOP) pending an alternative means of disposing of the water produced from this well.

Ed Bonner of Utah State Lands and Forestry gave oral approval on 05/17/91.

RECEIVED

FEB 05 1992

DIVISION OF OIL, GAS & MINING

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

SIGNED: Cammye Singletary TITLE Regulatory Administrator DATE 05/24/91

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

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

6. Lease Designation and Serial Number
ML 36202

7. Indian Allottee or Tribe Name

8. Unit or Communitization Agreement

9. Well Name and Number
CANYON STATE #2-36

10. API Well Number
4303731196

11. Field and Pool, or Wildcat
UNDESIGNATED

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT for such proposals

1. Type of Well
 Oil Well Gas Well Other (specify)

2. Name of Operator
TOTAL MINATOME CORPORATION

3. Address of Operator
P.O. BOX 4326, HOUSTON, TX 77210-4326

4. Telephone Number

5. Location of Well
Footage : 1250' FNL & 1700' FEL (NW NE)
County :
QQ, Sec, T., R., M. : SEC. 36, T38S, R25E
State : UTAH

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

NOTICE OF INTENT
(Submit in Duplicate)

- Abandonment
- Casing Repair
- Change of Plans
- Conversion to Injection
- Fracture Treat
- Multiple Completion
- Other SI
- New Construction
- Pull or Alter Casing
- Recompletion
- Shoot or Acidize
- Vent or Flare
- Water Shut-Off

Approximate Date Work Will Start NO FUTURE PLANS
(SEE ATTACHED)

SUBSEQUENT REPORT
(Submit Original Form Only)

- Abandonment *
- Casing Repair
- Change of Plans
- Conversion to Injection
- Fracture Treat
- Other _____
- New Construction
- Pull or Alter Casing
- Shoot or Acidize
- Vent or Flare
- Water Shut-Off

Date of Work Completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.
* Must be accompanied by a cement verification report.

13. 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.)

The Canyon State #2-36 is SI because a new salt water disposal system is needed.

RECEIVED

FEB 05 1992

DIVISION OF
OIL GAS & MINING

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

Name & Signature MARIE SCHOVAJSA Marie Schovajsa Title SR. PROD. ANALYST Date 1/14/92
(State Use Only)



TOTAL Minatome Corporation

March 2, 1992

RECEIVED

MAR 04 1992

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

DIVISION OF
OIL GAS & MINING

Attn: Ron Firth

Re: Canyon State 2-36
Permit #43-037-31196
Section 36, T38S, R25E
San Juan County, Utah

Gentlemen:

This will confirm my conversation with you on February 27, 1992. TOTAL Minatome Corporation hereby requests your approval to produce this well for a period of 30 days. Attached in triplicate is a Sundry Notice covering this request. For your information, Ed Bonner of Utah State Lands and Forestry granted approval on February 28, 1992.

If you require additional information, please contact me at (713) 739-3383.

Sincerely,

Cammye Singletary
Regulatory Administrator
xc: Utah State Lands & Forestry
Attn: Ed Bonner
355 West North Temple
3 Triad Center, Suite 400
Salt Lake City, Utah 84180

CS:cbg
(CS1556)
Attachments

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

6. Lease Designation and Serial Number ML-36202
7. Indian Allottee or Tribe Name NA
8. Unit or Communitization Agreement NA
9. Well Name and Number Canyon State 2-36
10. API Well Number 43-037-31198 ⁶
11. Field and Pool, or Wildcat Undesignated

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter, plugged and abandoned wells.
Use APPLICATION FOR PERMIT for such proposals.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify)	
2. Name of Operator TOTAL Minatome Corporation Attn: Cammye Singletary	
3. Address of Operator P.O. Box 4326, Houston, Tx 77210-4326	
4. Telephone Number (713) 739-3383	
5. Location of Well Footage: 1250' FNL & 1700' FEL (NW/NE) Co. Sec. T. R. M. : Drvyion ²⁰ , T38S, R25E	
County : San Juan State : UTAH	

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

NOTICE OF INTENT
(Submit in Duplicate)

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

SUBSEQUENT REPORT
(Submit Original Form Only)

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

Approximate Date Work Will Start ASAP

Date of Work Completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.
* Must be accompanied by a cement verification report.

13. 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.)

TOTAL Minatome Corporation hereby requests approval to produce this well which is currently under a Suspension of Production; for a period of 30 days. Additionally, we would like to turn this well on as soon as possible.

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 3-5-92
BY: JAY Matthews

RECEIVED
MAR 04 1992
DIVISION OF
OIL GAS & MINING

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

Name & Signature (State Use Only) <u>Cammye Singletary</u>	Title Regulatory Administrator	Date 03/02/92
---	-----------------------------------	------------------



TOTAL Minatome Corporation

March 2, 1992

RECEIVED

MAR 04 1992

DIVISION OF
OIL GAS & MINING

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

Attn: Ron Firth

to file

Re: Canyon State 2-36
Permit #43-037-31196
Section 36, T38S, R25E
San Juan County, Utah

Gentlemen:

This will confirm my conversation with you on February 27, 1992. TOTAL Minatome Corporation hereby requests your approval to produce this well for a period of 30 days. Attached in triplicate is a Sundry Notice covering this request. For your information, Ed Bonner of Utah State Lands and Forestry granted approval on February 28, 1992.

If you require additional information, please contact me at (713) 739-3383.

Sincerely,

Cammye Singletary
Regulatory Administrator
xc: Utah State Lands & Forestry
Attn: Ed Bonner
355 West North Temple
3 Triad Center, Suite 400
Salt Lake City, Utah 84180

CS:cbg
(CS1556)
Attachments

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

6. Lease Designation and Serial Number
ML-36202

7. Indian Allottee or Tribe Name
NA

8. Unit or Communitization Agreement
NA

9. Well Name and Number
Canyon State 2-36

10. API Well Number
43-037-31198

11. Field and Pool, or Wildcat
Undesignated

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT for such proposals.

1. Type of Well
 Oil Well Gas Well Other (specify)

2. Name of Operator
TOTAL Minatome Corporation Attn: Cammye Singletary

3. Address of Operator
P.O. Box 4326, Houston, Tx 77210-4326

4. Telephone Number
(713) 739-3383

5. Location of Well
Footage: 1250' FNL & 1700' FEL (NW/NE)
Co. Sec. T., R., M.: Drvion 46, T38S, R25E

County: San Juan
State: UTAH

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

NOTICE OF INTENT
(Submit in Duplicate)

Abandonment New Construction
 Casing Repair Pull or Alter Casing
 Change of Plans Recompletion
 Conversion to Injection Shoot or Acidize
 Fracture Treat Vent or Flare
 Multiple Completion Water Shut-Off
 Other to produce

SUBSEQUENT REPORT
(Submit Original Form Only)

Abandonment * New Construction
 Casing Repair Pull or Alter Casing
 Change of Plans Shoot or Acidize
 Conversion to Injection Vent or Flare
 Fracture Treat Water Shut-Off
 Other

Approximate Date Work Will Start ASAP

Date of Work Completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.
* Must be accompanied by a cement verification report.

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

TOTAL Minatome Corporation hereby requests approval to produce this well which is currently under a Suspension of Production; for a period of 30 days. Additionally, we would like to turn this well on as soon as possible.

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 3-5-92
BY: JM Mathews

RECEIVED
MAR 04 1992
DIVISION OF
OIL GAS & MINING

Verbal approval given by RJF 3-4-92

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

Name & Signature Cammye Singletary Title Regulatory Administrator Date 03/02/92
(State Use Only) Cammye Singletary



TOTAL Minatome Corporation

2 Houston Center, Suite 2000
 Houston, Texas 77010
 P. O. Box 4326
 Houston, Texas 77210-4326
 Phone: 713-739-3000
 Telecopier: 713-739-3423

Fax Cover Sheet

Total number of pages including cover sheet:

2

To:

E. E. Romero

Company:

State of Utah

Telecopier Number:

801 359-3940

From:

Main

Comments:

If you experience difficulty receiving this transmission please call 713-739-_____.

If you wish to fax a document to our office please call 713-739-_____ or the main fax number which is 713-739-3160.

Good
Country 2/11
See 2-11-92 etc
1 AM
2/11/92
cont 8/11 AM
#20

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

6. Lease Designation and Serial Number ML-36202
7. Indian Allottee or Tribe Name NA
8. Unit or Communitization Agreement NA
9. Well Name and Number Canyon State 2-36
10. API Well Number 43-037-31196
11. Field and Pool, or Wildcat Undesignated

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter, plugged and abandoned wells.
Use APPLICATION FOR PERMIT for such proposals.

1. Type of Well
 Oil Well Gas Well Other (specify)

2. Name of Operator
Pioneer Oil & Gas

3. Address of Operator
6925 Union Park Center - Suite 145
Midvale, Utah 84047

4. Telephone Number
County : San Juan
State : UTAH

5. Location of Well
Footage : 1250' FNL & 1700' FEL (NW NE)
OO, Sec. T., R., M. : 36-38S-25E

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

NOTICE OF INTENT
(Submit in Duplicate)

Abandonment New Construction
 Casing Repair Pull or Alter Casing
 Change of Plans Recompletion
 Conversion to Injection Shoot or Acidize
 Fracture Treat Vent or Flare
 Multiple Completion Water Shut-Off
 Other Change of Operator

Approximate Date Work Will Start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

Abandonment * New Construction
 Casing Repair Pull or Alter Casing
 Change of Plans Shoot or Acidize
 Conversion to Injection Vent or Flare
 Fracture Treat Water Shut-Off
 Other _____

Date of Work Completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.
* Must be accompanied by a cement verification report.

13. 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.)

TOTAL MINATOME CORPORATION, INC. IS TRANSFERRING OPERATORSHIP OF THE ABOVE WELL TO PIONEER OIL & GAS, EFFECTIVE MAY 1, 1992.

14. I hereby certify that the foregoing is true and correct
(TOTAL MINATOME CORPORATION) MANAGER
Name & Signature Colin J. ... Title PRODUCTION ACCT. Date 5-1-92
(State Use Only)

TOTAL

TOTAL MINATOME CORPORATION

May 5, 1992

RECEIVED

MAY 11 1992

DIVISION OF
OIL GAS & MINING

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

Attn: Ron Firth

Re: Canyon State 2-36
Permit #43-037-31196
Section 36, T38S, R25E
San Juan County, Utah

Gentlemen:

This is to confirm that TOTAL Minatome Corporation commenced producing this well on April 1, 1992 and ceased these tests and shut-in the well on April 23, 1992. Attached hereto in triplicate is a subsequent Sundry Notice covering this operation.

If you require additional information, please contact me at (713) 739-3383.

Sincerely,



Cammye Singletary
Regulatory Administrator

CS:cbg
(CS1643)

xc: Utah State Lands & Forestry
Attn: Ed Bonner
355 West North Temple
3 Triad Center, Suite 400
Salt Lake City, Utah 84180



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

6. Lease Designation and Serial Number
ML 36202

7. Indian Allottee or Tribe Name

NA

8. Unit or Communitization Agreement

NA

9. Well Name and Number

Canyon State 2-36

10. API Well Number

43-037-31196

11. Field and Pool, or Wildcat

Undesignated

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT for such proposals.

1. Type of Well

Oil Well Gas Well Other (specify)

2. Name of Operator

TOTAL Minatome Corporation Attn: Cammye Singletary

3. Address of Operator

P.O. Box 4326, Houston, Texas 77210-4326

4. Telephone Number

(713) 739-3383

5. Location of Well

Footage: 1250' FNL & 1700' FEL (NW/NE)

Q.G. Sec. T., R., M.: Drvion 36, T38S, R25E

County: San Juan

State: UTAH

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

NOTICE OF INTENT
(Submit in Duplicate)

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

Approximate Date Work Will Start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

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

Date of Work Completion 04-23-92

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.
* Must be accompanied by a cement verification report.

13. 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.)

This is to advise that TOTAL Minatome Corporation commenced producing this well on 04-01-92 and ceased production on 04-23-92 at which time the well was returned to a shut-in status under TOTAL's approved suspension of production. During this time the well produced a total of approximately 88.8 bbls. oil, 7,179 bbls. water, and only a trace of gas.

RECEIVED

MAY 11 1992

DIVISION OF
OIL GAS & MINING

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

Name & Signature

Cammye Singletary

Regulatory
Title Administrator

Date 05-05-92

(State Use Only)

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

6. Lease Designation and Serial Number

ML - 36202

7. Indian Allottee or Tribe Name

NA

8. Unit or Communitization Agreement

NA

9. Well Name and Number

Canyon State 2-36

10. API Well Number

43-037-31196

11. Field and Pool, or Wildcat

Undesignated

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT for such proposals.

1. Type of Well
 Oil Well Gas Well Other (specify)

2. Name of Operator
Pioneer Oil & Gas

3. Address of Operator 6925 Union Park Center - Suite 145
Midvale, Utah 84047

4. Telephone Number

5. Location of Well
Footage : 1250' FNL & 1700' FEL (NW NE)
CO, Sec, T., R., M. : 36-38S-25E

County : San Juan

State : UTAH

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

NOTICE OF INTENT
(Submit in Duplicate)

- Abandonment
- Casing Repair
- Change of Plans
- Conversion to Injection
- Fracture Treat
- Multiple Completion
- Other Change of Operator
- New Construction
- Pull or Alter Casing
- Recompletion
- Shoot or Acidize
- Vent or Flare
- Water Shut-Off

Approximate Date Work Will Start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

- Abandonment *
- Casing Repair
- Change of Plans
- Conversion to Injection
- Fracture Treat
- Other _____
- New Construction
- Pull or Alter Casing
- Shoot or Acidize
- Vent or Flare
- Water Shut-Off

Date of Work Completion _____

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

* Must be accompanied by a cement verification report.

13. 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.)

TOTAL MINATOME CORPORATION, INC. IS TRANSFERRING OPERATORSHIP OF THE ABOVE WELL TO PIONEER OIL & GAS, EFFECTIVE MAY 1, 1992.

RECEIVED

AUG 03 1992

DIVISION OF
OIL GAS & MINING

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

Name & Signature Gregg B. Colton
(State Use Only)

Title Vice President Date 5/18/92

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

Routing	
1- LCR	7- LCR
2- DTS	BCS
3- VLC	✓
4- RJF	✓
5- RWM	✓
6- ADA	✓

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

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

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 5-1-92)

TO (new operator)	<u>PIONEER OIL & GAS</u>	FROM (former operator)	<u>TOTAL MINATOME CORPORATION</u>
(address)	<u>6925 UNION PK CTR #145</u>	(address)	<u>PO BOX 4326</u>
	<u>MIDVALE UT 84047</u>		<u>HOUSTON TX 77210-4326</u>
	<u>GREG COLTON, VP</u>		<u>MARIE SCHOVAJSA</u>
	phone (<u>801</u>) <u>566-3000</u>		phone (<u>713</u>) <u>739-3000</u>
	account no. <u>N 3025</u>		account no. <u>N 1025</u>

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

Name:	<u>CANYON #2-36 ST/ISMY</u>	API:	<u>43-037-31196</u>	Entity:	<u>10350</u>	Sec	<u>36</u>	Twp	<u>38S</u>	Rng	<u>25E</u>	Lease Type:	<u>ML-36202</u>
Name:	_____	API:	_____	Entity:	_____	Sec	_____	Twp	_____	Rng	_____	Lease Type:	_____
Name:	_____	API:	_____	Entity:	_____	Sec	_____	Twp	_____	Rng	_____	Lease Type:	_____
Name:	_____	API:	_____	Entity:	_____	Sec	_____	Twp	_____	Rng	_____	Lease Type:	_____
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

- Sec 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). (Reg. 8-20-92) (Rec'd 8-21-92)
- Sec 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). (Rec'd 8-3-92)
- N/A 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) ____ If yes, show company file number: _____.
- N/A 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.
- Sec 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. (8-21-92)
- Sec 6. Cardex file has been updated for each well listed above. (8-21-92)
- Sec 7. Well file labels have been updated for each well listed above. (8-21-92)
- Sec 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. (8-21-92)
- Sec 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

- See* 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.
- N/A* 2. A copy of this form has been placed in the new and former operators' bond files.
- See* 3. The former operator has requested a release of liability from their bond (yes/no) no. Today's date 8-24-92 1992. 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.
- See* 2. Copies of documents have been sent to State Lands for changes involving State leases. 8-24-92

FILMING

- RWN* 1. All attachments to this form have been microfilmed. Date: Aug 25 1992.

FILING

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

COMMENTS

Speed Letter®

To Ed Bonner

From Don Staley

State Lands

Oil, Gas and Mining

Subject Operator Change

- No. 9 & 10 FOLD

MESSAGE

Date 8-24 1992

Ed,

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

Former Operator: TOTAL MINATOME CORP (N1025)

New Operator: PIONEER OIL & GAS (N3025)

Well:

API:

Entity:

S-T-R:

CANYON 2-36

43-037-31196

10350

36-38S-25E

ML-36202

- No. 9 FOLD

- No. 10 FOLD CC: Operator File

Signed

Don Staley

REPLY

Date _____ 19 _____

- No. 9 & 10 FOLD

Signed

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

6. Lease Designation and Serial Number ML-36202
7. Indian Allottee or Tribe Name
8. Unit or Communitization Agreement
9. Well Name and Number Canyon State #2-36
10. API Well Number 43-037-31196
11. Field and Pool, or Wildcat Tin Cup Mesa

SUNDRY NOTICES AND REPORTS ON WELLS

Use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT for such proposals.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify)
2. Name of Operator Pioneer Oil and Gas
3. Address of Operator 1225 Fort Union Blvd, #100, Midvale, UT 84047
4. Telephone Number 801-566-3000
5. Location of Well Footage : 1250' FNL + 1700' FEL (NWNE) County : San Juan QQ, Sec, T., R., M. : 36 - 385 - 25E State : UTAH

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

NOTICE OF INTENT
(Submit in Duplicate)

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

Approximate Date Work Will Start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

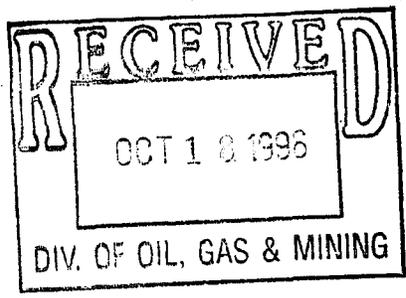
<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Conversion to Injection	<input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

Date of Work Completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.
* Must be accompanied by a cement verification report.

13. 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.)

Due to a fire at Western Gas Processors compressor facilities, Pioneer Oil and Gas requests the Division authorize venting of 30-32 MCFD of gas from the Canyon State #2-36 for a period of 30 days or until repairs are completed on the above referenced facilities. Verbal approval for this action was given by Frank Matthews on 10-15-96.



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

Name & Signature <i>[Signature]</i>	Title Land Manager	Date 10/16/96
<i>[Signature]</i>	<i>[Signature]</i>	10/18/96

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML 36202

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Canyon State # 2-36

2. NAME OF OPERATOR:
Pioneer Oil and gas N 3025

9. API NUMBER:
4303731196

3. ADDRESS OF OPERATOR:
1206 W. So. Jordan Pkway So. Jordan UT 84095 (801) 566-3000
Unit B,
CITY STATE ZIP

10. FIELD AND POOL, OR WILDCAT:
STATE

4. LOCATION OF WELL
FOOTAGES AT SURFACE: COUNTY: San Juan

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Township 38S, R25E Section 36: NW/4 NE/4 STATE: UTAH

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

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

The following company listed below will be the new operator of the well described above effective January 1, 2006:

NAME: RIM Operating, Inc. N 1045

ADDRESS: 5 Inverness Drive East
Englewood, Colorado 80112
(303) 799-9828

BOND NUMBER: RLB0008860 ✓

SIGNATURE: Rene Miller TITLE: Vice President DATE: 2/14/06

NAME (PLEASE PRINT) Pioneer Oil and Gas TITLE Vice President
SIGNATURE [Signature] DATE 11/17/05

(This space for State use only)

APPROVED 2/28/06
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(5/2000)

(See Instructions on Reverse Side)

RECEIVED

FEB 27 2006

DIV. OF OIL, GAS & MINING

Sale No. 205C
Lot No. 68

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 n/a BIA n/a

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: n/a

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: 2/28/2006
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 2/28/2006
3. Bond information entered in RBDMS on: 2/28/2006
4. Fee/State wells attached to bond in RBDMS on: 2/28/2006
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: n/a

INDIAN WELL(S) BOND VERIFICATION:

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

FEE & STATE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0008860

2. The **FORMER** operator has requested a release of liability from their bond on: not yet
The Division sent response by letter on: _____

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

RECEIVED

JUN 02 2015

SUNDRY NOTICES AND REPORTS ON WELLS, GAS & MINING

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

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 36202
2. NAME OF OPERATOR: RIM Operating, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 5 Inverness Drive E CITY Englewood STATE CO ZIP 80112		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1250' FNL & 1700' FEL		8. WELL NAME and NUMBER: Canyon State 2-36
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 36 38S 25E		9. API NUMBER: 4303731196
COUNTY: San Juan		10. FIELD AND POOL, OR WILDCAT: Tin Cup Mesa; Ismay
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 checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

The following company listed below will be the new operator of the well described above effective 5/1/2015.

Pacific Energy & Mining Company (7655)
P O Box 18148
Reno, NV 89511
(775) 333-6626

NAME (PLEASE PRINT) RIM Operating, Inc. Rene' Morin	TITLE Vice President
SIGNATURE <i>Rene Morin</i>	DATE 5-28-15
(This space for State use only)	<p style="text-align: center;">DENIED</p> <p style="text-align: center;">FEB 16, 2016</p> <p style="text-align: center;">Proper bonding has not been received Division of Oil, Gas and Mining</p> <p style="text-align: center;"><i>Rachael Medina</i></p>

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 36202
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: Canyon State 2-36	
2. NAME OF OPERATOR: Pacific Energy & Mining Co.	9. API NUMBER: 4303731196	
3. ADDRESS OF OPERATOR: PO Box 18148 CITY Reno STATE NV ZIP 89511	PHONE NUMBER: (775) 852-7444	10. FIELD AND POOL, OR WILDCAT: Tin cup Mesa; Ismay
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1250 FNL & 1700 FEL		COUNTY: San Juan
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 36 38S 25E		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"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Pacific Energy & Mining Co. is the new operator on the above described well effective May 1, 2015

Bond No. CK No 1570305092

RECEIVED
JUN 05 2015
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Tariq Ahmad</u>	TITLE <u>President</u>	DENIED
SIGNATURE	DATE <u>5/29/2015</u>	
(This space for State use only)		Proper bonding has not been received Division of Oil, Gas and Mining <i>Rachel Medina</i>



PACIFIC ENERGY & MINING CO

June 3, 2015

Rachel Madina
State of Utah
Division of Oil Gas and Mining
1594 West North Temple
Salt Lake City, Utah 84114

Subject: Change of Operator
Canyon State 2-36
API No 4303731196
San Juan County, Utah

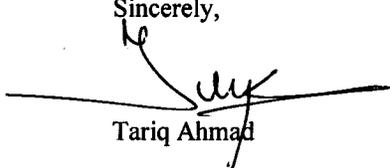
Dear Rachel:

Enclosed please find the following:

1. Sundry Notice for change of operator;
2. Cashiers Check for \$30,000;
3. State of Utah Form 4B.2

If you have any questions please call.

Sincerely,


Tariq Ahmad

RECEIVED

JUN 04 2015

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JUN 05 2015

DIV. OF OIL, GAS & MINING

8/24 - RIM contacted Pacific for plugging
per L12 720-221-1664

^{25.12}
Canyon State - \$40K

Salt valley State - \$10-20K

1/4 Check w/ Dustin



Rachel Medina <rachelmedina@utah.gov>

Re: Bonds

3 messages

Dustin Doucet <dustindoucet@utah.gov>

Mon, Aug 31, 2015 at 2:49 PM

To: Tariq Ahmad <taroil@yahoo.com>, Dan Green <dfgreen1@dslextreme.com>, Rachel Medina <rachelmedina@utah.gov>

Tariq,

I looked at your bond estimates. I do not take salvage into account as there is usually no salvage left when we get the wells. I was o.k. with the amount of the Salt Valley State 25-12 plugging cost of around \$20,000. It wasn't clear whether this included mob costs for the contractors though which generally run \$10-\$20K depending on the project in and of by themselves.

The Canyon State 25-12 was missing a couple of plugs. Probably need one at the Honaker Trail top from 4300' to 4200' and one inside and outside at the Surface casing shoe/Chinle formation from 1700' to 1600'. TOC calc. at 3500'. I see this as adding at least \$15K to the proposed estimate. 1 day time (\$4500), CICR (\$2000), Additional perf and set CICR (\$1500 each), 70 sx of additional cement and pump charge (\$3000) and anchor testing (\$1000) or maybe anchor setting. So this would be closer to \$40K for full bond amount.

I did not have any supporting data yet from the Greentown 31-36, so I haven't reviewed it yet.

Dustin

On Fri, Aug 28, 2015 at 10:08 AM, Tariq Ahmad <taroil@yahoo.com> wrote:

Dustin

We are purchasing the Paradox assets of Fidelity and I would like to know the bonding that you would need on the State Wells. Also I had sent the estimates, did you have a chance to go over those so we can take over the Canyon State Well.

Thanks

Tariq I. Ahmad SPEC PE**PH 775 333 6626****FAX 775 333 0225**

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Dustin K. Doucet
Petroleum Engineer
Division of Oil, Gas and Mining
1594 West North Temple, Ste 1210
Salt Lake City, Utah 84116
801.538.5281 (ofc)
801.359.3940 (fax)

web: www.ogm.utah.gov

Tariq Ahmad <taroil@yahoo.com>

Mon, Aug 31, 2015 at 2:58 PM

Reply-To: Tariq Ahmad <taroil@yahoo.com>

To: Dustin Doucet <dustindoucet@utah.gov>, Dan Green <dfgreen1@dslextreme.com>, Rachel Medina <rachelmedina@utah.gov>

Dustin:

The amounts that I sent for Salt Valley included the Mob and Demob. I am still studying the Greentown Well, we are waiting for rehab costs.

Tariq I. Ahmad SPEC PE

PH 775 333 6626

FAX 775 333 0225

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From: Dustin Doucet <dustindoucet@utah.gov>

To: Tariq Ahmad <taroil@yahoo.com>; Dan Green <dfgreen1@dslextreme.com>; Rachel Medina <rachelmedina@utah.gov>

Sent: Monday, August 31, 2015 1:49 PM

Subject: Re: Bonds

[Quoted text hidden]

Dustin Doucet <dustindoucet@utah.gov>

Mon, Aug 31, 2015 at 3:25 PM

9/1/2015

Mail - Re: Bonds

To: Táriq Ahmad <taroil@yahoo.com>

Cc: Dan Green <dfgreen1@dslextreme.com>, Rachel Medina <rachelmedina@utah.gov>

If you have the plugging cost backup, I'll look at that for the Greentown well now.

Dustin

[Quoted text hidden]